

SINOPEC SHANGHAI PETROCHEMICAL CO LTD

Form 6-K

October 31, 2012

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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 2012

Commission File Number: 1-12158

Sinopec Shanghai Petrochemical Company Limited

(Translation of registrant's name into English)

Jinshanwei, Shanghai

The People's Republic of China

(Address of principal executive offices)

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

Form 20-F Form 40-F

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

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

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

Yes No

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

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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 31, 2012

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)

2012 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 Rules 13.09(1) and 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 (the Board) and the Supervisory Committee of Sinopec Shanghai Petrochemical Company Limited (the Company or SPC) as well as its Directors, Supervisors and Senior Management warrant that there are no false representations or misleading statements contained in, or material omissions from, the 2012 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 ninth 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 report of the Company's third quarterly report was prepared under the China Accounting Standards for Business Enterprises and was unaudited.
- 1.4 Mr. Rong Guangdao, Chairman and the responsible person of the Company, Mr. Ye Guohua, 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, hereby warrant the truthfulness and completeness of the financial report contained in the 2012 third quarterly report.

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

	As at the end of the reporting period	As at the end of the previous year	Currency: RMB Increase/decrease at the end of the reporting period as compared to the end of the previous year (%)
Total assets (RMB 000)	32,354,640	31,110,085	4.00
Total equity attributable to equity shareholders of the Company (RMB 000)	16,179,662	18,112,483	-10.67
Net asset value per share attributable to equity shareholders of the Company (RMB/share)	2.247	2.516	-10.67
	From the beginning of the year to the end of the reporting period (January 2012 to September 2012)		Increase/decrease as compared to the corresponding period of the previous year (%)
Net cash inflow from operating activities (RMB 000)		1,019,580	32.96
Net cash inflow per share from operating activities (RMB/share)		0.142	32.96
	The reporting period (July 2012 to September 2012)	From the beginning of the year to the end of the reporting period (January 2012 to September 2012)	Increase/decrease during the reporting period as compared to the corresponding period of the previous year (%)
Net loss attributable to equity shareholders of the Company (RMB 000)	-414,888	-1,609,377	-253.64
Basic loss per share (RMB/share)	-0.058	-0.224	-253.64
Basic loss per share excluding non-recurring items (RMB/share)	-0.057	-0.238	-254.15
Diluted loss per share (RMB/share)	-0.058	-0.224	-253.64
Return on net assets (weighted average) (%)	-2.532	-9.386	Decreased by 3.972 percentage points
Return on net assets excluding non-recurring items (weighted average) (%)	-2.522	-9.981	Decreased by 3.952 percentage points

Table of Contents**Non-recurring Items:**

Item	Unit: RMB 000 From the beginning of the year to the end of the reporting period (January 2012 to September 2012)
Net loss from disposal of non-current assets	-7,953
Employee reduction expenses	-7,193
Government grants recorded through profit and loss (excluding those having close relationship with the Company's operation and enjoyed in fixed amount on quantity according to uniform national standard)	142,042
Income from external entrusted loans	1,581
Other non-operating income and expenses other than those mentioned above	6,070
Income tax effect	-31,875
Effect on minority interests after taxation	-665
Total	102,007

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

Total number of shareholders as at the end of the reporting period	Unit: Share 107,258
Shareholding of the top ten shareholders of shares in circulation	

Name of shareholders (in full)	Number of shares in circulation held as at the end of the reporting period	Type of shares
HKSCC (Nominees) Ltd.	2,293,910,101	Overseas listed foreign shares
China Construction Bank CIFM China Advantage Security Investment Fund ()	67,800,000	RMB-denominated ordinary shares
Industrial and Commercial Bank of China SWS MU New Economy Balanced Equity Fund ()	20,818,257	RMB-denominated ordinary shares
China Life Insurance Company Limited Tradition Ordinary Insurance Product 005L-CT001 Shanghai ()	11,546,194	RMB-denominated ordinary shares
IP KOW	5,432,000	Overseas listed foreign shares
Agricultural Bank of China Limited New China Selected Growth Stock Fund ()	4,518,720	RMB-denominated ordinary shares
YIP CHOK CHIU	3,150,000	Overseas listed foreign shares
China Merchants Bank Co., Limited Fortis Haitong Surging Return Mixed Type Fund ()	3,029,933	RMB-denominated ordinary shares
Weng Xuejun ()	3,000,000	RMB-denominated ordinary shares
Changjiangwan Investments Group Limited ()	2,900,085	RMB-denominated ordinary shares

