

SINOPEC SHANGHAI PETROCHEMICAL CO LTD

Form 6-K

October 29, 2009

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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 2009

Commission File Number: 1-12158

Sinopec Shanghai Petrochemical Company Limited

(Translation of registrant's name into English)

Jinshanwei, Shanghai

The People's Republic of China

(Address of principal executive offices)

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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: 29 October, 2009

By: /s/ RONG GUANGDAO
Name: **Rong Guangdao**
Title: **Chairman**

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To: Business Editor

[For Immediate Release]

Shanghai Petrochemical Announces Results

for the First Three Quarters of 2009

Achieving a Turnaround from Loss to Net Profit of RMB1.538 Billion

Hong Kong, October 28, 2009 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, 2009 (the Period).

Under the China Accounting Standards for Business Enterprises, the Group s operating income for the Period amounted to RMB34.264 billion, representing a decrease of 31% compared to the same period of last year, due to a significant decrease in product prices following a decrease in crude oil prices as compared to the same period of last year. Operating profit for the Period was RMB2.013 billion (same period of 2008: operating loss was RMB5.710 billion). Net profit attributable to equity shareholders of the Company for the Period was RMB1.538 billion (same period of 2008: net loss attributable to equity shareholders of the Company was RMB2.679 billion). Basic diluted earnings per share was RMB0.214 (same period of 2008: basic diluted losses per share was RMB0.372).

Mr. Rong Guangdao, Chairman of Shanghai Petrochemical, said, Since the beginning of this year, China has implemented the Price and Tax Reform on Refined Oil by beginning to levy the fuel consumption tax and indirectly linking the prices of domestic refined oil products with the prices of international crude oil in a controlled manner, together with the promulgation of the Administrative Measures for Petroleum Prices (Trial) in May, the inversion between prices of refined oil products and those of crude oil was basically brought to an end, thus improving the profitability of the Company s refining operation to a certain extent. The petrochemical operation has bottomed out and re-stabilized, with prices of a majority of products having risen to a

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certain extent as demands in the downstream industry have gradually stabilized. Also, the production load of the relevant plants of the Company has increased and profitability has, therefore, been enhanced to a certain extent. However, as the impact of the international financial crisis continues to persist and there is a further upward trend of international crude oil prices, together with further intensified competition in the market due to newly added production capacity, many uncertainties still exist in the external operating environment of the Company. The Group will continue to actively respond to difficulties and challenges in its production and operation; strive to ensure a safe, stable and optimized operation; and further improve its work on crude oil purchasing and products sale, with a view to further improving the Company's operating efficiency.

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.

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, including 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

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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. Janet Lai / Ms. Christy Lai

Rikes Hill & Knowlton Limited

Tel: (852) 2520 2201

Fax: (852) 2520 2241

Table of Contents**Sinopec Shanghai Petrochemical Company Limited****Consolidated Income Statement (Unaudited)***Prepared under the China Accounting Standards for Business Enterprises (2006)*

| | For the nine-month period ended 30 September | |
|---|---|-------------------------------|
| | 2009 <i>RMB 000</i> | 2008 <i>RMB 000</i> |
| Operating Income | 34,264,070 | 49,863,969 |
| Less: Operating costs | 27,466,240 | 52,969,122 |
| Business taxes and surcharges | 3,053,108 | 759,090 |
| Selling and distribution expenses | 292,956 | 401,727 |
| General and administrative expenses | 1,533,091 | 1,367,664 |
| Financial expenses | 253,511 | 276,516 |
| (Reversal of) impairment loss | (17,440) | 71,956 |
| Add: Loss from changes in fair value | (10,423) | |
| Investment income | 340,364 | 272,481 |
| Including: income from investment in associates and jointly controlled entities | 109,353 | 129,716 |
| Operating profit / (loss) | 2,012,545 | (5,709,625) |
| Add: Non-operating income | 114,194 | 2,253,760 |
| Less: Non-operating expenses | 31,678 | 32,110 |
| Including: Loss from disposal of non-current assets | 3,426 | 2,729 |
| Profit / (loss) before income tax | 2,095,061 | (3,487,975) |
| Less: Income tax | 502,329 | (842,985) |
| Net profit / (loss) | 1,592,732 | (2,644,990) |
| Attributable to: | | |
| Equity shareholders of the Company | 1,537,871 | (2,679,272) |
| Minority interests | 54,861 | 34,282 |
| Earnings/(losses) per share | | |
| Basic | 0.214 | (0.372) |
| Diluted | 0.214 | (0.372) |
| Other comprehensive loss | (42,527) | (161,079) |
| Total comprehensive income/(loss) | 1,550,205 | (2,806,069) |
| Attributable to: | | |
| Equity shareholders of the Company | 1,495,344 | (2,840,351) |
| Minority interests | 54,861 | 34,282 |

