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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)**

### **THIRD 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 Mr. Wu Ya De, director, Mr. Zhao Jun Rong, director, and Mr. Tse Yat Hong, director, were unable to attend this board meeting in person due to work engagement, and had appointed Mr. Yang Hai, director, Mr. Li Jing Qi, director, and Mr. Li Jing Qi, director to attend and vote on their behalf, respectively.
- 1.3 The financial statements for the three months ended 30 September 2010 (“Reporting Period” or “Period”) contained in the third 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 30 Sep 2010	As at 31 Dec 2009	Change
Total assets	22,458,476,962.05	22,208,708,939.09	1.12%
Equity attributable to equity holders of the Company	8,493,214,317.66	8,177,489,879.64	3.86%
Net assets per share attributable to equity holders of the Company	3.89	3.75	3.86%

<i>(Unit: RMB)</i>	From Jan~Sep 2010	Change as compared to the same period of 2009
Net cash flows from operating activities	1,192,819,301.83	179.24%
Net cash flows from operating activities per share	0.547	179.24%

<i>(Unit: RMB)</i>	Jul~Sep 2010	Change as compared to the same period of 2009	Jan~Sep 2010
Net profit attributable to equity holders of the Company	220,456,386.41	55.48%	579,955,119.30
Earnings per share - basic	0.101	55.48%	0.266
Earnings per share - diluted	0.101	55.48%	0.266
Earnings per share excluding non-recurring items - basic	0.099	57.14%	0.257
Return on equity - fully diluted	2.60%	Increased 0.85 percentage point	6.83%
Return on equity excluding non-recurring items - fully diluted	2.54%	Increased 0.85 percentage point	6.59%

<b>Non-recurring item (Unit: RMB)</b>	<b>Jan ~Sep 2010</b>	<b>Explanation</b>
Profit from entrusted operation management services	10,749,532.10	Profit from entrusted management of the equity interests in Shenzhen Longda Expressway Company Limited during the Reporting Period
Subsidy income	9,075,998.57	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	6,050,500.82	Other non-operating income and expenses, net, mainly attributable to income from disposal of former office property
Effect on Minority interest	22,340.08	Impact of non-recurring items on minority interest
Income tax effect by non-recurring items	(5,692,726.93)	Impact of non-recurring items on income tax for the Period
<b>Total</b>	<b>20,205,644.64</b>	

## 2.2 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 (Jan-Sep)	579,955	579,955
Net assets attributable to equity holders of the Company	8,493,214	8,535,679

### 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.

### 2.3 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 42,512, of which 42,212 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)	706,105,098	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
Ip Kow	15,126,000	H Share
Au Siu Kwok	11,000,000	H Share
Pictet Asset Management Limited – Pictet Fund (Luxemburg)	7,059,992	A Share
BOC - China AMC Sector Selected Securities Investment Fund (LOF)	5,133,698	A Share
Wong Kin Ping + Li Tao	5,000,000	H Share

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

### 2.4 Principal operating data

Toll highway	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>	
		Jul-Sep 2010	compared to Jul-Sep2009	Jul-Sep 2010	compared to Jul-Sep2009
<b>Projects consolidated into the Group's financial statements:</b>					
Meiguan Expressway	100%	125	20.7%	1,010	19.5%
Jihe East	100%	119	19.9%	1,496	13.5%
Jihe West	100%	99	26.0%	1,269	26.4%
Yanba Expressway <sup>Note 2</sup>	100%	30	48.0%	407	60.3%
Yanpai Expressway	100%	45	13.8%	499	11.5%
Nanguang Expressway <sup>Note 3</sup>	100%	56	53.8%	588	73.3%
Qinglian Expressway <sup>Note 4</sup>	76.37%	18	20.2%	1,029	46.6%

