

SINOPEC SHANGHAI PETROCHEMICAL CO LTD

Form 6-K

October 29, 2013

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**SECURITIES AND EXCHANGE COMMISSION**

**Washington D.C. 20549**

**FORM 6-K**

**REPORT OF FOREIGN PRIVATE ISSUER**

**PURSUANT TO RULE 13a-16 OR 15d-16**

**UNDER THE SECURITIES EXCHANGE ACT OF 1934**

**For the month of October 2013**

**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)**

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

Form 20-F ☒ Form 40-F ☐

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

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

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

Yes ☐ No ☒

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

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SINOPEC SHANGHAI PETROCHEMICAL COMPANY LIMITED

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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 29, 2013

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)**

**2013 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(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 and the supervisory committee as well as its directors, supervisors and senior management warrant that the information contained in this quarterly report 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.

1.2 All directors attended the 17th meeting of the seventh session of the Board of Directors for the 2013 third quarterly report, as well as adopted the third quarterly report.

1.3 The financial report of the Company in the 2013 third quarterly report for the nine-month period ended 30 September 2013 (the Reporting Period) was prepared under the China Accounting Standards for Business Enterprises and was unaudited.

1.4 Mr. Wang Zhiqing, Chairman and President of the Company, Mr. Ye Guohua, director and Chief Financial Officer overseeing the accounting operations, and Mr. Hua Xin, Deputy Chief Financial Officer, person-in-charge of Accounting Department (Accounting Chief) and Finance Manager warrant the truthfulness, accuracy and completeness of the financial report contained in the quarterly report.

**Table of Contents****2. Key Financial Data & Change of Shareholders****2.1 Major Accounting Data**

Currency: RMB

|                                                                                                                       | <b>As at the end of<br/>the Reporting<br/>Period</b>                                                                                     | <b>As at the end<br/>of the previous<br/>year</b>                                                                                                      | <b>Increase/decrease<br/>at the end of the<br/>Reporting Period<br/>as compared to<br/>the end of the<br/>previous year (%)</b> |
|-----------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|
| Total assets (RMB 000)                                                                                                | 35,403,180                                                                                                                               | 36,805,799                                                                                                                                             | -3.81                                                                                                                           |
| Total equity attributable to equity<br>shareholders of the Company (RMB 000)                                          | 17,202,566                                                                                                                               | 16,190,419                                                                                                                                             | 6.25                                                                                                                            |
|                                                                                                                       | <b>From the<br/>beginning of<br/>the<br/>year to<br/>the end of the<br/>Reporting Period<br/>(January to<br/>September<br/>2013)</b>     | <b>From the<br/>beginning of the<br/>year to<br/>the end of the<br/>Reporting Period<br/>last year<br/>(January to<br/>September<br/>2012)</b>         | <b>Increase/decrease as<br/>compared to the<br/>corresponding period<br/>of<br/>the previous year<br/>(%)</b>                   |
| Net cash inflow from operating activities<br>(RMB 000)                                                                | 4,886,124                                                                                                                                | 1,019,580                                                                                                                                              | 379.23                                                                                                                          |
|                                                                                                                       | <b>From the<br/>beginning of<br/>the<br/>year to<br/>the end of the<br/>Reporting<br/>Period<br/>(January to<br/>September<br/>2013)</b> | <b>From the<br/>beginning of<br/>the<br/>year to<br/>the end of the<br/>Reporting<br/>Period<br/>last year<br/>(January to<br/>September<br/>2012)</b> | <b>Increase/decrease as<br/>compared to the<br/>corresponding<br/>period of<br/>the previous year<br/>(%)</b>                   |
| Revenue (RMB 000)                                                                                                     | 86,356,446                                                                                                                               | 69,152,724                                                                                                                                             | 24.88                                                                                                                           |
| Net profit attributable to equity shareholders<br>of the Company (for loss/ RMB 000)                                  | 1,004,210                                                                                                                                | -1,609,377                                                                                                                                             | Not Applicable                                                                                                                  |
| Net profit attributable to equity shareholders<br>of the Company excluding non-recurring<br>items (for loss/ RMB 000) | 1,034,388                                                                                                                                | -1,711,384                                                                                                                                             | Not Applicable                                                                                                                  |
| Return on net assets (weighted average) (%)                                                                           | 6.014                                                                                                                                    | -9.386                                                                                                                                                 |                                                                                                                                 |

Increased by 15.400  
percentage points

|                                                             |       |        |                |
|-------------------------------------------------------------|-------|--------|----------------|
| Basic earnings per share ( - to indicate loss, RMB/share)   | 0.139 | -0.224 | Not Applicable |
| Diluted earnings per share ( - to indicate loss, RMB/share) | 0.139 | -0.224 | Not Applicable |

**Table of Contents****Excluding non-recurring items and amount:**

Unit: RMB 000

| <b>Item</b>                                                                                                                                                                                          | <b>Amount for the<br/>Reporting Period<br/>(July to<br/>September<br/>2013)</b> | <b>Amount for the period<br/>from the<br/>beginning<br/>of the year<br/>to the end of the<br/>Reporting Period<br/>(January to<br/>September 2013)</b> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| Net loss from disposal of non-current assets                                                                                                                                                         | -1,658                                                                          | -21,166                                                                                                                                                |
| Employee reduction expenses                                                                                                                                                                          | -279                                                                            | -2,435                                                                                                                                                 |
| Government grants recorded in profit and loss (except<br>for government grants under the State's unified<br>standards on quota and amount entitlements and<br>closely related to corporate business) | 13,143                                                                          | 19,437                                                                                                                                                 |
| Income from external entrusted loans                                                                                                                                                                 | 508                                                                             | 1,553                                                                                                                                                  |
| Other non-operating income and expenses other than<br>those mentioned above                                                                                                                          | -17,521                                                                         | -36,624                                                                                                                                                |
| Income tax effect                                                                                                                                                                                    | 1,452                                                                           | 9,809                                                                                                                                                  |
| Effect attributable to minority interests (after tax)                                                                                                                                                | -165                                                                            | -752                                                                                                                                                   |
| Total                                                                                                                                                                                                | -4,520                                                                          | -30,178                                                                                                                                                |