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

(Stock Code: 338)

2009 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) 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 or SPC) 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, this report, and jointly and severally 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 Board meeting.
- 1.3 The financial statements of the Company's third quarterly report were unaudited.
- 1.4 Mr. Rong Guangdao, Chairman and President of the Company, Mr. Ye Guohua, Chief Financial Officer, overseeing the accounting operations and Mr. Zhou Meiyun, Finance Manager (Accounting Chief), hereby warrant the truthfulness and completeness of the financial report contained in this report.

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

| | As at the end of the reporting period (30 September 2009) | As at the end of the previous year (31 December 2008) | <i>Currency: RMB</i> Increase/ (decrease) as compared to the end of the previous year (%) |
|--|--|--|--|
| Total assets (000) | 30,865,244 | 28,107,465 | 9.81 |
| Shareholders' equity (excluding minority interests) (000) | 15,336,715 | 13,841,371 | 10.80 |
| Net asset value per share attributable to equity shareholders of the Company (RMB) | 2.130 | 1.922 | 10.82 |
| | | From the beginning of the year to the end of the reporting period (January 2009 - September 2009) | Increase/ (decrease) as compared to the corresponding period of the previous year (%) |
| Net cash flow from operating activities (000) | | 1,203,146 | |
| Net cash flow per share from operating activities (RMB) | | 0.167 | |

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| | The reporting period (July 2009 - September 2009) | From the beginning of the year to the end of the reporting period (January 2009 - September 2009) | Increase/ (decrease) as compared to the corresponding reporting period of the previous year (July 2008 - September 2008) (%)* |
|--|--|--|---|
| Net profit attributable to equity shareholders of the Company (000) | 550,635 | 1,537,871 | |
| Basic earnings per share (RMB) | 0.076 | 0.214 | |
| Basic earnings per share excluding non-recurring items (RMB) | 0.067 | 0.183 | |
| Diluted earnings per share (RMB) | 0.076 | 0.214 | |
| Fully diluted return on net assets (%) | 3.590 | 10.027 | Increase 16.762 percentage points |
| Fully diluted return on net assets excluding non-recurring items (%) | 3.133 | 8.576 | Increase 16.316 percentage points |

* Comparative figures for the corresponding period of the previous year have been restated in accordance with the amendments of the Notice on the Explanation of Information Disclosure of Companies Offering Securities to the Public No.1 Non-recurring Items (2008).

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Deducting non-recurring items and amounts:

| Non-recurring items | From the beginning of the year to the end of the reporting period (January 2009 to September 2009) (RMB 000) |
|--|---|
| Gain from disposal of non-current assets | 330,895 |
| Enterprises restructure expenses, e.g. expenses for employee placement, integration expenses | (4,787) |
| Losses arising from changes in fair value of forward exchange contracts | (10,423) |
| Net expenses of non-operating expenses other than those mentioned above | (18,854) |
| Subtotal | 296,831 |
| Less: Tax effect for the above items | (74,208) |
| Total | 222,623 |
| Include: Non-recurring items attributable to equity shareholders of the Company | 222,590 |
| Non-recurring items attributable to minority shareholders | 33 |

