

SINOPEC SHANGHAI PETROCHEMICAL CO LTD

Form 6-K

October 28, 2010

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SECURITIES AND EXCHANGE COMMISSION

Washington D.C. 20549

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 UNDER
THE SECURITIES EXCHANGE ACT OF 1934**

For the month of October 2010

Commission File Number: 1-12158

Sinopec Shanghai Petrochemical Company Limited

(Translation of registrant's name into English)

Jinshanwei, Shanghai

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The People's Republic of China

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): _____

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): _____

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82- Not Applicable

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SINOPEC SHANGHAI PETROCHEMICAL COMPANY LIMITED

Date: 28 October, 2010

By: /s/ WANG ZHIQING
Name: **Wang Zhiqing**
Title: **President**

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To: Business Editor

[For Immediate Release]

Shanghai Petrochemical Announces Results

for the First Three Quarters of 2010

Net Profit Rises 16.50% to RMB1.792 Billion

Hong Kong, October 27, 2010 Sinopec Shanghai Petrochemical Company Limited (Shanghai Petrochemical or the Company) (HKEx: 338; SSE: 600688; NYSE: SHI) announced today the unaudited operating results of the Company and its subsidiaries (collectively, the Group) for the nine-month period ended September 30, 2010 (the Period).

Under the China Accounting Standards for Business Enterprises, the Group s operating income for the Period amounted to RMB55.180 billion, representing an increase of 61.04% over the corresponding period of the previous year. Operating profit amounted to RMB2.271 billion (same period of 2009: RMB2.013 billion). Net profit attributable to equity shareholders of the Company amounted to RMB1.792 billion, representing an increase of 16.50% over the corresponding period of the previous year. Basic earnings per share was RMB0.249 (same period of 2009: RMB0.214).

Mr. Rong Guangdao, Chairman of Shanghai Petrochemical, said, In the first three quarters of 2010, the overall domestic and international macro-economic environment was better than that of the previous year, with China s petrochemical industry having maintained a positive trend. However, on the other hand, international crude oil prices continued to rise, and market competition was further intensified due to newly added production capacities. Faced with the aforesaid production and operation conditions, the Group further strengthened management, focused on safe, steady, long-term, fully loaded and optimized plant operation, and continued to make progress in technological advancement, product mix adjustment, and energy saving and unit feedstock consumption reduction. As a result, sales volumes increased significantly as compared to the corresponding period of the previous year, and technical and economic indices continued to improve, which in turn led to an improved performance in operating results for the first three quarters.

Shanghai Petrochemical is one of the largest petrochemical companies in the PRC and was one of the first Chinese companies to effect a global securities offering. Located in Jinshan District in the southwest of Shanghai, it is a highly integrated petrochemical complex which processes crude oil into a broad range of products in synthetic fibres, resins and plastics, intermediate petrochemicals and refined oil products.

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Shanghai Petrochemical Announces Results for the First Three Quarters of 2010 p.2

This press release contains statements of a forward-looking nature. These statements are made under the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. You can identify these forward-looking statements by terminology such as will, expects, anticipates, future, intends, plans, believes, estimates and similar statements. The accuracy of these statements may be impacted by a number of business risks and uncertainties that could cause actual results to differ materially from those projected or anticipated, including risks related to: the risk that the PRC economy may not grow at the same rate in future periods as it has in the last several years, or at all, as a result of the PRC government's macro-economic control measures to curb over-heating of the economy; uncertainty as to global economic growth in future periods; the risk that prices of the Company's raw materials, particularly crude oil, will continue to increase; the risk that the Company may not be able to raise its product prices (particularly refined oil products) accordingly which would adversely affect the Company's profitability; the risk that new marketing and sales strategies may not be effective; the risk that fluctuations in demand for the Company's products may cause the Company to either over-invest or under-invest in production capacity in one or more of its four major product categories; the risk that investments in new technologies and development cycles may not produce the benefits anticipated by management; the risk that the trading price of the Company's shares may decrease for a variety of reasons, some of which may be beyond the control of management; competition in the Company's existing and potential markets; and other risks outlined in the Company's filings with the U.S. Securities and Exchange Commission. The Company does not undertake any obligation to update this forward-looking information, except as required under applicable law.

