



江蘇寧滬高速公路股份有限公司
Jiangsu Expressway Company Limited



2010
Annual Results

Quality
Our Priority

Agenda



- Business Structure
- Financial Highlights
- Review of Operations
- Outlook



Business Structure



江蘇寧滬高速公路股份有限公司
Jiangsu Expressway Company Limited



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Financial Highlights



Financial Highlights

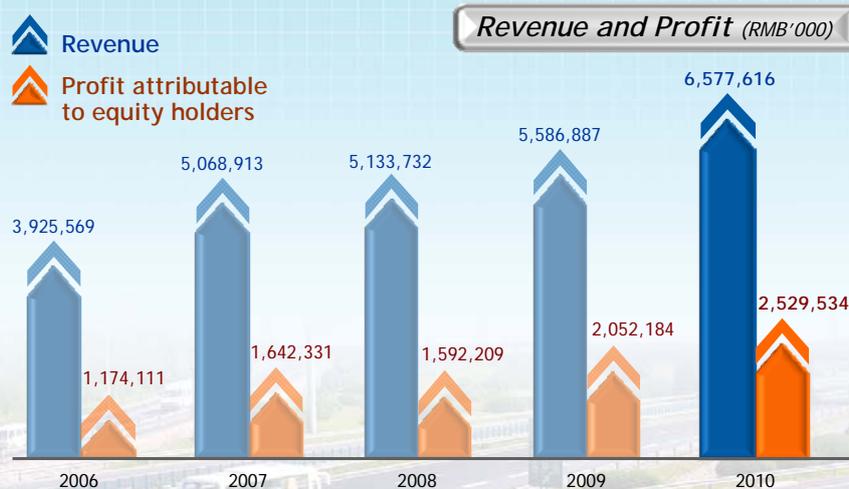


	2010	2009
<i>(RMB'000)</i>	<i>For the year ended 31 December</i>	
Revenue	6,577,616	5,586,887
Cost of sales	(2,977,290)	(2,515,978)
Gross profit	3,600,326	3,070,909
Other income	51,388	23,763
Administrative expenses	(133,012)	(136,498)
Finance costs	(366,610)	(392,379)
Shares of profits of associates	213,787	174,212
Gain on disposal of an associate	127	-
Changes in fair value of held-for-trading investments	11,315	13,105
Profit before tax	3,377,321	2,753,112
Income tax expense	(792,652)	(650,477)
Profit for the period	2,584,669	2,102,635
Attributable to:		
Equity holders of the Company	2,529,534	2,052,184
Minority interests	55,135	50,451
Earnings per share - Basic (RMB per share)	0.50	0.41

* Under HKFRS

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Financial Highlights (Cont'd)



For the year ended 31 December

* Under HKFRS

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Revenue Breakdown



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Financial Status of the Group



	As at 31 Dec 2010	As at 31 Dec 2009	Change
	(RMB'000)	(RMB'000)	(%)
Total assets	23,650,260	24,203,842	-2.29
Total liabilities	6,873,448	8,289,407	-17.08
Equity attributable to equity holders of the Company	16,316,491	15,464,209	+5.51
Gearing ratio	26.50%	32.19%	-5.69 p.pt.

*Under HKFRS

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Financial Highlights (Cont'd)



High and stable dividend policy

- 2010 dividend proposed : RMB0.36 per share
- % of profit available for distribution : 82.06%

Capital expenditure

- RMB118,545,000 (-56.86%)

Net cash flow

- Generated from operating activities : RMB3,394 million
- Generated from investing activities : RMB36.15 million
- Used in financing activities : RMB3,474 million

