



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

2014 Annual Results Presentation

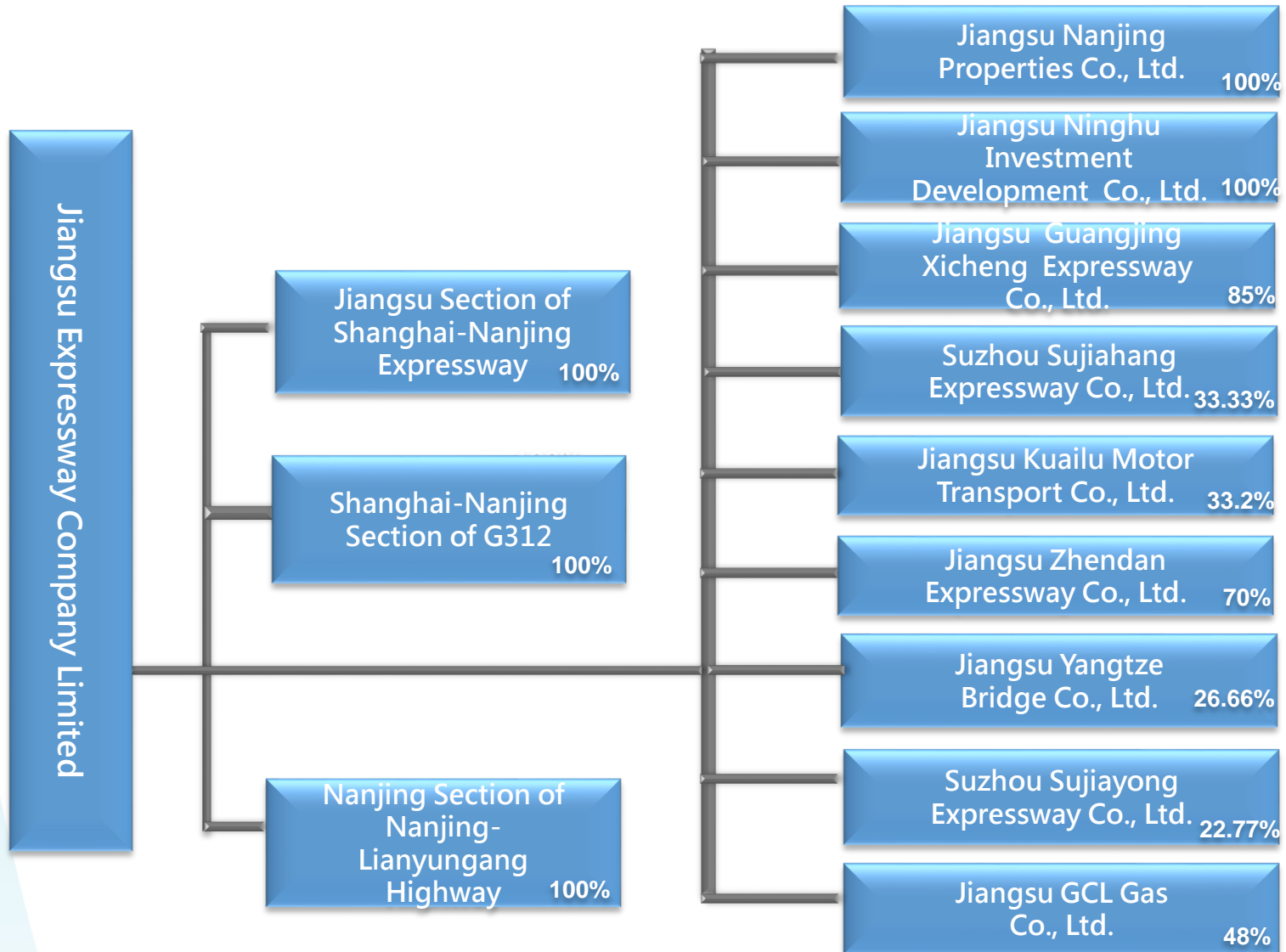
2015.March



Business Structure



Business Structure





Financial Highlights



Financial Highlights

12 months ended in 31 December	2014 (RMB'000)	2013 (RMB'000)	Change (%)
Operating income	7,879,076	7,614,227	3.48
Operating costs	4,020,312	3,694,144	8.83
Net profit attributable to equity holders of the Company	2,574,754	2,707,743	-4.91
Earnings per share (basic)(RMB)	0.511	0.538	-4.91
Final Dividends(RMB)	0.38	0.38	--
	As at the end of the reporting period	As at the end of the previous year	Change (%)
Total Assets	27,444,863	26,833,912	2.28
Total assets gearing ratio	20,348,339	19,596,484	3.84

