

SINOPEC SHANGHAI PETROCHEMICAL CO LTD

Form 6-K

May 07, 2012

[Table of Contents](#)

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 May 2012

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

Table of Contents

SINOPEC SHANGHAI PETROCHEMICAL COMPANY LIMITED

Form 6-K

TABLE OF CONTENTS

	Page
<u>Signature Page</u>	3
<u>Supplementary Explanation to the 2011 Annual Report</u>	4
<u>2012 First Quarterly Report</u>	7

Table of Contents

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: May 7, 2012

By: /s/ Wang Zhiqing
Name: Wang Zhiqing
Title: President

3

Table of Contents

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

(Stock Code: 00338)

Supplementary Explanation to the 2011 Annual Report

The Company and all members of the board of directors warrant that the information contained in this announcement is truthful, accurate and complete, and jointly accept full responsibility for any false representations or misleading statements contained in, or material omissions from, this announcement.

This announcement is made pursuant to Rule 13.09(1) and (2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the Hong Kong Listing Rules).

Sinopec Shanghai Petrochemical Company Limited (the Company) has recently noticed the concerns from several investors that in the section Major Events of its 2011 annual report relating to the Major Connected Transactions Involving Purchases and Sales of Goods and Services (see the table below), the total raw materials purchased by the Company from China International United Petroleum & Chemicals Co., Ltd. and other related parties amounted to approximately RMB47,800 million, which exceeded the annual cap of 2011 (i.e. RMB47,300 million) on the purchases of raw materials by the Company from China Petroleum and Chemical Corporation (Sinopec Corp.) and its associates as considered and approved at the 2010 extraordinary general meeting of the Company held on 28 December 2010.

Unit: RMB '000

Type of transactions	Related parties	Amount	Percentage of the total amount of this type of transaction (%)
Income from sales of products and services income	Sinopec Huadong Sales Company Limited	36,585,798	38.29
	Other related parties	16,696,923	17.44
Purchases	China International United Petroleum		
	& Chemical Co., Ltd.	31,569,944	39.95
	Other related parties	16,238,905	20.55
Sales commission	Sinopec Corp. Chemical Products		
	Sales Branch	195,606	100.00
Insurance premiums for petrochemical industry	Sinopec and its subsidiaries	115,910	79.37
Construction and installation cost	Sinopec and its subsidiaries	286,023	38.17

Table of Contents

It is hereby explained as below:

Other related parties stated in the above table refer to related parties of the Company as defined in Note 2 (27) to the 2011 financial statements of the Company prepared under the China Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China, and in Note 1 (y) to the 2011 financial statements of the Company prepared under the International Financial Reporting Standards. Such other related parties included, among others, the associates and jointly controlled entities of the Company (such as Shanghai Jinsen Hydrocarbon Resins Co., Ltd., BOC-SPC Gases Co., Ltd., etc.). According to the definitions of related party under the Listing Rules of the Shanghai Stock Exchange (the Shanghai Listing Rules) and of connected person under the Hong Kong Listing Rules, the above associates and jointly controlled entities of the Company are not related parties of the Company as defined under the Shanghai Listing Rules, and are not regarded as Sinopec Corp.'s associates as defined under the Hong Kong Listing Rules. The amounts of transactions with Other related parties in the above table mainly comprises those between the Company and its above associates and jointly controlled entities as well as between the Company and Sinopec Corp.'s associates.

Please refer to the following table for the amounts of continuing (routine) connected transactions set out separately between the Company and Sinopec Corp.'s associates and Non-Sinopec Corp.'s associates during 2011:

Unit: RMB '000

Type of transactions	Related parties	Amount	Percentage of the total amount of this type of transaction (%)
Income from sales of products and services income	Sinopec Huadong Sales Company Limited	36,585,798	38.29
	Other Sinopec Corp.'s associates	15,680,097	16.39
	Subtotal from Sinopec Corp. and its associates	52,265,895	54.68
	Non-Sinopec Corp.'s associates	1,016,826	1.05
Purchases	China International United Petroleum & Chemical Co., Ltd	31,569,944	39.95
	Other Sinopec Corp.'s associates	15,536,972	19.66
	Subtotal from Sinopec Corp. and its associates	47,106,916	59.61
	Non-Sinopec Corp.'s associates	701,933	0.89
Sales commission	Sinopec Corp. Chemical Products	195,606	100.00
Insurance premiums for petrochemical industry	Sinopec and its subsidiaries	115,910	79.37
Construction and installation cost	Sinopec and its subsidiaries	286,023	38.17

Table of Contents

The audit committee of the board of directors of the Company (the Board) and the Board have confirmed that the amounts of continuing (routine) connected transactions of the Company incurred in 2011 did not exceed the annual caps of 2011 as considered and approved at the 2010 extraordinary general meeting of the Company. KPMG, the auditor of the Company, also issued to the Board an auditor's letter in respect of the continuing (routine) connected transactions of the Company during 2011. For details of the letter, please refer to the section Major Events of the 2011 annual report of the Company.

Sinopec Shanghai Petrochemical Company Limited

Shanghai, the PRC, 27 April 2012

As at the date of this announcement, the executive Directors of the Company are Rong Guangdao, Wang Zhiqing, Wu Haijun, Li Honggen, Shi Wei and Ye Guohua; the non-executive directors of the Company are Lei Dianwu and Xiang Hanyin, and the independent non-executive directors of the Company are Shen Liqiang, Jin Mingda, Wang Yongshou and Cai Tingji.

Table of Contents

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

(Stock Code: 00338)

2012 First Quarterly Report

This report is published simultaneously in Shanghai and Hong Kong. This report is published pursuant to the Rules Governing the Listing of Stocks on Shanghai Stock Exchange in the People's Republic of China and is made pursuant to the disclosure obligations under Rules 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, this 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 Board meeting.
- 1.3 The financial report of the Company for the three-month period ended 31 March 2012 (the Reporting Period) was unaudited.
- 1.4 Mr. Rong Guangdao, Chairman of the Board and the responsible person of the Company, Mr. Ye Guohua, Director and Chief Financial Officer overseeing the accounting operations and Mr. Hua Xin, Deputy Chief Financial Officer and person-in-charge of Accounting Department (accountant in charge) hereby warrant the truthfulness and completeness of the financial report contained in this quarterly 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	As at the end of the previous year	Increase/(decrease) as compared to the end of the previous year (%)
Total assets (RMB 000)	35,554,256	31,110,085	14.29
Total equity attributable to equity shareholders of the Company (RMB 000)	17,948,961	18,112,483	0.90
Net asset value per share attributable to equity shareholders of the Company (RMB)	2.493	2.516	0.90

	From the beginning of the year to the end of the Reporting Period	Increase/(decrease) as compared to the corresponding period of the previous year (%)
Net cash outflow from operating activities (RMB 000)	2,767,881	184.60
Net cash outflow per share from operating activities (RMB)	0.384	184.60

	The Reporting Period	From the beginning of the year to the end of the reporting period	Increase/(decrease) as compared to the corresponding period of the previous year (%)
Net loss attributable to equity shareholders of the Company (RMB 000)	190,122	190,122	120.86
Basic loss per share (RMB)	0.026	0.026	120.86
Basic loss per share excluding non-recurring items (RMB)	0.026	0.026	120.60
Diluted loss per share (RMB)	0.026	0.026	120.86
Return on net assets (weighted average) (%)	1.054	1.054	Decreased by 6.014 percentage points
Return on net assets based on net loss excluding non-recurring items (weighted average) (%)	1.048	1.048	Decreased by 6.038 percentage points

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

	RMB 000
Item	Amount
Net gain on disposal of non-current assets	1,149
Employee reduction expenses	2,510
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)	1,356
Income from external entrusted loans	529
Other non-operating income and expenses other than those mentioned above	3,632
Income tax effect	2,259
Effect attributable to minority interests (after tax)	336
Total	1,185

