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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 2010**

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”) confirm that there are no false representations or misleading statements contained in or material omissions from this report, and severally and jointly accept responsibility for the truthfulness, accuracy and completeness of the content thereof.
- 1.2 All directors attended the board meeting in which this report was approved in person.
- 1.3 The financial statements for the three months ended 31 March 2010 (“Reporting Period” or “Period”) contained in the first quarterly report of 2010 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, confirm 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 31Mar2010	As at 31Mar2009	Change
Total assets	22,722,751,279.93	22,208,708,939.09	2.31%
Equity attributable to equity holders of the Company	8,346,444,756.17	8,177,489,879.64	2.07%
Net assets per share attributable to equity holders of the Company	3.83	3.75	2.07%

<i>(Unit: RMB)</i>	From 01Jan2010 to 31Mar2010	Change as compared to the same period of 2009
Net cash flows from operating activities	391,892,767.49	143.78%
Net cash flows from operating activities per share	0.180	143.78%

<i>(Unit: RMB)</i>	From 01Jan2010 to 31Mar2010	Change as compared to the same period of 2009
Net profit attributable to equity holders of the Company	168,954,876.53	39.33%
Earnings per share - basic	0.077	39.33%
Earnings per share - diluted	0.077	39.33%
Earnings per share excluding non-recurring items - basic	0.073	37.53%
Return on equity - fully diluted	2.02%	Increased 0.32 percentage point
Return on equity excluding non-recurring items - fully diluted	1.90%	Increased 0.26 percentage point

<b>Non-recurring items</b> <i>(Unit: RMB)</i>	<b>From 01Jan2010 to 31Mar2010</b>	<b>Remarks</b>
Profit from entrusted operation management services	3,554,625.00	Profit from entrusted management of the equity interests in Shenzhen Longda Expressway Company Limited during the Reporting Period
Subsidy income	2,561,247.48	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
Other non-operating income - net	6,704,616.70	Other non-operating income and expenses, net, mainly attributable to income from disposal of former office property
Income tax effect on non-recurring items	(2,820,507.62)	Impact of non-recurring items on income tax for the Period
<b>Total</b>	<b>9,999,981.56</b>	

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

<i>(Unit: RMB'000)</i>	<b>Under CAS</b>	<b>Under HKFRS</b>
Net profit attributable to equity holders of the Company	168,955	168,955
Net assets attributable to equity holders of the Company	8,346,445	8,388,910

#### **Explanation to the differences:**

In accordance with IFRIC 12 “Service Concession Arrangements” and HKAS 11 “Construction Contracts” issued by the Hong Kong Institute of Certified Public Accountants, 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 under the “Explanation No.2 on the Accounting Standards for Business Enterprises” 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 Reporting Period.

## 2.1.2 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)	
		2010 Q1	Change as compared to 2009 Q1	2010 Q1	Change as compared to 2009 Q1
<b>Projects consolidated into the Group's financial statements:</b>					
Meiguan Expressway	100%	104	18.3%	847	16.3%
Jihe East	100%	103	20.4%	1,347	16.3%
Jihe West	100%	78	22.7%	1,041	19.9%
Yanba Expressway <sup>Note 2</sup>	100%	15	21.7%	209	24.6%
Yanpai Expressway	100%	35	29.7%	373	20.5%
Nanguang Expressway <sup>Note 3</sup>	100%	40	78.7%	389	85.6%
Qinglian Expressway <sup>Note 4</sup>	76.37%	19	N/A	1,129	N/A
<b>Projects not consolidated into the Group's financial statements:</b>					
Shuiguan Expressway	40%	121	24.6%	1,090	23.2%
Shuiguan Extension	40%	35	33.0%	216	31.4%
Yangmao Expressway	25%	24	14.7%	1,263	20.4%
Guangwu Project	30%	15	23.2%	391	26.0%
Jiangzhong Project	25%	55	18.4%	798	14.8%
GZ W2 Expressway <sup>Note 5</sup>	25%	22	96.5%	556	51.8%
Wuhuang Expressway	55%	38	18.1%	1,235	18.0%
Changsha Ring Road	51%	10	24.0%	73	11.4%
Nanjing Third Bridge	25%	25	20.4%	827	22.9%