•Under HKFRS

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Review of Operations



Operating Performance Review



	Operating revenue	Change YOY	Operating cost	Change YOY	Gross margin	Change YOY
	(RMB'000)	(%)	(RMB'000)	(%)	(%)	(%)
Toll road operations	4,999,130	16.08	1,311,087	10.83	73.77	+1.24 p.pt.
<i>Shanghai-Nanjing Expressway</i>	<i>4,166,149</i>	<i>17.28</i>	<i>847,429</i>	<i>10.79</i>	<i>79.66</i>	<i>+1.19 p.pt.</i>
<i>Shanghai-Nanjing Section of G312</i>	<i>125,673</i>	<i>-5.96</i>	<i>255,471</i>	<i>0.97</i>	<i>-103.28</i>	<i>-13.95p.pt.</i>
<i>Nanjing Section of Nanjing Lianyungang Highway</i>	<i>50,592</i>	<i>24.04</i>	<i>22,626</i>	<i>17.00</i>	<i>55.28</i>	<i>+2.69p.pt.</i>
<i>Guangjing Xicheng Expressways</i>	<i>656,716</i>	<i>13.23</i>	<i>185,561</i>	<i>27.34</i>	<i>71.74</i>	<i>-3.14p.pt.</i>
Ancillary services	1,656,851	36.74	1,604,842	37.57	3.14	-0.58p.pt.
Other operations	100,263	-55.04	42,921	-70.21	57.19	+21.79p.pt.
Total	6,756,244	17.68	2,958,850	18.66	56.21	-0.36p.pt.

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The Operating Environment



Macro-economic environment

- Chinese economy continued to grow steadily, GDP increased by 10.3% y-o-y
- Jiangsu recorded an annual GDP increase of 12.6% y-o-y
- Active economic activities drove an increase in goods transportation demand



Traffic demand

- Jiangsu's vehicle ownership for civilian use increased by 23.9% y-o-y
- Passenger and cargo transportation volumes in Jiangsu Province rose 12.7% and 17% respectively



Shanghai World Expo

- Visitor flows boosted road traffic volume
- Stimulated the growth of customer volume at the service areas

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The Operating Environment (Cont'd)



Changes in competition patterns within the transportation sector

- No other new competing road sections were completed and opened to traffic within the Group's operating territory
- After the High-speed Railway came into operation, there have not been significant diversions yet.



Changes in toll road policies

- Jiangsu has made adjustments two times to the "Green Passage" policy

June: Further restricted the conditions for toll-free transportation

Dec: The policy was extended to all toll roads within the entire province



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Operating Performance Review (Cont'd)



Road/Bridge	Average daily traffic volume (vehicle / day)			Average daily toll revenue (RMB'000 / day)		
	2010	2009	Change (%)	2010	2009	Change (%)
Shanghai-Nanjing Expressway	55,913	50,906	9.83	11,414.1	9,732.2	17.28
Shanghai-Nanjing Section of G312	21,094	22,337	-5.56	344.3	366.1	-5.96
Nanjing Section of Nanjing-Lianyungang Highway	5,828	5,230	11.43	138.6	111.7	24.04
Guangjing Expressway	37,500	34,201	9.65	645.6	563.4	14.60
Xicheng Expressway	39,325	36,337	8.22	1,153.6	1,025.7	12.47
Jiangyin Yangtze Bridge	44,009	40,021	9.96	2,148.7	1,915.1	12.20
Sujiahang Expressway	33,776	30,067	12.33	2,459	2,174.9	13.06

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Shanghai-Nanjing Expressway



- Benefiting from an enlarged proportion of trucks and the adjustments on toll standards for trucks in 2009
- Average daily toll revenue: RMB11,414,000 (+17.28%)
- Average daily traffic volume: 55,913 vehicles (+9.83%)
 - Average daily full-trip revenue per vehicle: RMB204.1 (+6.75%)
- Total toll revenue: RMB4,166,149,000 (83.34% of the Group's total toll revenue)



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Shanghai-Nanjing Section of G312



- Average daily traffic volume: 21,094 vehicles (-5.56%)
- Average daily toll revenue: RMB344,300 (-5.96%)
- Traffic volume and toll revenue still declined, but the declines had slowed significantly



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Nanjing Section of Nanjing-Lianyungang Highway



- Ninghuai Expressway implemented adjustments to the toll standards for trucks
 → some vehicles were attracted to Nanjing-Lianyungang Highway which charged less
- Proportion of truck traffic increased significantly
 - ▶ Average daily full-trip revenue per vehicle:
 RMB23.8 (+11.21%)
- Average daily traffic volume :
 5,828 vehicles (+11.43%)
- Average daily toll revenue :
 RMB138,600 (+24.04%)

