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深圳高速公路股份有限公司

**SHENZHEN EXPRESSWAY COMPANY LIMITED**

*(a joint stock limited company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 00548)**

### **FIRST QUARTERLY REPORT OF 2009**

This announcement is made pursuant to the disclosure obligation under Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. This announcement is originally prepared in Chinese. In case of any inconsistency between the Chinese version and the English version, the Chinese version shall prevail.

This quarterly report is prepared in accordance with relevant regulations of the China Securities Regulatory Commission (“CSRC”) on Disclosure of Information in Quarterly Reports for Listed Companies. The financial information set out in this report has been prepared in accordance with China Accounting Standards for Business Enterprises (“CAS”) and has not been audited. Shareholders of the Company and public investors should exercise caution when trading in the shares of the Company.

#### **1. IMPORTANT NOTICE**

- 1.1 The board of directors, the supervisory committee and the directors, the supervisors, the senior management of Shenzhen Expressway Company Limited (“Company”) warrant that the information in this report does not contain any false information, misleading representations or material omissions, and accept joint and several responsibilities for the truthfulness, accuracy and completeness of the content thereof.
- 1.2 Ms. Zhang Yang, director, was unable to attend this board meeting in person due to work engagement, and had appointed Mr. Yang Hai, director, to attend and vote on her behalf.
- 1.3 The financial statements for the three months ended 31 March 2009 (“Reporting Period” or “Period”) contained in the first quarterly report of 2009 of the Company has not been audited.
- 1.4 Mr. Yang Hai, Chairman, Mr. Wu Ya De, President, Ms. Gong Tao Tao, Financial Controller and Mr. Sun Bin, General Manager of Finance Department, warrant the truthfulness and completeness of the financial statements contained in this quarterly report.

## 2. CORPORATE INFORMATION

### 2.1 Principal accounting data and financial indicators (prepared in accordance with CAS)

<i>(Unit: RMB)</i>	As at the end of the Period	As at the end of the previous year	Increase/decrease at the end of the Period as compared to the end of the previous year
Total assets	18,479,025,746.43	18,205,663,955.55	1.50%
Equity attributable to equity holders of the Company	7,126,151,312.06	7,004,892,599.77	1.73%
Net assets per share attributable to equity holders of the Company	3.27	3.21	1.73%

<i>(Unit: RMB)</i>	Beginning of the year to the end of the Period	Increase/decrease as compared to the corresponding period of the previous year
Net cash flows from operating activities	160,753,514.68	-13.13%
Net cash flows from operating activities per share	0.07	-13.13%

<i>(Unit: RMB)</i>	The Period	Beginning of the year to the end of the Period	Change of the Period as compared to the corresponding period of the previous year
Profit before interests and tax	200,972,374.27	200,972,374.27	-1.59%
Net profit attributable to equity holders of the Company	121,258,712.29	121,258,712.29	-8.97%
Earnings per share - basic	0.06	0.06	-8.97%
Earnings per share - diluted	0.06	0.06	-8.97%
Earnings per share excluding non-recurring items - basic	0.05	0.05	-8.58%
Return on equity - fully diluted	1.70%	1.70%	Decreased 0.21 percentage point
Return on equity excluding non-recurring items - fully diluted	1.64%	1.64%	Decreased 0.19 percentage point

<b>Non-recurring item</b>	<b>Beginning of the year to the end of the Period</b> <i>(Unit: RMB)</i>	<b>Explanation</b>
Profit from entrusted operation management services	3,554,250.00	Profit from entrusted management of the equity interests of Shenzhen Baotong Highway Construction and Development Company Limited and its equity interests in Shenzhen Longda Expressway Company Limited during the Reporting Period
Subsidy income	1,858,349.91	Grants received from the government for the construction of highways including Yanba Expressway and Yanpai Expressway were recognised based on the units-of-usage method during the Reporting Period, which is reflected in the accounting treatment as offsetting the amortisation of intangible assets under concession
Profit/loss arising from changes in fair value	(774,340.81)	Loss on changes in fair values incurred in the interest rate swap transaction for a loan arranged in August 2007 and the forward transaction of foreign exchange arranged in June 2008 following changes in interest rates and exchange rates.
Other net non-operating income	(49,652.77)	Other non-operating income and expenses, net
Income tax effect on non-recurring items	(546,051.28)	Impact of non-recurring (profit/loss) items on income tax for the Period
<b>Total</b>	<b>4,042,555.05</b>	