End

Encl: Consolidated Income Statement (Unaudited)

For further information, please contact:

Ms. Leona Zeng / Ms. Christy Lai

Rikes Hill & Knowlton Limited

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Fax: (852) 2520 2241

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Shanghai Petrochemical Announces Results for the First Three Quarters of 2010 p.3

Sinopec Shanghai Petrochemical Company Limited**Consolidated Income Statement (Unaudited)**

| | For the nine-month period ended 30 September | |
|---|---|----------------|
| | 2010 | 2009 |
| | <i>RMB 000</i> | <i>RMB 000</i> |
| Operating Income | 55,179,683 | 34,264,070 |
| Less: Operating costs | 47,226,453 | 27,466,240 |
| Business taxes and surcharges | 3,845,268 | 3,053,108 |
| Selling and distribution expenses | 401,747 | 292,956 |
| General and administrative expenses | 1,662,006 | 1,533,091 |
| Financial expenses | 97,275 | 253,511 |
| Provision/(reversal) of impairment loss | 184,284 | (17,440) |
| Add: Loss from changes in fair value | | (10,423) |
| Investment income | 508,180 | 340,364 |
| (Including: Income from investment in associates and jointly controlled entities) | 507,965 | 109,353 |
| Operating profit | 2,270,830 | 2,012,545 |
| Add: Non-operating income | 38,405 | 114,194 |
| Less: Non-operating expenses | 47,412 | 31,678 |
| (Including: Loss from disposal of non-current assets) | 8,293 | 3,426 |
| Profit before income tax | 2,261,823 | 2,095,061 |
| Less: Income tax | 459,427 | 502,329 |
| Net profit for the period | 1,802,396 | 1,592,732 |
| Attributable to: | | |
| Equity shareholders of the Company | 1,791,757 | 1,537,871 |
| Minority shareholders | 10,639 | 54,861 |
| Earnings per share | | |
| Basic and diluted earnings per share | 0.249 | 0.214 |

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(A joint stock limited company incorporated in the People's Republic of China)

(Stock Code: 00338)

2010 Third Quarterly Report

This announcement is published simultaneously in Shanghai and Hong Kong. This announcement is published pursuant to the Rules Governing Listing of Stocks on Shanghai Stock Exchange in the People's Republic of China and pursuant to the disclosure obligations under Rule 13.09(1) and (2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

§1 IMPORTANT MESSAGE

- 1.1 The board of directors (the Board) and the Supervisory Committee of Sinopec Shanghai Petrochemical Company Limited (the Company) as well as its directors, supervisors and senior management warrant that there are no false representations or misleading statements contained in, or material omissions from, the 2010 third quarterly report, and severally and jointly accept full responsibility for the truthfulness, accuracy and completeness of the information contained in this report.
- 1.2 All of the Company's directors attended the 16th meeting of the 6th session of the Board which considered and approved the Company's third quarterly report.
- 1.3 The financial statements of the Company's third quarterly report were prepared under the China Accounting Standards for Business Enterprises and were unaudited.
- 1.4 Mr. Rong Guangdao, Chairman of the Company, Mr. Ye Guohua, Chief Financial Officer overseeing the accounting operations and Mr. Zhou Meiyun, Finance Manager and Accounting Chief hereby warrant the truthfulness and completeness of the financial report contained in the 2010 third quarterly report.