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)	
		Jul-Sep 2010	compared to Jul-Sep2009	Jul-Sep 2010	compared to Jul-Sep2009
<b>Projects not consolidated into the Group's financial statements:</b>					
Shuiguan Expressway	40%	145	11.0%	1,333	11.7%
Shuiguan Extension	40%	45	25.4%	276	23.4%
Yangmao Expressway	25%	19	14.2%	1,034	13.2%
Guangwu Project <sup>Note 5</sup>	30%	20	92.1%	556	88.6%
Jiangzhong Project	25%	77	42.7%	918	27.3%
GZ W2 Expressway	25%	32	96.9%	714	28.8%
Wuhuang Expressway	55%	38	18.8%	1,316	21.5%
Changsha Ring Road	51%	7.8	4.3%	69	10.2%
Nanjing Third Bridge	25%	20	1.8%	744	11.5%

Notes:

- (1) The average daily traffic volume and toll revenue of most of the projects in this quarter recorded a significant increase as compared to the same period of last year, mainly benefited from the positive impact on operational performance of highways from the factors such as the sustained growth in the domestic economy.
- (2) Yanba C commenced operation simultaneously with the connecting Huishen Coastal Expressway on 25 March 2010. The statistics in the line of "Yanba Expressway" in the table include the operational statistics of Yanba A, Yanba B and Yanba C. Benefited from the increase in the toll mileage and improvement of road network, the operational statistics of Yanba Expressway recorded a significant increase as compared to the same period of last year.
- (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 as well as a municipal road parallel to Nanguang Expressway is under expansion and reconstruction.
- (4) The completed section of Qinglian Expressway (Fengtouling-to-Lianzhou Section and Fengbu-to-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 exclude the operational statistics of Liannan Section which is still adopting Class 1 Highway toll rates and Qinglian Class 2 Road held by Qinglian Company. In the third quarter of 2010, the overall average daily toll revenue of Qinglian Company was approximately RMB1, 068,000.
- (5) The second phase of Guangwu Expressway (Hekou to Pingtai section) commenced operation at the end of June 2010. The entire expressway from Guangzhou to Wuzhou have been opened, which had a positive impact on the operational performance of Guangwu Project.
- (6) The highways which have 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.

### 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 RMB607,440,000, representing an increase of 72.01% over the same period of 2009 (“YOY”). Out of this amount, toll revenue amounted to RMB583,090,000, representing an increase of 75.11% YOY. Net profit attributable to shareholders of the Company (“Net Profit”) for the Reporting Period amounted to RMB220,456,000 (same period of 2009: RMB 141,794,000), representing an increase of 55.48% YOY, which was mainly attributable to the growth in earnings from the toll highways operated and invested by the Group and the consolidation of Jihe East Company into the scope of the financial statements of the Group after the Company completed the further acquisition of its equity interests since 30 September 2009.

From January to September 2010, the Group recorded a revenue of RMB1,662,044,000, representing an increase of 82.84% YOY. Out of this amount, toll revenue amounted to RMB1,592,423,000, representing an increase of 85.95% YOY. The Group recorded Net Profit of RMB579,955,000 for January to September 2010 (January to September 2009: RMB455,203,000), representing an increase of 27.41%. After deducting the provisions for maintenance/resurfacing obligations for January to September 2010, Net Profit of the Group for such period would amount to RMB704,398,000 (comparable figures for January to September 2009: RMB472,816,000), representing an increase of 48.98% YOY.

Jihe East Company has been consolidated into the Group since 30 September 2009, which increased the Group’s toll revenue by RMB385,773,000 for January to September 2010 (January to September 2009: unconsolidated), accounting for 24.23% of the Group’s toll revenue for January to September 2010. The main part of Qinglian Project commenced expressway operation on 1 July 2009. Toll revenue from Qinglian Project increased by 97.02% YOY for January to September 2010. Yanba C commenced operation on 25 March 2010, which increased the total operation mileage of Yanba Expressway and resulted in a YOY increase of 53.69% in the toll revenue of Yanba Expressway for January to September 2010. Benefited from the continuous recovery of macro-economy and the improvement of road network, other toll highways also recorded of a YOY growth of 26.79% in toll revenue for January to September 2010, which maintained a steady growing trend.