* Under CASBE

Financial Highlights (cont' d)

Operating Revenue and Profit (RMB' 000)

Item	Operating revenue		Operating costs		Gross profit margin	
	Reporting period (RMB'000)	Change YOY(%)	Reporting period (RMB'000)	Change YOY(%)	Reporting period (%)	Change YOY(p.pt)
Toll road	5,372,221	0.51	1,632,904	5.42	69.60	-1.42
<i>Shanghai-Nanjing Expressway</i>	4,490,913	-0.68	1,107,253	2.02	75.34	-0.66
<i>Shanghai-Nanjing Section of G312</i>	53,002	-0.81	276,894	37.98	-422.43	-146.88
<i>Nanjing Section of Nanjing- Lianyungang Highway</i>	29,941	-18.39	15,548	-13.77	48.07	-2.78
<i>Guangjing Xicheng Expressway</i>	798,366	8.91	233,209	-4.76	70.79	4.19
Ancillary services	2,207,416	2.66	2,173,700	3.51	1.53	- 0.81
Property sales	253,557	237.18	197,100	567.96	22.27	-38.49
Advertising and others	45,883	4.38	16,608	5.11	63.80	-0.26
Total	7,879,076	3.48	4,020,312	8.83	48.97	-2.51

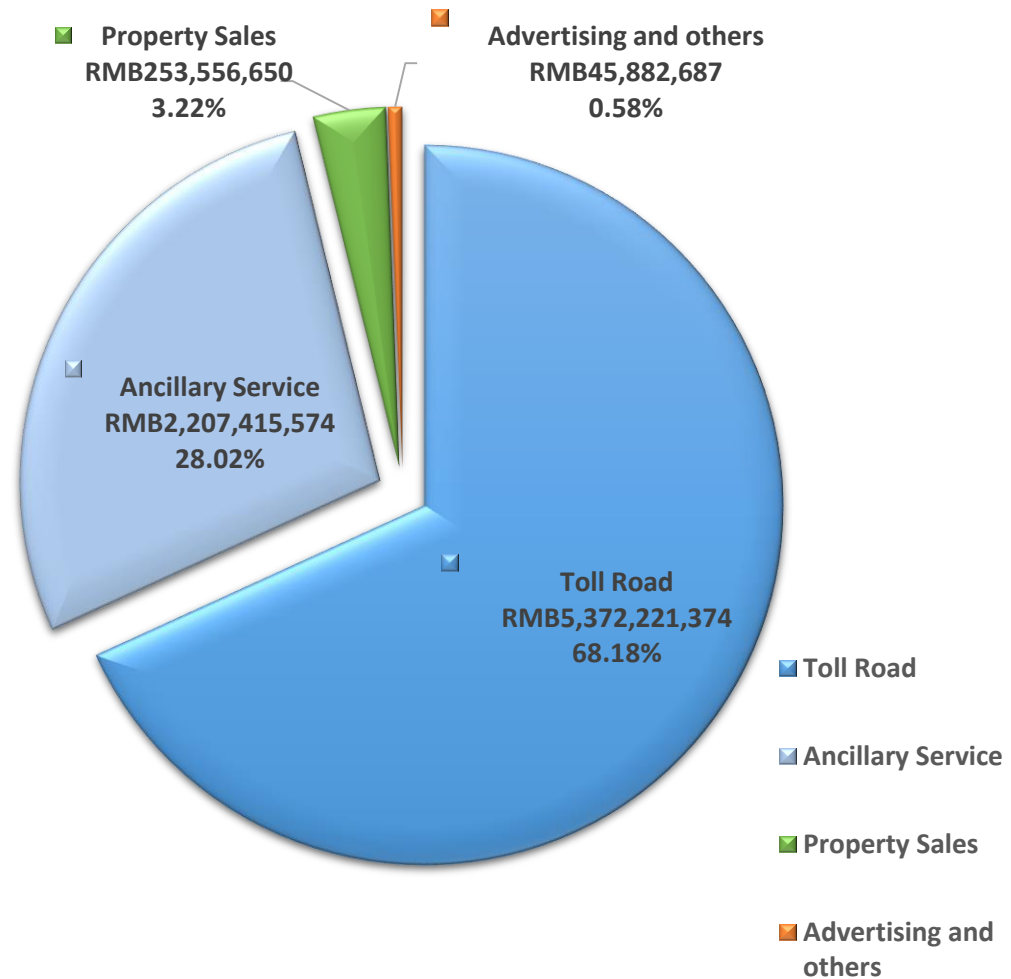
The figures in 2009-2010 are under HKFRS and the figures in 2011 and 2013 are under CASBE.