### 2.1.1 Principal operating statistics

	Percentage of interests held by the Group	Average daily mixed traffic volume <i>(number of vehicles in thousands)</i>		Average daily toll revenue <i>(RMB'000)</i>	
		2009 Q1	Change as compared to 2008 Q1	2009 Q1	Change as compared to 2008 Q1
<b>Toll highway</b>					
<b>Projects consolidated into the Group's financial statements:</b>					
Meiguan Expressway	100%	88	-0.1%	728	-3.6%
Jihe West	100%	64	0.4%	868	-5.4%
Yanba Expressway (Note 2)	100%	13	24.6%	168	10.2%
Yanpai Expressway	100%	27	-5.1%	309	-13.6%
Nanguang Expressway (Note 3)	100%	22	174.1%	210	114.4%
Qinglian Project (Note 4)	76.37%	28	83.4%	457	196.4%

Toll highway	Percentage of interests held by the Group	Average daily mixed traffic volume (number of vehicles in thousands)		Average daily toll revenue (RMB'000)	
		2009 Q1	Change as compared to 2008 Q1	2009 Q1	Change as compared to 2008 Q1
<b>Projects not consolidated into the Group's financial statements:</b>					
Jihe East	55%	86	-3.6%	1,159	-2.9%
Shuiguan Expressway	40%	97	-1.4%	884	-4.3%
Shuiguan Extension	40%	26	0.2%	164	-0.7%
Yangmao Expressway	25%	23	7.4%	1,049	-1.1%
Guangwu Project	30%	12	11.9%	310	5.5%
Jiangzhong Project	25%	47	2.2%	695	3.3%
GZ W2 Expressway	25%	11	22.4%	366	35.0%
Wuhuang Expressway	55%	32	15.5%	1,047	8.2%
Changsha Ring Road	51%	7.8	48.5%	65	28.8%
Nanjing Third Bridge	25%	21	11.6%	673	3.6%

Notes:

- (1) The negative impact on operational performance of highways from the factors such as slowdowns in macro-economy growth still existed. During the first quarter of 2009, the average daily traffic volume and toll revenue of most of the highways of the Group in Shenzhen region recorded decreases as compared to the same period of 2008, among which those of carrier vehicle decreased more obviously. But the year-on-year declining rate of March 2009 narrowed as compared to those of the previous two months.
- (2) In the first half of 2008, the construction works of Shenyan Pathway 2 affected the revenue of Yanba Expressway to a certain extent. Shenyan Pathway 2 opened to traffic on 4 July 2008. It improved the road networks nearby and had the traffic volume and toll revenue of Yanba Expressway remained an obvious year-on-year growing rate for several months.
- (3) The main route of Nanguang Expressway opened to traffic on 26 January 2008, and the statistics of Nanguang Expressway for the same period of last year was on the low side.
- (4) Qinglian Project includes Qinglian Class 1 Highway and Qinglian Class 2 Road. Qinglian Class 1 Highway is in full operation this year, while it was under construction during the same period of 2008, and the statistics was not comparable.
- (5) Pursuant to the requirements of relevant government authorities, the highways such as Jihe Expressway, Yangmao Expressway, Wuhuang Expressway and Nanjing Third Bridge continued to adopt "Green Passage Toll Free Policy" for carrier vehicles legally carrying fresh agricultural products in succession.

## 2.1.2 Major differences between financial statements prepared under different accounting standards

(Unit: RMB'000)

	Under CAS	Under HKFRS
Net profit attributable to equity holders of the Company	121,259	121,259
Net assets attributable to equity holders of the Company	7,126,151	7,168,616

### Explanation to the differences:

In accordance with IFRIC 12 and HKFRS 11 “Construction Contracts”, the Group recognised revenues and costs for construction services or reconstruction services provided under service concession arrangements by adopting the percentage-of-completion method. The revenues incurred in construction services provided by the Group were recognised based on the fair values of considerations received or receivable and financial assets or intangible assets were recognised at the same time. Meanwhile, in accordance with the relevant requirements of the Interpretation No.2 issued by the Ministry of Finance, as the Group did not provide actual construction service but contracted out the construction of infrastructure to other parties, revenue from construction service was not recognised. Instead, financial assets or intangible assets were recognised respectively after considering the stipulations in the contract with reference to the project consideration paid in the course of construction, thereby leading to the difference in equities as at the end of the Period.