### Notes:

- (1) Benefiting from the recovery of the macro-economy and the sustained increase in car ownership, the average daily traffic volume and toll revenue of all the projects recorded relatively significant year-on-year increase. In addition, the operational statistics of most toll highways for the same period of 2009 were relatively on the low side under the impact of slowdowns in the macro-economic growth.
- (2) Yanba C opened to traffic on 25 March 2010 simultaneously with the connecting Huishen Coastal Expressway. This linked Yanba Expressway with the road networks in eastern Guangdong region to become the most convenient express passage travelling between Shenzhen and Hong Kong, and Huizhou and eastern Guangdong region, which is beneficial for facilitating Yanba Expressway to enter a rapid growth period. However, it is expected to cause certain diversions to Jihe Expressway and Yanpai Expressway.
- (3) The operational statistics of Nanguang Expressway recorded a substantial growth as compared to the same period of last year, since Nanguang Expressway is still in the initial operation stage.
- (4) The main part of Qinglian Expressway (Fengtouling - Lianzhou section and Fengbu - Jingkou section) has adopted expressway toll rates since 1 July 2009 and a toll-by-weight trial system for trucks since 1 November 2009. The statistics in the table only represent the operational statistics of Qinglian Expressway excluding the operational statistics of Liannan Section (the Lianzhou-Fengbu section) tolled as class 1 highway as well as Class 2 Road of Qinglian Company. In the first quarter of 2010, the overall average daily toll revenue of Qinglian Company was approximately RMB1,175,000.  
As the original toll model of Qinglian Project differs from the toll model of expressways in terms of the toll rate, vehicle category and statistical method, the statistics of the year-on-year changes of Qinglian Expressway are not provided.
- (5) Following the successive implementation of governmental traffic plans, GZ W2 Expressway's function as a cross border passage has become prominent, which had a positive impact on the operational performance of GZ W2 Expressway.
- (6) The highways which adopted "Green Passage Toll Free Policy" for fresh agricultural products carrier vehicles pursuant to the requirements of relevant government authorities include Jihe Expressway, Yangmao Expressway, Wuhuang Expressway, Nanjing Third Bridge and Qinglian Expressway.

## 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' registers 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 43,348, of which 43,054 were holders of A shares and 294 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)	715,301,098	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
Au Siu Kwok	11,000,000	H Share
Ip Kow	11,000,000	H Share
BOC - China AMC Sector Selected Securities Investment Fund (LOF)	5,133,698	A Share
CCB - Lord Value Advantage Securities Investment Fund	3,989,834	A Share
Guangzhou Shifu Company Limited	2,629,471	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 RMB506,524,000, representing an increase of 93.32% as compared to the same period of 2009 ("YOY"). Of this amount, toll revenue amounted to RMB484,249,000, representing an increase of 96.42% YOY. During the Reporting Period, the Group recorded a net profit attributable to the shareholders of the Company ("Net Profit") of RMB168,955,000 (same period of 2009: RMB121,259,000), representing an increase of 39.33% YOY. After deducting the provision for maintenance/resurfacing obligations, the net profit of the Group for the Reporting Period amounted to RMB210,438,000 (comparable figure for same period of 2009: RMB135,757,000), representing an increase of 55.01% YOY. Benefiting from the recovery of the macro-economy and the sustained increase in car ownership, the major toll highways operated and invested by the Group recorded overall growth in toll revenue and profit, which mitigated the impact of increased operating costs and finance costs.

Jihe East Company had been consolidated into the scope of the Group's financial statements since 30 September 2009. During the Reporting Period, Jihe East realised a toll revenue of RMB121,266,000, accounting for 25.04% of the Group's toll revenue for the Reporting Period. Qinglian Class 1 Highway commenced expressway operation on 1 July 2009 and the toll revenue from Qinglian Project recorded an increase of 157.20% YOY for the Reporting Period. Toll revenue from other toll highways recorded an overall increase of 25.22% YOY.