From January to September 2010, toll revenue from the toll highways operated and invested by the Group recorded significant growth. On the other hand, the Group’s operating costs for January to September 2010 saw a YOY increase of 73.87% as a result of increase in various costs along with growth in traffic volume of the toll highways as well as increase in amortisation of premium by RMB62,999,000 for Jihe East Company for January to September 2010. Upon the commencement of expressway operation of main part of Qinglian Project since 1 July 2009, the related borrowing interests were no longer capitalised, which caused a YOY increase in the finance costs of the Group by 52.39%. As a result, the YOY growth of Net Profit was lower than that of revenue of the Group for January to September 2010.

During the Reporting Period, the Group's capital expenditure amounted to approximately RMB776,000,000 (including capitalised interests). As at the end of the Reporting Period, total borrowings outstanding (including loans, bonds payables and bills payable) of the Group amounted to RMB10.19 billion and debt-to-asset ratio of the Group was 59.19%. The Group's composite borrowing costs for January to September 2010 amounted to 4.87% (January to September 2009: 5.65%).

Pursuant to the requirements of relevant accounting policies and regulations and taking into account the actual situation of the major toll highways, the Group has changed 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 since 1 January 2010, based on the adjusted forecast of total standard traffic volume of the above sections for future operating period. For details, please refer to the announcement on Board resolutions dated 28 April 2010. The above changes in accounting estimates reduced the equity attributable to shareholders of the Company as at 30 September 2010 by approximately RMB17,249,000, the net profit for the Reporting Period by RMB6,024,000 and the net profit for the period from January to September 2010 by RMB17,249,000. The change had no material impact on the overall financial position and operating results of the Group.

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

Unit: RMB'000

	As at 30 Sep 2010	As at 31 Dec 2009	Change (%)	Primary reasons for the change
Advances to suppliers	10,460	5,693	83.75	Increase in prepayment for maintenance of highways during the Period
Interests receivable	—	2,580	N/A	Interests received for fixed deposits due in the Period
Long-term prepaid expenses	8,164	677	1106.84	Newly incurred expenses for house decoration etc of which the amortisation period were over one year.
Deferred income tax assets	88,649	48,585	82.46	Corresponding increase in deferred income tax assets due to increase in provisions for maintenance/resurfacing obligations for January to September 2010
Derivate financial assets	3,371	—	N/A	Fair value of the forward foreign currency transactions arranged in 2010 to lock up the risk of exchange rate of loans in HK\$
Notes payable	3,025	52,769	-94.27	Decrease in payment of construction settlement by notes during the Period
Advances from customers	19,677	11,803	66.71	Construction management fee received in advance for entrusted construction management of Nanping (Phase II) during the Period
Employee benefits payable	19,425	52,780	-63.20	Annual bonuses accrued at the end of 2009 were paid in the first half of 2010
Current portion of non-current liabilities	100,570	223,411	-54.98	Decrease in long-term borrowings due within one year
Debentures payable	2,792,065	2,047,253	36.38	Issuance of medium-term notes of RMB700 million in the first half of 2010
Derivate financial liabilities	8,875	—	N/A	Fair value of the currency swap and interest rate swap transactions arranged in 2010 to lock up the risk of exchange and interest rates of floating rate loans in HK\$

Unit: RMB'000

	Jul-Sep 2010	Jul-Sep 2009	Change (%)	Primary reasons for the change
Revenue	607,440	353,132	72.01	Consolidation of Jihe East Company since 30 September 2009 and increase in toll revenue from other toll highways
Cost of services	261,857	163,240	60.41	Increase in amortisation of intangible assets and other costs arising from growth in traffic volume, consolidation of Jihe East Company and increase in amortisation of premium since 30 September 2009
Tax and levies on operations	19,520	11,668	67.29	Consolidation of Jihe East Company since 30 September 2009 and corresponding increase in taxes for the Period as a result of increase in toll revenue
Profit/(loss) arising from changes in fair value	—	(243)	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	43,867	15,154	189.47	Increase in taxable profit due to increase in revenue for the Period and the consolidation of Jihe East Company since 30 September 2009
Minority interest	(5,444)	(9,324)	-41.61	YOY decrease in loss of Qinglian Company and resulted in corresponding decrease in loss of minority interest