Table of Contents**§2 BASIC INFORMATION OF THE COMPANY****2.1 Major Accounting Data and Financial Indicators***Currency: RMB*

| | As at the end of the reporting period | As at the end of the previous year | Increase/(decrease) as compared to the end of the previous year (%) |
|---|--|---|--|
| Total assets (000) | 31,854,094 | 30,458,322 | 4.583 |
| Equity attributable to equity shareholders of the Company (excluding minority interests) (000) | 16,927,082 | 15,346,073 | 10.302 |
| Net asset value per share attributable to equity shareholders of the Company (RMB/share) | 2.351 | 2.131 | 10.302 |

| | From the beginning of the year to the end of the reporting period (January 2010 to September 2010) | Increase/(decrease) as compared to the corresponding period of the previous year (%) |
|---|---|--|
| Net cash flow from operating activities (000) | 1,629,559 | 35.442 |
| Net cash flow per share from operating activities (RMB/share) | 0.226 | 35.442 |

| | The reporting period (July 2010 to September 2010) | From the beginning of the year to the end of the reporting period (January 2010 to September 2010) | Increase/(decrease) as compared to the corresponding period of the previous year (July to September 2009) (%) |
|---|--|--|--|
| Net profit attributable to equity shareholders of the Company (000) | 297,827 | 1,791,757 | -45.912 |
| Basic earnings per share (RMB) | 0.041 | 0.249 | -45.912 |
| Basic earnings per share excluding non-recurring items (RMB/share) | 0.042 | 0.250 | -37.103 |
| Diluted earnings per share (RMB/share) | 0.041 | 0.249 | -45.912 |
| Return on net assets (weighted average) (%) | 1.775 | 11.104 | Decreased by 1.839 percentage points |
| Return on net assets excluding non-recurring items (weighted average) (%) | 1.801 | 11.155 | Decreased by 1.353 percentage points |

Table of Contents**Non-recurring items and amount:**

| | From the beginning of the year to the end of the reporting period (January 2010 to September 2010) (RMB 000) |
|---|---|
| Non-recurring items | |
| Net loss from disposal of non-current assets | (7,201) |
| Employee reduction expenses | (2,343) |
| Loss from inventory write-off and damage | (10,215) |
| Government grants recorded in profit and loss (except for government grants under the State's unified standards on quota and amount entitlements and closely related to corporate business) | 28,251 |
| Investment income from disposal of available-for-sale financial assets | 215 |
| Income from external entrusted loans | 1,231 |
| Other non-operating income and expenses other than those mentioned above | (19,842) |
| Subtotal | (9,904) |
| Less: Tax effect for the above items | 1,815 |
| Total | (8,089) |
| Including: Non-recurring items attributable to equity shareholders of the Company | (8,297) |
| Non-recurring items attributable to minority shareholders | 208 |

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2.2 Number of shareholders as at the end of the reporting period and shareholding of the top ten shareholders of shares in circulation
Unit: share

Total number of shareholders as at the end of the reporting period 109,842
Shareholding of the top ten shareholders of shares in circulation

| | Number of shares in circulation held as at the end of reporting period |
|---|--|
| ()) | 2,293,106, |
| CIFM China Advantage Fund () | 62,513,4 |
| Corp., Ltd. Orient Selected Mixed Open-end Securities Investment Fund () | 5,837,09 |
| Steady and Open Securities Investment Fund () | 38,106, |
| Income Growth Securities Investment Fund () | 27,500, |
| Company Limited Traditional Ordinary Insurance Product 005L CT001 Shanghai () | 283,063, |
| Company Limited Dividend Individual Dividend 005L FH002 Shanghai () | 9,248, |
| Shanghai and Shenzhen 300 Index Securities Investment Fund () | 6,166, |
| E Fund Kexun Securities Investment Fund () | 5,895, |
| | 5,432, |

Table of Contents**§3 Major Events****3.1 Situation and reasons for the significant changes in accounting statement items and financial indicators of the Company***Unit: RMB 000*

| Item | As at 30 September 2010 | As at 31 December 2009 | Increase amount | Change (%) | Reasons for change |
|-------------------|--|---------------------------------------|----------------------------|-----------------------|--|
| Bills receivable | 1,718,681 | 603,701 | 1,114,980 | 184.691 | Increase in sales revenue and decrease in discount of bills receivable |
| Accounts payable | 4,807,244 | 3,664,996 | 1,142,248 | 31.166 | Increase in purchase of crude oil at the end of the reporting period |
| Retained earnings | 2,037,786 | 462,029 | 1,575,757 | 341.052 | Increase in profits during the reporting period |

