



江蘇寧滬高速公路股份有限公司

Jiangsu Expressway Company Limited

# 2015 Interim Results Presentation



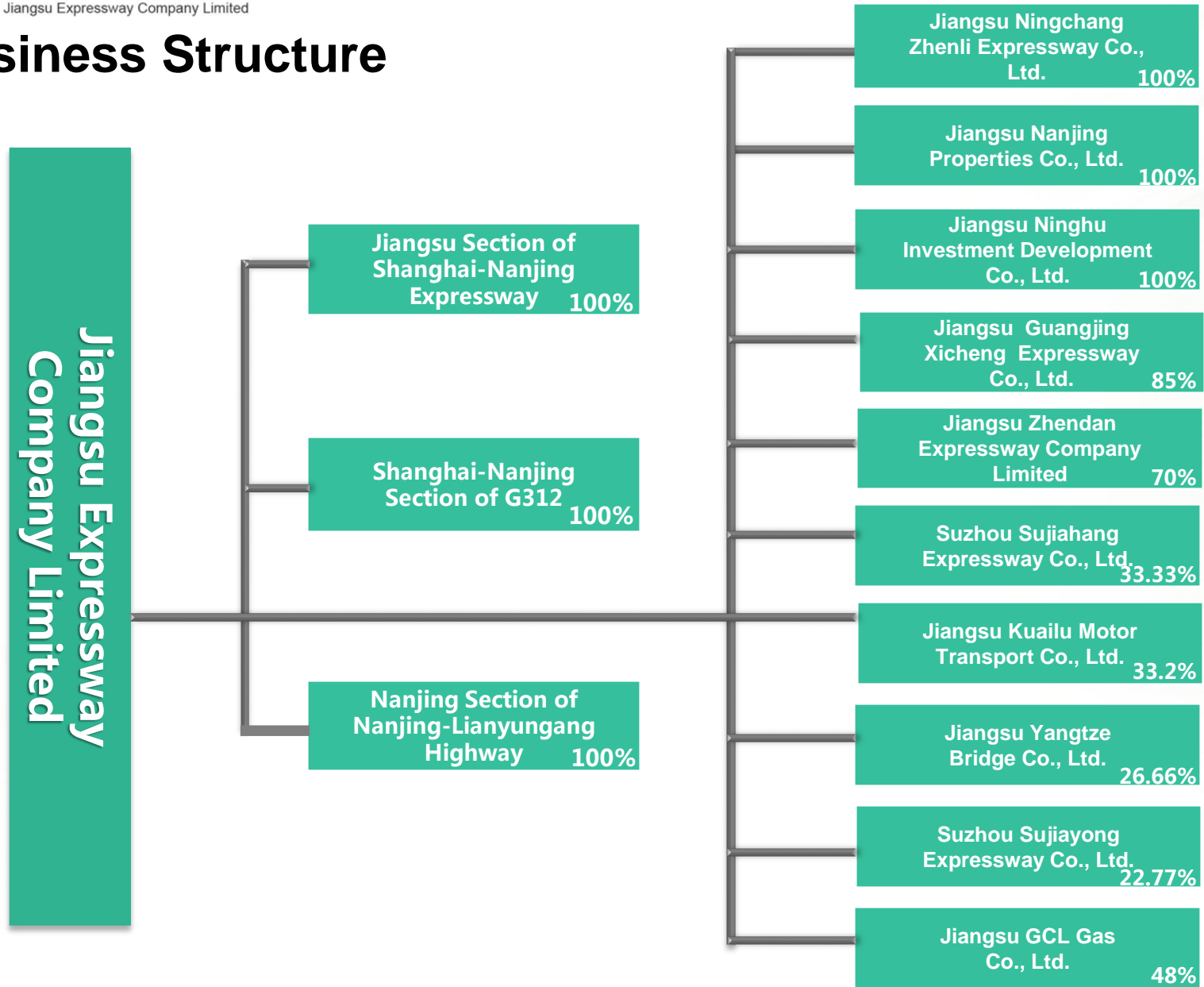


江蘇寧滬高速公路股份有限公司

Jiangsu Expressway Company Limited

# Business Structure

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# Financial Highlights

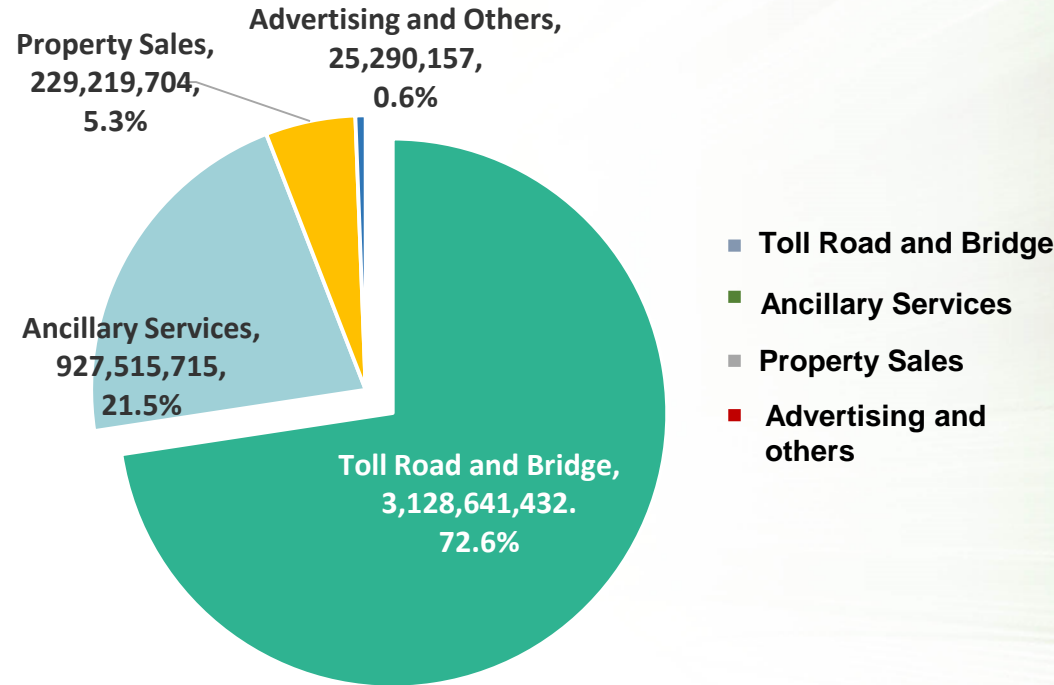
## Financial Highlights

	As at the end of the reporting period	As at the end of the previous year	Change
<b>Total assets</b>	37,655,245,810	37,481,617,108	0.46%
<b>Total liabilities</b>	17,284,688,401	15,782,034,343	9.52%
<b>Net assets attributable to shareholders of the Company</b>	19,739,249,874	21,015,980,062	-6.08%
<b>Total assets gearing ratio</b>	45.9%	42.11%	Increased by 3.79 percentage points
	Jan-June 2015 (RMB)	Jan-June 2014 (RMB)	Change (%)
<b>Operating income</b>	4,310,667,008	4,364,787,034	-1.24
<b>Operating costs</b>	2,054,507,543	2,239,985,465	-8.28
<b>Net profit attributable to Shareholders of the Company</b>	1,726,699,765	1,181,186,740	46.18
<b>Basic earnings per share</b>	0.34	0.23	46.18
<b>Net profit attributable to shareholders of the Company after non-recurring profit or loss</b>	1,463,749,830	1,182,867,199	23.75