## 2.2 Total number of shareholders and top ten holders of non-restricted circulating shares at the end of the Period

As at the end of the Period, total number of shareholders and the top ten holders of non-restricted circulating shares of the Company based on the shareholders’ register provided by the share registrar and the transfer offices of the Company in Hong Kong and the PRC were as follows:

Total number of shareholders at the end of the Period was 46,714, of which 46,414 were holders of domestic shares and 300 were holders of H shares.

Unit: share

Top ten holders of non-restricted circulating shares		
Name of shareholder	Number of non-restricted circulating shares held	Type of shares
HKSCC Nominees Limited (Note)	686,115,098	H Share
Xin Tong Chan Development (Shenzhen) Company Limited	654,780,000	A Share
Shenzhen Shen Guang Hui Highway Development Company	411,459,887	A Share
Huajian Transportation and Economic Development Centre	87,211,323	A Share
Guangdong Roads and Bridges Construction Development Company Limited	61,948,790	A Share
Kingboard Investments limited	30,982,000	H Share
BOC - China AMC Sector Selected Securities Investment Fund (LOF)	12,133,698	A Share
Au Siu Kwok	11,000,000	H Share
Kingboard Chemical Holdings limited	6,936,000	H Share
CCB - Penghua Value Advantage Securities Investment Fund	6,001,272	A Share

Note: The H shares held by HKSCC Nominees Limited were held on behalf of various clients.

### 3. SIGNIFICANT MATTERS

#### 3.1 Significant changes of key financial statements items and financial indicators of the Company and the reasons for the changes:

Applicable                       Not applicable

##### (1) General explanations

During the Reporting Period, the Group recorded a revenue of RMB262,011,000, representing an increase of 12.88% as compared to the same period of 2008 (“YOY”). Of this amount, toll revenue amounted to RMB246,542,000, representing an increase of 12.54% YOY. During the Reporting Period, the Group recorded a net profit attributable to equity holders of the Company (“Net Profit”) amounting to RMB121,259,000 (the same period of 2008: RMB133,205,000), representing a decrease of 8.97% YOY.

The road surface works for the reconstruction of Qinglian Class 1 Highway into an expressway with a length of approximately 190km had been completed and Qinglian Project resumed operation at the end of 2008. During the Reporting Period, toll revenue of Qinglian Project increased by RMB27,093,000 YOY. The main route of Nanguang Expressway opened to traffic on 26 January 2008. Following a gradual enhancement of road networks and sales and marketing work by the Company, toll revenue of Nanguang Expressway increased by RMB12,456,000 YOY. Nevertheless, impacted by factors including the slowdown in economic growth, toll revenues of the remaining toll highways saw decreases of 6.08% YOY in general.

As the borrowing interests available for capitalisation of Nanguang Expressway and Yanba C decreased YOY during the Reporting Period, the finance costs of the Group increased by 21.95% YOY. In addition, impacted by factors including the relatively low gross margins at a preliminary stage of operation of projects and a slowdown in growth rates of or decrease in the toll revenues of existing projects, the overall operating margin of the Group’s toll highways saw a decrease. The above-mentioned factors led to a decrease in the operating results of the Group for the first quarter of 2009.

During the Reporting Period, the Group’s capital expenditure amounted to approximately RMB428 million. As at the end of the Reporting Period, the Group’s outstanding borrowings (including loans, bonds payable and bills payable) amounted to RMB8.365 billion, with an assets-to-liabilities ratio at 57.62%. The consolidated borrowing costs of the Group were 5.7% during the reporting period, remain the same as that in 2008.

## (2) Changes of key items in the financial statements, and explanations thereof

Unit: RMB'000

	As at 31 Mar 2009	As at 31 Dec 2008	Increase/ decrease	Primary reasons for the change
Trading financial assets	4,308	6,292	-31.53%	Mainly attributable to loss from the interest rate swap transaction for a loan arranged in August 2007 and the forward transaction of foreign exchange arranged in June 2008 on changes in fair values following changes in interest rates and exchange rates, and this led to a corresponding decrease in trading financial assets
Interests receivable	3,610	2,407	50.00%	Increase in interest income of fixed deposits
Deferred income tax assets	3,634	-	-	After the offsetting of deferred income tax assets and deferred income tax liabilities, an increase in deferred income tax assets was reflected
Notes payable	109,096	13,992	679.72%	Increase in construction payments by utilising commercial papers for Nanguang Expressway and Yanba C