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 30 September 2012	As at 31 December 2011	Increase/ decrease amount	Change (%)	Reason for change
Bills receivable	2,000,641	3,131,579	-1,130,938	-36%	Operating income settled by bills decreased and discount of bills receivable increased.
Construction in progress	5,804,710	3,882,992	1,921,718	49%	Balance of the Refinery Revamping and Expansion Project increased at the end of the reporting period.
Short-term loans	7,560,231	5,512,074	2,048,157	37%	The Company borrowed short-term loans for net cash outflow during the nine-month period.

Unit: RMB 000

Item	For the nine-month period ended 30 September		Increase/ decrease amount	Change (%)	Reason for change
	2012	2011			
Financial expenses (for financial income)	294,495	-84,606	379,101	-448%	The appreciation of the U.S. dollar resulted in an increase in exchange loss, and the increase in borrowings resulted in an increase in interest expenses.
Operating profit (for loss)	-2,237,466	2,191,514	-4,428,980	-202%	Gross profit decreased during the nine-month period.
Profit before income tax (for loss)	-2,103,753	2,193,529	-4,297,282	-196%	
Income tax expense	-517,030	522,199	-1,039,229	-199%	
Net profit for the period (for net loss)	-1,586,723	1,671,330	-3,258,053	-195%	
Net profit attributable to equity shareholders of the Company (for net loss)	-1,609,377	1,651,579	-3,260,956	-197%	

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3.2 Warning and Explanation of the Forecast of a Possible Loss for the Period from the Beginning of the Year to the End of the Next Reporting Period, or a Significant Change in Profit or Loss Compared with the Corresponding Period of the Previous Year

The Group suffered quite a significant loss during the nine-month period ended 30 September 2012. Although the losses were much less in the third quarter compared to those of the second quarter, the fourth quarter still sees a great deal of uncertainties both in the domestic and international economic environment, and weakening growth in downstream demand. As a result, it is unlikely that there will be a significant improvement in the results for the fourth quarter of 2012. In view of this, the Group is expected to continue to incur a loss in the operating results for the year ending 31 December 2012.

3.3 Implementation of Dividend Policy during the Reporting Period

The profit distribution plan for 2011 was considered and approved at the Company's 2011 annual general meeting convened on 27 June 2012. The plan is: distributing a dividend of RMB0.50 per 10 shares (tax inclusive) based on the total share capital of RMB7.2 billion as at 31 December 2011. The share registration date for the distribution of dividends to holders of A shares was 20 July 2012. The ex-dividend date was 23 July 2012. The dividend payment date for H shares and social public A shares was 27 July 2012. The profit distribution plan has been implemented as scheduled.

Table of Contents**§4 APPENDIX****4.1 Consolidated Balance Sheet**As at 30 September 2012 (*Unaudited*)

Item	Unit: RMB 000	
	30 September 2012	31 December 2011
Current assets:		
Cash at bank and on hand	268,313	91,346
Bills receivable	2,000,641	3,131,579
Accounts receivable	1,046,183	609,906
Prepayments	93,108	43,160
Other receivables	53,289	46,994
Inventories	5,360,083	5,582,425
Other current assets	105,772	160,404
Total current assets	8,927,389	9,665,814
Non-current assets:		
Long-term equity investments	3,059,302	3,101,305
Investment properties	442,617	452,555
Fixed assets	12,244,835	12,659,332
Construction in progress	5,804,710	3,882,992
Intangible assets	502,155	519,198
Long-term deferred expenses	313,054	306,052
Deferred tax assets	1,060,578	522,837
Total non-current assets	23,427,251	21,444,271
Total assets	32,354,640	31,110,085

Table of Contents**Consolidated Balance Sheet (Continued)**As at 30 September 2012 (*Unaudited*)