\* Under CASBE

Six months ended 30 June, 2015

# Income Distribution



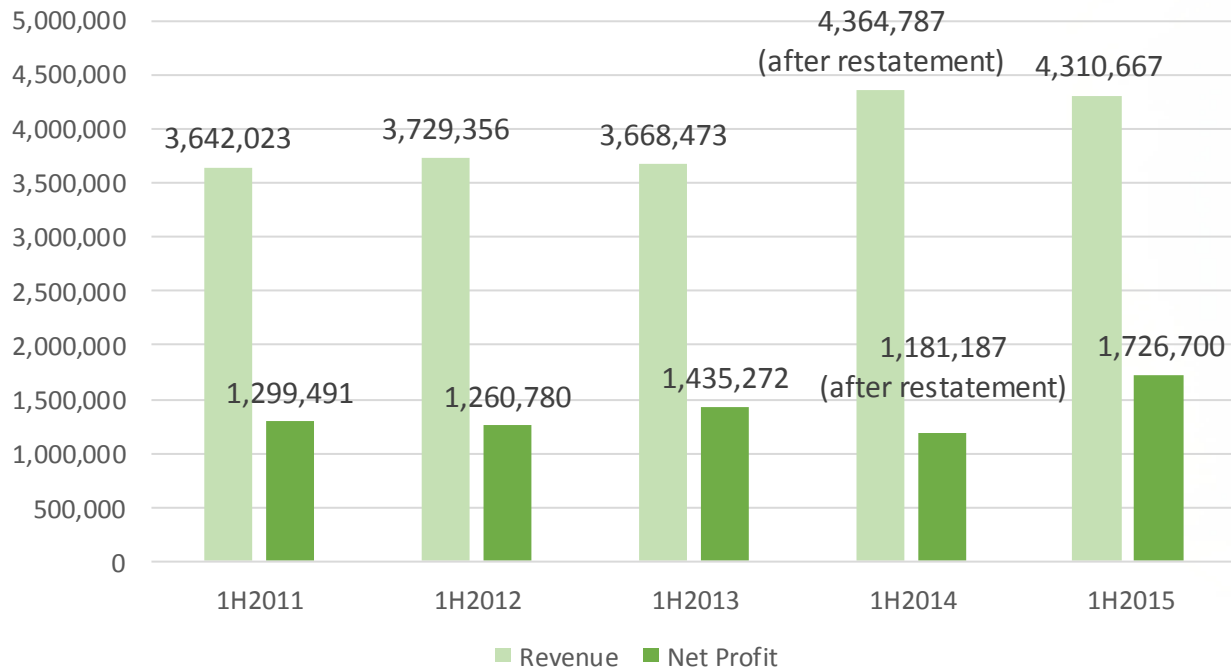
**Income Distribution**

*Six months ended on 30 June, 2015*



# Financial Highlights (cont'd)

Revenue and Net Profit for 1H from 2011 to 2015  
(RMB'000)



*Six months ended on 30 June*

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

# Operation Review



# Operation Review

Item	Operating revenue		Operating costs		Gross profit margin	
	Reporting period (RMB'000)	Change over the previous year (%)	Reporting period (RMB'000)	Change over the previous year (%)	Reporting period (%)	Change over the previous year (%)
<b>Toll road</b>	<b>3,128,641,432</b>	<b>2.03</b>	<b>995,798,048</b>	<b>1.01</b>	<b>68.17</b>	<b>0.32</b>
<i>Shanghai-Nanjing Expressway</i>	2,201,209,034	-0.70	521,545,486	3.25	76.31	-0.90
<i>G312</i>	25,424,867	-3.54	117,425,949	-12.95	-361.85	49.90
<i>Nanjing- Lianyungang Highway</i>	12,984,405	-18.76	7,749,710	-5.59	40.32	-8.32
<i>Guangjing Xicheng Expressway</i>	392,263,734	2.04	87,304,159	4.35	77.74	-0.50
<i>Ningchang Expressway and Zhenli Expressway</i>	365,882,294	25.31	194,792,912	2.12	46.76	12.09
<i>Xiyi Expressway and Wuxi Huantaihu Expressway</i>	130,877,098	-0.01	66,979,832	5.97	48.82	-2.89
<b>Ancillary services</b>	<b>927,515,715</b>	<b>-16.67</b>	<b>916,577,166</b>	<b>-17.31</b>	<b>1.18</b>	<b>0.77</b>
<b>Property sales</b>	<b>229,219,704</b>	<b>40.67</b>	<b>134,401,169</b>	<b>-3.18</b>	<b>41.37</b>	<b>26.55</b>
<b>Advertising and others</b>	<b>25,290,157</b>	<b>12.57</b>	<b>7,731,160</b>	<b>13.08</b>	<b>69.43</b>	<b>-0.14</b>
<b>Total</b>	<b>4,310,667,008</b>	<b>-1.24</b>	<b>2,054,507,543</b>	<b>-8.28</b>	<b>52.34</b>	<b>3.66</b>

# Toll Roads and Bridge Business

Road/Bridge	Average daily traffic volume (vehicle / day)			Average daily toll revenue (RMB'000 / day)		
	Reporting period	Corresponding period of the previous year	Change (%)	Reporting period	Corresponding period of the previous year	Change (%)
Shanghai-Nanjing Expressway	80,081	74,512	7.47%	12,161.38	12,247.01	-0.70
Shanghai-Nanjing Section of G312	7,880	9,046	-12.89%	140.47	145.63	-3.54
Nanjing Section of Nanjing-Lianyungang Highway	4,583	4,582	0.02%	71.74	88.30	-18.76
Guangjing Expressway	61,085	55,662	9.74%	766.45	753.31	1.74
Xicheng Expressway	63,966	59,367	7.75%	1,400.76	1,370.55	2.20
Jiangyin Bridge	72,153	66,263	8.89%	2,672.47	2,577.16	3.70
Sujiahang Expressway	55,093	50,931	8.17%	3,156.09	2,963.47	6.50
Ning Chang Expressway	26,785	18,045	48.43%	1,519.48	1,095.81	38.66
Zhenli Expressway	9,093	8,488	7.13%	501.97	517.34	-2.97
Xiyi Expressway	18,006	17,054	5.58%	652.74	657.33	-0.70
Huantaihu Expressway	6,853	6,441	6.40%	70.34	65.84	6.84

# Shanghai-Nanjing Expressway



In the first half of this year, the average daily traffic volume of Shanghai-Nanjing Expressway increased by approximately 7.47% year-on-year, among which the increase of passenger vehicles was approximately 11.37%, while the decrease of trucks was approximately 6.25%.

