

SINOPEC SHANGHAI PETROCHEMICAL CO LTD

Form 6-K

October 28, 2011

# 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 2011

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

SINOPEC SHANGHAI PETROCHEMICAL COMPANY LIMITED

Form 6-K

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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: October 28, 2011

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

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

**(Stock Code: 00338)**

### **2011 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 2011 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 third meeting of the seventh session of the Board which considered the third quarterly report of the Company, and the third quarterly report of the Company was considered and approved at the meeting.
- 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. Hua Xin, Finance Manager, Deputy Chief Financial Officer cum Accounting Chief hereby warrant the truthfulness and completeness of the financial report contained in the 2011 third quarterly report.

## §2 BASIC INFORMATION OF THE COMPANY

## 2.1 Major Accounting Data and Financial Indicators

Currency: RMB

|                                                                                                       | As at the end<br>of the<br>reporting<br>period | As at the<br>end of the<br>previous<br>year | Increase/(decrease)<br>as compared to the<br>end of the previous<br>year (%) |
|-------------------------------------------------------------------------------------------------------|------------------------------------------------|---------------------------------------------|------------------------------------------------------------------------------|
| Total assets ( 000)                                                                                   | 32,623,595                                     | 29,158,104                                  | 11.89                                                                        |
| Total equity attributable to equity shareholders of the Company (excluding minority interests) ( 000) | 18,889,122                                     | 17,913,040                                  | 5.45                                                                         |
| Net asset value per share attributable to equity shareholders of the Company (RMB/share)              | 2.623                                          | 2.488                                       | 5.45                                                                         |

|                                                                 | From the beginning of the<br>year to the end of the<br>reporting period<br>(January 2011 to<br>September 2011) | Increase/(decrease)<br>as compared to<br>the<br>corresponding<br>period of the<br>previous year (%) |
|-----------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| Net cash inflow from operating activities ( 000)                | 766,841                                                                                                        | (52.94)                                                                                             |
| Net cash inflow per share from operating activities (RMB/share) | 0.107                                                                                                          | (52.94)                                                                                             |

|                                                                           | The<br>reporting<br>period<br>(July 2011<br>to<br>September<br>2011) | From the beginning of<br>the<br>year to the end of the<br>reporting period<br>(January 2011 to<br>September 2011) | Increase/(decrease)<br>as compared to the<br>corresponding<br>period of the<br>previous year (%) |
|---------------------------------------------------------------------------|----------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| Net profit attributable to equity shareholders of the Company ( 000)      | 270,046                                                              | 1,651,579                                                                                                         | (9.33)                                                                                           |
| Basic earnings per share (RMB/share)                                      | 0.038                                                                | 0.229                                                                                                             | (9.33)                                                                                           |
| Basic earnings per share excluding non-recurring items (RMB/share)        | 0.037                                                                | 0.231                                                                                                             | (11.31)                                                                                          |
| Diluted earnings per share (RMB/share)                                    | 0.038                                                                | 0.229                                                                                                             | (9.33)                                                                                           |
| Return on net assets (weighted average) (%)                               | 1.440                                                                | 8.975                                                                                                             | Decreased by 0.335<br>percentage point                                                           |
| Return on net assets excluding non-recurring items (weighted average) (%) | 1.430                                                                | 9.020                                                                                                             | Decreased by 0.371<br>percentage point                                                           |

**Non-recurring items and amount:**

|                                                                                                                                                                                             | <b>From the beginning<br/>of the year to the end<br/>of the reporting<br/>period<br/>(January 2011 to<br/>September 2011)<br/>(RMB 000)</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Non-recurring items</b>                                                                                                                                                                  |                                                                                                                                             |
| Net loss on disposal of non-current assets                                                                                                                                                  | -9,831                                                                                                                                      |
| Employee reduction expenses                                                                                                                                                                 | -13,631                                                                                                                                     |
| 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) | 27,490                                                                                                                                      |
| Investment income from disposal of available-for-sale financial assets                                                                                                                      | 685                                                                                                                                         |
| Income from external entrusted loans                                                                                                                                                        | 955                                                                                                                                         |
| Other non-operating income and expenses other than those mentioned above                                                                                                                    | -15,644                                                                                                                                     |
| <b>Subtotal</b>                                                                                                                                                                             | <b>-9,976</b>                                                                                                                               |
| Less: Income tax effect                                                                                                                                                                     | 2,169                                                                                                                                       |
| <b>Total</b>                                                                                                                                                                                | <b>-7,807</b>                                                                                                                               |
| Including: Non-recurring items attributable to equity shareholders of the Company                                                                                                           | -8,168                                                                                                                                      |
| Non-recurring items attributable to minority shareholders                                                                                                                                   | 361                                                                                                                                         |