	2009 Q1	2008 Q1 (Restated)*	Increase/ decrease	Primary reasons for the change
Cost of services	115,471	85,462	35.11%	Corresponding increases in operating costs of Nanguang Expressway and Qinglian Project following increases in toll revenues
Gain/loss from changes in fair value	(774)	455	-	A loss and a gain were reflected respectively from the interest rate swap transaction for a loan arranged in August 2007 and the forward transaction of foreign exchange arranged in June 2008 on changes in fair values in the Period and the same period of the previous year, respectively, following changes in interest rates and exchange rates
Non-operating income	27	3	885.35%	Increase in gain of disposal of assets
Non-operating expenses	77	34	123.84%	Increase in loss of retirement of assets
Profit/loss attributable to minority interest	664	(1,363)	-	Profit/loss attributable to minority interests changed accordingly as profit and loss respectively recorded in the Period and the same period of the previous year for Qinglian Company

\* The Group had adopted 《企業會計準則解釋第 2 號》(the Interpretation No.2 to Accounting Standards for Business Enterprises, "Interpretation No.2") since the third quarter of 2008. The Group made corresponding changes to accounting policies pursuant to Interpretation No.2 and made retrospective adjustments. As a result, net profit of the Company decreased by RMB20,195,000 during the corresponding period of last year. Details relating to changes in accounting policies from adoption of Interpretation No.2 are available in the relevant contents of annual report 2008 of the Company.

	2009 Q1	2008 Q1	Increase/ decrease	Primary reasons for the change
Net cash flows from investing activities	(205,886)	(772,404)	-73.34%	The decrease in construction costs payment during the Period YOY as Nanguang Expressway, Yanba C and Qinglian Project completed successively in 2008, resulting in corresponding decrease in cash outflows from investing activities YOY.
Net cash flows from financing activities	124,168	574,217	-78.38%	The decrease in long-term borrowings YOY during the Period as the completion of the projects

### 3.2 Progress of major matters and the analysis on the relevant impacts and solutions

Applicable  Not applicable

### 3.3 The fulfillment of the undertakings made by the Company, the shareholders and the de-facto controller

Applicable  Not applicable

- (1) The shareholders of the Company, Xin Tong Chan Development (Shenzhen) Company Limited (“XTC Company”) and Shenzhen Shen Guang Hui Highway Development Company (“SGH Company”), each of which has more than 5% shareholding in the Company, have undertaken in the promoters’ agreement that they will not engage in any industry or business in any form in Shenzhen, which, directly or indirectly, competes with the Company. As at the end of the Period, the Company did not notice violation of such undertaking by XTC Company or SGH Company.
- (2) Special undertakings and the fulfillment thereof made by shareholders during the process of the Share Segregation Reform:

Name of shareholder	Special undertakings	Fulfillment
Xin Tong Chan Development (Shenzhen) Company Limited	1. Within 36 months from the date of granting listing status to the non-circulating shares of the Company held by them, they shall not trade such shares on the stock exchange as listed shares;	The Company is not aware of any violation by these shareholders on the relevant undertakings during the Period.
Shenzhen Shen Guang Hui Highway Development Company	2. During three consecutive years immediately following the completion of implementation of the Share Segregation Reform of the Company, they shall propose resolutions at the annual general meetings that the Company shall distribute at least 50% of the profit available for distribution in the corresponding periods as cash dividends to the shareholders and to vote for such resolutions at the annual general meetings;	
Huajian Transportation and Economic Development Centre	3. They shall pay all relevant expenses arising from the Share Segregation Reform in proportion to their shareholdings.	
Guangdong Roads and Bridges Construction Development Company Limited		

Notes:

- (1) Special undertakings refer to the undertakings other than statutory undertakings made during the Share Segregation Reform.
- (2) On 2 March 2009, the 1,215,400,000 restricted circulating A shares held by the afore-said shareholders was released from selling restriction. Details related are available in the announcement of the Company dated 24 February 2009.

- (3) Shenzhen International Holdings Limited (“Shenzhen International”) and Yiwang Industry Development (Shenzhen) Co., Ltd. (“Yiwang Company”) proposed to acquire 100% equity interest in SGH Company and made undertakings in 《詳式權益變動報告書》 (“Detailed Report on the Change of Equity Interests”) published on 18 October 2007 in the securities market of PRC. The undertakings includes procuring SGH Company to continue to comply with the relevant undertakings made under the Share Segregation Reform of the Company, avoiding competition and standardizing connected transactions, etc. Details related are available in 《詳式權益變動報告書》 (“Detailed Report on the Change of Equity Interests”) published by Shenzhen International and Yiwang Company on 18 October 2007 or related contents of the annual report 2007 of the Company. As at the end of the Reporting Period, the Company did not notice violation of such undertaking by Shenzhen International and Yiwang Company.

