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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: 548)

FIRST QUARTERLY REPORT OF 2008

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 Mr. Zhang Zhi Xue, independent non-executive director, and Mr. Poon Kai Leung, James, independent non-executive director were unable to attend this board meeting in person due to work engagement, and had appointed Mr. Li Zhi Zheng, independent non-executive director, and Mr. Wong Kam Ling, independent non-executive director, to attend and vote on their behalf, respectively.
- 1.3 The financial statements for the three months ended 31 March 2008 (“Reporting Period” or “Period”) contained in the first quarterly report of 2008 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	15,934,496,881.72	15,199,598,168.29	4.83%
Equity attributable to equity holders of the Company	7,428,544,537.92	7,275,144,390.90	2.11%
Net assets per share attributable to equity holders of the Company	3.41	3.34	2.11%

<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	185,055,487.46	-16.08%
Net cash flows from operating activities per share	0.08	-16.08%

<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	222,615,372.11	222,615,372.11	-0.34%
Net profit attributable to equity holders of the Company	153,400,147.02	153,400,147.02	-10.74%
Earnings per share - basic	0.070	0.070	-10.74%
Earnings per share - diluted	0.070	0.070	-10.74%
Earnings per share excluding non-recurring items - basic	0.068	0.068	-10.85%
Return on equity - fully diluted	2.07%	2.07%	Decreased 0.46 percentage point
Return on equity excluding non-recurring items - fully diluted	2.00%	2.00%	Decreased 0.45 percentage point

Non-recurring item <i>(Unit: RMB)</i>	Beginning of the year to the end of the Period
Subsidy income	4,893,342.01
Other non-operating income	2,730.00
Other non-operating expenses	-34,200.01
Income tax effect on non-recurring items	5,664.60
Total	4,867,536.60

2.1.1 Principal operating data

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)	
		2008 Q1	Change as compared to 2007 Q1	2008 Q1	Change as compared to 2007 Q1
Projects consolidated into the Group's financial statements:					
Meiguan Expressway	100%	88	-1.0%	755	-11.0%
Jihe West	100%	64	9.7%	917	11.7%
Yanba A and B	100%	10	-7.5%	152	5.2%
Yanpai Expressway	100%	29	48.4%	358	22.4%
Nanguang Expressway	100%	7.5	N/A	97	N/A
Qinglian Project	76.37%	15	(Note 4)	154	(Note 4)
Projects not consolidated into the Group's financial statements:					
Jihe East	55%	89	15.1%	1,194	21.3%
Shuiguan Expressway	40%	98	17.6%	924	18.7%
Shuiguan Extension	40%	26	9.8%	166	5.8%
Yangmao Expressway	25%	22	12.2%	1,061	0.6%
Guangwu Project	30%	11	10.5%	294	9.8%
Jiangzhong Project	25%	46	29.0%	673	23.0%
GZ W2 Expressway	25%	8.9	94.9%	272	110.2%
Wuhuang Expressway	55%	28	5.2%	967	-0.2%
Changsha Ring Road	51%	5.2	-10.1%	51	-4.6%
Nanjing Third Bridge	25%	19	8.3%	650	4.0%

Notes:

- (1) Since October 2007, Guanshen Expressway (which connects with Meiguan Expressway) has been partly closed for large-scale road surface maintenance work. During the period of the maintenance work, Class 4 and Class 5 vehicles are prohibited from using Guanshen Expressway. The maintenance work also affected the traffic efficiency of the peripheral road network. As a result, the traffic volume and toll revenue of Meiguan Expressway were affected to a certain degree. It is expected that the large-scale road surface maintenance work of Guanshen Expressway will be completed in the first half of 2008. In addition, Fulong Road (which is a municipal road connecting with Longda Expressway) has been opened since the end of 2007 and it causes certain traffic diversion from Meiguan Expressway. Being affected by the above-mentioned factors, toll revenue of Meiguan Expressway during the Reporting Period decreased by 11% as compared to the same period of 2007.
- (2) The toll revenue of Yanba A and B includes the tolls collectively paid by the government under agreements for all vehicles traveling between Yantian and the Dameisha Interchange (Please refer to related information on the Annual Report 2007 of the Company for details). However, the traffic volume on this section was no longer included in the scope of statistics from February 2007.
- (3) Main route of Nanguang Expressway opened to traffic for operation on 26 January 2008, the rest of the construction will be completed in 2008. Since its opening to traffic for operation, the average daily toll revenue of Nanguang Expressway has risen from RMB65,000 in February to RMB133,000 in March. As at the date of this report, the highest single-day toll revenue has reached approximately RMB200,000. With road users becoming more familiar with the newly opened routes, Nanguang Expressway's operating performance is expected to further improve.
- (4) During the Reporting Period, the average daily toll revenue of Qinglian Project (including Qinglian Class 1 Highway and Qinglian Class 2 Road) decreased by approximately 58% as compared to the same period of 2007. As Qinglian Class 1 Highway is being reconstructed into an expressway and is under restricted operation at present, its operating data is not comparable and is for reference only.
- (5) In early 2008, southern China was hit by snowstorms. Changsha Ring Road, Wuhuang Expressway and Nanjing Third Bridge suffered from road closure and traffic jam during certain periods and toll fees for all vehicles using Changsha Ring Road had also been waived during certain periods. Therefore, such incidents had certain impact on the operating performance of the above-mentioned roads for the Period, but there was no significant impact on the overall operating performance of the Group.

2.1.2 Major differences between financial statements prepared under different accounting standards

The Group has fully adopted the new CAS since 1 January 2007. Because of the convergence of the new CAS with the International Financial Reporting Standards in principle, there has been no significant difference between the financial statements of the Group prepared under the CAS and those under Hong Kong Financial Reporting Standards since 2007.

HK(IFRIC)-Int 12, “Service Concession Arrangements”, issued by the Hong Kong Institute of Certified Public Accountants is effective for annual periods beginning on or after 1 January 2008. The interpretation is relevant to the Group’s operations. Based on management’s preliminary understanding of the interpretation, the application will very likely result in a change in the method of recognition of the Group’s assets and revenue and the method of depreciation/amortisation of the relevant assets in relation to the toll road operating rights, which consequently expect to have material impact on the shareholders’ equity and net profit of the Group reported under the CAS and Hong Kong Financial Reporting Standards. The Company is currently engaged in a detailed study and assessment of the interpretation, but the relevant outcome and potential impact has not been finalised.

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

The total number of shareholders at the end of the Period was 43,550, of whom 43,293 were holders of domestic shares and 257 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	737,851,098	H Share
BOC - China AMC Sector Selected Securities Investment Fund (LOF)	12,033,698	A Share
BoComm - Bosera Growth Securities Investment Fund	8,999,868	A Share
Social Insurance Fund Portfolio 106	8,510,316	A Share
Social Insurance Fund Portfolio 102	5,500,000	A Share
ICBC - Lion Balance Securities Investment Fund	3,641,836	A Share
CEB - UBS SDIC Booming Sector Securities Investment Fund	3,299,870	A Share
CMB - SSE Dividend ETF	3,023,020	A Share
Arsenton Nominees Limited	3,000,000	H Share
ICBC - China Universal Balanced Growth Securities Investment Fund	2,668,721	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 RMB232,105,000, basically on par with the same period of 2007. Of this amount, toll revenue amounted to RMB219,071,000, representing a decrease of 1.7% as compared to the same period of 2007. Affected by factors such as expressway reconstruction, road network changes and repairs of connecting roads, the toll revenues of Qinglian Project and Meiguan Expressway decreased by approximately 58% and 11% as compared to the same period of 2007 respectively, while the toll revenue from other highways (excluding the newly opened Nanguang Expressway) increased by 14.7% as compared to the same period of 2007.