*Unit: RMB 000***For the nine-month****period ended**

| Item | 2010 | 30 September 2009 | Increase amount | Change (%) | Reason for change |
|---|-------------------|------------------------------|----------------------------|-----------------------|--|
| Operating income | 55,179,683 | 34,264,070 | 20,915,613 | 61.042 | Significant increase in sales volume and unit price |
| Operating costs | 47,226,453 | 27,466,240 | 19,760,213 | 71.944 | Unit cost of crude oil increased due to the increase in international crude oil prices. The volume of crude oil processed also increased during the reporting period |
| Selling and distribution expenses | 401,747 | 292,956 | 108,791 | 37.136 | Significant increase in selling expense following the increase in sales volume |
| Provision/(reversal) of impairment loss | 184,284 | (17,440) | 201,724 | | Significant increase in inventory provision during the reporting period |
| Investment income | 508,180 | 340,364 | 167,816 | 49.305 | Significant increase in investment income from associates and jointly controlled entities |

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3.2 Implementation of dividend policy during the reporting period

The 2009 profit distribution plan was considered and approved at the annual general meeting of the Company held on 23 June 2010. Based on the total share capital of 7.2 billion shares as at 31 December 2009, a dividend of RMB0.30 (tax inclusive) per 10 shares was distributed. The share registration date for A share dividend distribution was 13 July 2010 and the ex-dividend date was 14 July 2010. The dividend distribution date for H shares and A-share public social shares was 20 July 2010. The dividend distribution plan has been implemented as scheduled.

Table of Contents**4.1 Consolidated Balance Sheet (Unaudited)**

As at 30 September 2010

Prepared under the China Accounting Standards for Business Enterprises

Unit: RMB 000

| Item | As at 30 September 2010 (Unaudited) | As at 31 December 2009 (Audited) |
|---|--|---|
| Current assets: | | |
| Cash at bank and on hand | 466,066 | 125,917 |
| Bills receivable | 1,718,681 | 603,701 |
| Accounts receivable | 816,931 | 534,948 |
| Prepayments | 427,756 | 127,568 |
| Dividends receivable | 5,042 | |
| Other receivables | 62,480 | 85,457 |
| Inventories | 7,854,032 | 6,883,834 |
| Other current assets | 38,252 | 700,000 |
| Total current assets | 11,389,240 | 9,061,425 |
| Non-current assets: | | |
| Long-term receivables | 50,000 | 100,000 |
| Long-term equity investments | 3,383,217 | 2,969,646 |
| Investment property | 469,305 | 479,247 |
| Fixed assets | 14,186,157 | 15,205,731 |
| Construction in progress | 616,845 | 363,646 |
| Intangible assets | 542,492 | 557,172 |
| Long-term deferred expenses | 155,138 | 212,325 |
| Deferred tax assets | 1,061,700 | 1,509,130 |
| Total non-current assets | 20,464,854 | 21,396,897 |
| Total assets | 31,854,094 | 30,458,322 |
| Current liabilities: | | |
| Short-term loans | 5,596,066 | 6,700,398 |
| Bills payable | 8,220 | 722,271 |
| Accounts payable | 4,807,244 | 3,664,996 |
| Advances from customers | 932,747 | 529,282 |
| Employee benefits payable | 97,409 | 27,674 |
| Taxes payable | 883,098 | 635,930 |
| Interest payable | 17,163 | 20,155 |
| Dividends payable | 16,872 | |
| Other payables | 710,097 | 903,944 |
| Short-term debentures payable | 1,000,000 | 1,000,000 |
| Non-current liabilities due within one year | 78,533 | 74,275 |
| Total current liabilities | 14,147,449 | 14,278,925 |

| | | |
|--|-------------------|-------------------|
| Non-current liabilities: | | |
| Long-term loans | 300,000 | 304,258 |
| Other non-current liabilities | 234,429 | 234,781 |
| Total non-current liabilities | 534,429 | 539,039 |
| Total liabilities | 14,681,878 | 14,817,964 |
| Shareholders' equity: | | |
| Share capital | 7,200,000 | 7,200,000 |
| Specific reserve | 5,252 | |
| Capital reserve | 2,882,278 | 2,882,278 |
| Surplus reserve | 4,801,766 | 4,801,766 |
| Retained earnings | 2,037,786 | 462,029 |
| Total equity attributable to equity shareholders of the Company | 16,927,082 | 15,346,073 |
| Minority interests | 245,134 | 294,285 |
| Total equity | 17,172,216 | 15,640,358 |
| Total liabilities and shareholders' equity | 31,854,094 | 30,458,322 |