2.2 Total Number of Shareholders as at the End of the Reporting Period and Shareholding of the Top Ten Shareholders of Shares in Circulation

Unit: Share

Shareholders as at the end of the Reporting Period

Shareholding of the top ten shareholders of shares in circulation	Number of shares in circulation held as at the end of the Reporting Period
(in full) Sinopec Shanghai Petrochemical Co., Ltd.	2,294,284,101
Bank of China - CIFM China	69,836,385
China New Economics Mixed Fund	20,818,257
China Investment Company Limited Bonus Individual Bonus 005L FH002 Shanghai	14,166,204
China Investment Company Limited Traditional Ordinary Insurance Product 005L CT001 Shanghai	12,408,194
China Investment Company Limited New China Selected Growth Stock Fund	5,432,000
Commercial Bank of China Limited Harvest Theme New Power Stock Fund	4,518,720
	3,367,193

Bank Co., Limited Fortis Haitong Surging Return Mixed Type Fund 招 股份有限 海富通強化回報混合型	3,029,933
	2,976,068

Table of Contents**§3 MAJOR EVENTS****3.1 Description of Substantial Changes in Financial Report Items and Financial Indicators of the Company**

RMB 000

Item	As at 31 March 2012	As at 31 December 2011	Increase/ (decrease) amount	Change (%)	Major reason for change
Inventories	9,354,831	5,582,425	3,772,406	67.58	The purchase of crude oil at the end of the Reporting Period increased, and the price of raw materials increased significantly during the Reporting Period.
Total current assets	13,755,649	9,665,814	4,089,835	42.31	Balance of inventories at the end of the Reporting Period increased significantly.
Short-term loans	9,331,599	5,512,074	3,819,525	69.29	The Company borrowed short-term loans to replenish the working capital during the Reporting Period.
Total current liabilities	16,755,302	12,271,832	4,483,470	36.53	Balance of loans and borrowings at the end of the Reporting Period increased significantly.
Total liabilities	17,328,112	12,727,501	4,600,611	36.15	

Table of Contents

RMB 000

Item	For the three-month period ended 31 March		Increase/ decrease amount	Change (%)	Major reason for change
	2012	2011			
Operating profit (represents loss)	243,210	1,199,671	1,442,881	120.27	
Profit before income tax (represents loss)	250,471	1,193,146	1,443,617	120.99	
Net profit for the period (represents loss)	183,614	914,778	1,098,392	120.07	Gross profit of sales decreased during the Reporting Period.
Net profit attributable to equity shareholders of the Company (represents loss)	190,122	911,610	1,101,732	120.86	
Financial expenses	37,376	7,825	29,551	377.65	Interest on loans and borrowings increased.
Impairment losses (represents reversals)	1,560	184,726	186,286	100.84	Provision for diminution in value of inventories decreased significantly during the Reporting Period.
Investment income	32,012	97,471	65,459	67.16	Net profit of associates decreased during the Reporting Period.
Income tax expense	66,857	278,368	345,225	124.02	Operating results decreased substantially.

Table of Contents

3.2 Warning and Explanation on Projection of a Possible Loss or Material Year-on-year Change in Operating Results from the Beginning of the Year to the End of the Next Reporting Period

Since 2012, international crude oil prices have remained at a high level, resulting in a significant increase in the production costs of the Company and its subsidiaries (the Group). In addition, domestic prices of refined oil products were not adjusted in an adequate and timely manner during the Reporting Period. The market for petrochemical products remained weak despite a slight pickup, together with intensified competition within the industry. Thereby the Group recorded net loss attributable to equity shareholders of the Company for the first quarter of 2012. The Company forecasted that the Group's net profit attributable to equity shareholders of the Company for the six-month period ending 30 June 2012 would have a substantial decrease as compared to the corresponding period of the previous year.