Revenue Breakdown

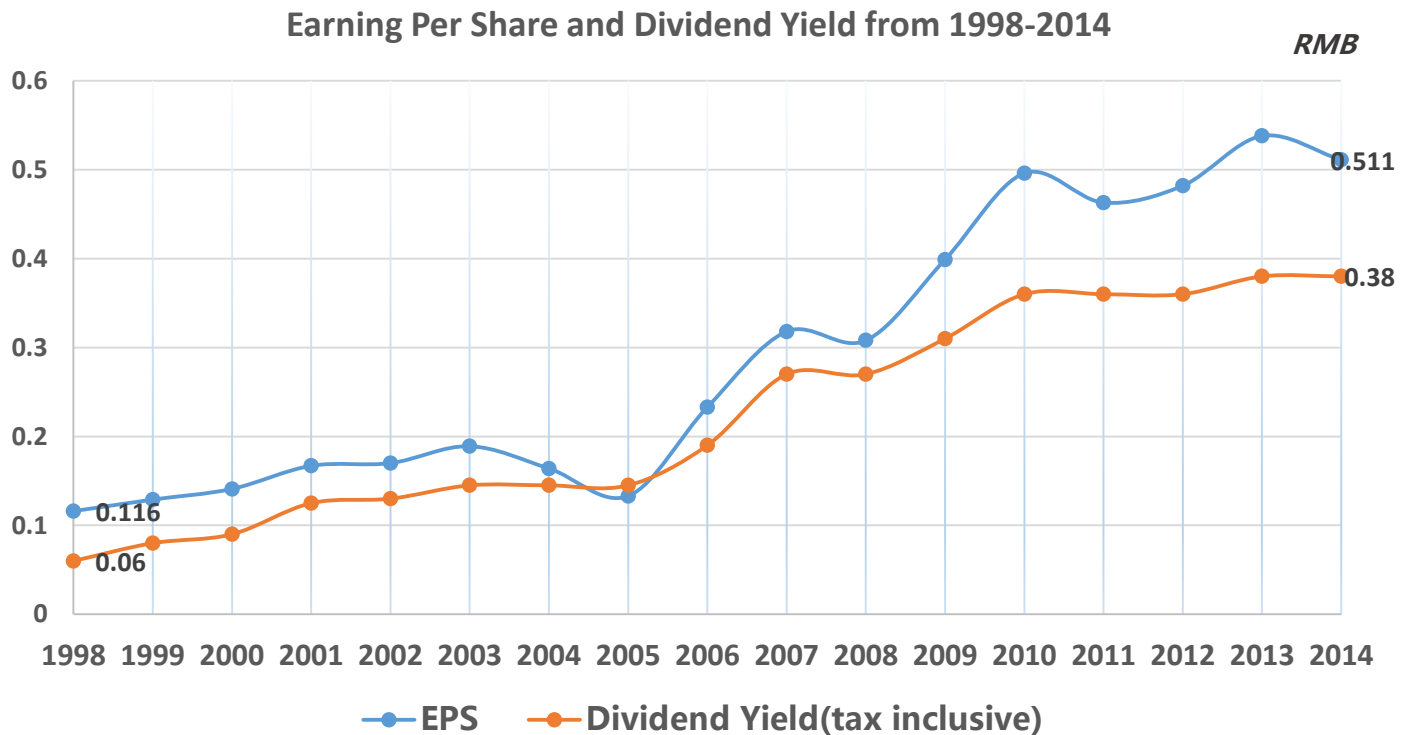


12 months ended 30 Dec 2014

Operating Income



Earning Per Share and Dividend Yield



12 months ended 30 Dec



Operation Review



Impact of the macroeconomic environment

- The overall economic operation was stable. The year-on-year GDP growth of both China and Jiangsu Province increased by 7.4% and 8.7% respectively. The economic development of China is about to shift towards the new normality
- The toll-free green passage for vehicles and toll free travel for small passenger vehicles during major festive periods and holidays are still under implementation