Table of Contents**Balance Sheet (Unaudited)**

As at 30 September 2010

Prepared under the China Accounting Standards for Business Enterprises

Unit: RMB 000

| Item | As at 30 September 2010 (Unaudited) | As at 31 December 2009 (Audited) |
|---------------------------------|--|---|
| Current assets: | | |
| Cash at bank and on hand | 395,327 | 101,076 |
| Bills receivable | 1,553,417 | 542,739 |
| Accounts receivable | 551,524 | 432,686 |
| Prepayments | 424,457 | 125,419 |
| Dividends receivable | 5,042 | |
| Other receivables | 31,538 | 49,270 |
| Inventories | 7,586,418 | 6,658,450 |
| Other current assets | 23,966 | 700,000 |
| Total current assets | 10,571,689 | 8,609,640 |
| Non-current assets: | | |
| Long-term equity investments | 4,449,787 | 4,035,372 |
| Investment property | 528,291 | 539,482 |
| Fixed assets | 13,551,718 | 14,541,119 |
| Construction in progress | 615,809 | 353,637 |
| Intangible assets | 435,676 | 445,450 |
| Long-term deferred expenses | 154,138 | 210,575 |
| Deferred tax assets | 1,061,339 | 1,508,769 |
| Total non-current assets | 20,796,758 | 21,634,404 |
| Total assets | 31,368,447 | 30,244,044 |
| Current liabilities: | | |
| Short-term loans | 5,370,066 | 6,424,998 |
| Bills payable | 8,220 | 878,105 |
| Accounts payables | 4,396,405 | 3,350,364 |
| Advances from customers | 884,098 | 513,071 |
| Employee benefits payable | 93,367 | 24,118 |
| Taxes payable | 874,358 | 627,964 |
| Interest payable | 17,163 | 20,155 |
| Dividends payable | 15,824 | |
| Other payables | 1,213,944 | 1,518,220 |
| Short-term debentures payable | 1,000,000 | 1,000,000 |

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| | | |
|---|------------|------------|
| Total current liabilities | 13,873,445 | 14,356,995 |
| Non-current liabilities: | | |
| Long-term loans | 345,000 | 450,000 |
| Other non-current liabilities | 234,429 | 234,781 |
| Total non-current liabilities | 579,429 | 684,781 |
| Total liabilities | 14,452,874 | 15,041,776 |
| Shareholders' equity: | | |
| Share capital | 7,200,000 | 7,200,000 |
| Specific reserve | 5,252 | |
| Capital reserve | 2,882,278 | 2,882,278 |
| Surplus reserve | 4,801,766 | 4,801,766 |
| Retained earnings | 2,026,277 | 318,224 |
| Total equity | 16,915,573 | 15,202,268 |
| Total liabilities and shareholders' equity | 31,368,447 | 30,244,044 |

Table of Contents**4.2 Consolidated Income Statements (Unaudited)
For the nine-month period ended 30 September 2010**