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

of the reporting period

s of shares in circulation

Advantage Security Investment Fund ( )

SWS MU New Economy Balanced Equity Fund ( - &#21512;&#22411; )

Bonus - Individual Bonus - 005L-FH002 Shanghai  
0;&#32929;&#20221;&#26377;&#38480;&#20844;&#21496;-&#20998;&#32005;-&#20491;&#20154;&#20998;&#32005;-005L-FH002&#28396;)

Tradition - Ordinary Insurance Product - 005L-CT001-Shanghai  
0;&#32929;&#20221;&#26377;&#38480;&#20844;&#21496;-&#20659;&#32113;-&#26222;&#36890;&#20445;&#38570;&#29986;&#21697;-005L-CT001&#28396;)

Harvest Theme New Power Stock Securities Investment Fund  
#38480;&#20844;&#21496;-&#22025;&#23526;&#20027;&#38988; &#21205;&#21147;&#32929;&#31080;&#22411; )

anced Equity Fund ( -&#26131;&#26041;&#36948;&#24179;&#31337;&#22686;&#38263; )

urities Investment Fund ( -&#25307; &#20808;&#37586; )

h Securities Investment Fund( -&#28023;&#23500;&#36890;&#25910;&#30410;&#22686;&#38263; )



## §3 MAJOR EVENTS

## 3.1 Situation and reasons for the significant changes in major accounting statement items and financial indicators of the Company

Unit: RMB 000

| Item                     | As at<br>30 September<br>2011 | As at<br>31 December<br>2010 | Increase<br>amount | Change<br>(%) | Reasons for change                                                                                                                                          |
|--------------------------|-------------------------------|------------------------------|--------------------|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Bills receivable         | 3,016,967                     | 2,043,493                    | 973,474            | 47.64         | Operating income increased and discount of bills receivable decreased.                                                                                      |
| Inventories              | 8,255,612                     | 5,352,301                    | 2,903,311          | 54.24         | Inventories of crude oil at the end of the reporting period increased, and the price of raw materials increased significantly during the nine-month period. |
| Construction in progress | 2,303,852                     | 1,192,225                    | 1,111,627          | 93.24         | The balance of the Refinery Upgrade Project at the end of the reporting period increased.                                                                   |
| Short-term loans         | 5,514,984                     | 3,295,438                    | 2,219,546          | 67.35         | The Company borrowed short-term loans to replenish the working capital during the nine-month period.                                                        |
| Accounts payable         | 5,028,549                     | 3,322,811                    | 1,705,738          | 51.33         | The payables for purchase of crude oil increased at the end of the reporting period.                                                                        |
| Retained earnings        | 3,601,794                     | 2,670,215                    | 931,579            | 34.89         | Profit increased during the nine-month period.                                                                                                              |

Unit: RMB 000

| Item             | For the nine-month<br>period ended |            | Increase<br>amount | Change<br>(%) | Reasons for change                                                                                                                                                             |
|------------------|------------------------------------|------------|--------------------|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                  | 30 September<br>2011               | 2010       |                    |               |                                                                                                                                                                                |
| Operating income | 73,743,100                         | 55,179,683 | 18,563,417         | 33.64         | Both sales volume and unit price increased during the nine-month period.                                                                                                       |
| Operating costs  | 64,518,414                         | 47,226,453 | 17,291,961         | 36.61         | Unit cost of crude oil increased as a result of the increase in international crude oil prices. The volume of crude oil processed also increased during the nine-month period. |

**3.2 Implementation of dividend policy during the reporting period**

The profit distribution plan for 2010 was considered and approved at the Company's 2010 annual general meeting convened on 29 June 2011. The plan is: distributing a dividend of RMB1.00 per 10 shares (tax inclusive) based on the total share capital of RMB7.2 billion as at 31 December 2010. The share registration date for the distribution of dividends to holders of A shares was 20 July 2011. The ex-dividend date was 21 July 2011. The dividend payment date for H shares and social public A shares was 27 July 2011. The profit distribution plan has been implemented as scheduled.