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

Unit: Share

|                                                                    |         |
|--------------------------------------------------------------------|---------|
| Total number of shareholders as at the end of the Reporting Period | 129,906 |
|--------------------------------------------------------------------|---------|

## Shareholding of the top ten shareholders

| Name of shareholders                                           | Type of shareholder     | Percentage of total shareholding (%) | Number of shares held | Number of shares with selling restrictions | Number of shares pledged or frozen |
|----------------------------------------------------------------|-------------------------|--------------------------------------|-----------------------|--------------------------------------------|------------------------------------|
| China Petroleum & Chemical Corporation                         | State-owned Shareholder | 50.56                                | 3,640,000,000         | 3,640,000,000                              | Nil                                |
| HKSCC (Nominees) Ltd.                                          | Foreign Shareholder     | 31.84                                | 2,292,291,101         | 0                                          | Unknown                            |
| Shanghai Kangli Gong Mao Company                               | Others                  | 0.23                                 | 16,760,000            | 16,730,000                                 | Unknown                            |
| Zhejiang Province Economic Construction and Investment Company | Others                  | 0.17                                 | 12,000,000            | 12,000,000                                 | Unknown                            |
| AHCOF Xingye Co., Ltd                                          | Others                  | 0.08                                 | 5,671,661             | 0                                          | Unknown                            |
| Shanghai Textile Development Company                           | Others                  | 0.08                                 | 5,650,000             | 5,650,000                                  | Unknown                            |
| Shanghai Xiangshun Shiye Company Limited                       | Others                  | 0.08                                 | 5,500,000             | 5,500,000                                  | Unknown                            |
| Gu Jufang                                                      | Others                  | 0.08                                 | 5,478,815             | 0                                          | Unknown                            |
| IP KOW                                                         | Others                  | 0.08                                 | 5,432,000             | 0                                          | Unknown                            |
| ChangJiangWan Holdings Ltd.                                    | Others                  | 0.06                                 | 4,575,128             | 0                                          | Unknown                            |

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Shareholding of the top ten shareholders of selling unrestricted shares in circulation

| Name of shareholders (in full)                                                                        | Number of circulating shares<br>without selling restrictions held<br>as at the end of the Reporting<br>Period                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Type of shares                  |
|-------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| HKSCC (Nominees) Limited                                                                              | 2,292,291,101                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Overseas listed foreign shares  |
| AHCOF Xingye Co., Ltd.                                                                                | 5,671,661                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | RMB-denominated ordinary shares |
| Gu Jufang                                                                                             | 5,478,815                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | RMB-denominated ordinary shares |
| IP KOW                                                                                                | 5,432,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Overseas listed foreign shares  |
| ChangJiangWan Holdings Ltd.                                                                           | 4,575,128                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | RMB-denominated ordinary shares |
| GuoTai Jun An Securities Co., Ltd                                                                     | 4,302,300                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | RMB-denominated ordinary shares |
| Shanghai Lingqi Trading Co., Ltd                                                                      | 3,377,261                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | RMB-denominated ordinary shares |
| Zhao Yingmin                                                                                          | 3,376,539                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | RMB-denominated ordinary shares |
| Jiang Guoliang                                                                                        | 3,316,261                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | RMB-denominated ordinary shares |
| Li Haiying                                                                                            | 3,194,950                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | RMB-denominated ordinary shares |
| Explanation of the connected relationship or acting in concert relationship of the above shareholders | Among the above-mentioned shareholders, China Petroleum & Chemical Corporation ( Sinopec Corp. ), a state-owned enterprise legal person, does not have any connected relationship with the other shareholders, and is not an act-in-concert party of the other shareholders under the Administration Measures on Acquisition of Listed Companies . Among the above-mentioned shareholders, HKSCC (Nominees) Limited is a nominee shareholder. Apart from the above, the Company is not aware of any other connected relationships among the other shareholders, or any act-in-concert parties under the Administration Measures on the Acquisition of Listed Companies . |                                 |

**Table of Contents****3. Major Events****3.1 Description of Substantial Changes in Financial Report Items and Financial Indicators of the Company**