Prepared under the China Accounting Standards for Business Enterprises

Unit: RMB 000

| Item | 2010 (Unaudited) | 2009 (Unaudited) |
|---|---------------------|---------------------|
| Operating income | 55,179,683 | 34,264,070 |
| Less: Operating costs | 47,226,453 | 27,466,240 |
| Business taxes and surcharges | 3,845,268 | 3,053,108 |
| Selling and distribution expenses | 401,747 | 292,956 |
| General and administrative expenses | 1,662,006 | 1,533,091 |
| Financial expenses | 97,275 | 253,511 |
| Provision/(reversal) of impairment loss | 184,284 | (17,440) |
| Add: Loss from changes in fair value | | (10,423) |
| Investment income | 508,180 | 340,364 |
| (Including: Income from investment in associates and jointly controlled entities) | 507,965 | 109,353 |
| Operating profit | 2,270,830 | 2,012,545 |
| Add: Non- operating income | 38,405 | 114,194 |
| Less: Non- operating expenses | 47,412 | 31,678 |
| (Including: Losses from disposal of non-current assets) | 8,293 | 3,426 |
| Profit before income tax | 2,261,823 | 2,095,061 |
| Less: Income tax | 459,427 | 502,329 |
| Net profit for the period | 1,802,396 | 1,592,732 |
| Attributable to: | | |
| Equity shareholders of the Company | 1,791,757 | 1,537,871 |
| Minority shareholders | 10,639 | 54,861 |
| Earnings per share: | | |
| (i) Basic and diluted earnings per share | 0.249 | 0.214 |
| Other comprehensive loss for the period | | (42,527) |
| Total comprehensive income for the period | 1,802,396 | 1,550,205 |
| Attributable to equity shareholders of the Company | 1,791,757 | 1,495,344 |
| Attributable to minority shareholders | 10,639 | 54,861 |

Table of Contents**Income Statements (Unaudited)**

For the nine-month period ended 30 September 2010

Prepared under the China Accounting Standards for Business Enterprises

Unit: RMB 000

| Item | 2010 (Unaudited) | 2009 (Unaudited) |
|---|---------------------|---------------------|
| Operating income | 48,194,628 | 29,662,974 |
| Less: Operating costs | 40,393,030 | 23,189,868 |
| Business taxes and surcharges | 3,843,082 | 3,048,430 |
| Selling and distribution expenses | 341,270 | 233,614 |
| General and administrative expenses | 1,562,130 | 1,371,773 |
| Financial expenses | 87,001 | 236,954 |
| Provision/(reversal) of impairment loss | 210,196 | (11,609) |
| Add: Loss from changes in fair value | | (10,423) |
| Investment income | 620,091 | 253,200 |
| (Including: Income from investment in associates and jointly controlled entities) | 492,685 | 106,316 |
| Operating profit | 2,378,010 | 1,836,721 |
| Add: Non-operating income | 37,953 | 113,593 |
| Less: Non-operating expenses | 44,480 | 30,792 |
| (Including: Losses from disposal of non-current assets) | 7,195 | 2,836 |
| Profit before income tax | 2,371,483 | 1,919,522 |
| Less: Income tax | 447,430 | 454,672 |
| Net profit for the period | 1,924,053 | 1,464,850 |
| Other comprehensive loss for the period | | (33,758) |
| Total comprehensive income for the period | 1,924,053 | 1,431,092 |

Table of Contents**Consolidated Income Statements (Unaudited)**

For the three-month period from July to September 2010

Prepared under the China Accounting Standards for Business Enterprises

Unit: RMB 000

| Item | 2010 (Unaudited) | 2009 (Unaudited) |
|---|---------------------|---------------------|
| Operating income | 19,028,253 | 13,059,390 |
| Less: Operating costs | 16,404,633 | 10,787,579 |
| Business taxes and surcharges | 1,395,181 | 958,395 |
| Selling and distribution expenses | 146,163 | 107,076 |
| General and administrative expenses | 703,912 | 574,934 |
| Financial (income)/expenses | (19,437) | 48,704 |
| Provision/(reversal) of impairment loss | 136,930 | (604) |
| Add: Loss from changes in fair value | | (51) |
| Investment income | 122,332 | 159,571 |
| (Including: Income from investment in associates and jointly controlled entities) | 122,332 | 62,164 |
| Operating profit | 383,203 | 742,826 |
| Add: Non-operating income | 25,047 | 15,113 |
| Less: Non-operating expenses | 28,953 | 16,440 |
| (Including: Losses from disposal of non-current assets) | 3,615 | 851 |
| Profit before income tax | 379,297 | 741,499 |
| Less: Income tax | 70,473 | 178,192 |
| Net profit for the period | 308,824 | 563,307 |
| Attributable to: | | |
| Equity shareholders of the Company | 297,827 | 550,635 |
| Minority shareholders | 10,997 | 12,672 |
| Earnings per share: | | |
| (i) Basic and diluted earnings per share | 0.041 | 0.076 |
| Other comprehensive loss for the period | | (73,443) |
| Total comprehensive income for the period | 308,824 | 489,864 |
| Attributable to equity shareholders of the Company | 297,827 | 477,192 |
| Attributable to minority shareholders | 10,997 | 12,672 |

