

SINOPEC SHANGHAI PETROCHEMICAL CO LTD

Form 6-K

October 29, 2007

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# SECURITIES AND EXCHANGE COMMISSION

Washington D.C. 20549

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## FORM 6-K

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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 2007

Commission File Number: 1-12158

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# Sinopec Shanghai Petrochemical Company Limited

(Translation of registrant's name into English)

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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.

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Yes \_\_\_\_\_ No X

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 29, 2007

By: /s/ Rong Guangdao  
Name: Rong Guangdao  
Title: Chairman

**Table of Contents****Exhibit 99.1***(A joint stock limited company incorporated in the People's Republic of China)*

(Stock Code: 338)

**2007 Third Quarterly Report**

This announcement is published simultaneously in Shanghai pursuant to the Rules Governing Listing of Stocks on Shanghai Stock Exchange and in Hong Kong pursuant to the disclosure obligations under Rule 13.09 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 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 this report, and severally and jointly accept full responsibility for the truthfulness, accuracy and completeness of the information contained in this report.
- 1.2 All of the Company's directors attended the Board meeting.
- 1.3 The financial statements of the Company's third quarterly report were unaudited.
- 1.4 Mr. Rong Guangdao, Chairman and President of the Company, Mr. Han Zhihao, Director and Chief Financial Officer overseeing the accounting operations and Mr. Hua Xin, Finance Manager (Accounting Chief) hereby warrant the truthfulness and completeness of the financial report contained in this report.

**§2 BASIC INFORMATION OF THE COMPANY****2.1 Major Accounting Data and Financial Indicators***Currency: RMB*

	As at the end of the reporting period	As at the end of the previous year	Increase/ (decrease) as compared to the end of the previous year (%)
Total assets ( 000)	29,613,486	28,098,679	5.39
Shareholders' equity (excluding minority interests) ( 000)	21,003,896	19,412,895	8.20
Net asset value per share (RMB)	2.917	2.696	8.20



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	From the beginning of the year to the end of the reporting period  (January-September)	Increase/(decrease) as compared to the corresponding period of the previous year (%)
Net cash flow from operating activities ( 000)	2,018,475	31.74
Net cash flow per share from operating activities (RMB)	0.280	31.74

	The reporting period  (July-September)	From the beginning of the year to the end of the reporting period  (January-September)	Increase/  (decrease) as compared to the corresponding period of the previous year (%)
Net (loss) / profit attributable to equity shareholders of the Company ( 000)	(94,722)	1,657,175	
Basic (losses) / earnings per share (RMB)	(0.013)	0.230	
Basic earnings per share excluding non-recurring items (RMB)		0.180	
Return on net assets (%)	(0.451)	7.890	8.151 percentage points increase
Return on net assets excluding non-recurring items (%)	(1.040)	6.154	6.372 percentage points increase

	From the beginning of the year to the end of the reporting period  (January-September) ( 000)
<b>Non-recurring items</b>	
Gains from disposal of non-current assets	575,212
Net income of non-operating income/(expenses) other than those mentioned above	(31,083)
Less: Tax effect for the above items	179,563
Total	364,566

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2.2 Number of shareholders at the end of the reporting period and shareholdings of the top ten holders of circulating shares

**Total number of shareholders as at the end of the reporting period** *Unit: Share*  
123,026

Name of shareholders	Shareholdings of the top ten holders of circulating shares	
	Number of shares in circulation held at end of the reporting period	Type of shares
HKSCC (Nominees) Ltd. ( )	2,181,089,401	Overseas listed foreign shares
Hong Kong and Shanghai Banking Corporation (Nominees) Limited	120,000,000	Overseas listed foreign shares
( )		
China Minsheng Banking Corp., Ltd. Orient Selected Mixed Open-end Securities Investment Fund ( )	57,632,469	RMB-denominated ordinary shares
Bank of Communications Fortis Haitong Selected Securities Investment Fund ¶	14,000,000	RMB-denominated ordinary shares
ICBC Bosera Selected Equity Securities Investment Fund ¶	9,999,912	RMB-denominated ordinary shares
Bank of China Fortis Haitong Equity Securities Investment Fund	7,431,143	RMB-denominated ordinary shares
( )		
Bank of China Fortis Haitong Income Growth Securities Investment Fund ¶	6,695,794	RMB-denominated ordinary shares
China Merchants Bank Co., Ltd. SSE Dividend Transaction Open-end Index Securities Investment Fund ( )	6,636,243	RMB-denominated ordinary shares
Bank of China Fortis Haitong Selected Mixed Securities Investment Fund 2 Portfolio ¶	6,500,000	RMB-denominated ordinary shares
Bank of China Harvest Shanghai Shenzhen 300 Index Securities Investment Fund ¶	5,600,405	RMB-denominated ordinary shares

