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**Sinopec Shanghai Petrochemical Company Limited**  
**中國石化上海石油化工股份有限公司**

*(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.

## §2 BASIC INFORMATION OF THE COMPANY

### 2.1 Major Accounting Data and Financial Indicators

	As at the end of the reporting period	As at the end of the previous year	<i>Currency: RMB</i> 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
		<b>From the beginning of the year to the end of the reporting period (January 2010 to September 2010)</b>	<b>Increase/(decrease) as compared to the corresponding period of the previous year (%)</b>
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
	<b>The reporting period (July 2010 to September 2010)</b>	<b>From the beginning of the year to the end of the reporting period (January 2010 to September 2010)</b>	<b>Increase/(decrease) as compared to the corresponding period of the previous year (July to September 2009) (%)</b>
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

**Non-recurring items and amount:**

	<b>From the beginning of the year to the end of the reporting period (January 2010 to September 2010)</b> <i>(RMB'000)</i>
<b>Non-recurring items</b>	
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	<u>(19,842)</u>
Subtotal	(9,904)
Less: Tax effect for the above items	<u>1,815</u>
Total	<u><u>(8,089)</u></u>
Including: Non-recurring items attributable to equity shareholders of the Company	(8,297)
Non-recurring items attributable to minority shareholders	208
<b>2.2 Number of shareholders as at the end of the reporting period and shareholding of the top ten shareholders of shares in circulation</b>	

*Unit: share*

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

<b>Name of shareholders (in full)</b>	<b>Number of shares in circulation held as at the end of the reporting period</b>	<b>Type of shares</b>
HKSCC (Nominees) Ltd. (香港中央結算 (代理人)公司)	2,293,106,101	Overseas listed foreign shares
China Construction Bank — CIFM China Advantage Fund (中國建設銀行—上投摩根中國優勢證券投資基金)	62,513,468	RMB-denominated ordinary shares
China Minsheng Banking Corp., Ltd. — Orient Selected Mixed Open-end Securities Investment Fund (中國民生銀行股份有限公司—東方精選混合型開放式證券投資基金)	51,870,359	RMB-denominated ordinary shares
Bank of China—Harvest Steady and Open Securities Investment Fund (中國銀行—嘉實穩健開放式證券投資基金)	38,106,013	RMB-denominated ordinary shares
Bank of China—Harvest Income Growth Securities Investment Fund (中國銀行—嘉實成長收益型證券投資基金)	27,500,000	RMB-denominated ordinary shares
China Life Insurance Company Limited — Traditional — Ordinary Insurance Product — 005L — CT001 Shanghai (中國人壽保險股份有限公司—傳統—普通保險產品—005L—CT001滬)	13,678,194	RMB-denominated ordinary shares

Name of shareholders (in full)	Number of shares in circulation held as at the end of the reporting period	Type of shares
China Life Insurance Company Limited — Dividend — Individual Dividend — 005L — FH002 Shanghai (中國人壽保險股份有限公司—分紅—個人分紅—005L—FH002滬)	9,248,504	RMB-denominated ordinary shares
Bank of China — Harvest Shanghai and Shenzhen 300 Index Securities Investment Fund (中國銀行—嘉實滬深300指數證券投資基金)	6,166,242	RMB-denominated ordinary shares
Bank of Communications — E Fund Kexun Securities Investment Fund (交通銀行—易方達科訊股票型證券投資基金)	5,895,000	RMB-denominated ordinary shares
IP KOW	5,432,000	Overseas listed foreign shares

### §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*

Item	For the nine-month period ended 30 September		Increase amount	Change (%)	Reason for change
	2010	2009			
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

Item	For the nine-month period ended 30 September		Increase amount	Change (%)	Reason for change
	2010	2009			
Investment income	<b>508,180</b>	340,364	167,816	49.305	Significant increase in investment income from associates and jointly controlled entities

### 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.

## §4 APPENDIX

### 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
<b>Total current assets</b>	<b>11,389,240</b>	<b>9,061,425</b>
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
<b>Total non-current assets</b>	<b>20,464,854</b>	<b>21,396,897</b>
<b>Total assets</b>	<b>31,854,094</b>	<b>30,458,322</b>

Unit: RMB'000

<b>Item</b>	<b>As at 30 September 2010 (Unaudited)</b>	<b>As at 31 December 2009 (Audited)</b>
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	<u>78,533</u>	<u>74,275</u>
<b>Total current liabilities</b>	<u>14,147,449</u>	<u>14,278,925</u>
Non-current liabilities:		
Long-term loans	300,000	304,258
Other non-current liabilities	<u>234,429</u>	<u>234,781</u>
<b>Total non-current liabilities</b>	<u>534,429</u>	<u>539,039</u>
<b>Total liabilities</b>	<u>14,681,878</u>	<u>14,817,964</u>
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	<u>2,037,786</u>	<u>462,029</u>
<b>Total equity attributable to equity shareholders of the Company</b>	16,927,082	15,346,073
Minority interests	<u>245,134</u>	<u>294,285</u>
<b>Total equity</b>	<u>17,172,216</u>	<u>15,640,358</u>
<b>Total liabilities and shareholders' equity</b>	<u>31,854,094</u>	<u>30,458,322</u>