Table of Contents**Income Statements (Unaudited)**

For the three-month period from July to September 2010

Prepared under the China Accounting Standards for Business Enterprises

Unit: RMB 000

| Item | 2010 (Unaudited) | 2009 (Unaudited) |
|---|---------------------|---------------------|
| Operating income | 16,279,318 | 11,224,196 |
| Less: Operating costs | 13,718,878 | 9,037,526 |
| Business taxes and surcharges | 1,393,963 | 957,595 |
| Selling and distribution expenses | 123,943 | 86,839 |
| General and administrative expenses | 668,737 | 524,584 |
| Financial (income)/expenses | (19,784) | 41,972 |
| Impairment loss | 136,930 | |
| Add: Loss from changes in fair value | | (51) |
| Investment income | 235,063 | 174,971 |
| (Including: Income from investment in associates and jointly controlled entities) | 115,063 | 67,810 |
| Operating profit | 491,714 | 750,600 |
| Add: Non-operating income | 25,009 | 15,074 |
| Less: Non-operating expenses | 28,688 | 16,439 |
| (Including: Losses from disposal of non-current assets) | 3,545 | 851 |
| Profit before income tax | 488,035 | 749,235 |
| Less: Income tax | 63,640 | 167,472 |
| Net profit for the period | 424,395 | 581,763 |
| Other comprehensive loss for the period | | (73,443) |
| Total comprehensive income for the period | 424,395 | 508,320 |

Table of Contents**4.3 Consolidated Cash Flow Statement (Unaudited)
For the nine-month period ended 30 September 2010**

Prepared under the China Accounting Standards for Business Enterprises

Unit: RMB 000

| Item | 2010 (Unaudited) | 2009 (Unaudited) |
|---|---------------------|---------------------|
| Cash flows from operating activities: | | |
| Cash received from sale of goods and rendering of services | 63,834,870 | 39,487,581 |
| Refund of taxes | | 8,435 |
| Other cash received relating to operating activities | 89,660 | 1,898 |
| Sub-total of cash inflows | 63,924,530 | 39,497,914 |
| Cash paid for goods and services | (54,495,838) | (33,903,429) |
| Cash paid to and for employees | (1,370,761) | (1,267,286) |
| Cash paid for all types of taxes | (6,023,208) | (2,876,134) |
| Other cash paid relating to operating activities | (405,164) | (247,919) |
| Sub-total of cash outflows | (62,294,971) | (38,294,768) |
| Net cash inflow from operating activities | 1,629,559 | 1,203,146 |
| Cash flows from investing activities: | | |
| Cash received from disposal of investments | 770,000 | 431,862 |
| Cash received from investment income | 89,817 | 75,865 |
| Net cash received from disposal of fixed assets, intangible assets and other long-term assets | 1,818 | 116,613 |
| Other cash received relating to investing activities | 26,524 | 14,816 |
| Sub-total of cash inflows | 888,159 | 639,156 |
| Cash paid for acquisition of fixed assets | (662,553) | (1,484,844) |
| Cash paid for acquisition of investments | (20,250) | (132,000) |
| Sub-total of cash outflows | (682,803) | (1,616,844) |
| Net cash inflow/(outflow) from investing activities | 205,356 | (977,688) |
| Cash flows from financing activities: | | |
| Cash received from issuance of corporate bonds | 1,000,000 | 1,000,000 |
| Cash received from borrowings | 30,986,965 | 23,059,152 |
| Sub-total of cash inflows | 31,986,965 | 24,059,152 |
| Cash repayments of corporate bonds | (1,000,000) | |
| Cash repayments of borrowings | (31,991,295) | (24,244,133) |
| Cash paid for dividends, profits distribution and interest | (490,225) | (325,190) |