Table of Contents**2.2 Number of shareholders at the end of the reporting period and shareholdings of the top ten holders of circulating shares***Unit: Share*

| | |
|--|---------|
| Total number of shareholders as at the end of the reporting period | 110,377 |
|--|---------|

Shareholdings of the top ten holders of circulating shares

| Name of shareholders (in full) | Number of shares in circulation held at the end of the reporting period | Type of shares |
|---|--|------------------------------------|
| HKSCC (Nominees) Ltd. | 2,299,512,101 | Overseas listed foreign shares |
| China Minsheng Banking Corp., Ltd. Orient Selective Mixed Open-end Securities Investment Fund | 57,800,000 | RMB-denominated ordinary shares |
| China Construction Bank CIFM China Advantage Securities Investment Fund | 23,254,087 | RMB-denominated ordinary shares |
| Bank of China-Harvest Stable Open-end Securities Investment Fund | 15,280,149 | RMB-denominated ordinary shares |
| Bank of China-Harvest Income Growth Securities Investment Fund | 14,006,349 | RMB-denominated ordinary shares |
| China Life Insurance Company Limited Dividend Individual Dividend 005L FH002 Shanghai | 13,844,819 | RMB-denominated ordinary shares |
| China Life Insurance Company Limited Traditional Ordinary Insurance Product 005L CT001 Shanghai | 13,648,194 | RMB-denominated ordinary shares |
| Bank Of China Limited Harvest Research Selective Equity Securities Investment Fund | 6,868,958 | RMB-denominated ordinary shares |
| Bank of China Harvest Shanghai and Shenzhen 300 Index Securities Investment Fund | 6,718,042 | RMB-denominated ordinary shares |
| China Construction Bank ChinaAMC Dividend Mixed Open-end Securities Investment Fund | 4,316,279 | RMB-denominated ordinary shares |

Table of Contents**3 MAJOR EVENTS****3.1 Situation and reasons for significant changes in accounting statements items and financial indicators of the Company***Unit: RMB 000*

| Item | As at 30 September 2009 | As at 31 December 2008 | Increase amount | Change (%) | Reasons for change |
|-------------|----------------------------|---------------------------|--------------------|---------------|--|
| Inventories | 6,533,114 | 4,492,215 | 2,040,899 | 45.43% | Increase in work-in-progress inventories of crude oil, heavy oil and naphtha |

Unit: RMB 000

| Item | For the nine-month period ended 30 September | | Increase/ (decrease) amount | Change (%) | Reasons for change |
|---|--|-------------|-----------------------------------|---------------|---|
| | 2009 | 2008 | | | |
| Operating profit /(loss) | 2,012,545 | (5,709,625) | 7,722,170 | | |
| Profit /(loss) before income tax | 2,095,061 | (3,487,975) | 5,583,036 | | Significant decrease in crude oil costs as compared to the corresponding period in 2008 |
| Net profit /(loss) | 1,592,732 | (2,644,990) | 4,237,722 | | |
| Net profit /(loss) attributable to equity shareholders of the Company | 1,537,871 | (2,679,272) | 4,217,143 | | |
| Operating income | 34,264,070 | 49,863,969 | (15,599,899) | -31.28% | Significant decrease in product prices following the decrease in crude oil prices as compared to the corresponding period in 2008 |
| Operating costs | 27,466,240 | 52,969,122 | (25,502,882) | -48.15% | Significant decrease in crude oil costs as compared to the corresponding period in 2008 |
| Business taxes and surcharges | 3,053,108 | 759,090 | 2,294,018 | 302.21% | Fuel surcharge led to significant increase in consumption tax |
| Income tax | 502,329 | (842,985) | 1,345,314 | | Increase in profit before income tax as compared to the corresponding period in 2008 |

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3.2 Warning and explanation on projection of a possible loss or material year-on-year change in net profit from the beginning of the year to the end of the next reporting period