Unit: RMB 000

| Item                     | As at<br>30 September<br>2013 | As at<br>31 December<br>2012 | Increase/<br>decrease<br>amount | Change<br>(%) | Reason for change                                                                                                                                                                                                                                   |
|--------------------------|-------------------------------|------------------------------|---------------------------------|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Cash at bank and on hand | 321,035                       | 160,962                      | 160,073                         | 99.45         | The Company recorded profit in the Reporting Period, led to increase of cash flow generated from operating activities; refinery renovation project completed and commenced production in the end of 2012, led to a decrease in capital expenditures |
| Notes receivable         | 2,884,066                     | 2,065,483                    | 818,583                         | 39.63         | Sales for the period increased, an increase in operating receivables                                                                                                                                                                                |
| Accounts receivable      | 1,459,890                     | 1,082,742                    | 377,148                         | 34.83         | Refinery renovation project commenced production in the end of 2012, led to an increase in raw and auxiliary materials procurement                                                                                                                  |
| Advances to suppliers    | 178,371                       | 90,261                       | 88,110                          | 97.62         | Increase in receivables with related parties                                                                                                                                                                                                        |
| Other receivables        | 55,283                        | 40,765                       | 14,518                          | 35.61         | Sales expanded, output tax increased, deductible VAT reduced                                                                                                                                                                                        |
| Other current assets     | 155,090                       | 513,134                      | -358,044                        | -69.78        | The Company recorded profit in the Reporting Period, lead to decrease in unrealised deductible losses                                                                                                                                               |
| Deferred tax assets      | 719,186                       | 1,052,573                    | -333,387                        | -31.67        | Cash flow generated from operating activities increased, supplement working capital, borrowings were reduced                                                                                                                                        |
| Short term borrowings    | 6,964,583                     | 11,023,877                   | -4,059,294                      | -36.82        | Refinery renovation project commenced production in the end of                                                                                                                                                                                      |
| Taxes payable            | 1,006,733                     | 671,231                      | 335,502                         | 49.98         |                                                                                                                                                                                                                                                     |

2012, sales volume of gasoline and diesel thus increased leading to increase in consumption tax

|                                            |         |           |          |                |                                                                |
|--------------------------------------------|---------|-----------|----------|----------------|----------------------------------------------------------------|
| Current portion of non-current liabilities | 614,800 |           | 614,800  | Not Applicable | Report the long-term borrowings due within one year separately |
| Long-term borrowings                       | 627,800 | 1,231,340 | -603,540 | -49.01         |                                                                |
| Specific reserve                           | 16,116  | 8,179     | 7,937    | 97.04          | Accrued safety production fee which is unused                  |

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Unit: RMB 000

| Item                                               | For the nine-month period ended 30 September |            | Increase/<br>decrease<br>amount | Change<br>(%)  | Reason for change                                                                                                                                                            |
|----------------------------------------------------|----------------------------------------------|------------|---------------------------------|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                    | 2013                                         | 2012       |                                 |                |                                                                                                                                                                              |
| Taxes and surcharges                               |                                              |            |                                 |                | Due to increase in consumption tax resulting from the increase in sales of gasoline and diesel after the Refinery Renovation Project commenced production in the end of 2012 |
|                                                    | 7,493,290                                    | 4,228,871  | 3,264,419                       | 77.19          |                                                                                                                                                                              |
| Financial (income)/ expenses - net                 |                                              |            |                                 |                | Foreign exchange gain due to depreciation of the US Dollar                                                                                                                   |
|                                                    | -149,451                                     | 294,495    | -443,946                        | -150.75        |                                                                                                                                                                              |
| Asset impairment losses                            |                                              |            |                                 |                | Decrease in provisions made for inventory                                                                                                                                    |
|                                                    | 23,879                                       | 190,711    | -166,832                        | -87.48         |                                                                                                                                                                              |
| Investment income                                  |                                              |            |                                 |                | Increase in profits of associates and jointly controlled entities                                                                                                            |
|                                                    | 62,005                                       | 30,122     | 31,883                          | 105.85         |                                                                                                                                                                              |
| Non-operating Income                               |                                              |            |                                 |                | Refunds received relating to local education surcharge significantly decreased during the Period                                                                             |
|                                                    | 22,690                                       | 169,548    | -146,858                        | -86.62         |                                                                                                                                                                              |
| Non-operating expenses                             |                                              |            |                                 |                | Increased loss on disposal of non-current assets                                                                                                                             |
|                                                    | 61,043                                       | 35,835     | 25,208                          | 70.34          |                                                                                                                                                                              |
| Income tax expenses                                |                                              |            |                                 | Not Applicable | Earnings for the first three quarters of the year                                                                                                                            |
| Attributable to equity shareholders of the Company |                                              |            |                                 | Not Applicable |                                                                                                                                                                              |
| ( for loss)                                        | 1,004,210                                    | -1,609,377 | 2,613,587                       |                |                                                                                                                                                                              |

**3.2 Significant events and their impacts and solutions**

According to the requirements set out by the relevant laws and regulations where the Company's shares are listed as well as the Company's actual condition, the resolutions related to the Company's A Share Reform Proposal were reviewed and approved at the 14<sup>th</sup> meeting of the seventh session of the Board of Directors held on 7 June 2013, and the Company was entrusted by the non-circulating shareholders to implement the A Share Reform Proposal. The Sinopec Shanghai Petrochemical Company Limited Share Reform Plan was approved at the relevant shareholders meeting of the A Shareholders held on 8 July 2013. During the Reporting Period, the pricing arrangement of the Company's Share Reform Proposal was implemented.

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There were no other important events during the Reporting Period.