**3.4 Profit warning, with reasons therefor, that the cumulative net profit from the beginning of the year to the end of the next Period may be a loss or a substantial change as compared to the corresponding period of the previous year**

Applicable                       Not applicable

**3.5 Implementation of cash dividend policy during the Period**

On 2 April 2009, the third meeting of the fifth session of the Board of Directors of the Company considered and approved the resolution in relation to the amendments to the Articles of Association and the proposed distribution scheme of profits for the year 2008. Among it, the Board of Directors proposed the Article 167 of the Articles of Association be amended from “The Company shall implement a proactive profit distribution plan” to “The company shall implement a proactive cash dividend policy. The continuity and stability of the profit distribution policy shall be maintained. The profit distributed by cash by the Company for three consecutive years in aggregate shall not be less than 30% of the distributable profit for the three years. The Company may distribute interim cash dividend.” The proposed distribution scheme of profits for the year 2008 of the Company is as follows: The Company pay a final cash dividend of RMB0.12 (tax included) per share for the year 2008 to all shareholders on the basis of the total share capital comprising 2,180,700,000 shares as at the year end of 2008, totaling RMB261,684,000, representing 52% of the distributable profit for the year 2008. The aforesaid resolutions are subject to the approval by shareholders at the 2008 Annual General Meeting to be held on 26 May 2009.

**3.6 Operating information and other matters**

- (1) Progress of projects under construction: As at the end of the Reporting Period, an aggregated investment amount (with accounting recognition basis) of approximately RMB4.35 billion (end of 2008: RMB4.27 billion) has been utilised for Qinglian Project. During the Reporting Period, the closure works of Qinglian Project into an expressway were still under way. Impacted by factors such as the transport during the Spring Festival period and demolition and relocation, the progresses of construction of ancillary roads and intersection closure works were relatively slow. Qinglian Company adopted a number of measures and sought to complete the remaining road safety facilities and intersection closure works by the middle of 2009.

- (2) The Company entered into an agreement with Agricultural Bank of China Shenzhen Branch on 11 July 2008. The Company pledged its 47.3% toll collection rights of Nanguang Expressway in favor of Agricultural Bank of China as a counter-guarantee to it for the unconditional and irrevocable guarantee with joint liability in respect of the redemption of the Bonds with Warrants issued by the Company with an amount of RMB1.5 billion upon maturity. This pledge was approved by the Communications Department of Guangdong Province in February 2009, and the term of pledge ends on 9 April 2014. Details related are available in the announcements of the Company dated 14 March 2008 and 23 February 2009 respectively.
- (3) On 15 April 2009, the First Extraordinary General Meeting 2009 of the Company considered and approved the resolution in relation to the grant of a general mandate to the board of directors of the Company to issue debentures denominated in Renminbi. Details related are available in the announcements of the Company dated 25 February 2009 and 15 April 2009 respectively, the circular and the conference material for the general meeting disclosed on the website of the Shanghai Stock Exchange on 28 February 2009 and 8 April 2009 respectively.
- 3.7** For definitions of the toll highways set out in this report, please refer to the annual report of the Company.

By order of the Board

**Yang Hai**  
Chairman

Shenzhen, the PRC, 28 April 2009

*As at the date of this announcement, the directors of the Company are Mr. Yang Hai (Chairman of the Board), Mr. Wu Ya De (Executive Director and President), Mr. Li Jing Qi (Non-executive Director), Mr. Zhao Jun Rong (Non-executive Director), Mr. Tse Yat Hong (Non-executive Director), Mr. Lin Xiang Ke (Non-executive Director), Ms. Zhang Yang (Non-executive Director), Mr. Chiu Chi Cheong, Clifton (Non-executive Director), Mr. Lam Wai Hon, Ambrose (Independent non-executive Director), Mr. Ting Fook Cheung, Fred (Independent non-executive Director), Mr. Wang Hai Tao (Independent non-executive Director) and Mr. Zhang Li Min (Independent non-executive Director).*