Item	30 September 2012	31 December 2011
		Unit: RMB 000
Current liabilities:		
Short-term loans	7,560,231	5,512,074
Bills payable		15,688
Accounts payable	4,287,898	4,650,007
Advances from customers	924,262	706,835
Employee benefits payable	47,801	46,140
Taxes payable	695,331	507,938
Interest payable	16,767	9,442
Dividends payable	21,730	22,599
Other payables	926,174	801,109
Total current liabilities	14,480,194	12,271,832
Non-current liabilities:		
Long-term loans	1,231,340	160,050
Other non-current liabilities	197,290	295,619
Total non-current liabilities	1,428,630	455,669
Total liabilities	15,908,824	12,727,501
Shareholders' equity:		
Share capital	7,200,000	7,200,000
Capital reserve	2,914,763	2,914,763
Specific reserve	58,333	21,777
Surplus reserve	5,151,770	5,151,770
Retained earnings	854,796	2,824,173
Total equity attributable to equity shareholders of the Company	16,179,662	18,112,483
Minority interests	266,154	270,101
Total equity	16,445,816	18,382,584
Total liabilities and shareholders' equity	32,354,640	31,110,085

Table of Contents**Balance Sheet**As at 30 September 2012 (*Unaudited*)

Item	30 September 2012	31 December 2011
		Unit: RMB 000
Current assets:		
Cash at bank and on hand	215,400	61,057
Bills receivable	1,867,442	2,941,248
Accounts receivable	788,528	538,149
Prepayments	96,607	51,583
Other receivables	29,638	10,592
Inventories	5,029,519	5,281,885
Other current assets	4,576	55,921
Total current assets	8,031,710	8,940,435
Non-current assets:		
Long-term equity investments	4,073,758	4,105,694
Investment property	442,617	452,555
Fixed assets	11,717,102	12,136,472
Construction in progress	5,804,710	3,812,222
Intangible assets	409,613	419,387
Long-term deferred expenses	300,161	306,052
Deferred tax assets	1,060,285	522,544
Total non-current assets	23,808,246	21,754,926
Total assets	31,839,956	30,695,361

Table of Contents**Balance Sheet (Continued)**As at 30 September 2012 (*Unaudited*)

Item	Unit: RMB 000	
	30 September 2012	31 December 2011
Current liabilities:		
Short-term loans	7,629,231	5,526,574
Bills payable		15,688
Accounts payable	3,852,271	4,377,765
Advances from customers	871,815	674,368
Employee benefits payable	42,518	41,506
Taxes payable	685,281	481,854
Interest payable	16,767	9,434
Dividends payable	21,659	22,599
Other payables	1,372,482	1,256,888
Non-current liabilities due within one year		45,000
Total current liabilities	14,492,024	12,451,676
Non-current liabilities:		
Long-term loans	1,200,000	135,000
Other non-current liabilities	197,290	295,619
Total non-current liabilities	1,397,290	430,619
Total liabilities	15,889,314	12,882,295
Shareholders' equity:		
Share capital	7,200,000	7,200,000
Capital reserve	2,914,763	2,914,763
Specific reserve	48,372	14,272
Surplus reserve	5,151,770	5,151,770
Retained earnings	635,737	2,532,261
Total equity	15,950,642	17,813,066
Total liabilities and shareholders' equity	31,839,956	30,695,361

Table of Contents**4.2 Consolidated Income Statement**For the nine-month period ended 30 September 2012 (*Unaudited*)

Unit: RMB 000

Item	Nine-month period ended 30 September	
	2012	2011
Operating income	69,152,724	73,743,100
Less: Operating costs	64,367,403	64,518,414
Business taxes and surcharges	4,228,871	4,569,612
Selling and distribution expenses	506,355	508,411
General and administrative expenses	1,832,477	2,006,613
Financial expenses (for financial income)	294,495	-84,606
Impairment losses	190,711	202,307
Add: Investment income	30,122	169,165
Including: Income from investment in associates and jointly controlled enterprises	23,676	168,480
Operating profit (for loss)	-2,237,466	2,191,514
Add: Non-operating income	169,548	31,568
Less: Non-operating expenses	35,835	29,553
Including: Losses from disposal of non-current assets	16,985	12,042
Profit before income tax (for loss)	-2,103,753	2,193,529
Less: Income tax expense	-517,030	522,199
Net profit for the period (for net loss)	-1,586,723	1,671,330
Attributable to: Equity shareholders of the Company	-1,609,377	1,651,579
Minority interests	22,654	19,751
Earnings per share:		
Basic and diluted earnings per share (for loss)	RMB -0.224	RMB 0.229
Other comprehensive income for the period		
Total comprehensive income for the period (for loss)	-1,586,723	1,671,330
Attributable to: Equity shareholders of the Company	-1,609,377	1,651,579
Minority interests	22,654	19,751