Unit: RMB'000

	Jan-Sep 2010	Jan-Sep 2009	Change (%)	Primary reasons for the change
Net cash flows from operating activities	1,192,819	427,166	179.24	Consolidation of Jihe East Company since 30 September 2009 and increase in net operating cash inflow from major toll highways
Net cash flows from investing activities	(600,419)	(1,599,579)	-62.46	Net cash payment of RMB930 million for acquisition of 45% interests in Jihe East Company during the corresponding period of the last year
Net cash flows from financing activities	(398,944)	1,238,830	-132.20	Repayment of bank borrowings

### 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”, formerly known as Yiwan Industry Development (Shenzhen) Company Limited) 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 undertaking includes avoiding competition and standardising 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

Pursuant to the approval at the 2009 Annual General Meeting, the Company paid a final dividend of RMB0.12 (tax included) per share for the year 2009 to all shareholders on the basis of the total share capital comprising 2,180,770,326 shares as at the year end of 2009, totaling RMB261,692,439.12. Such dividend distributions were completed by 13 July 2010.

**3.6 Operating information and other matters**

- (1) The Liannan Section of Qinglian Project has commenced reconstruction into an expressway since April 2009. Reconstruction of original route surface of Liannan Section was completed in February during this year. As at the end of the Reporting Period, over 90% of the pile foundation, precast beam and slab for newly constructed bridge and the earthwork of road understructure for new route of the Liannan Section has been completed. Currently, construction of traffic safety facilities is underway. It is expected that the project will be completed in early 2011 as scheduled in general.

- (2) Application for the construction permission for the expansion of the North Section of Meiguan Expressway (Qinghu-Liguang) is in progress. The modification of construction drawing design and the process of bidding for the road understructure and bridge culverts have been completed and the land acquisition and demolition work is undergoing as scheduled. Currently, the Company is proactively negotiating with the relevant competent authorities on the overall operation and reconstruction arrangement of the South Section of Meiguan Expressway (Qinghu-Meilin). The relevant negotiation is still in progress.
- (3) As at the end of the Reporting Period, for the new lanes of the expansion of Shuiguan Expressway, the road understructure and bridge culverts were nearly completed and construction of road surface is underway. It is expected that the expansion will be completed in the first half of 2011.
- (4) Payments of annual interest for bonds: The Company issued the convertible corporate bonds, in which bonds and subscription warrants are tradable separately on 9 October 2007. The interest payment date for such bonds (“07 Shenzhen Expressway Bonds”) of this year was 11 October 2010. Interest of RMB10 (tax included) shall be distributed for each lot of “07 Shenzhen Expressway Bonds” (with par value of RMB1,000). Payment of interests for this year was completed on schedule as stipulated.