During the Reporting Period, operating costs of the Group's toll highways recorded an increase of 94.66% YOY, or an increase of 78.97% YOY after deducting the impact of provision for maintenance/resurfacing obligations. Of which, the operating costs of Jihe East amounted to RMB42,290,000, accounting for 22.60% of the Group's operating costs. Qinglian Project recorded an increase of 71.20% YOY in its operating costs including the amortisation of intangible assets due to traffic volume growth after the operation of Qinglian Expressway. The overall operating costs of other toll highways recorded an overall increase of 17.65% YOY, mainly attributable to corresponding increases in the amortisation of intangible assets of the highways due to traffic volume growth. Upon expressway operation of the completed section of Qinglian Expressway on 1 July 2009, the related borrowing interests were no longer capitalised, leading to an increase in the finance costs of the Group by 96.67% YOY.

During the Reporting Period, the Group's capital expenditure amounted to approximately RMB380,000,000. As at the end of the Reporting Period, total outstanding borrowings (including loans, notes payable and debentures payable) of the Group amounted to RMB10.645 billion, and debt-to-asset ratio was 60.25%. The Group's composite borrowing costs for the Reporting Period was 5.06 %, representing a decrease of 0.41 percentage point as compared to 2009.

Pursuant to the requirements of relevant accounting standards and regulations and taking into account the actual situation of the major toll highways, the Group has amended the relevant accounting estimates of the unit amortisation amount for the intangible assets under concession for Jihe West, Yanpai Expressway, Meiguan Expressway and Qinglian Class 2 Road. The said changes in accounting estimates reduced the equity attributable to shareholders of the Company as at 31 March 2010 by approximately RMB5,510,000, and reduced the net profit for the period from January to March 2010 by RMB5,510,000. It is expected that the equity attributable to shareholders of the Company as at 31 December 2010 would decrease by RMB21,609,000, whereas the net profit for 2010 would decrease by RMB21,609,000, causing no significant effect to the overall financial position and operating results of the Group. Please refer to the announcement on Board resolutions disclosed on the same date of this report for details.

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

Unit: RMB'000

	As at 31 Mar 2010	As at 31 Dec 2009	Change (%)	Explanation for the change
Cash at bank and on hand	1,344,312	969,358	38.68	Issue of medium-term notes in the amount of RMB700 million and repayment of bank borrowings during the Period
Interests receivable	5,049	2,580	95.70	Increase in accrued interest income of fixed deposits
Advances to suppliers	3,485	5,693	-38.78	Decrease in construction prepayments during the period

	As at 31 Mar 2010	As at 31 Dec 2009	Change (%)	Explanation for the change
Long-term prepaid expenses	4,184	677	518.53	Newly incurred amortisation cost for bridge reinforcement work for Jihe West and Meiguan Expressway
Deferred income tax assets	63,397	48,585	30.49	Increase in deferred income tax assets accrued for provision for maintenance/resurfacing obligations
Notes payable	69,128	52,769	31.00	Increase in construction payments settled with notes during the Period
Taxes payable	133,658	100,471	33.03	Increase in tax amount accrued for the Period due to increases in toll revenue
Interests payable	52,937	37,269	42.04	Increase in the interests accrued on bonds
Current portion of non-current liabilities	146,192	223,411	-34.56	Repayment of long-term borrowings due within one year during the period
Debentures payable	2,760,304	2,047,253	34.83	Issue of medium-term notes in the amount of RMB700 million during the Period

Unit: RMB'000

	2010 Q1	2009 Q1	Change (%)	Explanation for the change
Revenue	506,524	262,011	93.32	Please refer to "General Explanation" above
Cost of services	224,774	115,471	94.66	Please refer to "General Explanation" above
Tax and levies on operation	16,418	9,518	72.48	Consolidation of Jihe East Company and corresponding increase in tax amount with the increase in toll revenue
Finance expenses - net	132,319	67,279	96.67	Increase in finance expenses resulted from the increase of expensed borrowing interests upon commencement of expressway operation of completed sections of Qinglian Expressway
Profit/(Loss) arising from changes in fair value	-	(774)	N/A	The amount for the corresponding period last year reflected losses on fair values of an interest rate swap transaction for a loan and a forward transaction of foreign exchange. These transactions were due in 2009 and there was no similar transaction during the Period
Income tax expenses	29,532	10,134	191.42	Consolidation of Jihe East Company and corresponding increase in taxable profit
Minority interest	(3,967)	663	N/A	Profit/loss attributable to minority interests changed accordingly as loss and profit respectively recorded in the Period and the same period of the previous year for Qinglian Company
Net cash flows from operating activities	391,893	160,754	143.78	Consolidation of Jihe East Company and increase in operating cash inflow from major toll highways
Net cash flows from investing activities	(330,259)	(205,886)	60.41	Consolidation of Jihe East Company and increase in construction payments for Qinglian Project and Nanguang Expressway etc. during the Period
Net cash flows from financing activities	333,493	124,168	168.58	Issue of medium-term notes in the amount of RMB700 million and repayment of bank borrowings during the Period