Table of Contents**Income Statement**For the nine-month period ended 30 September 2012 (*Unaudited*)

Item	Unit: RMB 000	
	Nine-month period ended	
	30 September	
	2012	2011
Operating income	58,993,438	62,593,414
Less: Operating costs	54,428,981	53,548,126
Business taxes and surcharges	4,223,451	4,562,364
Selling and distribution expenses	438,313	442,474
General and administrative expenses	1,732,815	1,904,459
Financial expenses (for financial income)	274,520	-69,013
Impairment losses	207,080	425,316
Add: Investment income	105,565	135,470
Including: Income from investment in associates and jointly controlled enterprises	7,485	126,705
Operating profit (for loss)	-2,206,157	1,915,158
Add: Non-operating income	167,189	30,848
Less: Non-operating expenses	35,297	29,129
Including: Losses from disposal of non-current assets	16,449	12,016
Profit before income tax (for loss)	-2,074,265	1,916,877
Less: Income tax expense	-537,741	502,819
Net profit for the period (for net loss)	-1,536,524	1,414,058
Other comprehensive income for the period		
Total comprehensive income for the period (for loss)	-1,536,524	1,414,058

Table of Contents**Consolidated Income Statement**

For the three-month period ended 30 September 2012 (Unaudited)

Unit: RMB 000

Item	Three-month period ended 30 September	
	2012	2011
Operating income	22,680,130	24,218,108
Less: Operating costs	20,919,307	21,511,310
Business taxes and surcharges	1,391,585	1,413,959
Selling and distribution expenses	176,548	172,966
General and administrative expenses	653,890	763,085
Financial income (for financial income)	101,408	-70,474
Impairment losses	5,132	45,726
Add: Investment income (for losses)	25,404	-8,399
Including: income from investment in associates and jointly controlled enterprises (for losses)	25,404	-9,084
Operating profit (for loss)	-542,336	373,137
Add: Non-operating income	8,285	22,905
Less: Non-operating expenses	11,050	8,318
Including: Losses from disposal of non-current assets	4,628	2,909
Profit before income tax (for loss)	-545,101	387,724
Less: Income tax expense	-139,500	104,305
Net profit for the period (for net loss)	-405,601	283,419
Attributable to: Equity shareholders of the Company	-414,888	270,046
Minority interests	9,287	13,373
Earnings per share:		
Basic and diluted earnings per share (for loss)	RMB -0.058	RMB 0.038
Other comprehensive income for the period		
Total comprehensive income for the period (for loss)	-405,601	283,419
Attributable to: Equity shareholders of the Company	-414,888	270,046
Minority interests	9,287	13,373

Table of Contents**Income Statement**For the three-month period ended 30 September 2012 (*Unaudited*)

Item	Unit: RMB '000	
	Three-month period ended 30 September	
	2012	2011
Operating income	18,986,652	20,482,671
Less: Operating costs	17,307,239	17,856,226
Business taxes and surcharges	1,389,159	1,410,721
Selling and distribution expenses	153,130	149,959
General and administrative expenses	623,060	725,982
Financial expenses (for financial income)	97,040	-64,476
Impairment losses	5,132	45,753
Add: Investment income (for losses)	22,379	-21,226
Including: income from investment in associates and jointly controlled enterprises (for losses)	22,379	-21,911
Operating profit (for loss)	-565,729	337,280
Add: Non-operating income	6,772	22,760
Less: Non-operating expenses	10,512	7,913
Including: Losses from disposal of non-current assets	4,092	2,891
Profit before income tax (for loss)	-569,469	352,127
Less: Income tax expense	-147,786	92,780
Net profit for the period (for loss)	-421,683	259,347
Other comprehensive income for the period		
Total comprehensive income for the period (for loss)	-421,683	259,347

Table of Contents**4.3 Consolidated Cash Flow Statement**For the nine-month period ended 30 September 2012 (*Unaudited*)