## §4 APPENDIX

4.1 Consolidated Balance Sheet (Unaudited)  
As at 30 September 2011

Unit: RMB 000

| Item                            | 30 September 2011<br>(Unaudited) | 31 December 2010<br>(Audited) |
|---------------------------------|----------------------------------|-------------------------------|
| <b>Current assets:</b>          |                                  |                               |
| Cash at bank and on hand        | 434,844                          | 100,110                       |
| Bills receivable                | 3,016,967                        | 2,043,493                     |
| Accounts receivable             | 938,796                          | 751,935                       |
| Prepayments                     | 248,598                          | 146,865                       |
| Dividends receivable            |                                  | 5,042                         |
| Other receivables               | 66,041                           | 58,185                        |
| Inventories                     | 8,255,612                        | 5,352,301                     |
| Other current assets            | 112,548                          | 73,910                        |
| <b>Total current assets</b>     | <b>13,073,406</b>                | <b>8,531,841</b>              |
| <b>Non-current assets:</b>      |                                  |                               |
| Long-term receivables           |                                  | 30,000                        |
| Long-term equity investments    | 3,167,168                        | 3,526,290                     |
| Investment property             | 455,868                          | 465,805                       |
| Fixed assets                    | 12,630,571                       | 13,802,184                    |
| Construction in progress        | 2,303,852                        | 1,192,225                     |
| Intangible assets               | 523,797                          | 537,599                       |
| Long-term deferred expenses     | 161,298                          | 261,706                       |
| Deferred tax assets             | 307,635                          | 810,454                       |
| <b>Total non-current assets</b> | <b>19,550,189</b>                | <b>20,626,263</b>             |
| <b>Total assets</b>             | <b>32,623,595</b>                | <b>29,158,104</b>             |

**Consolidated Balance Sheet (Unaudited) (Continued)**

As at 30 September 2011

Unit: RMB 000

| Item                                                                   | 30 September 2011<br>(Unaudited) | 31 December 2010<br>(Audited) |
|------------------------------------------------------------------------|----------------------------------|-------------------------------|
| <b>Current liabilities:</b>                                            |                                  |                               |
| Short-term loans                                                       | 5,514,984                        | 3,295,438                     |
| Bills payable                                                          | 1,134                            | 41,034                        |
| Accounts payable                                                       | 5,028,549                        | 3,322,811                     |
| Advances from customers                                                | 883,485                          | 809,908                       |
| Employee benefits payable                                              | 143,460                          | 8,920                         |
| Taxes payable                                                          | 595,047                          | 1,042,054                     |
| Interest payable                                                       | 7,168                            | 24,553                        |
| Dividends payable                                                      | 22,880                           | 15,490                        |
| Other payables                                                         | 835,784                          | 834,780                       |
| Short-term debentures payable                                          |                                  | 1,000,000                     |
| Non-current liabilities due within one year                            | 50,000                           | 178,237                       |
| <b>Total current liabilities</b>                                       | <b>13,082,491</b>                | <b>10,573,225</b>             |
| <b>Non-current liabilities:</b>                                        |                                  |                               |
| Long-term loans                                                        | 160,510                          | 175,000                       |
| Other non-current liabilities                                          | 232,036                          | 236,986                       |
| <b>Total non-current liabilities</b>                                   | <b>392,546</b>                   | <b>411,986</b>                |
| <b>Total liabilities</b>                                               | <b>13,475,037</b>                | <b>10,985,211</b>             |
| <b>Shareholders' equity:</b>                                           |                                  |                               |
| Share capital                                                          | 7,200,000                        | 7,200,000                     |
| Capital reserve                                                        | 2,914,763                        | 2,914,763                     |
| Specific reserve                                                       | 91,251                           | 46,748                        |
| Surplus reserve                                                        | 5,081,314                        | 5,081,314                     |
| Retained earnings                                                      | 3,601,794                        | 2,670,215                     |
| <b>Total equity attributable to equity shareholders of the Company</b> | <b>18,889,122</b>                | <b>17,913,040</b>             |
| Minority interests                                                     | 259,436                          | 259,853                       |
| <b>Total equity</b>                                                    | <b>19,148,558</b>                | <b>18,172,893</b>             |
| <b>Total liabilities and shareholders' equity</b>                      | <b>32,623,595</b>                | <b>29,158,104</b>             |