Due to the rapid growth in passenger vehicle flow and the continuous decrease in truck flow, the proportion of passenger vehicle flow to truck flow were 77.55% to 22.45%, representing a decrease of 3.14 percentage points year-on-year.

The western section of Shanghai-Nanjing Expressway was still subject to the diversion effect of Ningchang Expressway with a decrease of approximately 12.24% in truck flow, representing a slowdown in decrease as compared to the second half of 2014 (The western section of Shanghai-Nanjing Expressway recorded a decrease of approximately 16.38% in truck flow for the second half 2014.)



The traffic volume of Ningchang Expressway, the main bypass roads of west section of Shanghai-Nanjing Expressway, continued to maintain good growth momentum.



Road/Bridge	Average daily traffic volume(vehicle / day)			Average daily toll revenue(RMB'000 / day)		
	Reporting period	Corresponding period of the previous year	Change (%)	Reporting period	Corresponding period of the previous year	Change (%)
Ningchang Expressway	26,785	18,045	48.43%	1,519.48	1,095.81	38.66
Zhenli Expressway	9,093	8,488	7.13%	501.97	517.34	-2.97
Xiyi Expressway	18,006	17,054	5.58%	652.74	657.33	-0.70
Huantaihu Expressway	6,853	6,441	6.40%	70.34	65.84	6.84

## Guangjing Xicheng Expressways, Jiangyin Yangtze Bridge and Sujiahang Expressway

	Average daily traffic volume (vehicle/day) (change%)	Average daily toll revenue (RMB'000/day) (change%)
<b>Guangjing Expressway</b>	61,085 (+9.74%)	766.45 (+1.74)
<b>Xicheng Expressway</b>	63,966 (+7.75%)	1,400.76 (+2.20)
<b>Jiangyin Bridge</b>	72,153 (+8.89%)	2,672.47 (+3.70)
<b>Sujiahang Expressway</b>	55,093 (+8.17%)	3,156.09 (+6.50)

## G312 and Nanjing-Lianyungang Highway



- Both the traffic volume and the revenue of G312 decreased at different extents because of the diversion impact of the newly opened neighboring urban roads.



- Although the traffic volume of the Nanjing-Lianyungang Highway in the Reporting Period remained basically the same with the corresponding period of last year, the toll revenue decreased by 18.76% year-on-year because of the decrease in truck flow.

## Ancillary Services



During the Reporting Period, the Company's revenue from ancillary services amounted to approximately RMB927,516,000, representing a year-on-year decrease of approximately 16.67%. In particular, the sales of petroleum products amounted to approximately RMB808,541,000, accounting for approximately 87.17% of the total revenue from ancillary services.



The sales volume of oil products remained basically the same with the corresponding period of last year and the average profit margin level of oil products represented a slight year-on-year increase. However, due to the decrease in price of international crude oil, the year-on-year revenue of oil products decreased by approximately 19.19%.



Revenue from other businesses including food and beverage, retail service and hindrance clearing services amounted to approximately RMB118,975,000, representing a year-on-year increase of approximately 5.72%.



# Real Estate Development and Sales Business



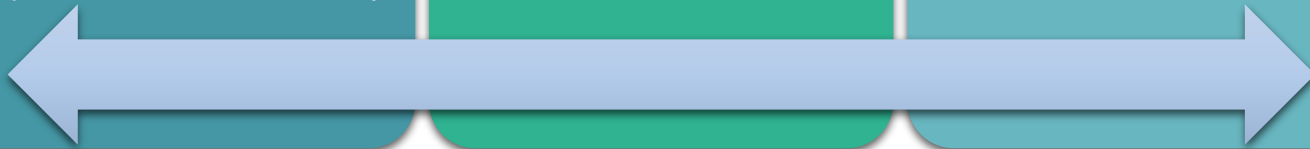
In the first half of this year, the demand for purchasing apartments was unleashed and the housing market was gradually recovered. The Group well grasped such market opportunities. Property business expedited the construction progress with an increased devotion of resources in sales. The development and sales of all projects were launched orderly.



The revenue from the pre-sale of property units amounted to approximately RMB170,995,000; the carry-over revenue from sales of delivered units amounted to approximately RMB229,220,000, representing a year-on-year increase of approximately 40.67%.