During the Reporting Period, the operating results of the Group basically met expectations. Profit attributable to shareholders of the Company (“Net Profit”) amounted to RMB153,400,000 (the same period of 2007: RMB171,852,000), representing a decrease of 10.74% as compared to the same period of 2007. Due to the cessation of interest capitalisation for the loans of Nanguang Expressway after its opening for operation, an increase in the size of the Company’s borrowings and the continued impact of the 2007 interest rate increases, the Group’s finance costs increased by 74.92% as compared to the same period of 2007 during the Reporting Period and led to a decrease in the Group’s profit during the Reporting Period. During the Reporting Period, the Group recorded a profit before tax and interest amounting to RMB222,615,000, basically on par with the same period of 2007.

During the Reporting Period, the Group’s capital expenditure amounted to approximately RMB716 million (including RMB39million of interests capitalised). As at the end of the Reporting Period, the Group’s outstanding borrowings (including loans, bonds payable and bills payable) amounted to RMB6,293 million, with a debt-to-asset ratio at 48.92%. The consolidated borrowing cost of the Group was 5.6% during the Reporting Period, representing a slight increase over the previous year but lower than the average interest rate in the market.

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

Unit: RMB’000

	As at 31 Mar 2008	As at 31 Dec 2007	Increase/ decrease	Primary reasons for the change
Other receivables	23,710	54,213	-56.26%	Recovery of advanced construction costs and interests from Baotong Company in an amount of RMB30,041,000
Advances to suppliers	9,366	17,113	-45.27%	Transfer of originally advanced payment after the Advertising Company has obtained the operating rights of billboards
Fixed assets	9,652,087	7,409,572	30.27%	Transfer of project under construction to fixed assets for the completed portion of Nanguang Expressway
Construction in progress	2,781,211	4,208,432	-33.91%	Transfer of project under construction to fixed assets for the completed portion of Nanguang Expressway; increase in investment in reconstruction of Qinglian Class 1 Highway into an expressway and the construction of Yanba C
Accounts payable	312,971	237,509	31.77%	Increase in construction costs payable as project construction progress
Notes payable	575	94,323	-99.39%	Repayment of notes payable upon maturity
Advances from customers	24,837	8,701	185.45%	Advanced receipt of entrusted construction management fees for Nanping (Phase II)
Taxes payable	50,601	34,858	45.16%	Unsettled and unpaid income tax for 2007
Interests payable	47,083	33,922	38.80%	Interests appropriated for corporate bonds and Bonds with Warrants

	2008 Q1	2007 Q1	Increase/ decrease	Primary reasons for the change
Finance expenses - net	49,224	28,142	74.92%	Cessation of interest capitalisation for the loans of Nanguang Expressway after its opening for operation, increases in the Group's borrowing scale and interest rates as compared to the same period of 2007
Non-operating income	4,896	132,458	-96.30%	RMB127 million of gain for the acquisition of 20.09% interests in Qinglian Company recognised at the consolidation date in 2007
Non-operating expenses	34	127,215	-99.97%	RMB127 million of loss from change in fair value of the 56.28% interests in Qinglian Company previously acquired recognised at the consolidation date in 2007

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 Shenzhen in any industry or business in any form, 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		
Guangdong Roads and Bridges Construction Development Company Limited		

Note: Special undertakings refer to the undertakings made during the Share Segregation Reform other than statutory undertakings.

- (3) Shenzhen International Holdings Limited ("Shenzhen International", indirectly holding in aggregate 31.153% shares of the Company through XTC Company and its another subsidiary) announced on 18 October 2007 that it proposed to acquire 100% equity interest in SGH Company through its wholly-owned subsidiary, 怡萬實業發展(深圳)有限公司 (Yiwan Industry Development (Shenzhen) Co., Ltd., "Yiwan Industry"). After the completion of the acquisition, Shenzhen International will in aggregate indirectly hold 50.021% shares of the Company. Shenzhen International and Yiwan Industry (collectively called "Purchasers") have given undertakings relating to avoiding competition or entering into connected transaction in future. Details of the related information is available in 《詳式權益變動報告書》 ("Detailed Report on the Change of Equity Interests") published by the Purchasers on 18 October 2007 or related contents of the Annual Report 2007 of the Company. As at 15 January 2008, the above-mentioned matter had been approved at the general meeting of Shenzhen International, and all necessary approvals in Hong Kong and the approval from Shenzhen Municipal Government had been obtained. As at the date of this report, it is currently in the process of obtaining approvals by the Purchasers from relevant PRC government authorities, and the aforesaid acquisition was not completed yet.