Item	Unit: RMB 000	
	Nine-month period ended 30 September	
	2012	2011
Cash flows from operating activities:		
Cash received from sale of goods and rendering of services	82,064,595	85,374,752
Refund of taxes	56,923	60,620
Cash received relating to other operating activities	48,633	24,407
Sub-total of cash inflows	82,170,151	85,459,779
Cash paid for goods and services	-74,241,087	-75,800,008
Cash paid to and for employees	-1,845,659	-1,456,470
Cash paid for all types of taxes	-4,714,507	-7,066,286
Cash paid relating to other operating activities	-349,318	-370,174
Sub-total of cash outflows	-81,150,571	-84,692,938
Net cash inflow from operating activities	1,019,580	766,841
Cash flows from investing activities:		
Cash received from disposal of investments	58,000	746,000
Cash received from investment income	65,679	548,080
Net cash received from disposal of fixed assets and other long-term assets	7,259	5,240
Net cash received from disposal of a subsidiary	3,743	
Cash received relating to other investing activities	66,631	68,016
Sub-total of cash inflows	201,312	1,367,336
Cash paid for acquisition of fixed assets and other long-term assets	-3,308,363	-1,459,670
Cash paid for acquisition of investments	-42,000	-742,751
Sub-total of cash outflows	-3,350,363	-2,202,421
Net cash outflow from investing activities	-3,149,051	-835,085

Table of Contents**Consolidated Cash Flow Statement (Continued)**For the nine-month period ended 30 September 2012 (*Unaudited*)

Item	Unit: RMB 000	
	Nine-month period ended 30 September	
	2012	2011
Cash flows from financing activities:		
Cash received from borrowings	37,957,584	28,454,321
Sub-total of cash inflows	37,957,584	28,454,321
Cash repayments of corporate bonds		-1,000,000
Cash repayments of borrowings	-34,921,758	-26,116,153
Cash paid for dividends, profit distributions and interest	-729,403	-934,907
Sub-total of cash outflows	-35,651,161	-28,051,060
Net cash inflow from financing activities	2,306,423	403,261
Effect of foreign exchange rate changes on cash and cash equivalents	15	-283
Net increase in cash and cash equivalents	176,967	334,734
Add: Cash and cash equivalents at the beginning of the period	91,346	100,110
Cash and cash equivalents at the end of the period	268,313	434,844

Table of Contents**Cash Flow Statement**For the nine-month period ended 30 September 2012 (*Unaudited*)

Item	Unit: RMB 000	
	Nine-month period ended 30 September	
	2012	2011
Cash flows from operating activities:		
Cash received from borrowings	69,992,713	72,330,555
Cash received relating to other operating activities	47,462	23,762
Sub-total of cash inflows	70,040,175	72,354,317
Cash paid for goods and services	-62,437,909	-63,101,474
Cash paid to and for employees	-1,731,912	-1,352,375
Cash paid for all types of taxes	-4,634,065	-6,986,201
Cash paid relating to other operating activities	-327,521	-348,591
Sub-total of cash outflows	-69,131,407	-71,788,641
Net cash inflow from operating activities	908,768	565,676
Cash flows from investing activities:		
Cash received from disposal of investments		700,000
Cash received from investment income	137,501	540,441
Net cash received from disposal of fixed assets and other long-term assets	5,753	4,962
Cash received relating to other investing activities	59,578	60,561
Sub-total of cash inflows	202,832	1,305,964
Cash paid for acquisition of fixed assets and other long-term assets	-3,307,988	-1,432,638
Cash paid for acquisition of investments		-700,000
Sub-total of cash outflows	-3,307,988	-2,132,638
Net cash outflow from investing activities	-3,105,156	-826,674

Table of Contents**Cash Flow Statement (Continued)**For the nine-month period ended 30 September 2012 (*Unaudited*)

Item	Unit: RMB 000	
	Nine-month period ended 30 September	
	2012	2011
Cash flows from financing activities:		
Cash received from borrowings	37,972,244	28,382,311
Sub-total of cash inflows	37,972,244	28,382,311
Cash repayments of corporate bonds		-1,000,000
Cash repayments of borrowings	-34,935,119	-25,925,999
Cash paid for dividends, profit distributions and interest	-686,403	-904,110
Sub-total of cash outflows	-35,621,522	-27,830,109
Net cash inflow from financing activities	2,350,722	552,202
Effect of foreign exchange rate changes on cash and cash equivalents	9	-258
Net increase in cash and cash equivalents	154,343	290,946
Add: Cash and cash equivalents at the beginning of the period	61,057	89,224
Cash and cash equivalents at the end of the period	215,400	380,170

By Order of the Board

Rong Guangdao*Chairman*

Shanghai, the PRC, 29 October 2012

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