**Appendix:**

**Consolidated Balance Sheet**

31 Mar 2009

*Unit: RMB; Unaudited*

<b>Item</b>	<b>As at the end of the Period</b>	<b>As at the beginning of the year</b>
<b>Current assets:</b>		
Cash at bank and on hand	760,895,037.55	676,872,367.35
Trading financial assets	4,308,191.19	6,291,915.00
Interests receivable	3,610,226.86	2,406,817.91
Accounts receivable	183,073,460.93	166,882,707.15
Advances to suppliers	4,371,759.93	4,252,190.05
Other receivables	167,675,115.18	150,084,634.67
Inventories	2,686,957.07	3,074,822.88
Total current assets	1,126,620,748.71	1,009,865,455.01
<b>Non-current assets:</b>		
Long-term equity investments	2,538,896,254.36	2,477,660,729.24
Investment properties	18,036,075.00	18,132,025.00
Fixed assets	694,284,999.95	696,264,435.87
Construction in progress	313,190,645.38	267,562,176.78
Intangible assets	13,783,660,440.11	13,735,467,623.31
Long-term prepaid expenses	702,760.33	711,510.34
Deferred income tax assets	3,633,822.59	-
Total non-current assets	17,352,404,997.72	17,195,798,500.54
<b>TOTAL ASSETS</b>	<b>18,479,025,746.43</b>	<b>18,205,663,955.55</b>
<b>Current liabilities:</b>		
Short-term borrowings	783,390,016.67	783,376,707.15
Notes payable	109,096,014.36	13,991,617.00
Accounts payable	741,683,839.02	977,126,972.94
Advances from customers	6,905,817.00	9,421,975.00
Employee benefits payable	35,913,941.09	39,189,067.20
Taxes payable	78,553,998.00	63,736,435.20
Interests payable	53,231,663.77	42,710,972.25
Other payables	672,046,568.37	648,142,207.14
Current portion of non-current liabilities	324,842,124.70	335,598,950.25
Total current liabilities	2,805,663,982.98	2,913,294,904.13
<b>Non-current liabilities:</b>		
Long-term borrowings	5,143,754,049.95	4,914,773,738.93
Debentures payable	2,003,530,137.84	1,988,955,876.45
Accrued liabilities	323,462,613.80	304,133,361.39
Deferred income tax liabilities	371,986,811.07	375,800,391.27
Total non-current liabilities	7,842,733,612.66	7,583,663,368.04
Total liabilities	10,648,397,595.64	10,496,958,272.17
<b>Shareholders' equity:</b>		
Share capital	2,180,700,000.00	2,180,700,000.00
Capital surplus	2,273,963,376.71	2,273,963,376.71
Surplus reserve	1,321,372,024.53	1,321,372,024.53
Undistributed profits	1,350,115,910.82	1,228,857,198.53
Total equity attributable to shareholders of the Company	7,126,151,312.06	7,004,892,599.77
Minority interest	704,476,838.73	703,813,083.61
Total Shareholders' equity	7,830,628,150.79	7,708,705,683.38
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>18,479,025,746.43</b>	<b>18,205,663,955.55</b>

## Balance Sheet

31 Mar 2009

*Unit: RMB; Unaudited*

Item	As at the end of the Period	As at the beginning of the year
<b>Current assets:</b>		
Cash at bank and on hand	638,995,464.51	582,494,879.85
Trading financial assets	4,308,191.19	6,291,915.00
Interests receivable	3,610,226.86	2,406,817.91
Accounts receivable	166,164,481.85	153,233,896.24
Advances to suppliers	3,756,453.73	3,728,319.74
Other receivables	164,399,805.62	146,948,597.87
Inventories	1,931,486.50	2,070,630.77
Total current assets	983,166,110.26	897,175,057.38
<b>Non-current assets:</b>		
Long-term receivables	829,700,000.00	818,700,000.00
Long-term equity investments	5,370,288,352.08	5,329,418,833.43
Investment properties	18,036,075.00	18,132,025.00
Fixed assets	631,638,897.35	646,073,825.92
Construction in progress	34,084,617.98	19,835,350.28
Intangible assets	5,104,918,311.68	5,075,776,001.13
Long-term prepaid expenses	702,760.33	711,510.34
Deferred income tax assets	3,633,822.59	-
Total non-current assets	11,993,002,837.01	11,908,647,546.10
<b>TOTAL ASSETS</b>	<b>12,976,168,947.27</b>	<b>12,805,822,603.48</b>
<b>Current liabilities:</b>		
Short-term borrowings	783,390,016.67	783,376,707.15
Notes payable	109,096,014.36	13,991,617.00
Accounts payable	233,658,970.68	282,518,719.93
Advances from customers	-	750,000.00
Employee benefits payable	29,933,033.10	31,797,391.89
Taxes payable	52,168,907.51	48,391,938.56
Interests payable	46,363,600.00	36,321,968.50
Other payables	579,335,697.55	588,666,519.09
Current portion of non-current liabilities	304,327,124.70	335,598,950.25
Total current liabilities	2,138,273,364.57	2,121,413,812.37
<b>Non-current liabilities:</b>		
Long-term borrowings	1,589,581,989.95	1,559,580,958.93
Debentures payable	2,012,438,853.24	1,998,031,630.26
Accrued liabilities	323,462,613.80	304,133,361.39
Deferred income tax liabilities	-	3,872,205.31
Total non-current liabilities	3,925,483,456.99	3,865,618,155.89
Total liabilities	6,063,756,821.56	5,987,031,968.26
<b>Shareholders' equity:</b>		
Share capital	2,180,700,000.00	2,180,700,000.00
Capital surplus	2,314,727,847.76	2,314,727,847.76
Surplus reserve	1,321,372,024.53	1,321,372,024.53
Undistributed profits	1,095,612,253.42	1,001,990,762.93
Total Shareholders' equity	6,912,412,125.71	6,818,790,635.22
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>12,976,168,947.27</b>	<b>12,805,822,603.48</b>