**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 October 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**

30 Sep 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	980,818,400.32	969,357,723.52
Accounts receivable	206,907,778.22	176,713,368.40
Advances to suppliers	10,460,425.66	5,692,660.44
Interests receivable	-	2,579,794.53
Other receivables	34,965,726.20	34,121,231.51
Inventories	4,208,987.65	3,436,321.38
Total current assets	1,237,361,318.05	1,191,901,099.78
<b>Non-current assets:</b>		
Long-term equity investments	2,303,522,905.75	2,203,664,697.57
Investment properties	17,124,550.00	17,556,325.00
Fixed assets	1,025,047,383.85	1,110,653,409.31
Liquidation of fixed assets	2,850,185.57	-
Construction in progress	18,542,433.79	18,083,727.94
Intangible assets	17,753,844,720.66	17,617,588,483.68
Long-term prepaid expenses	8,164,389.63	676,510.30
Derivate financial assets	3,370,567.86	-
Deferred income tax assets	88,648,506.89	48,584,685.51
Total non-current assets	21,221,115,644.00	21,016,807,839.31
<b>TOTAL ASSETS</b>	<b>22,458,476,962.05</b>	<b>22,208,708,939.09</b>
<b>Current liabilities:</b>		
Short-term borrowings	1,177,778,430.00	1,569,457,400.00
Notes payable	3,024,616.00	52,768,732.00
Accounts payable	877,134,757.46	1,072,989,873.13
Advances from customers	19,677,088.88	11,802,970.92
Employee benefits payable	19,424,901.11	52,779,726.56
Taxes payable	130,158,232.71	100,471,334.26
Interests payable	32,790,864.42	37,269,239.50
Other payables	330,077,426.24	330,129,995.76
Current portion of non-current liabilities	100,569,819.52	223,410,572.89
Total current liabilities	2,690,636,136.34	3,451,079,845.02
<b>Non-current liabilities:</b>		
Long-term borrowings	6,116,770,400.00	6,285,944,556.44
Debentures payable	2,792,064,501.42	2,047,252,922.01
Accrued liabilities	854,539,129.02	702,355,060.83
Deferred income tax liabilities	829,714,802.23	855,659,919.48
Derivate financial liabilities	8,875,485.81	-
Total non-current liabilities	10,601,964,318.48	9,891,212,458.76
Total liabilities	13,292,600,454.82	13,342,292,303.78
<b>Shareholders' equity:</b>		
Share capital	2,180,770,326.00	2,180,770,326.00
Capital surplus	3,165,417,440.27	3,167,955,682.43
Surplus reserve	1,372,324,752.84	1,372,324,752.84
Undistributed profits	1,774,701,798.55	1,456,439,118.37
Total equity attributable to shareholders of the Company	8,493,214,317.66	8,177,489,879.64
Minority interest	672,662,189.57	688,926,755.67
Total Shareholders' equity	9,165,876,507.23	8,866,416,635.31
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>22,458,476,962.05</b>	<b>22,208,708,939.09</b>

**Balance Sheet**  
30 Sep 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	714,598,914.49	757,877,673.52
Accounts receivable	183,367,094.48	157,004,259.72
Advances to suppliers	5,506,227.28	4,696,993.78
Interests receivable	-	2,579,794.52
Other receivables	38,847,056.90	41,791,746.80
Inventories	2,344,613.73	1,956,978.86
Total current assets	944,663,906.88	965,907,447.20
<b>Non-current assets:</b>		
Long-term receivables	1,316,669,005.23	818,333,335.00
Long-term equity investments	6,472,618,019.98	6,439,020,312.85
Investment properties	17,124,550.00	17,556,325.00
Fixed assets	585,416,883.24	646,735,554.40
Construction in progress	9,418,905.97	2,803,152.12
Intangible assets	5,149,773,885.16	5,156,427,600.66
Long-term prepaid expenses	5,007,943.31	676,510.30
Deferred income tax assets	88,648,506.89	48,584,685.51
Total non-current assets	13,644,677,699.78	13,130,137,475.84
Total Assets	14,589,341,606.66	14,096,044,923.04
<b>Current liabilities:</b>		
Short-term borrowings	805,385,000.00	1,565,055,000.00
Notes payable	3,024,616.00	52,768,732.00
Accounts payable	202,005,966.48	242,014,912.25
Advances from customers	7,896,284.88	1,649,763.92
Employee benefits payable	14,278,048.52	39,943,533.02
Taxes payable	79,746,741.50	58,727,583.37
Interests payable	25,998,326.94	29,981,216.52
Other payables	400,860,131.20	240,768,021.37
Current portion of non-current liabilities	100,569,819.52	51,541,612.89
Total current liabilities	1,639,764,935.04	2,282,450,375.34
<b>Non-current liabilities:</b>		
Long-term borrowings	2,202,417,500.00	2,243,724,556.44
Debentures payable	2,800,720,986.36	2,055,660,522.18
Accrued liabilities	586,133,208.25	446,645,137.75
Total non-current liabilities	5,589,271,694.61	4,746,030,216.37
Total liabilities	7,229,036,629.65	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	1,491,621,963.43	1,198,881,317.75
Total Shareholders' equity	7,360,304,977.01	7,067,564,331.33
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>14,589,341,606.66</b>	<b>14,096,044,923.04</b>