**Balance Sheet (Unaudited)**

As at 30 September 2011

Unit: RMB 000

| Item                            | 30 September 2011<br>(Unaudited) | 31 December 2010<br>(Audited) |
|---------------------------------|----------------------------------|-------------------------------|
| <b>Current assets:</b>          |                                  |                               |
| Cash at bank and on hand        | 380,170                          | 89,224                        |
| Bills receivable                | 2,718,246                        | 1,887,416                     |
| Accounts receivable             | 488,238                          | 347,327                       |
| Prepayments                     | 247,013                          | 147,004                       |
| Dividends receivable            |                                  | 5,042                         |
| Other receivables               | 38,057                           | 18,650                        |
| Inventories                     | 7,986,744                        | 5,110,036                     |
| Other current assets            | 45,199                           | 21,729                        |
| <b>Total current assets</b>     | <b>11,903,667</b>                | <b>7,626,428</b>              |
| <b>Non-current assets:</b>      |                                  |                               |
| Long-term equity investments    | 4,178,345                        | 4,578,274                     |
| Investment property             | 513,369                          | 524,560                       |
| Fixed assets                    | 12,041,518                       | 13,176,847                    |
| Construction in progress        | 2,253,553                        | 1,176,229                     |
| Intangible assets               | 422,644                          | 432,418                       |
| Long-term deferred expenses     | 161,298                          | 260,956                       |
| Deferred tax assets             | 307,406                          | 810,225                       |
| <b>Total non-current assets</b> | <b>19,878,133</b>                | <b>20,959,509</b>             |
| <b>Total assets</b>             | <b>31,781,800</b>                | <b>28,585,937</b>             |

**Balance Sheet (Unaudited) (Continued)**

As at 30 September 2011

Unit: RMB 000

| Item                                              | 30 September 2011<br>(Unaudited) | 31 December 2010<br>(Audited) |
|---------------------------------------------------|----------------------------------|-------------------------------|
| <b>Current liabilities:</b>                       |                                  |                               |
| Short-term loans                                  | 5,489,684                        | 3,116,438                     |
| Bills payable                                     | 1,134                            | 41,034                        |
| Accounts payable                                  | 4,300,103                        | 2,888,621                     |
| Advances from customers                           | 852,217                          | 741,364                       |
| Employee benefits payable                         | 138,733                          | 5,060                         |
| Taxes payable                                     | 572,701                          | 1,013,520                     |
| Interest payable                                  | 7,154                            | 24,553                        |
| Dividends payable                                 | 22,880                           | 15,490                        |
| Other payables                                    | 1,330,685                        | 1,325,260                     |
| Short-term debentures payable                     |                                  | 1,000,000                     |
| Non-current liabilities due within one year       | 95,000                           | 100,000                       |
| <b>Total current liabilities</b>                  | <b>12,810,291</b>                | <b>10,271,340</b>             |
| <b>Non-current liabilities:</b>                   |                                  |                               |
| Long-term loans                                   | 150,000                          | 220,000                       |
| Other non-current liabilities                     | 232,036                          | 236,986                       |
| <b>Total non-current liabilities</b>              | <b>382,036</b>                   | <b>456,986</b>                |
| <b>Total liabilities</b>                          | <b>13,192,327</b>                | <b>10,728,326</b>             |
| <b>Shareholders' equity:</b>                      |                                  |                               |
| Share capital                                     | 7,200,000                        | 7,200,000                     |
| Capital reserve                                   | 2,914,763                        | 2,914,763                     |
| Specific reserve                                  | 81,184                           | 43,380                        |
| Surplus reserve                                   | 5,081,314                        | 5,081,314                     |
| Retained earnings                                 | 3,312,212                        | 2,618,154                     |
| <b>Total equity</b>                               | <b>18,589,473</b>                | <b>17,857,611</b>             |
| <b>Total liabilities and shareholders' equity</b> | <b>31,781,800</b>                | <b>28,585,937</b>             |

**4.2 Consolidated Income Statements (Unaudited)**  
**For the nine-month period ended 30 September 2011**

Unit: RMB 000

| Item                                                                                 | 2011<br>(Unaudited) | 2010<br>(Unaudited) |
|--------------------------------------------------------------------------------------|---------------------|---------------------|
| <b>Operating income</b>                                                              | 73,743,100          | 55,179,683          |
| <b>Less: Operating costs</b>                                                         | 64,518,414          | 47,226,453          |
| Business taxes and surcharges                                                        | 4,569,612           | 3,845,268           |
| Selling and distribution expenses                                                    | 508,411             | 401,747             |
| General and administrative expenses                                                  | 2,006,613           | 1,662,006           |
| Financial (income)/expenses                                                          | (84,606)            | 97,275              |
| Impairment losses                                                                    | 202,307             | 184,284             |
| Add: Investment income                                                               | 169,165             | 508,180             |
| (Including: Income from investment in associates and jointly controlled enterprises) | 168,480             | 507,965             |
| <b>Operating profit</b>                                                              | 2,191,514           | 2,270,830           |
| Add: Non-operating income                                                            | 31,568              | 38,405              |
| Less: Non-operating expenses                                                         | 29,553              | 47,412              |
| (Including: Losses from disposal of non-current assets)                              | 12,042              | 8,293               |
| <b>Profit before income tax</b>                                                      | 2,193,529           | 2,261,823           |
| Less: Income tax expense                                                             | 522,199             | 459,427             |
| <b>Net profit for the period</b>                                                     | 1,671,330           | 1,802,396           |
| Attributable to: Equity shareholders of the Company                                  | 1,651,579           | 1,791,757           |
| Minority shareholders                                                                | 19,751              | 10,639              |
| <b>Earnings per share:</b>                                                           |                     |                     |
| Basic and diluted earnings per share                                                 | 0.229               | 0.249               |
| <b>Other comprehensive income</b>                                                    |                     |                     |
| <b>Total comprehensive income</b>                                                    | 1,671,330           | 1,802,396           |
| Attributable to: Equity shareholders of the Company                                  | 1,651,579           | 1,791,757           |
| Minority shareholders                                                                | 19,751              | 10,639              |