## Consolidated Income Statement

Jan-Mar 2009

*Unit: RMB; Unaudited*

Item	The Period	The corresponding period of the previous year (Restated)
<b>1. Revenue</b>	262,011,370.30	232,105,191.98
Less: Cost of services	115,471,265.16	85,462,407.70
Tax and levies on operations	9,518,407.81	8,000,909.50
General and administrative expenses	11,184,378.65	8,964,135.30
Finance expenses	67,278,924.11	55,167,390.70
Asset impairment losses	-	-
Add: Profit arising from changes in fair value	(774,340.81)	454,533.00
Investment income	74,321,901.38	69,852,363.20
Including: Share of profit of associates and joint ventures	74,054,051.05	69,710,030.20
<b>2. Operating Profit</b>	132,105,955.14	144,817,244.98
Add: Non-operating income	26,900.00	2,730.00
Less: Non-operating expenses	76,552.77	34,200.01
<b>3. Total Profit</b>	132,056,302.37	144,785,774.97
Less: Income tax expenses	10,133,834.96	12,942,943.12
<b>4. Net Profit</b>	121,922,467.41	131,842,831.85
Net profit attributable to equity holders of the Company	121,258,712.29	133,205,450.69
Minority interest	663,755.12	(1,362,618.84)
<b>5. Earnings per Share</b>		
Basic earnings per share	0.056	0.061
Diluted earnings per share	0.056	0.061

## Income Statement

Jan-Mar 2009

*Unit: RMB; Unaudited*

Item	The Period	The corresponding period of the previous year (Restated)
<b>1. Revenue</b>	146,317,255.66	140,526,058.54
Less: Cost of services	66,661,787.60	54,662,803.76
Tax and levies on operations	4,635,431.28	4,540,003.64
General and administrative expenses	11,183,648.71	8,846,012.97
Finance expenses	59,589,272.40	50,430,291.56
Asset impairment losses	-	-
Add: Profit arising from changes in fair value	(774,340.81)	454,533.00
Investment income	89,655,332.05	79,698,778.30
Including: Share of profit of associates and joint ventures	53,387,481.72	53,586,866.03
<b>2. Operating Profit</b>	93,128,106.91	102,200,257.91
Add: Non-operating income	3,900.00	30.00
Less: Non-operating expenses	69,173.04	33,256.59
<b>3. Total Profit</b>	93,062,833.87	102,167,031.32
Less: Income tax expenses	(558,656.62)	2,526,856.39
<b>4. Net Profit</b>	93,621,490.49	99,640,174.93