### **3.3 Commitments for the Company and shareholders holding more than 5% of shares**

The Company's controlling shareholder Sinopec Corp. has given the following undertakings in connection with the A-Share Reform:

1. Sinopec Corp. shall not, within 12 months from the date on which its non-circulating shares of the Company acquiring the right to circulate in the market (meaning the first trading day after the implementation of the A-share reform proposal), deal in or transfer such shares through the stock exchanges. Also, after the expiration of the aforesaid undertaking, the amount of existing non-circulating shares to be disposed by Sinopec Corp. through trading on the stock exchange shall not represent more than 5% of the total amount of shares held by Sinopec Corp. within the next 12 months, and not more than 10% within the next 24 months.
2. Sinopec Corp. shall, within 6 months from the date on which its non-circulating shares of Company acquiring the right to circulate in the market (meaning the first trading day after the implementation of the A-share reform proposal), convene a Board meeting of the Company in accordance with the Articles of Association of Sinopec Shanghai Petrochemical Company Limited to review and consider a proposal for capitalising the capital fund into such number of shares that is needed to distribute four or more additional shares for every ten shares, and to correspondingly convene the relevant shareholders' meeting. Sinopec Corp. has also undertaken to vote in favour of such capitalisation proposal at the Company's shareholders meeting. ( Capitalisation undertaking )
3. Sinopec Corp. shall, within 12 months from the date on which its non-circulating shares of Company acquiring the right to circulate in the market (meaning the first trading day after the implementation of the A-share reform proposal), submit a stock option incentive scheme to the Board that complies with the relevant rules of the State-owned Assets Supervision and Administration Commission of the State Council and the China Securities Regulatory Commission, under which the initial exercise price for the stock options under the scheme shall not be lower than the closing price of the Company's shares on 30 May 2013 (being RMB6.43 per share) (in case of ex-rights or ex-dividends prior to the announcement of the draft of the stock option incentive scheme, the exercise price of the options shall be adjusted accordingly).
4. Sinopec Corp. shall continue to support the subsequent development of the Company upon the completion of the A-share reform scheme, and shall consider the Company as a platform for the development of related businesses in future.

For more details, please refer to the full version of The Explanatory Memorandum for the A-share Reform Proposal of the Company (the Revised Draft) published on the websites of Shanghai Stock Exchange, Stock Exchange of Hong Kong and the Company, as well as posted on Shanghai Securities News and China Securities Journal on 20 June 2013.

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The Sinopec Shanghai Petrochemical Company Limited Share Reform Plan was approved at the shareholders meeting of the holders of A shares of the Share Reform Plan of the Company held on 8 July 2013. The pricing arrangement of the A-share reform scheme was implemented in August 2013, all the non-circulating Shareholders with shares registered on 16 August 2013 received five shares for every ten circulating shares held, totally amounted 360,000,000 non-circulating A shares from controlling shareholder Sinopec Corp. Since 20 August 2013, all the Company's non-circulating A shares have been granted listable circulating rights on Shanghai Stock Exchange.

On 28 August 2013, in fulfilling the abovementioned undertaking, Sinopec Corp. had proposed the Proposal by and Undertaking of Sinopec Corp. on the optimised A-share reform proposal, distribution of 2013 interim cash dividend, and capitalisation of capital fund and surplus reserve fund ( Optimised Reform Proposal ). For more details, please refer to the Optimised A-share Reform Proposal announcement issued by the Company on 28 August 2013. The Optimised Reform Proposal was reviewed and approved at the First A Shareholders Class Meeting held on 22 October 2013.

### **3.4 Predict the cumulative net loss from the beginning of this year to the next reporting period, or the occurrence of significant changes and the reasons as compared with last year**

Since the refinery renovation project commenced operation, the Company's existing processing capacity and adaptability were largely enhanced. It also optimised raw materials and product, improved the profitability of refinery operations. Despite the petrochemical market is not showing a clear uptrend, the overall prices stabilised. The Group expects to record profit of operating results as of year ended 31 December 2013 as compared with a loss in the same period of previous year.

**Table of Contents****§4 APPENDIX****4.1 CONSOLIDATED BALANCE SHEETS  
AS AT 30 SEPTEMBER 2013 (UNAUDITED)**

Expressed in thousands of Renminbi Yuan

| Items                           | 30 September 2013 | 31 December 2012  |
|---------------------------------|-------------------|-------------------|
| <b>Current assets</b>           |                   |                   |
| Cash at bank and on hand        | 321,035           | 160,962           |
| Notes receivable                | 2,884,066         | 2,065,483         |
| Accounts receivable             | 1,459,890         | 1,082,742         |
| Advances to suppliers           | 178,371           | 90,261            |
| Other receivables               | 55,283            | 40,765            |
| Inventories                     | 7,888,347         | 8,938,077         |
| Other current assets            | 155,090           | 513,134           |
| <b>Total current assets</b>     | <b>12,942,082</b> | <b>12,891,424</b> |
| <b>Non-current assets</b>       |                   |                   |
| Long-term equity investment     | 3,054,990         | 3,057,153         |
| Investment properties           | 429,203           | 439,137           |
| Fixed assets                    | 16,565,555        | 17,622,001        |
| Construction in progress        | 634,898           | 612,388           |
| Intangible assets               | 483,749           | 497,575           |
| Long-term prepaid expenses      | 573,517           | 633,548           |
| Deferred tax assets             | 719,186           | 1,052,573         |
| <b>Total non-current assets</b> | <b>22,461,098</b> | <b>23,914,375</b> |
| <b>TOTAL ASSETS</b>             | <b>35,403,180</b> | <b>36,805,799</b> |