**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) Shenzhen International Holdings Limited (“Shenzhen International”) and Shenzhen International Holdings (SZ) Limited (“SGJ Shenzhen”) 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 SGJ Shenzhen 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 SGJ Shenzhen.

**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**

Applicable  Not applicable

On 19 March 2010, the twelfth meeting of the fifth session of the Board of Directors of the Company considered and approved the proposal of the profit distribution scheme of 2009, and proposed the payment of a final dividend of RMB0.12 per share (tax included) for 2009 on the basis of the total share capital comprising 2,180,770,326 shares as at the end of 2009, totalling RMB261,692,439.12. The balance after distribution will be carry forward to next year and no transfer from the capital surplus to the share capital will be made. The aforesaid resolution is subject to the approval by shareholders at the 2009 Annual General Meeting to be held on 14 May 2010.



### **3.6 Operating information and other matters**

- (1) As approved by the general meeting held on 8 January 2010, Mr. He Sen has been appointed as the shareholders' representative supervisor of the fifth session of the Supervisory Committee of the Company. Mr. Yang Qin Hua has ceased to be a supervisor of the Company with effect from 8 January 2010.
- (2) As authorised by the general meeting, the Company completed the issue of medium-term notes with total amount of RMB700 million in two instalments in March 2010. The proceeds were received on 15 March 2010 and 26 March 2010 respectively. Please refer to announcements of the Company dated 16 March 2010 and 29 March 2010 respectively for details.
- (3) Due to adjustments to the planning of connecting road network, the Liannan section of Qinglian Project has commenced reconstruction into an expressway since the second quarter of 2009, and the reconstruction work is scheduled to complete in two years. As at end of the Reporting Period, reconstruction of road surface was completed, the works of the newly construction road sections such as roadbed earthwork, culverts and passages, bridge piles and tunnel work all progressed as scheduled.
- (4) As at the end of the Reporting Period, the relative preliminary works and reports for the reconstruction/expansion of the north section of Meiguan Expressway such as the evaluation report on environmental impacts and water and soil conservation, work feasibility report and land use assessment have received replies or been approved. Currently, works on design and assessment, land requisition and relocation, construction and tendering are proceeding as planned.