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Guangjing Xicheng Expressways Jiangyin Yangtze Bridge



Average daily toll revenue

RMB602,400
(+6.92%)

RMB1,196,900
(+16.69%)

RMB2,148,700
(+12.20%)

Average daily traffic volume

37,500 vehicles
(+9.65%)

39,325 vehicles
(+8.22%)

44,009 vehicles
(+9.96%)

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Sujiahang Expressway



- Average daily traffic volume: 33,776 vehicles(+12.33%)
- Average daily toll revenue: RMB2,459,000 (+13.06%)



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Ancillary Services



- Ancillary services revenue: RMB1,656,851,000 (+36.74%)
- Increase in traffic + Price advantage of petroleum products in Jiangsu  Increase in petroleum product sales
- Petroleum prices increased

Sales of petroleum products



RMB1,471,777,000 (+38.39%) 

Catering and retailing



 RMB185,074,000 (+24.9%)

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Other Businesses



Advertising



Property business

Income from other business operations

RMB100,263,000 (-55.04%yoy)

Ninghu Investment (95% stake)

- From advertising business: RMB48,675,000 (+10.36%)
- From property sales: RMB48,377,000

Ninghu properties (100% stake)

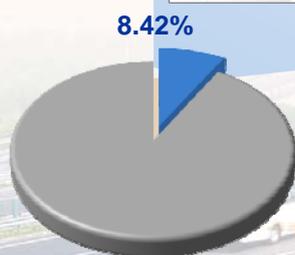
- Huaqiao International Business Services City in Kunshan
 - C4 residential project officially began construction
- Other projects
 - Preliminary development stage

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Investment Income



Company name	Net Profit (RMB'000)	Contribution of investment income (RMB'000)	Proportion to the net profit of the Company (%)
Suzhou Sujiahang Expressway Co., Ltd.	294,238	98,069	3.86
Jiangsu Kuailu Bus Transportation Co., Ltd.	16,041	7,160	0.28
Jiangsu Yantze Bridge Co., Ltd.	408,492	108,904	4.29



- Investment income contributed by associates: RMB213,787,000 (+22.72%), 8.42% of the Group's net profit

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Financing Activities



Entitled to prime rates under the interest rate policy of the People's Bank of China

Actively expanding financing channels

Adjusted liabilities structure

Effectively lowered financing costs

- Short-term borrowings : RMB1,890,000,000
- Long-term borrowings
 - due after one year : RMB3,077,895,000
 - due within one year : RMB1,299,210,000
- Unused credit facility : RMB5,520,000,000
- Financial costs : RMB362,391,000 (-6.36%YOY)
- Consolidated borrowing cost : 4.78%

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Outlook



Outlook: Operating environment in 2011



Pros

- ▣ China's economy continues to grow; vehicle ownership grows rapidly
- ▣ "The Regional Planning for the Yangtze River Delta": A new round of industry structure upgrade; economic performance will be more dynamic
- ▣ External environment for the Group's principal business will remain stable, with limited diversion pressure from newly constructed roads
- ▣ In short term, adverse effects brought by high-speed railways to expressway traffic are minimal

Cons

- ▣ China's monetary policies will become tightened, together with the advent of the interest rate hike cycle, bringing pressure to the cost of funds and profit
- ▣ The Green Passage policy has extended the toll-free coverage and will affect toll revenue
- ▣ Control policies on the property market will affect the development progress of the Company's property projects

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Outlook: Operating Strategies in 2011



Operating strategies

Formulate strategic plans

- ▣ Formulate the overall development objectives and implementation plans for the next five years
- ▣ Define the direction for long-term healthy development

Build management image

- ▣ The "Caring Shanghai-Nanjing Expressway" campaign will be expanded to all service positions; strengthening our service values; innovating our service approaches and enhancing service quality
- ▣ Respond to the rise in customer demands through improving management and updating services; maintain our leadership position in the road service industry

Search for business expansion

- ▣ Research on corporate transformation and upgrade, while ensuring a stable development of the principal business
- ▣ Gradually expand the proportion of earnings from non-core businesses; achieve assets structure upgrade and sustainable development

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Thank You

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Our Priority