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 Information on securities investments

Applicable Not applicable

3.6 Operating information and other matters

- (1) Progress of projects under construction: as at the end of the Period, an aggregate investment amount (with accounting recognition basis) of approximately RMB420 million (end of 2007: RMB340 million) has been utilised for Yanba C and RMB2,180 million (end of 2007: RMB1,680 million) has been utilized for the reconstruction of Qinglian Project into an expressway, respectively. Due to the impact of the snowstorms in southern China in 2008, certain areas in northern Guangdong Province witnessed traffic jam and power cutoff, thereby delaying the progress of Qinglian Project's reconstruction into an expressway. The Group has proactively adopted effective measures to cope with the situation and no significant impact is expected on achieving the project's targets such as construction schedule and costs.
- (2) On 7 January 2008, the Company entered into an entrusted management agreement with 怡賓實業（深圳）有限公司 (Yibin Industrial (Shenzhen) Company Limited, "Yibin Company", a wholly-owned subsidiary of Shenzhen International). Pursuant to the entrusted management agreement, Yibin Company entrusted the Company to manage the operation of its 100% equity interest in 深圳市寶通公路建設開發有限公司 (Shenzhen Baotong Highway Construction and Development Company Limited, "Baotong Company") and 89.93% equity interest in 深圳龍大高速公路有限公司 (Shenzhen Longda Expressway Company Limited, "Longda Company") owned by Baotong Company. The term of the entrusted management is from 8 January 2008 to 31 December 2009. The entrusted management fees are calculated on an annual basis at RMB15 million or 8% of the audited net profit of Longda Company (but in any event shall not exceed RMB25 million), whichever is the higher. Longda Company is principally engaged in toll collection, maintenance, management and development of Longda Expressway. Pursuant to the Listing Rules, the transaction constitutes a connected transaction of the Company. Details of the related matter is available in the announcement of the Company dated 8 January 2008.
- (3) On 14 March 2008, the sixteenth meeting of the fourth session of the Board of Directors of the Company considered and approved the resolution regarding adjustments made to the related accounting treatment concerning the acquisition of 廣東清連公路發展有限公司 (Guangdong Qinglian Highway Development Company Limited) under CAS, as well as the restatement and disclosure of the 2007 first quarterly, interim and third quarterly financial statements prepared under CAS (published on the website of the Shanghai Stock Exchange at <http://www.sse.com.cn>). For details, please refer to the relevant announcement of the Company dated 14 March 2008.

For definitions of the relevant toll highways set out in the report, please refer to the annual report of the Company.

By order of the Board
Yang Hai
Chairman

Shenzhen, the PRC, 25 April 2008

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. Wang Ji Zhong (Non-executive Director), Mr. Liu Jun (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. Li Zhi Zheng (Independent non-executive Director), Mr. Zhang Zhi Xue (Independent non-executive Director), Mr. Poon Kai Leung, James (Independent non-executive Director) and Mr. Wong Kam Ling (Independent non-executive Director).