**Table of Contents****CONSOLIDATED BALANCE SHEETS (CONTINUED)****AS AT 30 SEPTEMBER 2013 (UNAUDITED)**

Expressed in thousands of Renminbi Yuan

| Items                                                                  | 30 September 2013 | 31 December 2012  |
|------------------------------------------------------------------------|-------------------|-------------------|
| <b>Current liabilities</b>                                             |                   |                   |
| Short-term borrowings                                                  | 6,964,583         | 11,023,877        |
| Notes payable                                                          | 7,235             |                   |
| Accounts payable                                                       | 6,586,359         | 5,523,248         |
| Advance from customers                                                 | 980,737           | 758,796           |
| Employee benefits payable                                              | 44,076            | 48,008            |
| Taxes payable                                                          | 1,006,733         | 671,231           |
| Interest payable                                                       | 7,357             | 20,987            |
| Dividends payable                                                      | 21,450            | 21,548            |
| Other payables                                                         | 899,031           | 859,562           |
| Current portion of non-current liabilities                             | 614,800           |                   |
| <b>Total current liabilities</b>                                       | <b>17,132,361</b> | <b>18,927,257</b> |
| <b>Non-current liabilities</b>                                         |                   |                   |
| Long-term borrowings                                                   | 627,800           | 1,231,340         |
| Other non-current liabilities                                          | 182,500           | 190,000           |
| <b>Total non-current liabilities</b>                                   | <b>810,300</b>    | <b>1,421,340</b>  |
| <b>TOTAL LIABILITIES</b>                                               | <b>17,942,661</b> | <b>20,348,597</b> |
| <b>Shareholders' equity</b>                                            |                   |                   |
| Share capital                                                          | 7,200,000         | 7,200,000         |
| Capital surplus                                                        | 2,914,763         | 2,914,763         |
| Specific reserve                                                       | 16,116            | 8,179             |
| Surplus reserve                                                        | 5,151,770         | 5,151,770         |
| Undistributed profits                                                  | 1,919,917         | 915,707           |
| <b>Total equity attributable to equity shareholders of the Company</b> | <b>17,202,566</b> | <b>16,190,419</b> |
| Minority interests                                                     | 257,953           | 266,783           |
| <b>TOTAL SHAREHOLDERS' EQUITY</b>                                      | <b>17,460,519</b> | <b>16,457,202</b> |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>                      | <b>35,403,180</b> | <b>36,805,799</b> |

**Table of Contents****COMPANY BALANCE SHEETS****AS AT 30 SEPTEMBER 2013 (UNAUDITED)**

Expressed in thousands of Renminbi Yuan

| <b>Items</b>                    | <b>30 September 2013</b> | <b>31 December 2012</b> |
|---------------------------------|--------------------------|-------------------------|
| <b>Current assets</b>           |                          |                         |
| Cash at bank and on hand        | 260,167                  | 119,148                 |
| Notes receivable                | 2,390,030                | 1,914,007               |
| Accounts receivable             | 1,056,780                | 811,738                 |
| Advances to suppliers           | 169,064                  | 82,426                  |
| Other receivables               | 32,402                   | 15,569                  |
| Inventories                     | 7,553,879                | 8,615,644               |
| Other current assets            | 58,311                   | 419,523                 |
| <b>Total current assets</b>     | <b>11,520,633</b>        | <b>11,978,055</b>       |
| <b>Non-current assets</b>       |                          |                         |
| Long-term equity investment     | 4,101,403                | 4,069,891               |
| Investment properties           | 429,203                  | 439,137                 |
| Fixed assets                    | 16,119,111               | 17,105,599              |
| Construction in progress        | 634,898                  | 604,866                 |
| Intangible assets               | 396,500                  | 406,356                 |
| Long-term prepaid expenses      | 557,471                  | 617,025                 |
| Deferred tax assets             | 718,951                  | 1,052,338               |
| <b>Total non-current assets</b> | <b>22,957,537</b>        | <b>24,295,212</b>       |
| <b>TOTAL ASSETS</b>             | <b>34,478,170</b>        | <b>36,273,267</b>       |

**Table of Contents****COMPANY BALANCE SHEETS (CONTINUED)****AS AT 30 SEPTEMBER 2013 (UNAUDITED)**

Expressed in thousands of Renminbi Yuan

| <b>Items</b>                                      | <b>30 September 2013</b> | <b>31 December 2012</b> |
|---------------------------------------------------|--------------------------|-------------------------|
| <b>Current liabilities</b>                        |                          |                         |
| Short-term borrowings                             | 7,008,583                | 11,092,877              |
| Notes payable                                     |                          |                         |
| Accounts payable                                  | 5,817,821                | 5,175,493               |
| Advance from customers                            | 924,674                  | 675,446                 |
| Employee benefits payable                         | 38,639                   | 42,959                  |
| Taxes payable                                     | 997,525                  | 663,603                 |
| Interest payable                                  | 7,250                    | 20,987                  |
| Dividends payable                                 | 21,450                   | 21,548                  |
| Other payables                                    | 1,288,665                | 1,246,286               |
| Current portion of non-current liabilities        | 614,800                  |                         |
| <b>Total current liabilities</b>                  | <b>16,719,407</b>        | <b>18,939,199</b>       |
| <b>Non-current liabilities</b>                    |                          |                         |
| Long-term borrowings                              | 600,000                  | 1,200,000               |
| Other non-current liabilities                     | 182,500                  | 190,000                 |
| <b>Total non-current liabilities</b>              | <b>782,500</b>           | <b>1,390,000</b>        |
| <b>TOTAL LIABILITIES</b>                          | <b>17,501,907</b>        | <b>20,329,199</b>       |
| <b>Shareholders' equity</b>                       |                          |                         |
| Share capital                                     | 7,200,000                | 7,200,000               |
| Capital surplus                                   | 2,914,763                | 2,914,763               |
| Specific reserve                                  | 6,568                    |                         |
| Surplus reserve                                   | 5,151,770                | 5,151,770               |
| Undistributed profits                             | 1,703,162                | 677,535                 |
| <b>TOTAL SHAREHOLDERS' EQUITY</b>                 | <b>16,976,263</b>        | <b>15,944,068</b>       |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b> | <b>34,478,170</b>        | <b>36,273,267</b>       |

