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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 2011

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 2011 (“Reporting Period” or “Period”) contained in the first quarterly report of 2011 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 31 Mar 2011	As at 31 Dec 2010	Change
Total assets	22,989,182,811.19	22,616,647,065.72	1.65%
Equity attributable to equity holders of the Company	8,842,725,416.30	8,648,826,937.88	2.24%
Net assets per share attributable to equity holders of the Company	4.05	3.97	2.24%

<i>(Unit: RMB)</i>	From Jan to Mar 2011	Change as compared to the same period of 2010
Net cash flows from operating activities	360,957,156.63	-7.89%
Net cash flows from operating activities per share	0.17	-7.89%

<i>(Unit: RMB)</i>	From Jan to Mar 2011	Change as compared to the same period of 2010
Net profit attributable to equity holders of the Company	186,058,199.50	10.12%
Earnings per share - basic	0.085	10.12%
Earnings per share - diluted	0.085	10.12%
Earnings per share excluding non-recurring items - basic	0.082	12.33%
Return on equity - weighted average	2.13%	Increased 0.09 percentage point
Return on equity excluding non-recurring items - weighted average	2.04%	Increased 0.12 percentage point

Non-recurring items <i>(Unit: RMB)</i>	From Jan to Mar 2011	Explanation
Profit from entrusted operation management services	7,117,140.46	Profit from entrusted management of the equity interests in Shenzhen Longda Expressway Company Limited during the Reporting Period
Subsidy income	2,820,312.32	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	(191,525.79)	Other non-operating income and expenses, net
Income tax effect by non-recurring items	(2,339,022.48)	Impact of non-recurring items on income tax for the Period
Effect on minority interest (after tax)	17,824.75	
Total	7,424,729.26	

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 38,572, of which 38,276 were holders of A shares and 296 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)	703,273,098	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	14,926,000	H Share
Au Siu Kwok	11,000,000	H Share
Sanya Chengda Investment Company Limited	9,482,562	A Share
Pictet Asset Management Limited - Pictet Fund (Luxembourg)	7,059,992	A Share
Sanya Chengda Special Cargo Transportation Company Limited	5,858,620	A Share

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

2.3 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)	
		Jan ~ Mar 2011	Compared to Jan ~ Mar 2010	Jan ~ Mar 2011	Compared to Jan ~ Mar 2010
Projects consolidated into the Group's financial statements:					
Meiguan Expressway	100%	120	14.6%	950	12.2%
Jihe East	100%	110	6.6%	1,363	1.2%
Jihe West	100%	93	18.2%	1,165	11.9%
Yanba Expressway ^{Note 1}	100%	24	54.3%	337	61.3%
Yanpai Expressway	100%	34	-2.7%	355	-4.9%
Nanguang Expressway	100%	51	28.8%	547	40.6%
Qinglian Expressway ^{Note 2}	76.37%	23	17.7%	1,290	14.3%
Projects not consolidated into the Group's financial statements:					
Shuiguan Expressway	40%	112	-7.0%	1,033	-5.2%
Shuiguan Extension	40%	34	-4.2%	206	-4.7%
Yangmao Expressway	25%	26	9.7%	1,264	0.1%
Guangwu Project ^{Note 3}	30%	26	73.0%	697	78.0%
Jiangzhong Project	25%	83	50.1%	938	17.6%
GZ W2 Expressway	25%	33	51.7%	715	28.5%
Wuhuang Expressway ^{Note 5}	55%	40	5.7%	1,154	-6.5%
Changsha Ring Road	51%	10	8.5%	82	12.6%
Nanjing Third Bridge	25%	26	3.1%	865	4.6%

Notes:

- (1) Yanba C commenced operation simultaneously with the connecting Huishen Coastal Expressway on 25 March 2010. 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.
- (2) The reconstruction of Liannan Section of Qinglian Project into an expressway had been completed, and an expressway toll rate has been adopted since 25 January 2011. The total toll mileage of Qinglian Expressway increased from approximately 188 km to approximately 216 km.
- (3) The second phase of Guangwu Expressway (Hekou to Pingtai section) commenced operation at the end of June 2010. As a result, the expressway between Guangzhou and Wuzhou has been in full operation, which had a positive impact on the operational performance of Guangwu Project but diverted certain traffic from Yangmao Expressway.
- (4) In recent two years, Shenhui Road, being a municipal road, was under reconstruction, which had a positive impact on the performance of peripheral Jihe Expressway, Yanpai Expressway and Shuiguan Expressway, etc. As the municipal works has been gradually completed, Shenhui Road has fully resumed traffic in early 2011, and certain traffic flow of the expressways during reconstruction have returned to local roads, resulting in impacts on traffic volume and changes in vehicle mix in the related expressways.
- (5) During the Period, effected by various factors such as traffic control measures implemented in Wuhan City and changes in road network including opening of Mawu Expressway, Wuhuang Expressway recorded a decrease in average daily toll revenue as compared to the same period of 2010.

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

3.1.1 General explanations

During the Reporting Period, the Group recorded a revenue of RMB574,487,000, representing an increase of 13.42% over the same period of 2010 (“YOY”). Out of this amount, toll revenue amounted to RMB542,533,000, representing an increase of RMB58,283,000 or 12.04% YOY. Net profit attributable to shareholders of the Company (“Net Profit”) for the Reporting Period amounted to RMB186,058,000 (same period of 2010: RMB168,955,000), representing an increase of 10.12% YOY.

The increase in the toll revenue of the Group was mainly attributable to the growth in the toll revenue of Nanguang Expressway, Qinglian Project and Yanba Expressway, of which, the toll revenue of Nanguang Expressway increased by RMB14,214,000 or 40.61% YOY because of the gradual improvement of its road network and the implementation by the Company of its marketing strategies; the toll revenue of Qinglian Project increased by RMB12,314,000 or 11.64% YOY, benefiting from the full opening of Qinglian Expressway on 25 January 2011; and Yanba C commenced operation at the end of March 2010, which increased the toll mileage of Yanba Expressway and resulted in a YOY increase of RMB11,521,000 or 61.34% in the toll revenue of Yanba Expressway. The toll revenue from other toll highways increased by 6.23% YOY. During the Reporting Period, operating costs of the Group’s toll highways increased by 14.78% YOY as traffic volume increased. Gross margin of the toll highways operated by the Group was basically in line with that of the same period of 2010.

During the Reporting Period, finance expenses of the Group decreased by 4.94% YOY as a result of a YOY increase of RMB8,800,000 in the Group’s exchange gains and a slightly YOY decrease in total borrowings.

During the Reporting Period, the Group’s capital expenditure amounted to approximately RMB277 million. As at the end of the Reporting Period, total borrowings outstanding (including loans, bonds payables and bills payable) of the Group amounted to RMB9,985 million and debt-to-asset ratio of the Group was 58.29%. The Group’s composite borrowing costs for the Reporting Period amounted to 4.98% (same period of 2010: 5.06%).

3.1.2 Changes of key items in the financial statements, and explanations thereof

Unit: RMB’000

	As at 31 Mar 2011	As at 31 Dec 2010	Change (%)	Primary reasons for the change
Interests receivable	3,512	1,715	104.77	Increase in interest accrued on fixed deposit
Construction in progress	3,241	42,034	-92.29	Building and transport projects of Liannan Section of Qinglian Expressway transferred to fixed assets upon their completion
Notes payable	-	3,025	-100.00	No balance in construction payments settled by notes as at the end of the Reporting Period