Due to a year-on-year decrease in international crude oil prices, the costs of the Group's raw materials which are primarily crude oil-related dropped significantly. Meanwhile, since the 1st of January this year, the State Council has implemented the Price and Tax Reform on Refined Oil by beginning to levy the fuel consumption tax and indirectly linking the prices of domestic refined oil products with the prices of international crude oil in a controlled manner. On the 8th of May this year, the State Development and Reform Commission promulgated the Administrative Measures for Petroleum Prices (Trial), which basically brought the inversion between prices of refined oil products and those of crude oil to an end, thus improving the profitability of the Company's refining operation to a certain extent. In relation to the petrochemical operation, after the panic sell-off and sharp decrease in prices of products triggered by the financial crisis, it has bottomed out and re-stabilized, with prices of a majority of products having risen to a certain extent as demands in the downstream industry have gradually stabilized. Also, the production load of the relevant plants of the Company has increased and profitability has, therefore, been enhanced to a certain extent. However, as the impact of the international financial crisis continues to persist and there is a further upward trend of international crude oil prices, together with further intensified competition in the market due to newly added production capacity, many uncertainties still exist in the external operating environment of the Company. Therefore, the Group's production and operation in the fourth quarter will continue to confront many difficulties and challenges. It is anticipated that the Group will remain profitable in its overall performance for the 12-month period ended December 31, 2009. (For the 12-month period ended December 31, 2008, the Group's net loss attributable to equity shareholders of the Company amounted to RMB6,245.412 million according to PRC Accounting Standards.)

3.3 Disclosure as to implementation of the cash dividend policy during the reporting period

The Company recorded significant loss in the year 2008, and therefore no cash dividend was paid for the said year.

Table of Contents**4 APPENDIX****4.1 Consolidated Balance Sheet (Unaudited)****As at 30 September 2009***Prepared under the China Accounting Standards for Business Enterprises (2006)*

| | As at 30 September 2009 | As at 31 December 2008 |
|-------------------------------------|------------------------------------|-----------------------------------|
| | <i>RMB 000</i> | <i>RMB 000</i> |
| | <i>(Unaudited)</i> | <i>(Audited)</i> |
| Assets | | |
| Current assets | | |
| Cash at bank and on hand | 342,975 | 627,685 |
| Financial assets held for trading | | 97,644 |
| Bills receivable | 912,091 | 566,356 |
| Dividends receivable | 68,698 | 74,000 |
| Trade debtors | 1,136,012 | 226,293 |
| Advance payments | 188,096 | 66,772 |
| Other receivables | 118,946 | 111,578 |
| Inventories | 6,533,114 | 4,492,215 |
| Other current assets | 166,723 | 248,808 |
| Total current assets | 9,466,655 | 6,511,351 |
| Non-current assets | | |
| Available-for-sale financial assets | 58,865 | 123,918 |
| Long-term receivables | 100,000 | |
| Long-term equity investments | 2,845,298 | 2,941,717 |
| Investment property | 482,745 | 492,690 |
| Fixed assets | 15,024,716 | 13,528,185 |
| Construction in progress | 680,468 | 1,854,154 |
| Intangible assets | 562,065 | 577,479 |
| Long-term deferred expenses | 152,227 | 145,553 |
| Deferred tax assets | 1,492,205 | 1,932,418 |
| Total non-current assets | 21,398,589 | 21,596,114 |
| Total assets | 30,865,244 | 28,107,465 |