**Table of Contents****4.2 CONSOLIDATED INCOME STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2013 (UNAUDITED)**

Expressed in thousands of Renminbi Yuan

| <b>Items</b>                                                              | <b>Nine months ended 30 September</b> |             |
|---------------------------------------------------------------------------|---------------------------------------|-------------|
|                                                                           | <b>2013</b>                           | <b>2012</b> |
| <b>Revenue</b>                                                            | 86,356,446                            | 69,152,724  |
| Less: Cost of sales                                                       | 75,174,216                            | 64,367,403  |
| Taxes and surcharges                                                      | 7,493,290                             | 4,228,871   |
| Selling and distribution expenses                                         | 496,969                               | 506,355     |
| General and administrative expenses                                       | 1,984,612                             | 1,832,477   |
| Financial (income)/expenses - net                                         | -149,451                              | 294,495     |
| Asset impairment losses                                                   | 23,879                                | 190,711     |
| Add: Investment income                                                    | 62,005                                | 30,122      |
| Including: Share of profits of associates and jointly controlled entities | 62,005                                | 23,676      |
| <b>Operating profit/(loss)</b>                                            | 1,394,936                             | -2,237,466  |
| Add: Non-operating income                                                 | 22,690                                | 169,548     |
| Less: Non-operating expenses                                              | 61,043                                | 35,835      |
| Including: Losses on disposal of non-current assets                       | 22,632                                | 16,985      |
| <b>Total profit/(loss)</b>                                                | 1,356,583                             | -2,103,753  |
| Less: Income tax expenses                                                 | 343,309                               | -517,030    |
| <b>Net profit/(loss)</b>                                                  | 1,013,274                             | -1,586,723  |
| Attributable to equity shareholders of the Company                        | 1,004,210                             | -1,609,377  |
| Minority interests                                                        | 9,064                                 | 22,654      |
| <b>Earnings/(Loss) per share</b>                                          |                                       |             |
| Basic and Diluted earnings/(loss) per share(RMB)                          | 0.139                                 | -0.224      |
| <b>Other comprehensive income</b>                                         |                                       |             |
| <b>Total comprehensive income/(loss)</b>                                  | 1,013,274                             | -1,586,723  |
| Attributable to equity shareholders of the Company                        | 1,004,210                             | -1,609,377  |
| Minority interests                                                        | 9,064                                 | 22,654      |

**Table of Contents****COMPANY INCOME STATEMENTS****FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2013 (UNAUDITED)**

Expressed in thousands of Renminbi Yuan

| <b>Items</b>                                                              | <b>Nine months ended 30 September</b> |             |
|---------------------------------------------------------------------------|---------------------------------------|-------------|
|                                                                           | <b>2013</b>                           | <b>2012</b> |
| <b>Revenue</b>                                                            | 76,063,282                            | 58,993,438  |
| Less: Cost of sales                                                       | 65,044,434                            | 54,428,981  |
| Taxes and surcharges                                                      | 7,488,926                             | 4,223,451   |
| Selling and distribution expenses                                         | 393,256                               | 438,313     |
| General and administrative expenses                                       | 1,871,272                             | 1,732,815   |
| Financial (income)/expenses - net                                         | -117,212                              | 274,520     |
| Asset impairment losses                                                   | 38,726                                | 207,080     |
| Add: Investment income                                                    | 54,896                                | 105,565     |
| Including: Share of profits of associates and jointly controlled entities | 46,817                                | 7,485       |
| <b>Operating profit/(loss)</b>                                            | 1,398,776                             | -2,206,157  |
| Add: Non-operating income                                                 | 21,124                                | 167,189     |
| Less: Non-operating expenses                                              | 60,886                                | 35,297      |
| Including: Losses on disposal of non-current assets                       | 22,624                                | 16,449      |
| <b>Total profit/(loss)</b>                                                | 1,359,014                             | -2,074,265  |
| Less: Income tax expenses                                                 | 333,387                               | -537,741    |
| <b>Net profit/(loss)</b>                                                  | 1,025,627                             | -1,536,524  |
| <b>Other comprehensive income</b>                                         |                                       |             |
| <b>Total comprehensive income/(loss)</b>                                  | 1,025,627                             | -1,536,524  |

**Table of Contents****CONSOLIDATED INCOME STATEMENTS****FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2013 (UNAUDITED)**