3.3 Implementation of Dividend Policy during the Reporting Period

The 2011 profit distribution plan was considered and approved at the fifth meeting of the seventh session of the Board held on 29 March 2012. Based on the total share capital of 7.2 billion shares as at 31 December 2011, a dividend of RMB0.50 (tax inclusive) per 10 shares shall be distributed subject to the approval by the 2011 annual general meeting of the Company.

Table of Contents**§4 APPENDIX****4.1 Consolidated Balance Sheet (Unaudited)**

As at 31 March 2012

Unit: RMB 000

Item	31 March 2012 (Unaudited)	31 December 2011 (Audited)
Current assets:		
Cash at bank and on hand	294,343	91,346
Bills receivable	2,792,761	3,131,579
Accounts receivable	711,093	609,906
Prepayments	430,455	43,160
Other receivables	63,522	46,994
Inventories	9,354,831	5,582,425
Other current assets	108,644	160,404
Total current assets	13,755,649	9,665,814
Non-current assets:		
Long-term equity investments	3,125,778	3,101,305
Investment properties	449,242	452,555
Fixed assets	12,247,801	12,659,332
Construction in progress	4,593,256	3,882,992
Intangible assets	511,316	519,198
Long-term deferred expenses	275,498	306,052
Deferred tax assets	595,716	522,837
Total non-current assets	21,798,607	21,444,271
Total assets	35,554,256	31,110,085

Table of Contents**Consolidated Balance Sheet (Unaudited) (Cont d)**

As at 31 March 2012

Unit: RMB 000

Item	31 March 2012 <i>(Unaudited)</i>	31 December 2011 <i>(Audited)</i>
Current liabilities:		
Short-term loans	9,331,599	5,512,074
Bills payable	—	15,688
Accounts payable	5,335,270	4,650,007
Advances from customers	575,951	706,835
Employee benefits payable	62,650	46,140
Taxes payable	629,910	507,938
Interest payable	24,440	9,442
Dividends payable	21,734	22,599
Other payables	773,748	801,109
Total current liabilities	16,755,302	12,271,832
Non-current liabilities:		
Long-term loans	256,340	160,050
Other non-current liabilities	316,470	295,619
Total non-current liabilities	572,810	455,669
Total liabilities	17,328,112	12,727,501
Shareholders' equity:		
Share capital	7,200,000	7,200,000
Capital reserve	2,914,763	2,914,763
Specific reserve	48,377	21,777
Surplus reserve	5,151,770	5,151,770
Retained earnings	2,634,051	2,824,173
Total equity attributable to equity shareholders of the Company	17,948,961	18,112,483
Minority interests	277,183	270,101
Total equity	18,226,144	18,382,584
Total liabilities and shareholders' equity	35,554,256	31,110,085

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

As at 31 March 2012

Unit: RMB 000

Item	31 March 2012 (Unaudited)	31 December 2011 (Audited)
Current assets:		
Cash at bank and on hand	239,191	61,057
Bills receivable	2,664,402	2,941,248
Accounts receivable	351,429	538,149
Prepayments	424,867	51,583
Other receivables	23,194	10,592
Inventories	8,965,242	5,281,885
Other current assets	23,168	55,921
Total current assets	12,691,493	8,940,435
Non-current assets:		
Long-term equity investments	4,126,279	4,105,694
Investment properties	449,242	452,555
Fixed assets	11,753,603	12,136,472
Construction in progress	4,522,486	3,812,222
Intangible assets	416,129	419,387
Long-term deferred expenses	275,498	306,052
Deferred tax assets	595,423	522,544
Total non-current assets	22,138,660	21,754,926
Total assets	34,830,153	30,695,361