	Jan ~ Mar 2011	Jan ~ Mar 2010	Change (%)	Primary reasons for the change
Business tax and surcharges	21,511	16,418	31.02	Increase in tax expenses as a result of the growth in toll revenue and increase in City Maintenance and Construction Tax rate from 1% to 7% since 1 December 2010
Non-operating income	22	6,705	-99.66	The amount for the same period of last year reflected income from disposal of former office property and the receipt of Futian District Chief Quality Award of Shenzhen City
Income tax expenses	42,575	29,532	44.16	Increase in taxable profit for the Period and increase in the tax rate of enterprise income tax from 22% to 24% in the Period
Net cash flows from financing activities	15,698	333,493	-95.29	Issue of medium-term notes in the amount of RMB700 million during the same period of last year; net repayment of bank loans during the same period of last year to be RMB334 million more than that 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 undertakings by XTC Company or SGH Company.
- (2) Shenzhen International Holdings Limited (“Shenzhen International”) and Shenzhen International Holdings (SZ) Limited (“SGJ Shenzhen”, formerly known as Yiwun 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 undertakings include 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 undertakings 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 same period of last year

Applicable Not applicable

3.5 Implementation of cash dividend policy during the Period

Applicable

Not applicable

On 25 March 2011, the seventeenth meeting of the fifth session of the Board of Directors of the Company considered and approved the proposal of the profit distribution scheme of 2010, and proposed the payment of a final dividend of RMB0.16 per share (tax included) for 2010 on the basis of the total share capital comprising 2,180,770,326 shares as at the end of 2010, totalling RMB348,923,252.16. 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 2010 Annual General Meeting to be held on 17 May 2011.

3.6 Information on the progress of implementation of internal control

In order to implement 《企業內部控制基本規範》(Basic Standard for Internal Control of Enterprises) and relevant implementation guidelines jointly issued by the five ministries of the PRC including the Ministry of Finance and CSRC and to continuously improve the operational management and capability of risk prevention of the Company, the Company, based on the principles of 《關於做好深圳轄區上市公司內部控制規範試點有關工作的通知》(the Notice on Conducting the Relevant Work for Pilot Implementation of Internal Control Standard by Listed Companies in Shenzhen) (SZJGSZ No. [2011]31) issued by the Shenzhen Branch of CSRC, formulated the Working Plan for Implementation of Internal Control, which was considered and approved by the Board of Directors on 28 April 2011. For information on the Company's working plans for the development, assessment and audit of internal control, and the relevant work carried out during prior years and the Reporting Period, please refer to the full text of the Working Plan for Implementation of Internal Control disclosed by the Company on the website of Shanghai Stock Exchange at <http://www.sse.com.cn> on the same day.

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 2011

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 2011

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	943,981,956.19	832,427,381.66
Interests receivable	3,512,089.05	1,715,171.24
Accounts receivable	256,355,395.93	245,327,133.78
Advances to suppliers	11,915,094.25	13,865,949.18
Other receivables	44,705,658.04	36,456,038.12
Inventories	2,657,011.08	3,401,645.38
Total current assets	1,263,127,204.54	1,133,193,319.36
Non-current assets:		
Long-term equity investments	2,438,595,170.64	2,394,169,935.76
Investment properties	16,836,700.00	16,980,625.00
Fixed assets	1,070,393,499.10	1,026,607,672.44
Construction in progress	3,240,538.66	42,034,013.85
Intangible assets	18,073,188,431.14	17,896,204,675.75
Long-term prepaid expenses	3,735,344.24	3,964,038.77
Deferred income tax assets	120,065,922.87	103,492,784.79
Total non-current assets	21,726,055,606.65	21,483,453,746.36
TOTAL ASSETS	22,989,182,811.19	22,616,647,065.72
Current liabilities:		
Short-term borrowings	1,102,890,100.00	1,174,259,800.00
Notes payable	-	3,024,616.00
Accounts payable	980,946,356.07	939,782,814.66
Advances from customers	10,980,473.00	14,171,844.00
Employee benefits payable	56,183,691.09	62,689,956.43
Taxes payable	159,769,921.36	149,211,799.65
Interests payable	55,318,630.47	62,367,213.28
Other payables	364,526,341.11	386,406,073.32
Current portion of non-current liabilities	180,853,742.36	195,463,729.63
Total current liabilities	2,911,469,255.46	2,987,377,846.97
Non-current liabilities:		
Long-term borrowings	5,907,078,391.13	5,757,383,500.00
Debentures payable	2,822,377,912.06	2,807,923,750.11
Accrued liabilities	927,817,011.45	882,434,765.75
Deferred income tax liabilities	812,037,741.77	820,729,860.38
Hedging instrument	20,449,145.29	25,696,082.32
Total non-current liabilities	10,489,760,201.70	10,294,167,958.56
Total liabilities	13,401,229,457.16	13,281,545,805.53
Shareholders' equity:		
Share capital	2,180,770,326.00	2,180,770,326.00
Capital surplus	3,163,018,928.09	3,155,178,649.17
Surplus reserve	1,446,432,645.22	1,446,432,645.22
Undistributed profits	2,052,503,516.99	1,866,445,317.49
Total equity attributable to shareholders of the Company	8,842,725,416.30	8,648,826,937.88
Minority interest	745,227,937.73	686,274,322.31
Total shareholders' equity	9,587,953,354.03	9,335,101,260.19
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	22,989,182,811.19	22,616,647,065.72