**Income Statements (Unaudited)**

For the nine-month period ended 30 September 2011

Unit: RMB 000

| Item                                                                                 | 2011<br><i>(Unaudited)</i> | 2010<br><i>(Unaudited)</i> |
|--------------------------------------------------------------------------------------|----------------------------|----------------------------|
| <b>Operating income</b>                                                              | 62,593,414                 | 48,194,628                 |
| <b>Less: Operating costs</b>                                                         | 53,548,126                 | 40,393,030                 |
| Business taxes and surcharges                                                        | 4,562,364                  | 3,843,082                  |
| Selling and distribution expenses                                                    | 442,474                    | 341,270                    |
| General and administrative expenses                                                  | 1,904,459                  | 1,562,130                  |
| Financial (income)/expenses                                                          | (69,013)                   | 87,001                     |
| Impairment losses                                                                    | 425,316                    | 210,196                    |
| Add: Investment income                                                               | 135,470                    | 620,091                    |
| (Including: Income from investment in associates and jointly controlled enterprises) | 126,705                    | 492,685                    |
| <b>Operating profit</b>                                                              | 1,915,158                  | 2,378,010                  |
| Add: Non-operating income                                                            | 30,848                     | 37,953                     |
| Less: Non-operating expenses                                                         | 29,129                     | 44,480                     |
| (Including: Losses from disposal of non-current assets)                              | 12,016                     | 7,195                      |
| <b>Profit before income tax</b>                                                      | 1,916,877                  | 2,371,483                  |
| Less: Income tax expense                                                             | 502,819                    | 447,430                    |
| <b>Net profit for the period</b>                                                     | 1,414,058                  | 1,924,053                  |
| <b>Other comprehensive income</b>                                                    |                            |                            |
| <b>Total comprehensive income</b>                                                    | 1,414,058                  | 1,924,053                  |



**Consolidated Income Statements (Unaudited)**

For the three-month period ended 30 September 2011

Unit: RMB 000

| Item                                                                                          | 2011<br><i>(Unaudited)</i> | 2010<br><i>(Unaudited)</i> |
|-----------------------------------------------------------------------------------------------|----------------------------|----------------------------|
| <b>Operating income</b>                                                                       | 24,218,108                 | 19,028,253                 |
| <b>Less: Operating costs</b>                                                                  | 21,511,310                 | 16,404,633                 |
| Business taxes and surcharges                                                                 | 1,413,959                  | 1,395,181                  |
| Selling and distribution expenses                                                             | 172,966                    | 146,163                    |
| General and administrative expenses                                                           | 763,085                    | 703,912                    |
| Financial income                                                                              | (70,474)                   | (19,437)                   |
| Impairment losses                                                                             | 45,726                     | 136,930                    |
| Add: Investment (losses)/income                                                               | (8,399)                    | 122,332                    |
| (Including: (Losses)/income from investment in associates and jointly controlled enterprises) | (9,084)                    | 122,332                    |
| <b>Operating profit</b>                                                                       | 373,137                    | 383,203                    |
| Add: Non-operating income                                                                     | 22,905                     | 25,047                     |
| Less: Non-operating expenses                                                                  | 8,318                      | 28,953                     |
| (Including: Losses from disposal of non-current assets)                                       | 2,909                      | 3,615                      |
| <b>Profit before income tax</b>                                                               | 387,724                    | 379,297                    |
| Less: Income tax expense                                                                      | 104,305                    | 70,473                     |
| <b>Net profit for the period</b>                                                              | 283,419                    | 308,824                    |
| Attributable to: Equity shareholders of the Company                                           | 270,046                    | 297,827                    |
| Minority shareholders                                                                         | 13,373                     | 10,997                     |
| <b>Earnings per share:</b>                                                                    |                            |                            |
| Basic and diluted earnings per share                                                          | 0.038                      | 0.041                      |
| <b>Other comprehensive income</b>                                                             |                            |                            |
| <b>Total comprehensive income</b>                                                             | 283,419                    | 308,824                    |
| Attributable to: Equity shareholders of the Company                                           | 270,046                    | 297,827                    |
| Minority shareholders                                                                         | 13,373                     | 10,997                     |