The Opening of Lima Expressway--The traffic volume of Nanjing-Changzhou Expressway is diverted to the direction between Hefei and Shanghai



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Vehicles along the region from Anhui to Sunan were gradually rerouted to Nanjing — Changzhou Expressway after the commencement of operation of Lima (Lishui to Ma' anshan) Expressway



Hefei ↔ Shanghai

Original Path: Hefei-Nanjing Expressway—The 3rd Nanjing Yangtze Bridge—the Ring Road of Nanjing—Shanghai-Nanjing Expressway

Current Path: Hefei-Chaohu-Wuzhou Expressway—Ma'anshan Bridge—Lima Expressway—Nanjing-Changzhou Expressway—Shanghai-Nanjing Expressway

Total miles are shortened by 43 kilometers, major traffic volume is diverted to the current path

Toll Roads and Bridge Business (cont' d)

Road/Bridge	Average daily traffic volume (vehicle / day)			Average daily toll revenue (RMB'000 / day)		
	2014	2013	Change (%)	2014	2013	Change (%)
Shanghai-Nanjing Expressway	74,129	71,460	3.73	12,303.9	12,388.4	-0.68
Shanghai-Nanjing Section of G312	8,648	9,125	-5.23	145.2	146.4	-0.81
Nanjing Section of Nanjing-Lianyungang Highway	4,318	4,910	-12.06	82.0	100.5	-18.39
Guangjing Expressway	55,620	51,214	8.60	772.3	712.6	8.37
Xicheng Expressway	59,986	55,139	8.79	1,415.0	1,295.8	9.20
Jiangyin Yangtze Bridge	66,572	61,392	8.44	2,657.5	2,464.0	7.86
Sujiahang Expressway	52,178	47,669	9.46	3,131.7	2,863.7	9.36

Shanghai-Nanjing Expressway



For 2014, the average daily traffic volumes of Shanghai-Nanjing Expressway recorded a year-on-year growth of 3.73%, among which, the traffic volumes of passenger vehicles witnessed a growth of approximately 6.65% while the truck traffic volume decreased by 3.73%

A weak performance as compared with other expressways of the Group in the toll road network, which was mainly attributable to the fact that since the opening of Lima Expressway (Lishui to Ma'anshan) at the end of 2013, the vehicles in the areas along Anhui to southern Jiangsu were diverted to Nanjing - Changzhou Expressway gradually

The average daily toll revenue of Shanghai-Nanjing Expressway was approximately RMB12,303,870, with a year-on-year decrease of 0.68%



the traffic volumes for average daily toll at Huning Section of G312 and the average daily revenues respectively recorded a year-on-year decrease of 5.23% and 0.81%

On behalf of the government, the company's major shareholder, Jiangsu Communications Holdings Co. Ltd., commits to pay the Company economic compensation regarding to the removal of two stops and two points along the Huning Section of G312 National Expressway

Since 1 April, 2014, control measures concerning the traffic on Nanjing No. 2 Yangtze River Bridge were imposed on trucks from other places, which significantly lowered the traffic volume of Nanjing Section of Nanjing-Lianyungang Highway

The decrease of average daily traffic volume in 2014 reached 12.06%, resulting the decrease of 18.39% in the average daily traffic revenue



Guangjing Xicheng Expressways, Jiangyin Yangtze Bridge and Sujiahang Expressway



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	Average daily traffic volume (vehicle/day) (change%)	Average daily toll revenue (RMB'000/day) (change%)
Guangjing Expressway	55,620 (+8.60%)	772.3 (+8.37%)
Xicheng Expressway	59,986 (+8.79%)	1,415.0 (+9.20%)
Jiangyin Yangtze Bridge	66,572 (+8.44%)	2,657.5 (+7.86%)
Sujiahang Expressway	52,178 (+9.46%)	3,131.7 (+9.36%)

Ancillary Services



- Actively promote business reformation to expand operating performance
- During the reporting period, the Group's revenue from ancillary services amounted to approximately RMB 2.207billion, increased by approximately 2.66% YOY