## §3 IMPORTANT ITEMS

3.1 Situation and reasons for the significant changes in the items of accounting statements, financial indicators of the Company *Unit: RMB 000*

Item	For the nine months ended				Reasons for change
	30 September		Increase amount	Change (%)	
	2007	2006			
Operating profit	2,287,888	73,941	2,213,947	2994.21	



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Profit before taxation	2,227,543	39,992	2,187,551	5469.97	A decrease of the cost of crude oil processing and an increase of the prices of the major products in the first half as compared to the corresponding period of the previous year; increased investment income
Net profit	1,700,056	16,248	1,683,808	10363.17	
Net profit/(loss) attributable to equity shareholders of the Company	1,657,175	(48,638)	1,705,813		
Investment income	1,124,650	429,184	695,466	162.04	Gain from disposal of available-for-sale financial assets in the stock market and increased investment income from Shanghai Secco Petrochemical Company Limited

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## 3.2 Other major events which require explanations

## 3.2.1 The Company holds stakes in other listed companies and investments in securities

No.	Stock code	Abbreviation	Number of shares held (shares)	Percentage of shareholding in that company (%)	Initial investment cost (RMB)	Account category
1	600837	HTSEC	4,952,049	0.15	11,164,000.00	Long-term equity investment
2	600000	SPDB	6,268,998	0.14	4,590,413.53	Available-for-sale financial assets
3	600527	JNGX	2,809,271	1.20	1,903,300.00	Long-term equity investment
4	600322	TJRP	60,000	0.01	97,362.88	Available-for-sale financial assets
Total					17,755,076.41	

## 3.2.2 The Company holds stakes in unlisted financial enterprises and companies that plan to list

Entities	Initial investment cost (RMB)	Number of shares held (shares)	Percentage of shareholding in that company (%)	Book value at the end of the period (RMB)
Guotai Junan Securities Co. Ltd	7,084,300.00	7,604,140	0.16	7,084,300.00
Guotai Junan Asset Management Co.	575,700.00	617,917	0.16	575,700.00
Sub-total	7,660,000.00	8,222,057		7,660,000.00

By order of the Board

**Rong Guangdao***Chairman*

Shanghai, the PRC, 26 October 2007

*As at the date of this announcement, the executive directors of the Company are Rong Guangdao, Du Chongjun, Han Zhihao, Shi Wei, Li Honggen and Dai Jinbao; the non-executive directors of the Company are Lei Dianwu and Xiang Hanyin, and the independent non-executive directors of the Company are Chen Xinyuan, Sun Chiping, Jiang Zhiquan and Zhou Yunnong.*

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§4 APPENDIX

**Consolidated Balance Sheet**

Unit: 000; Currency: RMB; Account Category: Unaudited

	At 30	At 31
	September 2007	December 2006
<b>Assets</b>		
<b>Current assets</b>		
<b>Cash at bank and in hand</b>	1,069,264	894,650
Bills receivable	918,965	1,273,233
Trade debtors	693,905	624,890
Advance payments	238,013	350,895
Other debtors	194,202	236,227
Inventories	5,351,113	4,163,256
<b>Total current assets</b>	8,465,462	7,543,151
<b>Non-current assets</b>		
<b>Available-for-sale financial assets</b>	329,780	81,119
Long-term equity investments	3,559,005	3,536,402
Investment property	498,357	501,904
Fixed assets	14,053,189	13,606,924
Construction in progress	1,893,027	2,009,797
Intangible assets	567,428	605,719
Long-term deferred expenses	199,766	185,180
Deferred tax assets	47,472	28,483
<b>Total non-current assets</b>	21,148,024	20,555,528
<b>Total assets</b>	29,613,486	28,098,679
<b>Liabilities and shareholder's equity</b>		
<b>Current liabilities</b>		
<b>Short-term loans</b>	1,356,986	1,853,692
Short-term debentures payable	2,000,000	2,000,000
Bills payable	533,196	42,726
Trade creditors	1,734,617	1,510,688
Receipts in advance	678,673	403,620
Staff costs payable	43,854	89,458
Taxes payable	(32,108)	269,498
Interests payable	73,022	26,386
Dividend payable	17,486	
Other payables	510,232	397,382
Current portion of non-current liabilities	259,097	416,645
<b>Total current liabilities</b>	7,175,055	7,010,095