**Income Statements (Unaudited)**

For the three-month period ended 30 September 2011

Unit: RMB 000

| Item                                                                                          | 2011<br><i>(Unaudited)</i> | 2010<br><i>(Unaudited)</i> |
|-----------------------------------------------------------------------------------------------|----------------------------|----------------------------|
| <b>Operating income</b>                                                                       | 20,482,671                 | 16,279,318                 |
| <b>Less: Operating costs</b>                                                                  | 17,856,226                 | 13,718,878                 |
| Business taxes and surcharges                                                                 | 1,410,721                  | 1,393,963                  |
| Selling and distribution expenses                                                             | 149,959                    | 123,943                    |
| General and administrative expenses                                                           | 725,982                    | 668,737                    |
| Financial income                                                                              | (64,476)                   | (19,784)                   |
| Impairment losses                                                                             | 45,753                     | 136,930                    |
| Add: Investment (losses)/income                                                               | (21,226)                   | 235,063                    |
| (Including: (Losses)/income from investment in associates and jointly controlled enterprises) | (21,911)                   | 115,063                    |
| <b>Operating profit</b>                                                                       | 337,280                    | 491,714                    |
| Add: Non-operating income                                                                     | 22,760                     | 25,009                     |
| Less: Non-operating expenses                                                                  | 7,913                      | 28,688                     |
| (Including: Losses from disposal of non-current assets)                                       | 2,891                      | 3,545                      |
| <b>Profit before income tax</b>                                                               | 352,127                    | 488,035                    |
| Less: Income tax expense                                                                      | 92,780                     | 63,640                     |
| <b>Net profit for the period</b>                                                              | 259,347                    | 424,395                    |
| <b>Other comprehensive income</b>                                                             |                            |                            |
| <b>Total comprehensive income</b>                                                             | 259,347                    | 424,395                    |

**4.3 Consolidated Cash Flow Statement (Unaudited)**  
**For the nine-month period ended 30 September 2011**

Unit: RMB 000

| Item                                                                        | 2011<br>(Unaudited) | 2010<br>(Unaudited) |
|-----------------------------------------------------------------------------|---------------------|---------------------|
| <b>Cash flows from operating activities:</b>                                |                     |                     |
| Cash received from sale of goods and rendering of services                  | 85,374,752          | 63,834,870          |
| Refund of taxes                                                             | 60,620              |                     |
| Cash received relating to other operating activities                        | 24,407              | 89,660              |
| <b>Sub-total of cash inflows</b>                                            | <b>85,459,779</b>   | <b>63,924,530</b>   |
| Cash paid for goods and services                                            | (75,800,008)        | (54,495,838)        |
| Cash paid to and for employees                                              | (1,456,470)         | (1,370,761)         |
| Cash paid for all types of taxes                                            | (7,066,286)         | (6,023,208)         |
| Cash paid relating to other operating activities                            | (370,174)           | (405,164)           |
| <b>Sub-total of cash outflows</b>                                           | <b>(84,692,938)</b> | <b>(62,294,971)</b> |
| <b>Net cash inflow from operating activities</b>                            | <b>766,841</b>      | <b>1,629,559</b>    |
| <b>Cash flows from investing activities:</b>                                |                     |                     |
| Cash received from disposal of investments                                  | 746,000             | 770,000             |
| Cash received from investment income                                        | 548,080             | 89,817              |
| Net cash received from disposal of fixed assets                             | 5,240               | 1,818               |
| Cash received relating to other investing activities                        | 68,016              | 26,524              |
| <b>Sub-total of cash inflows</b>                                            | <b>1,367,336</b>    | <b>888,159</b>      |
| Cash paid for acquisition of fixed assets                                   | (1,459,670)         | (662,553)           |
| Cash paid for acquisition of investments                                    | (742,751)           | (20,250)            |
| <b>Sub-total of cash outflows</b>                                           | <b>(2,202,421)</b>  | <b>(682,803)</b>    |
| <b>Net cash (outflow) /inflow from investing activities</b>                 | <b>(835,085)</b>    | <b>205,356</b>      |
| <b>Cash flows from financing activities:</b>                                |                     |                     |
| Cash received from issuance of corporate bonds                              |                     | 1,000,000           |
| Cash received from borrowings                                               | 28,454,321          | 30,986,965          |
| <b>Sub-total of cash inflows</b>                                            | <b>28,454,321</b>   | <b>31,986,965</b>   |
| Cash repayments of corporate bonds                                          | (1,000,000)         | (1,000,000)         |
| Cash repayments of borrowings                                               | (26,116,153)        | (31,991,295)        |
| Cash paid for dividends, profits distribution and interest                  | (934,907)           | (490,225)           |
| <b>Sub-total of cash outflows</b>                                           | <b>(28,051,060)</b> | <b>(33,481,520)</b> |
| <b>Net cash inflow/(outflow) from financing activities</b>                  | <b>403,261</b>      | <b>(1,494,555)</b>  |
| <b>Effect of foreign exchange rate changes on cash and cash equivalents</b> | <b>(283)</b>        | <b>(211)</b>        |
| <b>Net increase in cash and cash equivalents</b>                            | <b>334,734</b>      | <b>340,149</b>      |
| Add: Cash and cash equivalents at the beginning of the period               | 100,110             | 125,917             |
| <b>Cash and cash equivalents at the end of the period</b>                   | <b>434,844</b>      | <b>466,066</b>      |