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| | As at 30 September 2009 RMB 000 (Unaudited) | As at 31 December 2008 RMB 000 (Audited) |
|--|--|---|
| Liabilities and shareholders equity | | |
| Current liabilities | | |
| Short-term loans | 8,003,242 | 8,838,204 |
| Bills payable | 1,733,158 | 265,443 |
| Trade creditors | 1,733,747 | 2,513,076 |
| Receipts in advance | 849,496 | 443,471 |
| Employee benefits payable | 26,407 | 23,240 |
| Taxes payable | 295,196 | 45,448 |
| Interest payable | 23,895 | 18,333 |
| Other payables | 824,362 | 660,984 |
| Short-term debentures payable | 1,000,000 | |
| Current portion of non-current liabilities | 199,521 | 534,521 |
| Total current liabilities | 14,689,024 | 13,342,720 |
| Non-current liabilities | | |
| Long-term loans | 329,021 | 429,021 |
| Other non-current liabilities | 225,810 | 230,000 |
| Total non-current liabilities | 554,831 | 659,021 |
| Total liabilities | 15,243,855 | 14,001,741 |
| Shareholders equity | | |
| Share capital | 7,200,000 | 7,200,000 |
| Capital reserve | 2,896,654 | 2,939,181 |
| Surplus reserve | 4,766,408 | 4,766,408 |
| Retained earnings / (Accumulated loss) | 473,653 | (1,064,218) |
| Total equity attributable to equity shareholders of the Company | 15,336,715 | 13,841,371 |
| Minority interests | 284,674 | 264,353 |
| Total equity | 15,621,389 | 14,105,724 |
| Total liabilities and shareholders equity | 30,865,244 | 28,107,465 |

Table of Contents**Balance Sheet****As at 30 September 2009 (Unaudited)***Prepared under the China Accounting Standards for Business Enterprises (2006)*

| | As at 30 September 2009 | As at 31 December 2008 |
|-------------------------------------|--|---------------------------------------|
| | <i>RMB 000</i> | <i>RMB 000</i> |
| | <i>(Unaudited)</i> | <i>(Audited)</i> |
| Assets | | |
| Current assets | | |
| Cash at bank and in hand | 193,625 | 294,786 |
| Financial assets held for trading | | 97,644 |
| Bills receivable | 829,484 | 436,056 |
| Dividends receivable | 64,000 | 74,000 |
| Trade debtors | 1,007,657 | 197,522 |
| Advance payments | 202,358 | 65,586 |
| Other receivables | 117,018 | 12,465 |
| Inventories | 6,256,325 | 4,249,254 |
| Other current assets | 142,589 | 245,420 |
| Total current assets | 8,813,056 | 5,672,733 |
| Non-current assets | | |
| Available-for-sale financial assets | 58,865 | 111,327 |
| Long-term equity investments | 4,037,086 | 4,231,982 |
| Investment property | 543,212 | 554,405 |
| Fixed assets | 14,349,385 | 12,648,909 |
| Construction in progress | 641,640 | 1,815,344 |
| Intangible assets | 448,708 | 459,181 |
| Long-term deferred expenses | 150,226 | 141,331 |
| Deferred tax assets | 1,492,432 | 1,935,851 |
| Total non-current assets | 21,721,554 | 21,898,330 |
| Total assets | 30,534,610 | 27,571,063 |

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| | As at 30 September 2009 RMB 000 (Unaudited) | As at 31 December 2008 RMB 000 (Audited) |
|--|---|--|
| Liabilities and shareholders equity | | |
| Current liabilities | | |
| Short-term loans | 7,725,672 | 8,683,204 |
| Bills payable | 1,824,876 | 265,364 |
| Trade creditors | 1,338,418 | 2,399,527 |
| Receipts in advance | 765,135 | 369,723 |
| Employee benefits payable | 23,022 | 20,443 |
| Taxes payable | 284,194 | 39,062 |
| Interests payable | 23,895 | 18,333 |
| Other payables | 1,418,274 | 921,185 |
| Short-term debentures payable | 1,000,000 | |
| Current portion of non-current liabilities | 150,000 | 450,000 |
| Total current liabilities | 14,553,486 | 13,166,841 |
| Non-current liabilities | | |
| Long-term loans | 450,000 | 300,000 |
| Other non-current liabilities | 225,810 | 230,000 |
| Total non-current liabilities | 675,810 | 530,000 |
| Total liabilities | 15,229,296 | 13,696,841 |
| Shareholders equity | | |
| Share capital | 7,200,000 | 7,200,000 |
| Capital reserves | 2,896,654 | 2,930,412 |
| Surplus reserves | 4,766,408 | 4,766,408 |
| Retained earnings / (Accumulated loss) | 442,252 | (1,022,598) |
| Total equity | 15,305,314 | 13,874,222 |
| Total liabilities and shareholders equity | 30,534,610 | 27,571,063 |