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<b>Non-current liabilities</b>		
Long-term loans	754,995	1,063,654
Deferred tax liabilities	114,301	24,672
Other non-current liabilities	266,265	251,350
<b>Total non-current liabilities</b>	<b>1,135,561</b>	<b>1,339,676</b>
<b>Total liabilities</b>	<b>8,310,616</b>	<b>8,349,771</b>
<b>Shareholders' equity</b>		
Share capital	7,200,000	7,200,000
Capital reserves	3,189,382	2,967,556
Surplus reserves	4,622,493	4,622,493
Undistributed profits	5,992,021	4,622,846
Total equity attributable to equity shareholders of the Company	21,003,896	19,412,895
Minority interests	298,974	336,013
<b>Total equity</b>	<b>21,302,870</b>	<b>19,748,908</b>
<b>Total liabilities and shareholders' equity</b>	<b>29,613,486</b>	<b>28,098,679</b>

**Balance Sheet**

Unit: 000; Currency: RMB; Account Category: Unaudited

	At 30	At 31
	September 2007	December 2006
<b>Assets</b>		
<b>Current assets</b>		
Cash at bank and in hand	789,458	551,693
Bills receivable	871,141	980,026
Trade debtors	458,934	347,630
Advance payments	221,605	328,882
Other debtors	147,382	241,935
Inventories	4,890,205	3,584,431
<b>Total current assets</b>	<b>7,378,725</b>	<b>6,034,597</b>
<b>Non-current assets</b>		
Available-for-sale financial assets	329,122	66,994
Long-term equity investments	5,241,873	5,524,040
Investment property	573,056	584,247
Fixed assets	12,564,012	11,842,516
Construction in progress	1,880,565	2,006,056
Intangible assets	464,035	496,160
Long-term deferred expenses	192,956	176,213
Deferred tax assets	47,472	28,483
<b>Total non-current assets</b>	<b>21,293,091</b>	<b>20,724,709</b>
<b>Total assets</b>	<b>28,671,816</b>	<b>26,759,306</b>



**Table of Contents****Liabilities and shareholders equity****Current liabilities**

Short-term loans	966,986	1,618,692
Short-term debentures payable	2,000,000	2,000,000
Bills payable	606,178	1,141
Trade creditors	1,468,756	879,972
Receipts in advance	611,146	373,774
Staff costs payable	27,419	39,800
Taxes payable	(30,469)	271,382
Interests payable	73,022	26,386
Dividend payable	12,867	
Other payables	947,529	604,183
Current portion of non-current liabilities	259,097	383,034

**Total current liabilities** 6,942,531 6,198,364

**Non-current liabilities**

Long-term loans	445,050	873,710
Deferred tax liabilities	114,116	22,987
Other non-current liabilities	266,265	251,350

**Total non-current liabilities** 825,431 1,148,047

**Total liabilities** 7,767,962 7,346,411

**Shareholders equity**

Share capital	7,200,000	7,200,000
Capital reserves	3,189,006	2,967,556
Surplus reserves	4,622,493	4,622,493
Undistributed profits	5,892,355	4,622,846