**Balance Sheet (Unaudited)****As at 30 September 2010****Prepared under the China Accounting Standards for Business Enterprises***Unit: RMB'000*

<b>Item</b>	<b>As at 30 September 2010 (Unaudited)</b>	<b>As at 31 December 2009 (Audited)</b>
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
<b>Total current assets</b>	<b>10,571,689</b>	<b>8,609,640</b>
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
<b>Total non-current assets</b>	<b>20,796,758</b>	<b>21,634,404</b>
<b>Total assets</b>	<b>31,368,447</b>	<b>30,244,044</b>

Unit: RMB'000

Item	As at	As at
	30 September 2010 (Unaudited)	31 December 2009 (Audited)
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	<u>1,000,000</u>	<u>1,000,000</u>
<b>Total current liabilities</b>	<u>13,873,445</u>	<u>14,356,995</u>
Non-current liabilities:		
Long-term loans	345,000	450,000
Other non-current liabilities	<u>234,429</u>	<u>234,781</u>
<b>Total non-current liabilities</b>	<u>579,429</u>	<u>684,781</u>
<b>Total liabilities</b>	<u>14,452,874</u>	<u>15,041,776</u>
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	<u>2,026,277</u>	<u>318,224</u>
<b>Total equity</b>	<u>16,915,573</u>	<u>15,202,268</u>
<b>Total liabilities and shareholders' equity</b>	<u>31,368,447</u>	<u>30,244,044</u>

## 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*

<b>Item</b>	<b>2010</b> <i>(Unaudited)</i>	<b>2009</b> <i>(Unaudited)</i>
<b>Operating income</b>	55,179,683	34,264,070
<b>Less: Operating costs</b>	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)	<u>507,965</u>	<u>109,353</u>
<b>Operating profit</b>	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)	<u>8,293</u>	<u>3,426</u>
<b>Profit before income tax</b>	2,261,823	2,095,061
Less: Income tax	<u>459,427</u>	<u>502,329</u>
<b>Net profit for the period</b>	<u><u>1,802,396</u></u>	<u><u>1,592,732</u></u>
Attributable to:		
Equity shareholders of the Company	1,791,757	1,537,871
Minority shareholders	10,639	54,861
<b>Earnings per share:</b>		
(i) Basic and diluted earnings per share	<u>0.249</u>	<u>0.214</u>
<b>Other comprehensive loss for the period</b>	<u>—</u>	<u>(42,527)</u>
<b>Total comprehensive income for the period</b>	<u><u>1,802,396</u></u>	<u><u>1,550,205</u></u>
Attributable to equity shareholders of the Company	1,791,757	1,495,344
Attributable to minority shareholders	10,639	54,861

**Income Statements (Unaudited)****For the nine-month period ended 30 September 2010****Prepared under the China Accounting Standards for Business Enterprises***Unit: RMB'000*

<b>Item</b>	<b>2010</b> <i>(Unaudited)</i>	<b>2009</b> <i>(Unaudited)</i>
<b>Operating income</b>	48,194,628	29,662,974
<b>Less: Operating costs</b>	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)	<u>492,685</u>	<u>106,316</u>
<b>Operating profit</b>	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)	<u>7,195</u>	<u>2,836</u>
<b>Profit before income tax</b>	2,371,483	1,919,522
Less: Income tax	<u>447,430</u>	<u>454,672</u>
<b>Net profit for the period</b>	<u>1,924,053</u>	<u>1,464,850</u>
<b>Other comprehensive loss for the period</b>	<u>—</u>	<u>(33,758)</u>
<b>Total comprehensive income for the period</b>	<u>1,924,053</u>	<u>1,431,092</u>

**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*

<b>Item</b>	<b>2010</b> <i>(Unaudited)</i>	<b>2009</b> <i>(Unaudited)</i>
<b>Operating income</b>	19,028,253	13,059,390
<b>Less: Operating costs</b>	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)	<u>122,332</u>	<u>62,164</u>
<b>Operating profit</b>	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)	<u>3,615</u>	<u>851</u>
<b>Profit before income tax</b>	379,297	741,499
Less: Income tax	<u>70,473</u>	<u>178,192</u>
<b>Net profit for the period</b>	<u><u>308,824</u></u>	<u><u>563,307</u></u>
Attributable to:		
Equity shareholders of the Company	297,827	550,635
Minority shareholders	10,997	12,672
<b>Earnings per share:</b>		
(i) Basic and diluted earnings per share	<u><u>0.041</u></u>	<u><u>0.076</u></u>
<b>Other comprehensive loss for the period</b>	<u>—</u>	<u>(73,443)</u>
<b>Total comprehensive income for the period</b>	<u><u>308,824</u></u>	<u><u>489,864</u></u>
Attributable to equity shareholders of the Company	297,827	477,192
Attributable to minority shareholders	10,997	12,672