Expressed in thousands of Renminbi Yuan

| <b>Items</b>                                                              | <b>Three months ended 30 September</b> |            |
|---------------------------------------------------------------------------|----------------------------------------|------------|
|                                                                           | 2013                                   | 2012       |
| <b>Revenue</b>                                                            | 29,245,524                             | 22,680,130 |
| Less: Cost of sales                                                       | 25,154,744                             | 20,919,307 |
| Taxes and surcharges                                                      | 2,569,555                              | 1,391,585  |
| Selling and distribution expenses                                         | 162,167                                | 176,548    |
| General and administrative expenses                                       | 659,371                                | 653,890    |
| Financial expenses - net                                                  | 278                                    | 101,408    |
| Asset impairment (income)/losses                                          | -40                                    | 5,132      |
| Add: Investment income                                                    | 53,848                                 | 25,404     |
| Including: Share of profits of associates and jointly controlled entities | 53,848                                 | 25,404     |
| <b>Operating profit/(loss)</b>                                            | 753,297                                | -542,336   |
| Add: Non-operating income                                                 | 14,747                                 | 8,285      |
| Less: Non-operating expenses                                              | 20,783                                 | 11,050     |
| Including: Losses on disposal of non-current assets                       | 2,318                                  | 4,628      |
| <b>Total profit/(loss)</b>                                                | 747,261                                | -545,101   |
| Less: Income tax expenses                                                 | 176,294                                | -139,500   |
| <b>Net profit/(loss)</b>                                                  | 570,967                                | -405,601   |
| Attributable to equity shareholders of the Company                        | 566,190                                | -414,888   |
| Minority interests                                                        | 4,777                                  | 9,287      |
| <b>Earnings/(Loss) per share</b>                                          |                                        |            |
| Basic and Diluted earnings/(loss) per share(RMB)                          | 0.079                                  | -0.058     |
| <b>Other comprehensive income</b>                                         |                                        |            |
| <b>Total comprehensive income/(loss)</b>                                  | 570,967                                | -405,601   |
| Attributable to equity shareholders of the Company                        | 566,190                                | -414,888   |
| Minority interests                                                        | 4,777                                  | 9,287      |

**Table of Contents****COMPANY INCOME STATEMENTS****FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2013 (UNAUDITED)**

Expressed in thousands of Renminbi Yuan

| <b>Items</b>                                                              | <b>Three months ended 30 September</b> |            |
|---------------------------------------------------------------------------|----------------------------------------|------------|
|                                                                           | 2013                                   | 2012       |
| <b>Revenue</b>                                                            | 25,694,155                             | 18,986,652 |
| Less: Cost of sales                                                       | 21,658,812                             | 17,307,239 |
| Taxes and surcharges                                                      | 2,567,440                              | 1,389,159  |
| Selling and distribution expenses                                         | 132,780                                | 153,130    |
| General and administrative expenses                                       | 625,817                                | 623,060    |
| Financial expenses - net                                                  | 8,576                                  | 97,040     |
| Asset impairment (income)/losses                                          | -40                                    | 5,132      |
| Add: Investment income                                                    | 49,455                                 | 22,379     |
| Including: Share of profits of associates and jointly controlled entities | 49,455                                 | 22,379     |
| <b>Operating profit/(loss)</b>                                            | 750,225                                | -565,729   |
| Add: Non-operating income                                                 | 14,687                                 | 6,772      |
| Less: Non-operating expenses                                              | 20,774                                 | 10,512     |
| Including: Losses on disposal of non-current assets                       | 2,318                                  | 4,092      |
| <b>Total profit/(loss)</b>                                                | 744,138                                | -569,469   |
| Less: Income tax expenses                                                 | 173,813                                | -147,786   |
| <b>Net profit/(loss)</b>                                                  | 570,325                                | -421,683   |
| <b>Other comprehensive income</b>                                         |                                        |            |
| <b>Total comprehensive income/(loss)</b>                                  | 570,325                                | -421,683   |

Table of Contents**4.3 CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2013 (UNAUDITED)**

Expressed in thousands of Renminbi Yuan

| Items                                                                                         | Nine months ended 30 September |                    |
|-----------------------------------------------------------------------------------------------|--------------------------------|--------------------|
|                                                                                               | 2013                           | 2012               |
| <b>Cash flows from operating activities</b>                                                   |                                |                    |
| Cash received from sales of goods or rendering of services                                    | 98,939,697                     | 82,064,595         |
| Refund of taxes and surcharges                                                                | 37,213                         | 56,923             |
| Cash received relating to other operating activities                                          | 15,037                         | 48,633             |
| <b>Sub-total of cash inflows</b>                                                              | <b>98,991,947</b>              | <b>82,170,151</b>  |
| Cash paid for goods and services                                                              | -82,488,573                    | -74,241,087        |
| Cash paid to and on behalf of employees                                                       | -1,788,031                     | -1,845,659         |
| Payments of taxes and surcharges                                                              | -9,433,370                     | -4,714,507         |
| Cash paid relating to other operating activities                                              | -395,849                       | -349,318           |
| <b>Sub-total of cash outflows</b>                                                             | <b>-94,105,823</b>             | <b>-81,150,571</b> |
| <b>Net cash flows from operating activities</b>                                               | <b>4,886,124</b>               | <b>1,019,580</b>   |
| <b>Cash flows from investing activities</b>                                                   |                                |                    |
| Cash received from disposal of investments                                                    | 42,000                         | 58,000             |
| Cash received from returns on investments                                                     | 48,864                         | 65,679             |
| Net cash received from disposal of fixed assets, intangible assets and other long-term assets | 2,645                          | 7,259              |
| Net cash received from disposal of a subsidiary                                               |                                | 3,743              |
| Cash received relating to other investing activities                                          | 62,223                         | 66,631             |
| <b>Sub-total of cash inflows</b>                                                              | <b>155,732</b>                 | <b>201,312</b>     |
| Cash paid to acquire fixed assets and other long-term assets                                  | -833,351                       | -3,308,363         |
| Cash paid to acquire investments                                                              | -42,000                        | -42,000            |
| Cash paid relating to other investing activities                                              |                                |                    |
| <b>Sub-total of cash outflows</b>                                                             | <b>-875,351</b>                | <b>-3,350,363</b>  |
| <b>Net cash flows used in investing activities</b>                                            | <b>-719,619</b>                | <b>-3,149,051</b>  |