Appendix:**Consolidated Balance Sheet**

31 Mar 2008

Unit: RMB; Unaudited

Item	As at the end of the Period	As at the beginning of the year
Current assets:		
Cash at bank and on hand	464,772,299.31	483,021,797.72
Accounts receivable	158,106,948.98	152,559,704.28
Advances to suppliers	9,365,590.12	17,113,415.26
Other receivables	23,710,016.06	54,212,761.16
Inventories	2,941,964.14	2,956,134.08
Total current assets	658,896,818.61	709,863,812.50
Non-current assets:		
Long-term equity investments	2,616,107,304.09	2,655,458,275.31
Fixed assets	9,652,086,539.80	7,409,571,948.13
Construction in progress	2,781,210,904.03	4,208,432,044.97
Intangible assets	225,457,554.82	215,525,577.00
Long-term prepaid expenses	737,760.37	746,510.38
Total non-current assets	15,275,600,063.11	14,489,734,355.79
TOTAL ASSETS	15,934,496,881.72	15,199,598,168.29
Current liabilities:		
Short-term borrowings	366,587,300.00	385,000,000.00
Notes payable	574,718.17	94,323,141.12
Accounts payable	312,970,920.39	237,509,453.72
Advances from customers	24,837,169.00	8,701,151.00
Employee benefits payable	38,951,943.82	43,453,996.04
Taxes payable	50,601,027.60	34,858,382.03
Interest payable	47,083,251.97	33,922,404.00
Other payables	248,141,337.18	329,691,734.07
Current portion of non-current liabilities	5,750,011.97	5,983,977.41
Total current liabilities	1,095,497,680.10	1,173,444,239.39
Non-current liabilities:		
Long-term borrowings	3,972,805,625.83	3,318,550,718.42
Debentures payable	1,947,277,704.42	1,933,412,160.96
Grants payable	59,000,000.00	59,000,000.00
Deferred income tax liabilities	471,815,641.68	474,235,006.00
Other non-current liabilities	248,438,078.15	253,331,420.16
Total non-current liabilities	6,699,337,050.08	6,038,529,305.54
Total liabilities	7,794,834,730.18	7,211,973,544.93
Shareholders' equity:		
Share capital	2,180,700,000.00	2,180,700,000.00
Capital surplus	2,299,963,376.71	2,299,963,376.71
Surplus reserve	1,313,398,732.63	1,313,398,732.63
Undistributed profits	1,634,482,428.58	1,481,082,281.56
Total equity attributable to shareholders of the Company	7,428,544,537.92	7,275,144,390.90
Minority interest	711,117,613.62	712,480,232.46
Total Shareholders' equity	8,139,662,151.54	7,987,624,623.36
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	15,934,496,881.72	15,199,598,168.29

Balance Sheet

31 Mar 2008

Unit: RMB; Unaudited

Item	As at the end of the Period	As at the beginning of the year
Current assets:		
Cash at bank and on hand	224,296,449.52	323,814,873.48
Accounts receivable	151,612,206.78	145,481,027.24
Advances to suppliers	7,618,132.63	7,093,951.73
Other receivables	82,354,173.41	53,540,231.89
Inventories	2,137,696.83	1,970,705.65
Total current assets	468,018,659.17	531,900,789.99
Non-current assets:		
Long-term receivables	819,099,199.34	807,837,119.26
Long-term equity investments	5,510,354,295.50	5,553,947,421.97
Fixed assets	5,158,183,066.64	2,903,788,039.16
Construction in progress	597,811,498.12	2,524,506,740.23
Intangible assets	62,950,226.00	63,789,563.00
Long-term prepaid expenses	737,760.37	746,510.38
Total non-current assets	12,149,136,045.97	11,854,615,394.00
TOTAL ASSETS	12,617,154,705.14	12,386,516,183.99
Current liabilities:		
Short-term borrowings	326,000,000.00	385,000,000.00
Notes payable	574,718.17	20,992,962.12
Accounts payable	235,501,979.62	173,738,397.56
Advances from customers	18,000,000.00	500,000.00
Employee benefits payable	26,609,404.68	30,257,252.29
Taxes payable	29,302,185.35	23,283,810.61
Interest payable	43,253,825.44	31,422,037.97
Other payables	286,935,263.40	247,205,302.09
Current portion of non-current liabilities	5,750,011.97	5,983,977.41
Total current liabilities	971,927,388.63	918,383,740.05
Non-current liabilities:		
Long-term borrowings	2,044,147,745.83	1,995,879,958.52
Debentures payable	1,947,277,704.42	1,933,412,160.96
Grants payable	59,000,000.00	59,000,000.00
Deferred income tax liabilities	110,144,586.81	112,539,188.08
Other non-current liabilities	248,438,078.15	253,331,420.16
Total non-current liabilities	4,409,008,115.21	4,354,162,727.72
Total liabilities	5,380,935,503.84	5,272,546,467.77
Shareholders' equity:		
Share capital	2,180,700,000.00	2,180,700,000.00
Capital surplus	2,340,727,847.76	2,340,727,847.76
Surplus reserve	1,313,398,732.63	1,313,398,732.63
Undistributed profits	1,401,392,620.91	1,279,143,135.83
Total Shareholders' equity	7,236,219,201.30	7,113,969,716.22
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	12,617,154,705.14	12,386,516,183.99