## Consolidated Income Statement

*Unit: RMB; Unaudited*

Item	The Period (Jul-Sep)	The corresponding period of the previous year (Jul-Sep)	Beginning of the year to the end of the Period (Jan-Sep)	Beginning of the previous year to the end of the corresponding period of the previous year (Jan-Sep)
<b>1. Revenue</b>	607,439,820.00	353,132,377.80	1,662,043,961.90	909,020,934.28
Less: Cost of services	(261,856,616.93)	(163,240,310.41)	(729,557,027.10)	(419,595,944.74)
Tax and levies on operations	(19,519,603.17)	(11,667,863.90)	(56,113,564.07)	(31,606,033.75)
General and administrative expenses	(11,284,225.38)	(9,391,169.45)	(32,914,206.60)	(35,995,114.13)
Finance expenses - net	(129,435,804.87)	(121,694,144.11)	(383,200,826.40)	(251,455,198.39)
Add: Profit/(loss) arising from changes in fair value	-	(242,500.00)	-	(2,331,662.45)
Investment income	74,646,695.83	100,765,387.51	206,804,341.81	314,594,920.92
Including: Share of profit of associates and joint ventures	74,646,695.83	100,765,387.51	206,804,341.81	314,594,920.92
<b>2. Operating profit</b>	259,990,265.48	147,661,777.44	667,062,679.54	482,631,901.74
Add: Non-operating income	227,086.50	36,899.30	8,062,636.53	69,969.30
Less: Non-operating expenses	(1,337,764.48)	(74,309.19)	(2,012,135.71)	(162,286.70)
<b>3. Total profit</b>	258,879,587.50	147,624,367.55	673,113,180.36	482,539,584.34
Less: Income tax expenses	(43,867,255.92)	(15,154,170.64)	(109,422,627.16)	(34,373,926.95)
<b>4. Net profit</b>	215,012,331.58	132,470,196.91	563,690,553.20	448,165,657.39
Net profit attributable to shareholders of the Company	220,456,386.41	141,794,066.43	579,955,119.30	455,202,671.83
Minority interest	(5,444,054.83)	(9,323,869.52)	(16,264,566.10)	(7,037,014.44)
<b>5. Earnings per share:</b>				
(1) Basic earnings per share	0.101	0.065	0.266	0.209
(2) Diluted earnings per share	0.101	0.065	0.266	0.209
<b>6. Other comprehensive income</b>	1,109,422.23	-	(2,538,242.16)	-
<b>7. Total comprehensive income</b>	216,121,753.81	132,470,196.91	561,152,311.04	448,165,657.39
Total comprehensive income attributable to shareholders of the Company	221,565,808.64	141,794,066.43	577,416,877.14	455,202,671.83
Total comprehensive income attributable to minority shareholders	(5,444,054.83)	(9,323,869.52)	(16,264,566.10)	(7,037,014.44)