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

As at 31 March 2012

Unit: RMB 000

Item	31 March 2012 (Unaudited)	31 December 2011 (Audited)
Current liabilities:		
Short-term loans	9,332,899	5,526,574
Bills payable	—	15,688
Accounts payable	4,831,677	4,377,765
Advances from customers	536,394	674,368
Employee benefits payable	57,992	41,506
Taxes payable	623,334	481,854
Interest payable	24,440	9,434
Dividends payable	21,655	22,599
Other payables	1,177,615	1,256,888
Non-current liabilities due within one year	45,000	45,000
Total current liabilities	16,651,006	12,451,676
Non-current liabilities:		
Long-term loans	225,000	135,000
Other non-current liabilities	316,470	295,619
Total non-current liabilities	541,470	430,619
Total liabilities	17,192,476	12,882,295
Shareholders' equity:		
Share capital	7,200,000	7,200,000
Capital reserve	2,914,763	2,914,763
Specific reserve	38,025	14,272
Surplus reserve	5,151,770	5,151,770
Retained earnings	2,333,119	2,532,261
Total equity	17,637,677	17,813,066
Total liabilities and shareholders' equity	34,830,153	30,695,361

Table of Contents**4.2 Consolidated Income Statement (Unaudited)**
For the three-month period ended 31 March 2012

Unit: RMB 000

Item	2012 (Unaudited)	2011 (Unaudited)
Operating income	23,550,221	24,633,858
Less: Operating costs	21,649,053	20,882,563
Business taxes and surcharges	1,429,399	1,612,892
Selling and distribution expenses	164,565	164,120
General and administrative expenses	546,610	679,532
Financial expenses	37,376	7,825
Impairment losses (represents reversals)	1,560	184,726
Add: Investment income	32,012	97,471
Including: Income from investment in associates and jointly controlled enterprises	25,878	97,471
Operating profit (represents loss)	243,210	1,199,671
Add: Non-operating income	4,997	4,259
Less: Non-operating expenses	12,258	10,784
Including: Losses from disposal of non-current assets	4,989	3,708
Profit before income tax (represents loss)	250,471	1,193,146
Less: Income tax expense	66,857	278,368
Net profit for the period (represents loss)	183,614	914,778
Attributable to:		
Equity shareholders of the Company (represents loss)	190,122	911,610
Minority shareholders	6,508	3,168
Earnings per share:		
Basic and diluted earnings per share (represents loss) (RMB)	0.026	0.127
Other comprehensive income	—	—
Total comprehensive income (represents loss)	183,614	914,778
Attributable to:		
Equity shareholders of the Company (represents loss)	190,122	911,610
Minority shareholders	6,508	3,168

Table of Contents**Income Statement (Unaudited)****For the three-month period ended 31 March 2012**

Unit: RMB 000

Item	2012 (Unaudited)	2011 (Unaudited)
Operating income	20,171,979	20,698,979
Less: Operating costs	18,338,832	16,995,596
Business taxes and surcharges	1,428,324	1,610,848
Selling and distribution expenses	141,623	141,622
General and administrative expenses	510,376	646,787
Financial expenses	37,569	14,276
Impairment losses (represents reversals)	100	184,726
Add: Investment income	20,585	83,236
Including: Income from investment in associates and jointly controlled enterprises	20,585	83,236
Operating profit (represents loss)	264,060	1,188,360
Add: Non-operating income	4,295	3,933
Less: Non-operating expenses	12,256	10,784
Including: Losses from disposal of non-current assets	4,989	3,708
Profit before income tax (represents loss)	272,021	1,181,509
Less: Income tax expense	72,879	274,848
Net profit for the period (represents loss)	199,142	906,661
Other comprehensive income	—	—
Total comprehensive income (represents loss)	199,142	906,661

Table of Contents**4.3 Consolidated Cash Flow Statement (Unaudited)**
For the three-month period ended 31 March 2012