| | | |
|---|--------------|--------------|
| Sub-total of cash outflows | (33,481,520) | (24,569,323) |
| Net cash outflow from financing activities | (1,494,555) | (510,171) |
| Effect of foreign exchange rate changes on cash and cash equivalents | (211) | 3 |
| Net increase/(decrease) in cash and cash equivalents | 340,149 | (284,710) |
| Add: Cash and cash equivalents at the beginning of the period | 125,917 | 627,685 |
| Cash and cash equivalents at the end of the period | 466,066 | 342,975 |

Table of Contents**Cash Flow Statement (Unaudited)**

For the nine-month period ended 30 September 2010

Prepared under the China Accounting Standards for Business Enterprises

Unit: RMB 000

| Item | 2010 (Unaudited) | 2009 (Unaudited) |
|---|---------------------|---------------------|
| Cash flows from operating activities: | | |
| Cash received from sale of goods and rendering of services | 55,537,249 | 33,888,663 |
| Other cash received relating to operating activities | 92,975 | 1,401 |
| Sub-total of cash inflows | 55,630,224 | 33,890,064 |
| Cash paid for goods and services | (46,677,916) | (28,308,871) |
| Cash paid to and for employees | (1,273,088) | (1,175,318) |
| Cash paid for all types of taxes | (5,790,851) | (2,833,055) |
| Other cash paid relating to operating activities | (371,721) | (233,382) |
| Sub-total of cash outflows | (54,113,576) | (32,550,626) |
| Net cash inflow from operating activities | 1,516,648 | 1,339,438 |
| Cash flows from investing activities: | | |
| Cash received from disposal of investments | 700,000 | 144,326 |
| Cash received from investment income | 200,634 | 69,973 |
| Net cash received from disposal of fixed assets, intangible assets and other long-term assets | 1,746 | 110,534 |
| Other cash received relating to investing activities | 20,615 | 10,961 |
| Sub-total of cash inflows | 922,995 | 335,794 |
| Cash paid for acquisition of fixed assets | (665,590) | (1,476,137) |
| Sub-total of cash outflows | (665,590) | (1,476,137) |
| Net cash inflow/(outflow) from investing activities | 257,405 | (1,140,343) |
| Cash flows from financing activities: | | |
| Cash received from issuance of corporate bonds | 1,000,000 | 1,000,000 |
| Cash received from borrowings | 30,906,165 | 22,946,943 |
| Sub-total of cash inflows | 31,906,165 | 23,946,943 |
| Cash repayments of corporate bonds | (1,000,000) | |
| Cash repayments of borrowings | (31,970,312) | (23,968,495) |
| Cash paid for dividends, profits distribution and interest | (415,453) | (278,710) |

| | | |
|---|--------------|--------------|
| Sub-total of cash outflows | (33,385,765) | (24,247,205) |
| Net cash outflow from financing activities | (1,479,600) | (300,262) |
| Effect of foreign exchange rate changes on cash and cash equivalents | (202) | 6 |
| Net increase/(decrease) in cash and cash equivalents | 294,251 | (101,161) |
| Add: Cash and cash equivalents at the beginning of the period | 101,076 | 294,786 |
| Cash and cash equivalents at the end of the period | 395,327 | 193,625 |

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By order of the Board

Rong Guangdao

Chairman

Shanghai, the PRC, 27 October 2010

As at the date of this announcement, the executive directors of the Company are Rong Guangdao, Du Chongjun, Wu Haijun, Li Honggen, Shi Wei and Dai Jinbao ; the non-executive directors of the Company are Lei Dianwu and Xiang Hanyin, and the independent non-executive directors of the Company are Chen Xinyuan, Sun Chiping, Jiang Zhiquan and Zhou Yunnong.