## Income Statement

*Unit: RMB; Unaudited*

Item	The Period (Jul-Sep)	The corresponding period of the previous year (Jul-Sep)	Beginning of the year to the end of the Period (Jan-Sep)	Beginning of the previous year to the end of the corresponding period of the previous year (Jan-Sep)
<b>1. Revenue</b>	265,958,481.37	196,385,491.08	691,462,330.34	512,089,463.02
Less: Cost of services	(126,230,405.01)	(102,526,884.44)	(350,961,877.51)	(264,527,739.99)
Tax and levies on operations	(8,247,928.93)	(6,169,686.44)	(24,040,809.48)	(16,098,003.95)
General and administrative expenses	(11,281,157.57)	(9,391,169.45)	(32,793,602.26)	(35,994,120.06)
Finance expenses - net	(49,085,624.65)	(56,162,322.61)	(161,126,335.22)	(171,636,511.58)
Add: Profit/(loss) arising from changes in fair value	-	(242,500.00)	-	(2,331,662.45)
Investment income	161,966,323.16	130,136,863.95	447,849,444.68	372,458,256.50
Including: Share of profit of associates and joint ventures	49,437,424.98	78,136,863.92	136,232,026.20	248,458,256.50
<b>2. Operating profit</b>	233,079,688.37	152,029,792.09	570,389,150.55	393,959,681.49
Add: Non-operating income	222,708.50	1,530.00	7,507,624.45	10,940.00
Less: Non-operating expenses	(1,140,885.62)	(58,480.69)	(1,728,094.64)	(131,739.77)
<b>3. Total profit</b>	232,161,511.25	151,972,841.40	576,168,680.36	393,838,881.72
Less: Income tax expenses	(13,017,838.94)	(1,838,180.10)	(21,735,595.56)	2,000,839.12
<b>4. Net profit</b>	219,143,672.31	150,134,661.30	554,433,084.80	395,839,720.84
<b>5. Other comprehensive income</b>	-	-	-	-
<b>6. Total comprehensive income</b>	219,143,672.31	150,134,661.30	554,433,084.80	395,839,720.84

**Consolidated Cash Flow Statement**  
Jan-Sep 2010

*Unit: RMB; Unaudited*

Item	Beginning of the year to the end of the Period (Jan-Sep)	Beginning of the previous year to the end of the corresponding period of the previous year (Jan-Sep)
<b>1. Cash flows from operating activities:</b>		
Cash received from rendering of services	1,622,035,127.99	860,992,076.82
Cash received relating to other operating activities	73,834,250.51	974,411,840.57
Sub-total of cash inflows from operating activities	1,695,869,378.50	1,835,403,917.39
Cash paid for goods and services	(126,091,378.89)	(87,118,792.56)
Cash paid to and on behalf of employees	(118,121,165.27)	(82,989,246.65)
Payments of taxes and levies	(207,893,559.25)	(90,206,636.52)
Cash paid relating to other operating activities	(50,943,973.26)	(1,147,923,595.39)
Sub-total of cash outflows from operating activities	(503,050,076.67)	(1,408,238,271.12)
Net cash flows from operating activities	1,192,819,301.83	427,165,646.27
<b>2. Cash flows from investing activities:</b>		
Cash received from disposals of investments	10,870,335.11	5,765,286.47
Cash received from returns on investments	96,075,798.52	195,570,691.67
Net cash received from disposal of fixed assets	26,759,268.16	3,890.00
Cash received relating to other investing activities	14,456,813.23	18,973,411.01
Sub-total of cash inflows from investing activities	148,162,215.02	220,313,279.15
Cash paid to acquire fixed assets, intangible assets and other long-term assets	(725,169,542.79)	(834,898,171.58)
Net cash paid to acquire subsidiaries and other operating units	-	(970,044,937.14)
Cash paid relating to other investing activities	(23,411,953.37)	(14,948,780.45)
Sub-total of cash outflows from investing activities	(748,581,496.16)	(1,819,891,889.17)
Net cash flows from investing activities	(600,419,281.14)	(1,599,578,610.02)
<b>3. Cash flows from financing activities:</b>		
Cash received from borrowings	2,244,774,713.67	4,085,876,787.45
Cash received from issuing bonds	697,326,500.00	-
Cash received relating to other financing activities	175,002,200.00	116,271,396.38
Sub-total of cash inflows from financing activities	3,117,103,413.67	4,202,148,183.83
Cash repayments of borrowings	(2,905,385,202.26)	(1,910,187,927.18)
Cash payments for interest expenses and distribution of dividends or profits	(606,537,281.77)	(602,879,896.11)
Cash paid relating to other financing activities	(4,124,845.10)	(450,250,465.56)
Sub-total of cash outflows from financing activities	(3,516,047,329.13)	(2,963,318,288.85)
Net cash flows from financing activities	(398,943,915.46)	1,238,829,894.98
<b>4. Effect of foreign exchange rate changes on cash</b>	658,957.56	(1,910,246.34)
<b>5. Net increase in cash</b>	194,115,062.79	64,506,684.89
Add: Cash at beginning of the year	479,100,883.88	536,292,564.27
<b>6. Cash at end of the Period</b>	673,215,946.67	600,799,249.16