Balance Sheet

31 Mar 2011

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	580,065,403.49	568,822,519.87
Interests receivable	3,512,089.05	1,715,171.24
Accounts receivable	227,049,896.30	217,361,364.51
Advances to suppliers	6,771,698.31	5,817,924.39
Other receivables	77,503,577.75	54,197,326.13
Inventories	1,313,963.74	1,620,033.26
Total current assets	896,216,628.64	849,534,339.40
Non-current assets:		
Long-term receivables	1,330,178,349.70	1,332,357,225.41
Long-term equity investments	6,520,116,377.46	6,536,154,096.00
Investment properties	16,836,700.00	16,980,625.00
Fixed assets	571,312,598.84	585,565,536.27
Construction in progress	1,873,691.16	1,746,567.52
Intangible assets	5,180,377,522.73	5,160,086,289.08
Long-term prepaid expenses	3,735,344.24	3,964,038.77
Deferred income tax assets	120,065,922.87	103,492,784.79
Total non-current assets	13,744,496,507.00	13,740,347,162.84
TOTAL ASSETS	14,640,713,135.64	14,589,881,502.24
Current liabilities:		
Short-term borrowings	639,573,000.00	798,959,000.00
Notes payable	-	3,024,616.00
Accounts payable	151,208,440.35	177,072,709.99
Advances from customers	-	750,000.00
Employee benefits payable	45,930,070.19	46,561,798.21
Taxes payable	81,967,366.72	81,855,281.28
Interests payable	47,644,349.35	51,995,863.04
Other payables	411,681,113.83	316,618,145.73
Current portion of non-current liabilities	88,818,993.86	172,631,343.63
Total current liabilities	1,466,823,334.30	1,649,468,757.88
Non-current liabilities:		
Long-term borrowings	1,957,279,931.13	1,944,794,500.00
Debentures payable	2,829,950,320.18	2,816,038,196.64
Accrued liabilities	673,499,319.87	632,629,231.75
Total non-current liabilities	5,460,729,571.18	5,393,461,928.39
Total liabilities	6,927,552,905.48	7,042,930,686.27
Shareholders' equity:		
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	1,446,432,645.22	1,446,432,645.22
Undistributed profits	1,770,369,324.20	1,604,159,910.01
Total shareholders' equity	7,713,160,230.16	7,546,950,815.97
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	14,640,713,135.64	14,589,881,502.24