### **3.7 For definitions of the relevant 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 2010

*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 2010

*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	1,344,311,508.20	969,357,723.52
Interests receivable	5,048,630.14	2,579,794.53
Accounts receivable	202,869,433.20	176,713,368.40
Advances to suppliers	3,485,002.04	5,692,660.44
Other receivables	32,559,973.20	34,121,231.51
Inventories	2,717,816.63	3,436,321.38
Total current assets	1,590,992,363.41	1,191,901,099.78
<b>Non-current assets:</b>		
Long-term equity investments	2,238,996,171.66	2,203,664,697.57
Investment properties	17,412,400.00	17,556,325.00
Fixed assets	1,069,857,853.44	1,110,653,409.31
Liquidation of fixed assets	1,997,438.57	-
Construction in progress	16,042,675.31	18,083,727.94
Intangible assets	17,719,870,479.64	17,617,588,483.68
Long-term prepaid expenses	4,184,423.65	676,510.30
Deferred income tax assets	63,397,474.25	48,584,685.51
Total non-current assets	21,131,758,916.52	21,016,807,839.31
<b>TOTAL ASSETS</b>	<b>22,722,751,279.93</b>	<b>22,208,708,939.09</b>
<b>Current liabilities:</b>		
Short-term borrowings	1,430,788,000.00	1,569,457,400.00
Notes payable	69,128,011.00	52,768,732.00
Accounts payable	901,707,082.81	1,072,989,873.13
Advances from customers	10,514,452.39	11,802,970.92
Employee benefits payable	50,077,480.30	52,779,726.56
Taxes payable	133,658,062.76	100,471,334.26
Interests payable	52,936,548.37	37,269,239.50
Other payables	297,161,131.31	330,129,995.76
Current portion of non-current liabilities	146,191,863.89	223,410,572.89
Total current liabilities	3,092,162,632.83	3,451,079,845.02
<b>Non-current liabilities:</b>		
Long-term borrowings	6,238,490,731.95	6,285,944,556.44
Debentures payable	2,760,304,206.42	2,047,252,922.01
Accrued liabilities	753,083,083.56	702,355,060.83
Deferred income tax liabilities	847,306,107.12	855,659,919.48
Total non-current liabilities	10,599,184,129.05	9,891,212,458.76
Total liabilities	13,691,346,761.88	13,342,292,303.78
<b>Shareholders' equity:</b>		
Share capital	2,180,770,326.00	2,180,770,326.00
Capital surplus	3,167,955,682.43	3,167,955,682.43
Surplus reserve	1,372,324,752.84	1,372,324,752.84
Undistributed profits	1,625,393,994.90	1,456,439,118.37
Total equity attributable to shareholders of the Company	8,346,444,756.17	8,177,489,879.64
Minority interest	684,959,761.88	688,926,755.67
Total Shareholders' equity	9,031,404,518.05	8,866,416,635.31
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>22,722,751,279.93</b>	<b>22,208,708,939.09</b>

## Balance Sheet

31 Mar 2010

*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	1,147,004,419.42	757,877,673.52
Interests receivable	5,048,630.14	2,579,794.52
Accounts receivable	181,793,364.60	157,004,259.72
Advances to suppliers	2,463,988.88	4,696,993.78
Other receivables	39,609,860.55	41,791,746.80
Inventories	1,631,859.93	1,956,978.86
Total current assets	1,377,552,123.52	965,907,447.20
<b>Non-current assets:</b>		
Long-term receivables	929,333,335.00	818,333,335.00
Long-term equity investments	6,449,722,283.01	6,439,020,312.85
Investment properties	17,412,400.00	17,556,325.00
Fixed assets	616,568,939.21	646,735,554.40
Construction in progress	4,734,006.28	2,803,152.12
Intangible assets	5,192,816,115.46	5,156,427,600.66
Long-term prepaid expenses	858,881.97	676,510.30
Deferred income tax assets	63,397,474.25	48,584,685.51
Total non-current assets	13,274,843,435.18	13,130,137,475.84
<b>TOTAL ASSETS</b>	<b>14,652,395,558.70</b>	<b>14,096,044,923.04</b>
<b>Current liabilities:</b>		
Short-term borrowings	1,196,392,000.00	1,565,055,000.00
Notes payable	69,128,011.00	52,768,732.00
Accounts payable	215,099,971.14	242,014,912.25
Advances from customers	717,230.39	1,649,763.92
Employee benefits payable	39,692,166.14	39,943,533.02
Taxes payable	68,282,566.79	58,727,583.37
Interests payable	45,052,640.78	29,981,216.52
Other payables	265,531,575.51	240,768,021.37
Current portion of non-current liabilities	56,513,463.89	51,541,612.89
Total current liabilities	1,956,409,625.64	2,282,450,375.34
<b>Non-current liabilities:</b>		
Long-term borrowings	2,192,790,731.95	2,243,724,556.44
Debentures payable	2,768,544,768.18	2,055,660,522.18
Accrued liabilities	493,141,161.25	446,645,137.75
Total non-current liabilities	5,454,476,661.38	4,746,030,216.37
Total liabilities	7,410,886,287.02	7,028,480,591.71
<b>Shareholders' equity:</b>		
Share capital	2,180,770,326.00	2,180,770,326.00
Capital surplus	2,315,587,934.74	2,315,587,934.74
Surplus reserve	1,372,324,752.84	1,372,324,752.84
Undistributed profits	1,372,826,258.10	1,198,881,317.75
Total Shareholders' equity	7,241,509,271.68	7,067,564,331.33
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>14,652,395,558.70</b>	<b>14,096,044,923.04</b>