- The development area realized for the entire year was over 189,000 m². The real estate business of the Group recorded the receipts in advance for sellable projects of approximately RMB 212 million
- The carry-over revenue from sales for the year amounted to approximately RMB253,557,000, representing a year-on-year growth of approximately 237.18%.
- In August 2014, the Company acquired the land use right in respect of the plot at No.2, New City Commercial Core Zone, south of Nanjing by auction

Advertising and Other Businesses



➤ During the Reporting Period, the revenue from advertising and other business amounted to RMB45,880,000, representing an increase of 4.38% YOY

-  The investment income of the Group amounted to approximately RMB352 million, representing a year-on-year increase of approximately 11.70%
-  As a result of YOY increase in toll revenue boosted by increased traffic volumes, joint ventures saw a relatively significant YOY increase in net profit

Company Name	Net Profit (RMB'000)	Investment Income Contribution (RMB'000)	Proportion of Net Profit Attributable to the Company(%)	Change YOY (%)
Suzhou Sujiahang Expressway Co., Ltd.	349,034	116,333	4.39	26.93
Jiangsu Kuailu Motor Transport Co., Ltd.	381,400	101,681	3.84	37.50
Jiangsu Yanjiang Expressway Co., Ltd.	303,545	97,922	3.70	-8.46



- the Company might acquire 100% equity shares of Ning Chang Zhen Li Company in cash of RMB502 million and inherited all of its interest-bearing obligations, conducting debt to equity by using such debts
- The subsidiary Guang Jing Cheng Company acquired 100% equity shares of Xiyi Company in cash of RMB662 million and conducted the merger and acquisition of Xiyi Company

Brief introduction on Ningchang-Zhenli Company

Jiangsu Ningchang Zhenli Expressway Company Limited was established in June 2004 with the registered capital of RMB3,328,850,000, which is a wholly-owned subsidiary of Jiangsu Communications Holding Company Limited. Ningchang Zhenli is mainly in charge of the investment, construction, operation and management of Ningchang Expressway and Zhenli Expressway.

Name of expressway	Start Point	Mileage (km)	No. of lanes	Concession period
Ningchang Expressway	Changzhou South Interchange - Guizhuang Junction	87.26	6 lanes in the entire expressway	September 2007-September 2032
Zhenli Expressway	Dantu Junction – Qianma Junction	65.66	6 lanes in the entire expressway	September 2007-September 2032

Ningchang Expressway and Zhenli Expressway



Ningchang Expressway connects to Lishui-Ma'anshan Expressway to the west and Yanjiang Expressway to the east. Zhenli Expressway starts from the southern terminal of Runyang Yangtze River Road Bridge and interconnects with Huning Expressway with Dantu as the cross point, and connects to Ningchang Expressway and Liyang-Guangde Expressway on the south (expected to commence construction in 2015).