Consolidated Income Statement

Jan~Mar 2011

Unit: RMB; Unaudited

Item	The Period	The same period of last year
1. Revenue	574,487,448.70	506,524,336.05
Less: Cost of services	256,729,839.05	224,774,121.31
Business tax and surcharges	21,511,037.58	16,417,708.25
General and administrative expenses	11,505,606.70	10,034,976.66
Finance expenses	125,779,619.65	132,318,747.58
Add: Profit/(loss) arising from changes in fair value	-	-
Investment income	65,415,671.63	64,836,567.68
Including: Share of profit of associates and joint ventures	65,415,671.63	64,836,567.68
2. Operating profit	224,377,017.35	187,815,349.93
Add: Non-operating income	22,478.00	6,704,616.70
Including: Gain on disposal of non-current assets	7,210.00	5,904,576.70
Less: Non-operating expenses	214,003.79	-
Including: Loss on disposal of non-current assets	14,313.78	-
3. Total profit	224,185,491.56	194,519,966.63
Less: Income tax expenses	42,574,812.48	29,532,083.89
4. Net profit	181,610,679.08	164,987,882.74
Net profit attributable to shareholders of the Company	186,058,199.50	168,954,876.53
Minority interest	-4,447,520.42	-3,966,993.79
5. Earnings per share		
(1) Basic earnings per share	0.085	0.077
(2) Diluted earnings per share	0.085	0.077
6. Other comprehensive income	7,840,286.92	-
7. Total comprehensive income	189,450,966.00	164,987,882.74
Total comprehensive income attributable to shareholders of the Company	193,898,486.42	168,954,876.53
Total comprehensive income attributable to minority shareholders	-4,447,520.42	-3,966,993.79

Income Statement

Jan~Mar 2011

Unit: RMB; Unaudited

Item	The Period	The same period of last year
1. Revenue	232,953,580.83	191,800,595.45
Less: Cost of services	120,203,682.47	106,942,349.59
Business tax and surcharges	9,426,553.28	5,954,507.60
General and administrative expenses	11,497,322.67	10,028,071.18
Finance expenses	47,533,009.71	61,321,508.22
Add: Profit/(loss) arising from changes in fair value	-	-
Investment income	132,295,747.93	161,207,063.75
Including: Share of profit of associates and joint ventures	42,812,058.45	40,207,063.75
2. Operating profit	176,588,760.63	168,761,222.61
Add: Non-operating income	7,250.00	6,495,920.20
Including: Gain on disposal of non-current assets	1,900.00	5,695,880.20
Less: Non-operating expenses	49,854.79	-
Including: Loss on disposal of non-current assets	2,376.29	-
3. Total profit	176,546,155.84	175,257,142.81
Less: Income tax expenses	10,336,741.65	1,312,202.46
4. Net profit	166,209,414.19	173,944,940.35
5. Total comprehensive income	166,209,414.19	173,944,940.35

Consolidated Cash Flow Statement

Jan~Mar 2011

Unit: RMB; Unaudited

Item	The Period	The same period of last year
1. Cash flows from operating activities:		
Cash received from rendering of services	549,679,836.32	489,777,903.57
Cash received relating to other operating activities	2,461,431.73	47,793,235.43
Sub-total of cash inflows from operating activities	552,141,268.05	537,571,139.00
Cash paid for goods and services	49,320,060.32	47,752,568.84
Cash paid to and on behalf of employees	36,524,173.72	33,007,630.95
Payments of taxes and levies	80,824,672.24	38,346,828.63
Cash paid relating to other operating activities	24,515,205.14	26,571,343.09
Sub-total of cash outflows from operating activities	191,184,111.42	145,678,371.51
Net cash flows from operating activities	360,957,156.63	391,892,767.49
2. Cash flows from investing activities:		
Cash received from disposals of investments	3,094,379.15	4,656,949.80
Cash received from returns on investments	17,896,057.60	24,848,143.80
Net cash received from disposal of fixed assets	7,210.00	26,493,936.00
Cash received relating to other investing activities	3,356,427.18	1,968,939.34
Sub-total of cash inflows from investing activities	24,354,073.93	57,967,968.94
Cash paid to acquire fixed assets, intangible assets and other long-term assets	290,243,213.24	354,556,808.01
Cash paid relating to other investing activities	3,005,131.74	33,669,741.82
Sub-total of cash outflows from investing activities	293,248,344.98	388,226,549.83
Net cash flows from investing activities	-268,894,271.05	-330,258,580.89
3. Cash flows from financing activities:		
Cash received from capital contribution	63,401,135.84	-
Including: Cash received from capital contribution by subsidiaries from minority equity holders	63,401,135.84	-
Cash received from borrowings	795,694,760.00	887,369,000.00
Cash received from issuing bonds	-	697,758,000.00
Cash received relating to other financing activities	-	-
Sub-total of cash inflows from financing activities	859,095,895.84	1,585,127,000.00
Cash repayments of borrowings	724,264,618.85	1,150,573,973.49
Cash payments for interest expenses and distribution of dividends or profits	116,638,537.32	99,842,465.98
Cash paid relating to other financing activities	2,494,794.84	1,217,078.09
Sub-total of cash outflows from financing activities	843,397,951.01	1,251,633,517.56
Net cash flows from financing activities	15,697,944.83	333,493,482.44
4. Effect of foreign exchange rate changes on cash and cash equivalents	-152,447.77	1,615,580.89
5. Net increase in cash and cash equivalents	107,608,382.64	396,743,249.93
Add: Cash and cash equivalents at beginning of the Period	535,465,379.37	479,100,883.88
6. Cash and cash equivalents at end of the Period	643,073,762.01	875,844,133.81