**Cash Flow Statement (Unaudited)**

For the nine-month period ended 30 September 2011

Unit: RMB 000

| Item                                                                        | 2011<br>(Unaudited) | 2010<br>(Unaudited) |
|-----------------------------------------------------------------------------|---------------------|---------------------|
| <b>Cash flows from operating activities:</b>                                |                     |                     |
| Cash received from sale of goods and rendering of services                  | 72,330,555          | 55,537,249          |
| Cash received relating to other operating activities                        | 23,762              | 92,975              |
| <b>Sub-total of cash inflows</b>                                            | <b>72,354,317</b>   | <b>55,630,224</b>   |
| Cash paid for goods and services                                            | (63,101,474)        | (46,677,916)        |
| Cash paid to and for employees                                              | (1,352,375)         | (1,273,088)         |
| Cash paid for all types of taxes                                            | (6,986,201)         | (5,790,851)         |
| Cash paid relating to other operating activities                            | (348,591)           | (371,721)           |
| <b>Sub-total of cash outflows</b>                                           | <b>(71,788,641)</b> | <b>(54,113,576)</b> |
| <b>Net cash inflow from operating activities</b>                            | <b>565,676</b>      | <b>1,516,648</b>    |
| <b>Cash flows from investing activities:</b>                                |                     |                     |
| Cash received from disposal of investments                                  | 700,000             | 700,000             |
| Cash received from investment income                                        | 540,441             | 200,634             |
| Net cash received from disposal of fixed assets                             | 4,962               | 1,746               |
| Cash received relating to other investing activities                        | 60,561              | 20,615              |
| <b>Sub-total of cash inflows</b>                                            | <b>1,305,964</b>    | <b>922,995</b>      |
| Cash paid for acquisition of fixed assets                                   | (1,432,638)         | (665,590)           |
| Cash paid for acquisition of investment                                     | (700,000)           |                     |
| <b>Sub-total of cash outflows</b>                                           | <b>(2,132,638)</b>  | <b>(665,590)</b>    |
| <b>Net cash (outflow)/inflow from investing activities</b>                  | <b>(826,674)</b>    | <b>257,405</b>      |
| <b>Cash flows from financing activities:</b>                                |                     |                     |
| Cash received from issuance of corporate bonds                              |                     | 1,000,000           |
| Cash received from borrowings                                               | 28,382,311          | 30,906,165          |
| <b>Sub-total of cash inflows</b>                                            | <b>28,382,311</b>   | <b>31,906,165</b>   |
| Cash repayments of corporate bonds                                          | (1,000,000)         | (1,000,000)         |
| Cash repayments of borrowings                                               | (25,925,999)        | (31,970,312)        |
| Cash paid for dividends, profits distribution and interest                  | (904,110)           | (415,453)           |
| <b>Sub-total of cash outflows</b>                                           | <b>(27,830,109)</b> | <b>(33,385,765)</b> |
| <b>Net cash inflow/(outflow) from financing activities</b>                  | <b>552,202</b>      | <b>(1,479,600)</b>  |
| <b>Effect of foreign exchange rate changes on cash and cash equivalents</b> | <b>(258)</b>        | <b>(202)</b>        |
| <b>Net increase in cash and cash equivalents</b>                            | <b>290,946</b>      | <b>294,251</b>      |
| Add: Cash and cash equivalents at the beginning of the period               | 89,224              | 101,076             |
| <b>Cash and cash equivalents at the end of the period</b>                   | <b>380,170</b>      | <b>395,327</b>      |

