Agenda

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

Jiangsu Section of Shanghai-Nanjing Expressway 100%

Shanghai-Nanjing Section of G312 100%

Nanjing Section of Nanjing-Lianyungang Highway 100%

Jiangsu Ninghu Properties Co., Ltd 100%

Jiangsu Guangjing Xicheng Expressway Co., Ltd 85%

Jiangsu Kuaihu Motor Transport Co., Ltd 33.2%

Jiangsu Yangtze Bridge Co., Ltd 26.66%

Suzhou Sujiahang Expressway Co., Ltd 33.33%

Financial Highlights
## Financial Highlights

For the year ended 31 December

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

| **Earnings per share – Basic (RMB per share)** | 0.50 | 0.41 |

* Under HKFRS

### Financial Highlights (Cont’d)

#### Revenue and Profit (RMB’000)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
<th>Profit attributable to equity holders</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>3,925,569</td>
<td>1,174,111</td>
</tr>
<tr>
<td>2007</td>
<td>5,068,913</td>
<td>1,642,331</td>
</tr>
<tr>
<td>2008</td>
<td>5,133,732</td>
<td>1,592,209</td>
</tr>
<tr>
<td>2009</td>
<td>5,586,887</td>
<td>2,052,184</td>
</tr>
<tr>
<td>2010</td>
<td>6,577,616</td>
<td>2,529,534</td>
</tr>
</tbody>
</table>

* Under HKFRS

For the year ended 31 December
Revenue Breakdown

Shanghai-Nanjing Expressway
- 61.66%
- Ancillary Services
- 9.72%
- Other Operations
- 24.52%
- Nanjing Section of Nanjing-Lianyungang Highway
- 1.48%
- Guangjing-Xicheng Expressway
- 0.75%
- Nanjing Section of G312

For the year ended 31 December

Financial Status of the Group

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

*Under HKFRS
**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

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**Review of Operations**
## Operating Performance Review

<table>
<thead>
<tr>
<th></th>
<th>Operating Revenue (RMB'000)</th>
<th>Change YOY (%)</th>
<th>Operating Cost (RMB'000)</th>
<th>Change YOY (%)</th>
<th>Gross Margin (%)</th>
<th>Change YOY (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Toll road operations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shanghai-Nanjing Expressway</td>
<td>4,999,130</td>
<td>16.08</td>
<td>1,311,087</td>
<td>10.83</td>
<td>73.77</td>
<td>+1.24 p.pt.</td>
</tr>
<tr>
<td>Shanghai-Nanjing Section of G312</td>
<td>4,166,149</td>
<td>17.28</td>
<td>847,429</td>
<td>10.79</td>
<td>79.66</td>
<td>+1.19 p.pt.</td>
</tr>
<tr>
<td>Nanjing Section of Nanjing Lianyungang Highway</td>
<td>125,673</td>
<td>-5.96</td>
<td>255,471</td>
<td>0.97</td>
<td>-102.28</td>
<td>-13.95 p.pt.</td>
</tr>
<tr>
<td>Guangjing Xicheng Expressways</td>
<td>50,592</td>
<td>24.04</td>
<td>22,626</td>
<td>17.00</td>
<td>55.28</td>
<td>+2.69 p.pt.</td>
</tr>
<tr>
<td></td>
<td>656,716</td>
<td>13.23</td>
<td>185,561</td>
<td>27.34</td>
<td>71.74</td>
<td>-3.14 p.pt.</td>
</tr>
<tr>
<td><strong>Ancillary services</strong></td>
<td>1,656,851</td>
<td>36.74</td>
<td>1,604,842</td>
<td>37.57</td>
<td>3.14</td>
<td>-0.58 p.pt.</td>
</tr>
<tr>
<td><strong>Other operations</strong></td>
<td>100,263</td>
<td>-55.04</td>
<td>42,921</td>
<td>-70.21</td>
<td>57.19</td>
<td>+21.79 p.pt.</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>6,756,244</td>
<td>17.68</td>
<td>2,958,850</td>
<td>18.66</td>
<td>56.21</td>
<td>-0.36 p.pt.</td>
</tr>
</tbody>
</table>

## 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
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

Operating Performance Review (Cont’d)

<table>
<thead>
<tr>
<th>Road/Bridge</th>
<th>Average daily traffic volume (vehicle / day)</th>
<th>Average daily toll revenue (RMB’000 / day)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
<td>2009</td>
</tr>
<tr>
<td>Shanghai-Nanjing Expressway</td>
<td>55,913</td>
<td>50,906</td>
</tr>
<tr>
<td>Shanghai-Nanjing Section of G312</td>
<td>21,094</td>
<td>22,337</td>
</tr>
<tr>
<td>Nanjing Section of Nanjing-Lianyungang Highway</td>
<td>5,828</td>
<td>5,230</td>
</tr>
<tr>
<td>Guangjing Expressway</td>
<td>37,500</td>
<td>34,201</td>
</tr>
<tr>
<td>Xicheng Expressway</td>
<td>39,325</td>
<td>36,337</td>
</tr>
<tr>
<td>Jiangyin Yangtze Bridge</td>
<td>44,009</td>
<td>40,021</td>
</tr>
<tr>
<td>Suqihang Expressway</td>
<td>33,776</td>
<td>30,067</td>
</tr>
</tbody>
</table>
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)

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
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%)

Guangjing Xicheng Expressways
Jiangyin Yangtze Bridge

<table>
<thead>
<tr>
<th></th>
<th>Average daily toll revenue</th>
<th>Average daily traffic volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guangjing Expressway</td>
<td>RMB602,400 (+6.92%)</td>
<td>37,500 vehicles (+9.65%)</td>
</tr>
<tr>
<td>Xicheng Expressway</td>
<td>RMB1,196,900 (+16.69%)</td>
<td>39,325 vehicles (+8.22%)</td>
</tr>
<tr>
<td>Jiangyin Yangtze Bridge</td>
<td>RMB2,148,700 (+12.20%)</td>
<td>44,009 vehicles (+9.96%)</td>
</tr>
</tbody>
</table>
Sujiahang Expressway

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

Ancillary Services

- Ancillary services revenue: RMB1,656,851,000 (+36.74%)
- Increase in traffic + Price advantage of petroleum products in Jiangsu
- Petroleum prices increased
  - Sales of petroleum products: RMB1,471,777,000 (+38.39%)
  - Catering and retailing: RMB185,074,000 (+24.9%)
### Other Businesses

**Advertising**
- Income from other business operations: RMB100,263,000 (-55.04% yoy)

**Property business**
- 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

### 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
Financing Activities

- 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%

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

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

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
Thank You