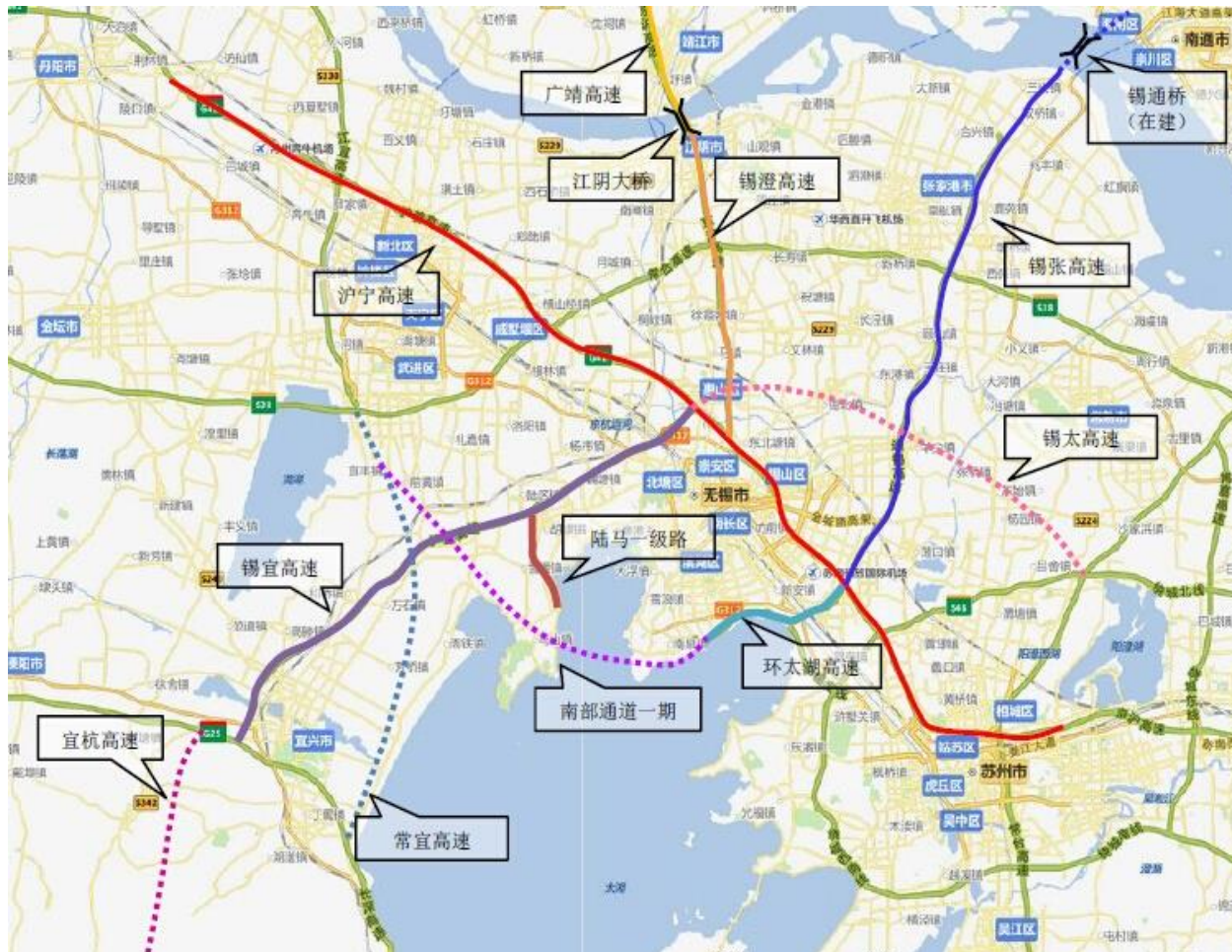
Profile of Xiyi Company

Xiyi Company was established in September 2000 with the current registered capital of RMB824.17 million.

Xiyi Company mainly operates and manages Xiyi Expressway (including Luma First-class Highway) and Wuxi Huantaihu Expressway at present.

Name of road	Start and end points	Mileage(km)	Number of lanes	Operating period for toll collection
Xiyi Expressway	Wuxi North - Yixing West Dock Hub	69.3	4 lanes in the entire expressway	September 2003 to September 2028
Luma First-class Highway	Luqu Interchange - Mashan	10	4 lanes in the entire expressway	January 2005 to September 2028
Huantaihu Expressway	Shuofang Hub – Nanquan Interchange	20	6 lanes in the entire expressway	October 2006 to October 2031

Information on expressways of Xiyi Company



To the east, Xiyi Expressway connects to Wuxi-Taicang Expressway which is under planning and expected to commence construction in 2016; and to the south, it connects to Yixing-Hangzhou Expressway which is under planning and expected to commence construction in 2015.

Integrate the Assets of Expressways And Enhance dominating Position

- Implement the effective integration of the assets of expressways within the region and enhance its dominating position within the expressway network of Sunan

Match the Demand And Lay the Foundation

- Matches the Group' s strategic demand and lays the foundation of expanding profits as well as keeping the sustainable profits growing ability in future

Remedy the Impact of Rerouting And Reducing the Risks

- Effectively remedy the loss of traffic volumes of Shanghai-Nanjing Expressway brought by rerouting with acquiring competing road sections, so as to effectively reducing the rerouting or diversion risks regarding to new expressway in future