Unit: RMB 000

Item	2012 (Unaudited)	2011 (Unaudited)
Cash flows from operating activities:		
Cash received from sale of goods and rendering of services	27,749,310	27,822,950
Refund of taxes	12,941	—
Other cash received relating to operating activities	25,844	1,439
Sub-total of cash inflows	27,788,095	27,824,389
Cash paid for goods and services	28,261,164	25,404,298
Cash paid to and for employees	533,349	442,190
Cash paid for all types of taxes	1,605,283	2,822,231
Other cash paid relating to operating activities	156,180	128,214
Sub-total of cash outflows	30,555,976	28,796,933
Net cash outflow from operating activities	2,767,881	972,544
Cash flows from investing activities:		
Cash received from disposal of investments	16,000	14,000
Cash received from investment income	2,841	—
Net cash received from disposal of fixed assets	1,258	—
Cash received relating to other investing activities	27,541	18,575
Sub-total of cash inflows	47,640	32,575
Cash paid for acquisition of fixed assets and other long-term assets	928,471	316,377
Cash paid for disposal of fixed assets	—	150
Sub-total of cash outflows	928,471	316,527
Net cash outflow from investing activities	880,831	283,952

Table of Contents**Consolidated Cash Flow Statement (Unaudited) (Cont d)****For the three-month period ended 31 March 2012**

Unit: RMB 000

Item	2012 <i>(Unaudited)</i>	2011 <i>(Unaudited)</i>
Cash flows from financing activities:		
Cash received from borrowings	12,761,471	9,716,363
Sub-total of cash inflows	12,761,471	9,716,363
Cash repayments of borrowings	8,819,302	8,241,089
Cash paid for dividends, profits distribution and interest	90,495	48,151
Sub-total of cash outflows	8,909,797	8,289,240
Net cash inflow from financing activities	3,851,674	1,427,123
Effect of foreign exchange rate changes on cash and cash equivalents	35	129
Net increase in cash and cash equivalents	202,997	170,498
Add: Cash and cash equivalents at the beginning of the period	91,346	100,110
Cash and cash equivalents at the end of the period	294,343	270,608

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

For the three-month period ended 31 March 2012

Unit: RMB 000

Item	2012 (Unaudited)	2011 (Unaudited)
Cash flows from operating activities:		
Cash received from sale of goods and rendering of services	23,911,709	23,181,368
Other cash received relating to operating activities	25,142	780
Sub-total of cash inflows	23,936,851	23,182,148
Cash paid for goods and services	24,499,738	20,902,020
Cash paid to and for employees	498,309	409,248
Cash paid for all types of taxes	1,551,045	2,751,532
Other cash paid relating to operating activities	139,390	93,971
Sub-total of cash outflows	26,688,482	24,156,771
Net cash outflow from operating activities	2,751,631	974,623
Cash flows from investing activities:		
Net cash received from disposal of fixed assets	1,256	—
Cash received relating to other investing activities	24,991	15,914
Sub-total of cash inflows	26,247	15,914
Cash paid for acquisition of fixed assets and other long-term assets	922,336	313,395
Cash paid for disposal of fixed assets	—	150
Sub-total of cash outflows	922,336	313,545
Net cash outflow from investing activities	896,089	297,631

Table of Contents**Cash Flow Statement (Unaudited) (Cont d)****For the three-month period ended 31 March 2012**

Unit: RMB 000

Item	2012 (Unaudited)	2011 (Unaudited)
Cash flows from financing activities:		
Cash received from borrowings	12,731,280	9,679,763
Sub-total of cash inflows	12,731,280	9,679,763
Cash repayments of borrowings	8,818,060	8,240,101
Cash paid for dividends, profits distribution and interest	87,402	47,516
Sub-total of cash outflows	8,905,462	8,287,617
Net cash inflow from financing activities	3,825,818	1,392,146
Effect of foreign exchange rate changes on cash and cash equivalents	36	109
Net increase in cash and cash equivalents	178,134	119,783
Add: Cash and cash equivalents at the beginning of the period	61,057	89,224
Cash and cash equivalents at the end of the period	239,191	209,007

By Order of the Board

Rong Guangdao*Chairman*

Shanghai, the PRC, 27 April 2012

As at the date of this report, the executive directors of the Company are Rong Guangdao, Wang Zhiqing, Wu Haijun, Li Honggen, Shi Wei and Ye Guohua; the non-executive directors of the Company are Lei Dianwu and Xiang Hanyin, and the independent non-executive directors of the Company are Shen Liqiang, Jin Mingda, Wang Yongshou and Cai Tingji.