**Table of Contents****CONSOLIDATED CASH FLOW STATEMENTS (CONTINUED)****FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2013 (UNAUDITED)**

Expressed in thousands of Renminbi Yuan

| Items                                                                       | Nine months ended 30 September |             |
|-----------------------------------------------------------------------------|--------------------------------|-------------|
|                                                                             | 2013                           | 2012        |
| <b>Cash flows from financing activities</b>                                 |                                |             |
| Cash received from borrowings                                               | 43,263,680                     | 37,957,584  |
| <b>Sub-total of cash inflows</b>                                            | 43,263,680                     | 37,957,584  |
| Cash repayments of enterprise debt                                          | -46,978,671                    | -34,921,758 |
| Cash paid for interest expenses and distribution of dividends or profits    | -294,576                       | -729,403    |
| Cash payments relating to other financing activities                        |                                |             |
| <b>Sub-total of cash outflows</b>                                           | -47,273,247                    | -35,651,161 |
| <b>Net cash flows (used in)/from financing activities</b>                   | -4,009,567                     | 2,306,423   |
| <b>Effect of foreign exchange rate changes on cash and cash equivalents</b> | 3,135                          | 15          |
| <b>Net increase in cash and cash equivalents</b>                            | 160,073                        | 176,967     |
| Add: Cash and cash equivalents at beginning of year                         | 160,962                        | 91,346      |
| <b>Cash and cash equivalents at end of the period</b>                       | 321,035                        | 268,313     |

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## COMPANY CASH FLOW STATEMENTS

## FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2013 (UNAUDITED)

Expressed in thousands of Renminbi Yuan

| Items                                                                                         | Nine months ended 30 September |                    |
|-----------------------------------------------------------------------------------------------|--------------------------------|--------------------|
|                                                                                               | 2013                           | 2012               |
| <b>Cash flows from operating activities</b>                                                   |                                |                    |
| Cash received from sales of goods or rendering of services                                    | 87,968,962                     | 69,992,713         |
| Refund of taxes and surcharges                                                                | 468                            |                    |
| Cash received relating to other operating activities                                          | 69,421                         | 47,462             |
| <b>Sub-total of cash inflows</b>                                                              | <b>88,038,851</b>              | <b>70,040,175</b>  |
| Cash paid for goods and services                                                              | -71,668,589                    | -62,437,909        |
| Cash paid to and on behalf of employees                                                       | -1,670,556                     | -1,731,912         |
| Payments of taxes and surcharges                                                              | -9,368,520                     | -4,634,065         |
| Cash paid relating to other operating activities                                              | -432,195                       | -327,521           |
| <b>Sub-total of cash outflows</b>                                                             | <b>-83,139,860</b>             | <b>-69,131,407</b> |
| <b>Net cash flows from operating activities</b>                                               | <b>4,898,991</b>               | <b>908,768</b>     |
| <b>Cash flows from investing activities</b>                                                   |                                |                    |
| Cash received from disposal of investments                                                    |                                |                    |
| Cash received from returns on investments                                                     | 23,383                         | 137,501            |
| Net cash received from disposal of fixed assets, intangible assets and other long-term assets | 1,262                          | 5,753              |
| Cash received relating to other investing activities                                          | 57,644                         | 59,578             |
| <b>Sub-total of cash inflows</b>                                                              | <b>82,289</b>                  | <b>202,832</b>     |
| Cash paid to acquire fixed assets and other long-term assets                                  | -829,798                       | -3,307,988         |
| Cash paid to acquire investments                                                              |                                |                    |
| <b>Sub-total of cash outflows</b>                                                             | <b>-829,798</b>                | <b>-3,307,988</b>  |
| <b>Net cash flows used in investing activities</b>                                            | <b>-747,509</b>                | <b>-3,105,156</b>  |

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## COMPANY CASH FLOW STATEMENTS (CONTINUED)

## FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2013 (UNAUDITED)

Expressed in thousands of Renminbi Yuan

| Items                                                                       | Nine months ended 30 September |             |
|-----------------------------------------------------------------------------|--------------------------------|-------------|
|                                                                             | 2013                           | 2012        |
| <b>Cash flows from financing activities</b>                                 |                                |             |
| Cash received from borrowings                                               | 43,252,670                     | 37,972,244  |
| <b>Sub-total of cash inflows</b>                                            | 43,252,670                     | 37,972,244  |
| Cash repayments of enterprise debt                                          | -46,988,551                    | -34,935,119 |
| Cash paid for interest expenses and distribution of dividends or profits    | -274,572                       | -686,403    |
| <b>Sub-total of cash outflows</b>                                           | -47,263,123                    | -35,621,522 |
| <b>Net cash flows (used in)/from financing activities</b>                   | -4,010,453                     | 2,350,722   |
| <b>Effect of foreign exchange rate changes on cash and cash equivalents</b> | -10                            | 9           |
| <b>Net increase in cash and cash equivalents</b>                            | 141,019                        | 154,343     |
| Add: Cash and cash equivalents at beginning of year                         | 119,148                        | 61,057      |
| <b>Cash and cash equivalents at end of the period</b>                       | 260,167                        | 215,400     |

Sinopec Shanghai Petrochemical Company Limited

By Order of the Board

**Wang Zhiqing***Chairman and President*

Shanghai, the PRC, 28 October 2013

*As at the date of this announcement, the Executive Directors of the Company are Wang Zhiqing, Wu Haijun, Gao Jinping, Li Honggen, Zhang Jianping 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, Cai Tingji and Zhang Yimin.*