**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*

<b>Item</b>	<b>2010</b> <i>(Unaudited)</i>	<b>2009</b> <i>(Unaudited)</i>
<b>Operating income</b>	16,279,318	11,224,196
<b>Less: Operating costs</b>	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)	<u>115,063</u>	<u>67,810</u>
<b>Operating profit</b>	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)	<u>3,545</u>	<u>851</u>
<b>Profit before income tax</b>	488,035	749,235
Less: Income tax	<u>63,640</u>	<u>167,472</u>
<b>Net profit for the period</b>	<u>424,395</u>	<u>581,763</u>
<b>Other comprehensive loss for the period</b>	<u>—</u>	<u>(73,443)</u>
<b>Total comprehensive income for the period</b>	<u>424,395</u>	<u>508,320</u>

**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)
<b>Cash flows from operating activities:</b>		
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
<b>Sub-total of cash inflows</b>	<u>63,924,530</u>	<u>39,497,914</u>
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)
<b>Sub-total of cash outflows</b>	<u>(62,294,971)</u>	<u>(38,294,768)</u>
<b>Net cash inflow from operating activities</b>	<u>1,629,559</u>	<u>1,203,146</u>
<b>Cash flows from investing activities:</b>		
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
<b>Sub-total of cash inflows</b>	<u>888,159</u>	<u>639,156</u>
Cash paid for acquisition of fixed assets	(662,553)	(1,484,844)
Cash paid for acquisition of investments	(20,250)	(132,000)
<b>Sub-total of cash outflows</b>	<u>(682,803)</u>	<u>(1,616,844)</u>
<b>Net cash inflow/(outflow) from investing activities</b>	<u>205,356</u>	<u>(977,688)</u>
<b>Cash flows from financing activities:</b>		
Cash received from issuance of corporate bonds	1,000,000	1,000,000
Cash received from borrowings	30,986,965	23,059,152
<b>Sub-total of cash inflows</b>	<u>31,986,965</u>	<u>24,059,152</u>
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)
<b>Sub-total of cash outflows</b>	<u>(33,481,520)</u>	<u>(24,569,323)</u>
<b>Net cash outflow from financing activities</b>	<u>(1,494,555)</u>	<u>(510,171)</u>
<b>Effect of foreign exchange rate changes on cash and cash equivalents</b>	<u>(211)</u>	<u>3</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	340,149	(284,710)
Add: Cash and cash equivalents at the beginning of the period	125,917	627,685
<b>Cash and cash equivalents at the end of the period</b>	<u>466,066</u>	<u>342,975</u>

**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*

<b>Item</b>	<b>2010</b> <i>(Unaudited)</i>	<b>2009</b> <i>(Unaudited)</i>
<b>Cash flows from operating activities:</b>		
Cash received from sale of goods and rendering of services	55,537,249	33,888,663
Other cash received relating to operating activities	<u>92,975</u>	<u>1,401</u>
<b>Sub-total of cash inflows</b>	<u>55,630,224</u>	<u>33,890,064</u>
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	<u>(371,721)</u>	<u>(233,382)</u>
<b>Sub-total of cash outflows</b>	<u>(54,113,576)</u>	<u>(32,550,626)</u>
<b>Net cash inflow from operating activities</b>	<u>1,516,648</u>	<u>1,339,438</u>
<b>Cash flows from investing activities:</b>		
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	<u>20,615</u>	<u>10,961</u>
<b>Sub-total of cash inflows</b>	<u>922,995</u>	<u>335,794</u>
Cash paid for acquisition of fixed assets	<u>(665,590)</u>	<u>(1,476,137)</u>
<b>Sub-total of cash outflows</b>	<u>(665,590)</u>	<u>(1,476,137)</u>
<b>Net cash inflow/(outflow) from investing activities</b>	<u>257,405</u>	<u>(1,140,343)</u>
<b>Cash flows from financing activities:</b>		
Cash received from issuance of corporate bonds	1,000,000	1,000,000
Cash received from borrowings	<u>30,906,165</u>	<u>22,946,943</u>
<b>Sub-total of cash inflows</b>	<u>31,906,165</u>	<u>23,946,943</u>
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	<u>(415,453)</u>	<u>(278,710)</u>
<b>Sub-total of cash outflows</b>	<u>(33,385,765)</u>	<u>(24,247,205)</u>

Unit: RMB'000

<b>Item</b>	<b>2010</b> <i>(Unaudited)</i>	<b>2009</b> <i>(Unaudited)</i>
<b>Net cash outflow from financing activities</b>	(1,479,600)	(300,262)
<b>Effect of foreign exchange rate changes on cash and cash equivalents</b>	(202)	6
<b>Net increase/(decrease) in cash and cash equivalents</b>	294,251	(101,161)
Add: Cash and cash equivalents at the beginning of the period	101,076	294,786
<b>Cash and cash equivalents at the end of the period</b>	<u>395,327</u>	<u>193,625</u>

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.*