Consolidated Income Statement

Jan-Mar 2008

Unit: RMB; Unaudited

Item	The Period	The corresponding period of the previous year
1. Revenue	232,105,191.98	231,879,142.59
Less: Cost of services	76,531,397.11	66,777,691.72
Tax and levies on operations	8,000,909.50	8,150,853.66
General and administrative expenses	8,964,135.30	9,722,781.55
Finance expenses – net	49,224,353.01	28,141,753.42
Asset impairment losses	-	-1,587,122.21
Add: Profit arising from changes in fair value	596,866.00	-
Investment income	74,288,077.11	66,275,630.02
Including: Share of profit of associates and joint ventures	74,288,077.11	66,275,630.02
2. Operating Profit	164,269,340.17	186,948,814.47
Add: Non-operating income	4,896,072.01	132,457,805.95
Less: Non-operating expenses	34,200.01	127,214,998.91
3. Total Profit	169,131,212.17	192,191,621.51
Less: Income tax expenses	17,093,683.99	19,077,448.34
4. Net Profit	152,037,528.18	173,114,173.17
Net profit attributable to equity holders of the Company	153,400,147.02	171,852,317.04
Minority interest	-1,362,618.84	1,261,856.13
5. Earnings per Share		
(1) Basic earnings per share	0.070	0.079
(2) Diluted earnings per share	0.070	0.079

Income Statement

Jan-Mar 2008

Unit: RMB; Unaudited

Item	The Period	The corresponding period of the previous year
1. Revenue	140,526,058.54	115,664,500.10
Less: Cost of services	45,731,793.17	32,492,500.47
Tax and levies on operations	4,540,003.64	3,630,122.45
General and administrative expenses	8,846,012.97	7,939,591.54
Finance expenses – net	44,487,253.87	22,521,388.85
Asset impairment losses	-	-1,587,122.21
Add: Profit arising from changes in fair value	596,866.00	-
Investment income	86,549,106.03	98,793,248.28
Including: Share of profit of associates and joint ventures	53,586,866.03	48,158,090.24
2. Operating Profit	124,066,966.92	149,461,267.28
Add: Non-operating income	4,893,372.01	5,249,587.44
Less: Non-operating expenses	33,256.59	1,147.90
3. Total Profit	128,927,082.34	154,709,706.82
Less: Income tax expenses	6,677,597.26	9,198,552.57
4. Net Profit	122,249,485.08	145,511,154.25