By Order of the Board

**Rong Guangdao**

*Chairman*

Shanghai, the PRC, 27 October 2011

*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.*

To: Business Editor

[For Immediate Release]

**Shanghai Petrochemical Announces Results**

**for the First Three Quarters of 2011**

***Operating Income Rises 33.64% to RMB73.743 Billion***

Hong Kong, October 27, 2011 &#133; 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 (the Group ) for the nine-month period ended September 30, 2011 (the Period ).

Under the China Accounting Standards for Business Enterprises, the Group s operating income for the Period amounted to RMB73.743 billion, representing an increase of 33.64% over the corresponding period of the previous year. Operating profit amounted to RMB2.192 billion (corresponding period of 2010: RMB2.271 billion). Net profit attributable to equity shareholders of the Company amounted to RMB1.652 billion (corresponding period of 2010: RMB1.792 billion). Basic earnings per share was RMB0.229 (corresponding period of 2010: RMB0.249).

Mr. Rong Guangdao, Chairman of Shanghai Petrochemical, said, In the first three quarters of 2011, the economic operation of the domestic petrochemical industry maintained a steady trend in general. The Group proceeded actively with various tasks, leading to increases in sales volumes and unit prices of products of the Company. As a result, operating income of the Company increased. However, international crude oil prices fluctuated at high levels, resulting in an increase in operating costs; the prices of domestic refined oil products were not adjusted adequately and timely enough; and competition was further intensified for petrochemicals. Faced with various uncertainties both at home and abroad and operation pressure , the Company will continue to focus on the operation of its plants, further enhance production and operation, push forward in full scale the construction of the Phase 6 Project, constantly enhance its development potential and strive to improve profitability.

Shanghai Petrochemical is one of the largest petrochemical companies in China in terms of sales revenue and was one of the first Chinese companies to complete a global securities offering. Located in the Jinshan District which is at the southwest of Shanghai, it is a highly integrated petrochemical enterprise which processes crude oil into a broad range of products such as synthetic fibres, resins and plastics, intermediate petrochemicals and petroleum products.

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Shanghai Petrochemical Announces Results for the First Three Quarters of 2011&#133;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.

&#150; End &#150;

Encl: Consolidated Income Statement (Unaudited)

For further information, please contact:

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

|                                                                                      | <b>For the nine-month period<br/>ended 30 September</b> |                        |
|--------------------------------------------------------------------------------------|---------------------------------------------------------|------------------------|
|                                                                                      | 2011<br><i>RMB 000</i>                                  | 2010<br><i>RMB 000</i> |
| <b>Operating income</b>                                                              | 73,743,100                                              | 55,179,683             |
| <b>Less: Operating costs</b>                                                         | 64,518,414                                              | 47,226,453             |
| Business taxes and surcharges                                                        | 4,569,612                                               | 3,845,268              |
| Selling and distribution expenses                                                    | 508,411                                                 | 401,747                |
| General and administrative expenses                                                  | 2,006,613                                               | 1,662,006              |
| Financial (income)/expenses                                                          | (84,606)                                                | 97,275                 |
| Impairment losses                                                                    | 202,307                                                 | 184,284                |
| Add: Investment income                                                               | 169,165                                                 | 508,180                |
| (Including: Income from investment in associates and jointly controlled enterprises) | 168,480                                                 | 507,965                |
| <b>Operating profit</b>                                                              | 2,191,514                                               | 2,270,830              |
| Add: Non-operating income                                                            | 31,568                                                  | 38,405                 |
| Less: Non-operating expenses                                                         | 29,553                                                  | 47,412                 |
| (Including: Losses from disposal of non-current assets)                              | 12,042                                                  | 8,293                  |
| <b>Profit before income tax</b>                                                      | 2,193,529                                               | 2,261,823              |
| Less: Income tax expense                                                             | 522,199                                                 | 459,427                |
| <b>Net profit for the period</b>                                                     | 1,671,330                                               | 1,802,396              |
| Including: Attributable to: Equity shareholders of the Company                       | 1,651,579                                               | 1,791,757              |
| Minority shareholders                                                                | 19,751                                                  | 10,639                 |
| <b>Earnings per share</b>                                                            |                                                         |                        |
| - Basic and diluted earnings per share                                               | 0.229                                                   | 0.249                  |