## Consolidated Income Statement

31 Mar 2010

*Unit: RMB; Unaudited*

Item	The Period	The corresponding period of the previous year
<b>1. Revenue</b>	506,524,336.05	262,011,370.30
Less: Cost of services	224,774,121.31	115,471,265.16
Tax and levies on operations	16,417,708.25	9,518,407.81
General and administrative expenses	10,034,976.66	11,184,378.65
Finance expenses	132,318,747.58	67,278,924.11
Add: Profit/(loss) arising from changes in fair value	-	(774,340.81)
Investment income	64,836,567.68	74,321,901.38
Including: Share of profit of associates and joint ventures	64,836,567.68	74,321,901.38
<b>2. Operating profit</b>	187,815,349.93	132,105,955.14
Add: Non-operating income	6,704,616.70	26,900.00
Including: Gain on disposal of non-current assets	5,904,576.70	-
Less: Non-operating expenses	-	76,552.77
Including: Loss on disposal of non-current assets	-	76,552.77
<b>3. Total profit</b>	194,519,966.63	132,056,302.37
Less: Income tax expenses	29,532,083.89	10,133,834.96
<b>4. Net profit</b>	164,987,882.74	121,922,467.41
Net profit attributable to shareholders of the Company	168,954,876.53	121,258,712.29
Minority interest	(3,966,993.79)	663,755.12
<b>5. Earnings per share</b>		
(1) Basic earnings per share	0.077	0.056
(2) Diluted earnings per share	0.077	0.056
<b>6. Total comprehensive income</b>	164,987,882.74	121,922,467.41
Total comprehensive income attributable to shareholders of the Company	168,954,876.53	121,258,712.29
Total comprehensive income attributable to minority shareholders	(3,966,993.79)	663,755.12

## Income Statement

31 Mar 2010

*Unit: RMB; Unaudited*

<b>Item</b>	<b>The Period</b>	<b>The corresponding period of the previous year</b>
<b>1. Revenue</b>	191,800,595.45	146,317,255.66
Less: Cost of services	106,942,349.59	66,661,787.60
Tax and levies on operations	5,954,507.60	4,635,431.28
General and administrative expenses	10,028,071.18	11,183,648.71
Finance expenses	61,321,508.22	59,589,272.40
Add: Profit/(loss) arising from changes in fair value	-	(774,340.81)
Investment income	161,207,063.75	89,655,332.05
Including: Share of profit of associates and joint ventures	40,207,063.75	53,387,481.72
<b>2. Operating profit</b>	168,761,222.61	93,128,106.91
Add: Non-operating income	6,495,920.20	3,900.00
Less: Non-operating expenses	-	69,173.04
<b>3. Total profit</b>	175,257,142.81	93,062,833.87
Less: Income tax expenses	1,312,202.46	(558,656.62)
<b>4. Net profit</b>	173,944,940.35	93,621,490.49
<b>5. Total comprehensive income</b>	173,944,940.35	93,621,490.49