Table of Contents**4.2 Income Statements (Unaudited)**
For the nine-month period ended 30 September 2009*Prepared under the China Accounting Standards for Business Enterprises (2006)*

| | The Group | | The Company | |
|---|--------------------|--------------------|--------------------|--------------------|
| | 2009 | 2008 | 2009 | 2008 |
| | <i>RMB 000</i> | <i>RMB 000</i> | <i>RMB 000</i> | <i>RMB 000</i> |
| | <i>(Unaudited)</i> | <i>(Unaudited)</i> | <i>(Unaudited)</i> | <i>(Unaudited)</i> |
| Operating income | 34,264,070 | 49,863,969 | 29,662,974 | 46,274,044 |
| Less: Operating costs | 27,466,240 | 52,969,122 | 23,189,868 | 49,628,883 |
| Business taxes and surcharges | 3,053,108 | 759,090 | 3,048,430 | 750,902 |
| Selling and distribution expenses | 292,956 | 401,727 | 233,614 | 337,268 |
| General and administrative expenses | 1,533,091 | 1,367,664 | 1,371,773 | 1,194,452 |
| Financial expenses | 253,511 | 276,516 | 236,954 | 237,496 |
| (Reversal of) impairment loss | (17,440) | 71,956 | (11,609) | 182,227 |
| Add: Loss from changes in fair value | (10,423) | | (10,423) | |
| Investment income | 340,364 | 272,481 | 253,200 | 239,535 |
| Including: income from investment in associates and jointly controlled entities | 109,353 | 129,716 | 106,316 | 111,553 |
| Operating profit/(loss) | 2,012,545 | (5,709,625) | 1,836,721 | (5,817,649) |
| Add: Non-operating income | 114,194 | 2,253,760 | 113,593 | 2,252,214 |
| Less: Non-operating expenses | 31,678 | 32,110 | 30,792 | 31,044 |
| Including: loss from disposal of non-current assets | 3,426 | 2,729 | 2,836 | 2,278 |
| Profit/(loss) before income tax | 2,095,061 | (3,487,975) | 1,919,522 | (3,596,479) |
| Less: Income tax | 502,329 | (842,985) | 454,672 | (885,942) |
| Net profit/(loss) | 1,592,732 | (2,644,990) | 1,464,850 | (2,710,537) |
| Attributable to: | | | | |
| Equity shareholders of the Company | 1,537,871 | (2,679,272) | | |
| Minority interests | 54,861 | 34,282 | | |
| Earnings/(losses) per share | | | | |
| Basic | 0.214 | (0.372) | | |
| Diluted | 0.214 | (0.372) | | |
| Other comprehensive loss | (42,527) | (161,079) | (33,758) | (137,070) |
| Total comprehensive income/(loss) | 1,550,205 | (2,806,069) | 1,431,092 | (2,847,607) |
| Attributable to: | | | | |
| Equity shareholders of the Company | 1,495,344 | (2,840,351) | | |
| Minority interests | 54,861 | 34,282 | | |

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

For the three-month period from July to September 2009

Prepared under the China Accounting Standards for Business Enterprises (2006)