During the Reporting Period, the net profits of property business amounted to RMB46,409,000.



## Advertising and Other Businesses



During the Reporting Period, the revenue from advertising and other businesses of the Group amounted to approximately RMB 25,290,000, representing a year-on-year increase of approximately 12.57%.



Among which, revenue from advertising business was approximately RMB22,026,000, representing a year-on-year increase of 10.26%.



Revenue from property service fees and lease of commercial properties was approximately RMB3,264,000, representing a year-on-year increase of approximately 31.12%.

## Investment Income

- During the Reporting Period, the profit of some associates in which the Group had a participating interest increased. As a result, the investment income of the Group amounted to approximately RMB276,782,000, representing a year-on-year increase of approximately 43.87%, which accounted for approximately 15.62% of the Group's net profit.
- The investment income contributions of Sujianghang Expressway, Yangtze Bridge and Yanjiang Company represent an year-on-year increase of more than 10%.

Company Name	Investment Cost (RMB'000)	Net profit Attributable to the Shareholders of the Associates (RMB'000)	Investment Income Contribution (RMB'000)	Percentage over the Company's Net Profit (%)	Year-on-year Change (%)
Suzhou Sujiahang Expressway Co., Ltd.	526,091	217,731	72,57	4.10	17.47
Jiangsu Yangtze Bridge Co., Ltd.	631,159	196,957	52,509	2.96	14.96
Jiangsu Yanjiang Expressway Co., Ltd.	1,466,200	233,609	75,362	4.25	15.47

# Projects Investment

## Progress of Project Investment

• During the Reporting Period, the foreign equity investment of the Group amounted to RMB1,236,953,000.

• The Group had completed the acquisition of equity interests of Ningchang Zhenli and Xiyi Company during the Reporting Period.

• The new toll highway mileage controlled or managed by the Group increased from approximately 252 kilometers to 1,102 kilometers, which expanded the asset size and enables further consolidation of the Group's core competitiveness.



# Projects Investment

## Progress of Project Investment

•The Company and Deshi Fund would jointly make capital contribution and establish Nanjing Hanwei Property Development Company Limited (“Hanwei Company”) to jointly develop Parcel No. 2. The registered capital of Hanwei Company was RMB100 million, which was contributed by the Company (RMB70 million; 70%)

•The construction of the two new projects were implemented smoothly as planned.

•The total completed amount of Changzhou-Jiaxing Expressway represented 61.8% of the rough calculation as at the end of the draft Reporting Period; in the first half of the year, Zhendan Expressway had completed the establishment of the project company and capital invested was fully funded. The preparation for project construction is in progress.










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# Outlook & Plans

# Analysis of Operating Environment



-  In July, the consultation draft of “Regulation on the Administration of Toll Roads” was reissued by the Ministry of Transportation (《收費公路管理條例》), which had positive significance for the long term healthy development of the toll road industry.
-  In the second half of the year, as the diversion impact on Ningchang Expressway is becoming stable, the truck flow of Shanghai-Nanjing Expressway is expected to recover.
-  With the acquisition of equity interest of Ningchang Zhenli Company and Xiyi Company, the economies of scale brought by the new projects to the Group’s major operating business are gradually shown. Therefore, the Company expects the overall future business environment will be positive.



# Highlights of Work in the 2nd Half of This Year

## Plan for the Group's "Thirteenth Five-Year" Development Strategy

Conduct an in-depth analysis of the Group's internal and external environment changes and core competitiveness after the economic development of China shifted to the new normal.

Re-examine the Group's strategic positioning and strategic direction, plan for the formulation of suitable "Thirteenth Five-Year" strategic measures, and thereby guide the Group's new reform and development.

## Steadily facilitate the balanced development of the Group's diversified business

Speed up the development and sales of real estate projects and will continuously enhance the profit contribution of property business.

Continue to focus on the investment opportunities of relevant areas and explore an appropriate multi-industry investment pattern that aligns with the Company's strategy.

## Develop financing innovation and ensure fund needs

Continue to explore financing channels, reduce the reliance on bank loans, and will provide sufficient capital protection for the sake of the Group's strategic development.

Actively use the capital market, optimize the structure of interest bearing obligation, implement reasonable restructuring for the new debts as a result of project acquisition, effectively reduce the cost of financing and give full play to the financial synergic effect.

## Facilitate the design and development of phase II of informatized construction projects

Strengthen the optimization of each hardware and software platforms and comprehensiveness of system.

Make the best effort on the design, development and construction of the phase II integrated management system, optimise the management procedures and will strengthen the Company's internal control and strategic support.



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**Thank you!**