## Consolidated Cash Flow Statement

31 Mar 2010

*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	489,777,903.57	240,232,792.04
Cash received relating to other operating activities	47,793,235.43	45,472,050.40
Sub-total of cash inflows from operating activities	537,571,139.00	285,704,842.44
Cash paid for goods and services	47,752,568.84	24,464,366.59
Cash paid to and on behalf of employees	33,007,630.95	23,754,357.93
Payments of taxes and levies	38,346,828.63	12,989,898.20
Cash paid relating to other operating activities	26,571,343.09	63,742,705.04
Sub-total of cash outflows from operating activities	145,678,371.51	124,951,327.76
Net cash flows from operating activities	391,892,767.49	160,753,514.68
<b>2. Cash flows from investing activities:</b>		
Cash received from disposals of investments	4,656,949.80	5,689,968.54
Cash received from returns on investments	24,848,143.80	51,827,978.25
Net cash received from disposal of fixed assets	26,493,936.00	-
Cash received relating to other investing activities	1,968,939.34	74,342,449.93
Sub-total of cash inflows from investing activities	57,967,968.94	131,860,396.72
Cash paid to acquire fixed assets, intangible assets and other long-term assets	354,556,808.01	278,394,953.83
Cash paid to acquire subsidiaries and other operating units	-	45,000,000.00
Cash paid relating to other investing activities	33,669,741.82	14,351,897.93
Sub-total of cash outflows from investing activities	388,226,549.83	337,746,851.76
Net cash flows from investing activities	(330,258,580.89)	(205,886,455.04)
<b>3. Cash flows from financing activities:</b>		
Cash received from borrowings	887,369,000.00	585,577,597.84
Cash received from issuing bonds	697,758,000.00	-
Cash received relating to other financing activities	-	1,477,233.33
Sub-total of cash inflows from financing activities	1,585,127,000.00	587,054,831.17
Cash repayments of borrowings	1,150,573,973.49	367,355,082.85
Cash payments for interest expenses and distribution of dividends or profits	99,842,465.98	95,497,852.84
Cash paid relating to other financing activities	1,217,078.09	34,240.56
Sub-total of cash outflows from financing activities	1,251,633,517.56	462,887,176.25
Net cash flows from financing activities	333,493,482.44	124,167,654.92
<b>4. Effect of foreign exchange rate changes on cash and cash equivalents</b>	1,615,580.89	20,828.79
<b>5. Net increase in cash and cash equivalents</b>	396,743,249.93	79,055,543.35
Add: Cash and cash equivalents at beginning of Period	479,100,883.88	536,292,564.27
<b>6. Cash and cash equivalents at end of Period</b>	875,844,133.81	615,348,107.62

## Cash Flow Statement

31 Mar 2010

*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	177,790,566.43	130,346,330.93
Cash received relating to other operating activities	51,688,483.10	46,194,596.18
Sub-total of cash inflows from operating activities	229,479,049.53	176,540,927.11
Cash paid for goods and services	17,671,059.07	12,120,648.79
Cash paid to and on behalf of employees	15,821,590.44	14,480,215.32
Payments of taxes and levies	13,166,148.18	8,090,892.39
Cash paid relating to other operating activities	23,044,025.11	61,332,727.96
Sub-total of cash outflows from operating activities	69,702,822.80	96,024,484.46
Net cash flows from operating activities	159,776,226.73	80,516,442.65
<b>2. Cash flows from investing activities:</b>		
Cash received from disposals of investments	4,656,949.80	5,689,968.54
Cash received from returns on investments	145,848,143.80	87,823,049.91
Net cash received from disposal of fixed assets	26,493,936.00	-
Cash received relating to other investing activities	872,540.14	32,652,266.70
Sub-total of cash inflows from investing activities	177,871,569.74	126,165,285.15
Cash paid to acquire fixed assets, intangible assets and other long-term assets	71,772,002.68	61,666,685.51
Cash paid to acquire subsidiaries and other operating units	-	45,000,000.00
Cash paid relating to other investing activities	100,050,000.00	8,542,835.93
Sub-total of cash outflows from investing activities	171,822,002.68	115,209,521.44
Net cash flows from investing activities	6,049,567.06	10,955,763.71
<b>3. Cash flows from financing activities:</b>		
Cash received from borrowings	499,249,000.00	366,097,597.84
Cash received from issuing bonds	697,758,000.00	-
Cash received relating to other financing activities	-	1,477,233.33
Sub-total of cash inflows from financing activities	1,197,007,000.00	367,574,831.17
Cash repayments of borrowings	913,873,973.49	367,355,082.85
Cash payments for interest expenses and distribution of dividends or profits	38,443,771.65	40,144,999.27
Cash paid relating to other financing activities	1,216,902.26	34,064.26
Sub-total of cash outflows from financing activities	953,534,647.40	407,534,146.38
Net cash flows from financing activities	243,472,352.60	(39,959,315.21)
<b>4. Effect of foreign exchange rate changes on cash and cash equivalents</b>	1,618,064.76	20,566.66
<b>5. Net increase in cash and cash equivalents</b>	410,916,211.15	51,533,457.81
Add: Cash and cash equivalents at beginning of Period	267,620,833.88	441,915,076.77
<b>6. Cash and cash equivalents at end of Period</b>	678,537,045.03	493,448,534.58