| | The Group | | The Company | |
|--|-------------|-------------|-------------|-------------|
| | 2009 | 2008 | 2009 | 2008 |
| | RMB 000 | RMB 000 | RMB 000 | RMB 000 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| Operating income | 13,059,390 | 16,956,208 | 11,224,196 | 15,841,161 |
| Less: Operating costs | 10,787,579 | 19,664,728 | 9,037,526 | 18,607,040 |
| Business taxes and surcharges | 958,395 | 186,340 | 957,595 | 183,581 |
| Selling and distribution expenses | 107,076 | 131,371 | 86,839 | 109,441 |
| General and administrative expenses | 574,934 | 468,204 | 524,584 | 409,036 |
| Financial expenses | 48,704 | 137,482 | 41,972 | 124,989 |
| Reversal of impairment loss | (604) | | | |
| Add: Loss from changes in fair value | (51) | | (51) | |
| Investment income/(loss) | 159,571 | (12,619) | 174,971 | (18,144) |
| Including: income/(loss) from investment in associates and jointly controlled entities | 62,164 | (17,385) | 67,810 | (21,947) |
| Operating profit/(loss) | 742,826 | (3,644,536) | 750,600 | (3,611,070) |
| Add: Non-operating income | 15,113 | 611,553 | 15,074 | 611,439 |
| Less: Non-operating expenses | 16,440 | 6,053 | 16,439 | 5,393 |
| Including: loss from disposal of non-current assets | 851 | 705 | 851 | 255 |
| Profit/(loss) before income tax | 741,499 | (3,039,036) | 749,235 | (3,005,024) |
| Less: Income tax | 178,192 | (740,428) | 167,472 | (745,626) |
| Net profit/(loss) | 563,307 | (2,298,608) | 581,763 | (2,259,398) |
| Attributable to: | | | | |
| Equity shareholders of the Company | 550,635 | (2,306,500) | | |
| Minority interests | 12,672 | 7,892 | | |
| Earnings/(losses) per share | | | | |
| Basic | 0.076 | (0.320) | | |
| Diluted | 0.076 | (0.320) | | |
| Other comprehensive loss | (73,443) | (6,198) | (73,443) | (3,939) |
| Total comprehensive income/(loss) | 489,864 | (2,304,806) | 508,320 | (2,263,337) |
| Attributable to: | | | | |
| Equity shareholders of the Company | 477,192 | (2,312,698) | | |
| Minority interests | 12,672 | 7,892 | | |

Table of Contents**4.3 Consolidated Cash Flow Statements (Unaudited)
For the nine-month period ended 30 September 2009***Prepared under the China Accounting Standards for Business Enterprises (2006)*

| | 2009 <i>RMB 000</i> <i>(Unaudited)</i> | 2008 <i>RMB 000</i> <i>(Unaudited)</i> |
|---|---|---|
| Cash flows from operating activities: | | |
| Cash received from sale of goods and rendering of services | 39,487,581 | 59,675,620 |
| Refund of taxes | 8,435 | 83,917 |
| Other cash received relating to operating activities | 1,898 | 2,116,337 |
| Sub-total of cash inflows | 39,497,914 | 61,875,874 |
| Cash paid for goods and services | (33,903,429) | (62,786,689) |
| Cash paid to and for employees | (1,267,286) | (1,375,293) |
| Cash paid for all types of taxes | (2,876,134) | (714,753) |
| Other cash paid relating to operating activities | (247,919) | (288,964) |
| Sub-total of cash outflows | (38,294,768) | (65,165,699) |
| Net cash inflow/(outflow) from operating activities | 1,203,146 | (3,289,825) |
| Cash flows from investing activities: | | |
| Cash received from disposal of investments | 431,862 | 153,997 |
| Cash received from investment income | 75,865 | 540,842 |
| Net cash received from disposal of fixed assets and intangible assets | 116,613 | 16,620 |
| Other cash received relating to investing activities | 14,816 | 49,967 |
| Sub-total of cash inflows | 639,156 | 761,426 |
| Cash paid for acquisition of fixed assets and intangible assets | (1,484,844) | (848,334) |
| Cash paid for investment | (132,000) | |
| Sub-total of cash outflows | (1,616,844) | (848,334) |
| Net cash outflow from investing activities | (977,688) | (86,908) |