Consolidated Cash Flow Statement
Jan-Mar 2008

Unit: RMB; Unaudited

Item	The Period	The corresponding period of the previous year
1. Cash flows from operating activities:		
Cash received from rendering of services	225,375,119.05	240,563,834.41
Cash received relating to other operating activities	54,050,275.40	43,984,136.63
Sub-total of cash inflows from operating activities	279,425,394.45	284,547,971.04
Cash paid for goods and services	23,197,642.59	13,025,134.70
Cash paid to and on behalf of employees	23,023,528.08	21,162,130.28
Payments of taxes and levies	12,702,509.15	22,902,222.84
Cash paid relating to other operating activities	35,446,227.17	6,946,611.96
Sub-total of cash outflows from operating activities	94,369,906.99	64,036,099.78
Net cash flows from operating activities	185,055,487.46	220,511,871.26
2. Cash flows from investing activities:		
Cash received from disposals of investments	2,416,170.71	19,462,389.39
Cash received from returns on investments	110,591,732.77	80,140,023.48
Cash received relating to other investing activities	11,435,046.52	42,426,403.09
Sub-total of cash inflows from investing activities	124,442,950.00	142,028,815.96
Cash paid to acquire fixed assets, intangible assets and other long-term assets	851,837,740.71	471,503,709.26
Cash paid to acquire subsidiaries and other operating units	-	451,089,469.22
Cash paid relating to other investing activities	45,009,075.00	60,277,669.60
Sub-total of cash outflows from investing activities	896,846,815.71	982,870,848.08
Net cash flows from investing activities	-772,403,865.71	-840,842,032.12
3. Cash flows from financing activities:		
Cash received from borrowings	1,012,015,200.00	1,675,480,000.00
Sub-total of cash inflows from financing activities	1,012,015,200.00	1,675,480,000.00
Cash repayments of borrowings	371,966,178.13	888,417,626.16
Cash payments for interest expenses and distribution of dividends or profits	65,450,807.30	33,819,514.41
Cash paid relating to other financing activities	380,874.56	55,473.91
Sub-total of cash outflows from financing activities	437,797,859.99	922,292,614.48
Net cash flows from financing activities	574,217,340.01	753,187,385.52
4. Effect of foreign exchange rate changes on cash and cash equivalents	-914,811.36	-737,884.08
5. Net increase in cash and cash equivalents	-14,045,849.60	132,119,340.58
Add: Cash and cash equivalents at beginning of Period	466,990,065.73	328,494,300.57
6. Cash and cash equivalents at end of Period	452,944,216.13	460,613,641.15

Cash Flow Statement

Jan-Mar 2008

Unit: RMB; Unaudited

Item	The Period	The corresponding period of the previous year
1. Cash flows from operating activities:		
Cash received from rendering of services	135,030,221.93	126,413,545.61
Cash received relating to other operating activities	87,972,627.98	45,234,308.01
Sub-total of cash inflows from operating activities	223,002,849.91	171,647,853.62
Cash paid for goods and services	10,354,608.00	5,755,964.11
Cash paid to and on behalf of employees	14,694,994.81	14,042,364.61
Payments of taxes and levies	8,035,672.25	17,384,975.73
Cash paid relating to other operating activities	34,546,220.74	6,952,068.04
Sub-total of cash outflows from operating activities	67,631,495.80	44,135,372.49
Net cash flows from operating activities	155,371,354.11	127,512,481.13
2. Cash flows from investing activities:		
Cash received from disposals of investments	2,416,170.71	16,321,194.16
Cash received from returns on investments	127,726,061.87	98,766,166.75
Cash received relating to other investing activities	11,199,966.55	35,077,604.44
Sub-total of cash inflows from investing activities	141,342,199.13	150,164,965.35
Cash paid to acquire fixed assets, intangible assets and other long-term assets	307,545,589.10	361,152,068.83
Cash paid to acquire subsidiaries and other operating units	-	484,000,000.00
Cash paid relating to other investing activities	32,296,595.46	60,277,669.60
Sub-total of cash outflows from investing activities	339,842,184.56	905,429,738.43
Net cash flows from investing activities	-198,499,985.43	-755,264,773.08
3. Cash flows from financing activities:		
Cash received from borrowings	361,000,000.00	1,570,000,000.00
Sub-total of cash inflows from financing activities	361,000,000.00	1,570,000,000.00
Cash repayments of borrowings	371,966,178.13	888,417,626.16
Cash payments for interest expenses and distribution of dividends or profits	40,512,316.11	22,281,419.49
Cash paid relating to other financing activities	193,227.08	54,897.47
Sub-total of cash outflows from financing activities	412,671,721.32	910,753,943.12
Net cash flows from financing activities	-51,671,721.32	659,246,056.88
4. Effect of foreign exchange rate changes on cash and cash equivalents	-514,422.51	-236,205.45
5. Net increase in cash and cash equivalents	-95,314,775.15	31,257,559.48
Add: Cash and cash equivalents at beginning of Period	228,889,829.53	228,889,829.53
6. Cash and cash equivalents at end of Period	133,575,054.38	260,147,389.01