Cash Flow Statement

Jan~Mar 2011

Unit: RMB; Unaudited

Item	The Period	The same period of last year
1. Cash flows from operating activities:		
Cash received from rendering of services	213,426,570.91	177,790,566.43
Cash received relating to other operating activities	96,138,449.31	51,688,483.10
Sub-total of cash inflows from operating activities	309,565,020.22	229,479,049.53
Cash paid for goods and services	10,245,004.39	17,671,059.07
Cash paid to and on behalf of employees	16,166,122.22	15,821,590.44
Payments of taxes and levies	36,786,084.12	13,166,148.18
Cash paid relating to other operating activities	34,249,771.81	23,044,025.11
Sub-total of cash outflows from operating activities	97,446,982.54	69,702,822.80
Net cash flows from operating activities	212,118,037.68	159,776,226.73
2. Cash flows from investing activities:		
Cash received from disposals of investments	40,953,719.39	4,656,949.80
Cash received from returns on investments	107,379,747.08	145,848,143.80
Net cash received from disposal of fixed assets	1,900.00	26,493,936.00
Cash received relating to other investing activities	937,623.98	872,540.14
Sub-total of cash inflows from investing activities	149,272,990.45	177,871,569.74
Cash paid to acquire fixed assets, intangible assets and other long-term assets	85,731,324.09	71,772,002.68
Cash paid relating to other investing activities	70,280.00	100,050,000.00
Sub-total of cash outflows from investing activities	85,801,604.09	171,822,002.68
Net cash flows from investing activities	63,471,386.36	6,049,567.06
3. Cash flows from financing activities:		
Cash received from borrowings	210,000,000.00	499,249,000.00
Cash received from issuing bonds	-	697,758,000.00
Cash received relating to other financing activities	18,600,000.00	-
Sub-total of cash inflows from financing activities	228,600,000.00	1,197,007,000.00
Cash repayments of borrowings	440,000,000.00	913,873,973.49
Cash payments for interest expenses and distribution of dividends or profits	54,456,461.62	38,443,771.65
Cash paid relating to other financing activities	2,483,181.21	1,216,902.26
Sub-total of cash outflows from financing activities	496,939,642.83	953,534,647.40
Net cash flows from financing activities	-268,339,642.83	243,472,352.60
4. Effect of foreign exchange rate changes on cash and cash equivalents	46,910.52	1,618,064.76
5. Net increase in cash and cash equivalents	7,296,691.73	410,916,211.15
Add: Cash and cash equivalents at beginning of the Period	271,860,517.58	267,620,833.88
6. Cash and cash equivalents at end of the Period	279,157,209.31	678,537,045.03