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| | 2009 <i>RMB 000</i> <i>(Unaudited)</i> | 2008 <i>RMB 000</i> <i>(Unaudited)</i> |
|---|---|---|
| Cash flows from financing activities: | | |
| Cash received from issue of debenture | 1,000,000 | |
| Proceeds from borrowings | 23,059,152 | 22,273,828 |
| Sub-total of cash inflows | 24,059,152 | 22,273,828 |
| Repayments of borrowings | (24,244,133) | (18,321,899) |
| Cash paid for dividends, profits distribution and interest | (325,190) | (751,199) |
| Sub-total of cash outflows | (24,569,323) | (19,073,098) |
| Net cash (outflow)/inflow from financing activities | (510,171) | 3,200,730 |
| Effect of foreign exchange rate changes on cash and cash equivalents | 3 | (1,186) |
| Net decrease in cash and cash equivalents | (284,710) | (177,189) |
| Add: Cash and cash equivalents at the beginning of the period | 627,685 | 893,165 |
| Cash and cash equivalents at the end of the period | 342,975 | 715,976 |

Table of Contents**4.4 Cash Flow Statements (Unaudited)
For the nine-month period ended 30 September 2009***Prepared under the China Accounting Standards for Business Enterprises (2006)*

| | 2009 <i>RMB 000</i> <i>(Unaudited)</i> | 2008 <i>RMB 000</i> <i>(Unaudited)</i> |
|---|---|---|
| Cash flows from operating activities: | | |
| Cashed received from sale of goods and rendering of services | 33,888,663 | 54,722,512 |
| Refund of taxes | | 83,917 |
| Other cash received relating to operating activities | 1,401 | 2,114,997 |
| Sub-total of cash inflows | 33,890,064 | 56,921,426 |
| Cash paid for goods and services | (28,308,871) | (58,474,603) |
| Cash paid to and for employees | (1,175,318) | (1,107,236) |
| Cash paid for all types of taxes | (2,833,055) | (650,526) |
| Other cash paid relating to operating activities | (233,382) | (256,212) |
| Sub-total of cash outflows | (32,550,626) | (60,488,577) |
| Net cash inflow/(outflow) from operating activities | 1,339,438 | (3,567,151) |
| Cash flows from investing activities: | | |
| Cash received from disposal of investments | 144,326 | 120,001 |
| Cash received from investment income | 69,973 | 531,042 |
| Net cash received from disposal of fixed assets and intangible assets | 110,534 | 10,900 |
| Other cash received relating to investing activities | 10,961 | 42,812 |
| Sub-total of cash inflows | 335,794 | 704,755 |
| Cash paid for acquisition of fixed assets and intangible assets | (1,476,137) | (841,435) |
| Sub-total of cash outflows | (1,476,137) | (841,435) |
| Net cash outflow from investing activities | (1,140,343) | (136,680) |

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| | 2009 <i>RMB 000</i> <i>(Unaudited)</i> | 2008 <i>RMB 000</i> <i>(Unaudited)</i> |
|---|---|---|
| Cash flows from financing activities: | | |
| Cash received from issue of debenture | 1,000,000 | |
| Proceeds from borrowings | 22,946,943 | 22,115,828 |
| Sub-total of cash inflows | 23,946,943 | 22,115,828 |
| Repayments of borrowings | (23,968,495) | (17,982,924) |
| Cash paid for dividends, profits distribution and interest | (278,710) | (643,901) |
| Sub-total of cash outflows | (24,247,205) | (18,626,825) |
| Net cash (outflow)/inflow from financing activities | (300,262) | 3,489,003 |
| Effect of foreign exchange rate changes on cash and cash equivalents | 6 | (7) |
| Net decrease in cash and cash equivalents | (101,161) | (214,835) |
| Add: Cash and cash equivalents at the beginning of the period | 294,786 | 634,533 |
| Cash and cash equivalents at the end of the period | 193,625 | 419,698 |

By order of the Board

Rong Guangdao*Chairman*

Shanghai, the PRC, 28 October 2009

As at the date of this announcement, the executive directors of the Company are Rong Guangdao, Du Chongjun, Han Zhihao, 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.