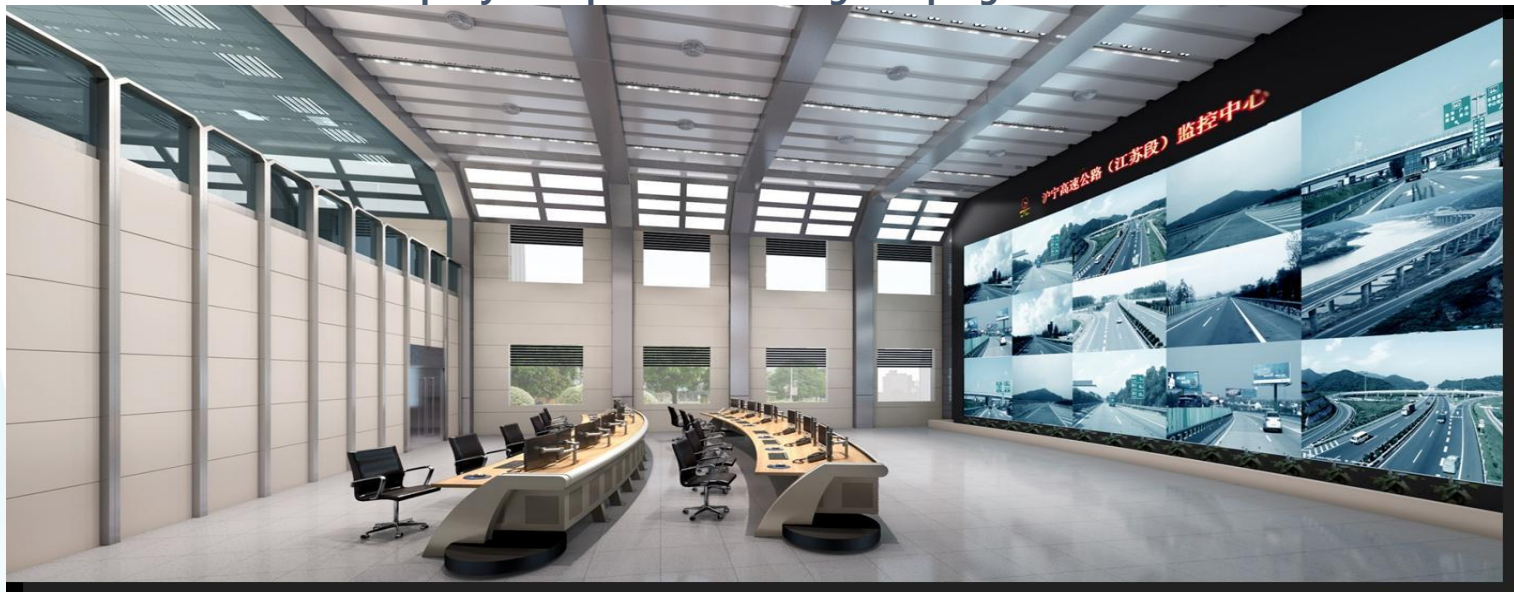
Outlook

Business Structure



Operating Environment

- In 2015, the economic development of China is now shifting towards the new normality, meaning that the economic growth will slow down and the performance of the transportation need, in particular, the need for cargo transportation will be affected.
- The demand for roads and transportation still has some rigidity during the slow-down of economic growth and the competitiveness of expressway transportation compared to that of other transportation means is also being enhanced.
- It is noteworthy that under the environment where the existing tourism is maintaining rapid development and the courier logistics industry, as induced by e-commerce, is growing extremely fast, the traffic volumes of roads will maintain a definite growth.
- Following the shifting of the macroscopic economy and adjustment made to the industry structure, the development of the Group' s business will face more tests and challenges in the future. The Company is required to undergo leaping-forward enhancement.



Seek expansion opportunities of toll roads in an active manner

- Carry out a complete summary and investigation into the implementation of the specific strategic indicators during the “Twelfth Five-Year” period. The Group will accurately grasp the medium to long term trend regarding the shifting of the social economy and the development of the industry and make preparations for active planning for the Group’s “Thirteenth Five-Year” Development Strategy
- Seize the opportunity for new development of integration of industry resources as a result of the reform of State-owned enterprises, continue to concern about and study the investment opportunity regarding the toll roads within the region and other regions of transportation infrastructure and to seek an appropriate chance for further consolidating and developing the scale of the Group’s major business

Push forward diversified and balance business expansion in a stable manner

- Speed up the development of real estate projects and increase the efforts in respect of sales
- Actively give full effect of the two platforms of property business, namely, Ninghu Properties and Luode Fund Management Company
- Explore the operating mode for joint development of commercial properties with a fund company, for facilitating healthy and continuous development of property business

Actively work on financing innovations to meet funding need

- Implement reasonable restructuring for the new debts due to project acquisition, will effectively reduce the capital cost and will give full play to the financial synergic effect
- Actively use the modern financing derivative tools, will optimize the structure of interest-bearing obligation
- Continually enhance profitability to bring stable and sustainable return on investors



Thank you