**Cash Flow Statement**  
Jan-Sep 2010

*Unit: RMB; Unaudited*

Item	Beginning of the year to the end of the Period (Jan-Sep)	Beginning of the previous year to the end of the corresponding period of the previous year (Jan-Sep)
<b>1. Cash flows from operating activities:</b>		
Cash received from rendering of services	655,081,376.67	474,013,550.71
Cash received relating to other operating activities	217,699,499.09	972,738,739.07
Sub-total of cash inflows from operating activities	872,780,875.76	1,446,752,289.78
Cash paid for goods and services	(50,853,645.82)	(42,046,639.55)
Cash paid to and on behalf of employees	(64,907,207.26)	(55,039,888.51)
Payments of taxes and levies	(66,922,258.35)	(41,016,097.04)
Cash paid relating to other operating activities	(43,433,960.50)	(1,122,291,907.65)
Sub-total of cash outflows from operating activities	(226,117,071.93)	(1,260,394,532.75)
Net cash flows from operating activities	646,663,803.83	186,357,757.03
<b>2. Cash flows from investing activities:</b>		
Cash received from disposals of investments	106,558,520.55	5,765,286.47
Cash received from returns on investments	407,693,217.00	319,570,691.67
Net cash received from disposal of fixed assets	26,754,448.16	3,590.00
Cash received relating to other investing activities	12,070,666.44	14,928,177.52
Sub-total of cash inflows from investing activities	553,076,852.15	340,267,745.66
Cash paid to acquire fixed assets, intangible assets and other long-term assets	(215,064,716.81)	(233,832,024.52)
Net cash paid to acquire subsidiaries and other operating units	(100,000,000.00)	(1,125,820,485.92)
Cash paid relating to other investing activities	(501,060,896.38)	(9,139,718.45)
Sub-total of cash outflows from investing activities	(816,125,613.19)	(1,368,792,228.89)
Net cash flows from investing activities	(263,048,761.04)	(1,028,524,483.23)
<b>3. Cash flows from financing activities:</b>		
Cash received from borrowings	1,429,562,515.81	3,418,308,387.45
Cash received from issuing bonds	697,326,500.00	-
Cash received relating to other financing activities	220,911,842.86	160,271,396.38
Sub-total of cash inflows from financing activities	2,347,800,858.67	3,578,579,783.83
Cash repayments of borrowings	(2,160,221,572.26)	(1,910,187,927.18)
Cash payments for interest expenses and distribution of dividends or profits	(429,658,932.05)	(434,296,691.26)
Cash paid relating to other financing activities	(2,847,473.92)	(450,220,310.19)
Sub-total of cash outflows from financing activities	(2,592,727,978.23)	(2,794,704,928.63)
Net cash flows from financing activities	(244,927,119.56)	783,874,855.20
<b>4. Effect of foreign exchange rate changes on cash</b>	687,703.73	(1,906,168.56)
<b>5. Net increase/(decrease) in cash</b>	139,375,626.96	(60,198,039.56)
Add: Cash at beginning of the year	267,620,833.88	441,915,076.77
<b>6. Cash at end of the Period</b>	406,996,460.84	381,717,037.21