## Consolidated Cash Flow Statement

Jan-Mar 2009

*Unit: RMB; Unaudited*

Item	The Period	The corresponding period of the previous year
<b>1. Cash flows from operating activities:</b>		
Cash received from rendering of services	240,232,792.04	225,375,119.05
Cash received relating to other operating activities	45,472,050.40	54,050,275.40
Sub-total of cash inflows from operating activities	285,704,842.44	279,425,394.45
Cash paid for goods and services	24,464,366.59	23,197,642.59
Cash paid to and on behalf of employees	23,754,357.93	23,023,528.08
Payments of taxes and levies	12,989,898.20	12,702,509.15
Cash paid relating to other operating activities	63,742,705.04	35,446,227.17
Sub-total of cash outflows from operating activities	124,951,327.76	94,369,906.99
Net cash flows from operating activities	160,753,514.68	185,055,487.46
<b>2. Cash flows from investing activities:</b>		
Cash received from disposals of investments	5,689,968.54	2,416,170.71
Cash received from returns on investments	51,827,978.25	110,591,732.77
Cash received relating to other investing activities	74,342,449.93	11,435,046.52
Sub-total of cash inflows from investing activities	131,860,396.72	124,442,950.00
Cash paid to acquire fixed assets, intangible assets and other long-term assets	278,394,953.83	851,837,740.71
Cash paid to acquire subsidiaries and other operating units	45,000,000.00	-
Cash paid relating to other investing activities	14,351,897.93	45,009,075.00
Sub-total of cash outflows from investing activities	337,746,851.76	896,846,815.71
Net cash flows from investing activities	(205,886,455.04)	(772,403,865.71)
<b>3. Cash flows from financing activities:</b>		
Cash received from borrowings	585,577,597.84	1,012,015,200.00
Cash received relating to other financing activities	1,477,233.33	-
Sub-total of cash inflows from financing activities	587,054,831.17	1,012,015,200.00
Cash repayments of borrowings	367,355,082.85	371,966,178.13
Cash payments for interest expenses and distribution of dividends or profits	95,497,852.84	65,450,807.30
Cash paid relating to other financing activities	34,240.56	380,874.56
Sub-total of cash outflows from financing activities	462,887,176.25	437,797,859.99
Net cash flows from financing activities	124,167,654.92	574,217,340.01
<b>4. Effect of foreign exchange rate changes on cash and cash equivalents</b>	20,828.79	(914,811.36)
<b>5. Net increase in cash and cash equivalents</b>	79,055,543.35	(14,045,849.60)
Add: Cash and cash equivalents at beginning of Period	536,292,564.27	466,990,065.73
<b>6. Cash and cash equivalents at end of Period</b>	615,348,107.62	452,944,216.13

**Cash Flow Statement**  
Jan-Mar 2009

*Unit: RMB; Unaudited*

Item	The Period	The corresponding period of the previous year
<b>1. Cash flows from operating activities:</b>		
Cash received from rendering of services	130,346,330.93	135,030,221.93
Cash received relating to other operating activities	46,194,596.18	87,972,627.98
Sub-total of cash inflows from operating activities	176,540,927.11	223,002,849.91
Cash paid for goods and services	12,120,648.79	10,354,608.00
Cash paid to and on behalf of employees	14,480,215.32	14,694,994.81
Payments of taxes and levies	8,090,892.39	8,035,672.25
Cash paid relating to other operating activities	61,332,727.96	34,546,220.74
Sub-total of cash outflows from operating activities	96,024,484.46	67,631,495.80
Net cash flows from operating activities	80,516,442.65	155,371,354.11
<b>2. Cash flows from investing activities:</b>		
Cash received from disposals of investments	5,689,968.54	2,416,170.71
Cash received from returns on investments	87,823,049.91	127,726,061.87
Cash received relating to other investing activities	32,652,266.70	11,199,966.55
Sub-total of cash inflows from investing activities	126,165,285.15	141,342,199.13
Cash paid to acquire fixed assets, intangible assets and other long-term assets	61,666,685.51	307,545,589.10
Cash paid to acquire subsidiaries and other operating units	45,000,000.00	-
Cash paid relating to other investing activities	8,542,835.93	32,296,595.46
Sub-total of cash outflows from investing activities	115,209,521.44	339,842,184.56
Net cash flows from investing activities	10,955,763.71	(198,499,985.43)
<b>3. Cash flows from financing activities:</b>		
Cash received from borrowings	366,097,597.84	361,000,000.00
Cash received relating to other financing activities	1,477,233.33	-
Sub-total of cash inflows from financing activities	367,574,831.17	361,000,000.00
Cash repayments of borrowings	367,355,082.85	371,966,178.13
Cash payments for interest expenses and distribution of dividends or profits	40,144,999.27	40,512,316.11
Cash paid relating to other financing activities	34,064.26	193,227.08
Sub-total of cash outflows from financing activities	407,534,146.38	412,671,721.32
Net cash flows from financing activities	(39,959,315.21)	(51,671,721.32)
<b>4. Effect of foreign exchange rate changes on cash and cash equivalents</b>	20,566.66	(514,422.51)
<b>5. Net increase in cash and cash equivalents</b>	51,533,457.81	(95,314,775.15)
Add: Cash and cash equivalents at beginning of Period	441,915,076.77	228,889,829.53
<b>6. Cash and cash equivalents at end of Period</b>	493,448,534.58	133,575,054.38