**Total equity** 20,903,854 19,412,895

**Total liabilities and shareholders equity** 28,671,816 26,759,306

**Table of Contents****Consolidated Income Statement**

January September 2007

Unit: 000; Currency: RMB; Account Category: Unaudited

	The reporting period	The corresponding period of the previous year	From the beginning of the year to the end of the reporting period	From the beginning of the previous year to the end of the corresponding period of the previous year
	(July-September)	(July-September)	(January-September)	(January-September)
<b>Operating income</b>	12,675,492	13,965,870	39,558,923	37,816,915
Less: Cost of sales	12,352,308	13,277,308	36,031,006	35,660,011
Sales taxes and surcharges	169,068	184,409	521,144	500,413
Selling expenses	118,693	130,729	361,794	411,742
Administrative expenses	520,524	473,377	1,333,882	1,386,188
Financial expenses	59,308	33,249	148,065	140,584
Impairment losses on assets	(100)	36,726	(206)	73,220
Add: Investment income	339,116	190,783	1,124,650	429,184
Including: Investment income from associates and jointly controlled entities	133,520	184,274	516,680	359,430
<b>Operating (loss) / profit</b>	(205,193)	20,855	2,287,888	73,941
Add: Non-operating income	8,874	13,095	19,843	33,144
Less: Non-operating expenses	28,381	24,804	80,188	67,093
Including: Losses on disposal of non-current assets	17,406	1,522	33,546	3,689
<b>(Loss) / profit before taxation</b>	(224,700)	9,146	2,227,543	39,992
Less: Income tax	(142,398)	12,616	527,487	23,744
<b>Net (loss) / profit</b>	(82,302)	(3,470)	1,700,056	16,248
Attributable to equity shareholders of the Company	(94,722)	(32,740)	1,657,175	(48,638)
Minority interests	12,420	29,270	42,881	64,886
Basic and diluted (losses) / earnings per share	(0.013)	(0.005)	0.230	(0.007)

**Table of Contents****Income Statement**

January September 2007

Unit: 000; Currency: RMB; Account Category: Unaudited

	The reporting period (July-September)	The corresponding period of the previous year (July-September)	From the beginning of the year to the end of the reporting period (January-September)	From the beginning of the previous year to the end of the corresponding period of the previous year (January-September)
<b>Operating income</b>	11,502,283	12,133,904	35,419,836	33,559,415
Less: Cost of sales	11,296,551	11,645,979	32,270,719	31,931,934
Sales taxes and surcharges	166,334	181,130	511,646	492,983
Selling expenses	98,663	104,027	295,913	325,204
Administrative expenses	457,794	387,363	1,152,076	1,172,971
Financial expenses	51,835	25,416	122,769	111,995
Impairment losses on assets		34,210	143	67,482
Add: Investment income	327,524	225,612	1,029,590	519,993
Including: Investment income from associates and jointly controlled entities	125,488	164,574	496,612	335,818
<b>Operating (loss) / profit</b>	(241,370)	(18,609)	2,096,160	(23,161)
Add: Non-operating income	8,059	8,413	16,878	14,445
Less: Non-operating expenses	27,455	19,447	67,304	48,287
Including: Losses on disposal of non-current assets	17,399		23,258	958
<b>(Loss) / Profit before taxation</b>	(260,766)	(29,643)	2,045,734	(57,003)
Less: Income tax	(157,493)	(3,852)	488,225	(15,314)
<b>Net (loss) / profit</b>	(103,273)	(25,791)	1,557,509	(41,689)
Basic and diluted (losses) / earnings per share	(0.014)	(0.004)	0.216	(0.006)



**Table of Contents****Consolidated Cash Flow Statement**

January September 2007

Unit: 000; Currency: RMB; Account Category: Unaudited

	From the beginning of the year to the end of the reporting period (January-September)	From the beginning of the previous year to the end of the corresponding year (January-September)
<b>Cash flows from operating activities:</b>		
<b>Cash received from sale of goods and rendering of services</b>	47,213,089	44,346,327
Refund of taxes and levies	11,611	62,189
Other cash received relating to operating activities	8,059	9,705
<b>Sub-total of cash inflows</b>	47,232,759	44,418,221
Cash paid for goods and services	(42,378,410)	(40,661,678)
Cash paid to and on behalf of employees	(1,360,321)	(1,269,487)
Taxes paid	(1,211,204)	(669,750)
Other cash paid relating to operating activities	(264,349)	(285,186)
<b>Sub-total of cash outflows</b>	(45,214,284)	(42,886,101)
<b>Net cash flows from operating activities</b>	2,018,475	1,532,120
<b>Cash flows from investing activities:</b>		
<b>Cash received from disposal of investments</b>	750,523	185,184
Cash received from investment income	389,465	71,588
Cash received from disposal of fixed assets and intangible assets	54,761	210,286
Other cash received relating to investing activities	32,820	34,664
<b>Sub-total of cash inflows</b>	1,227,569	501,722
Cash paid for acquisition of fixed assets and intangible assets	(1,613,874)	(1,546,563)
Cash paid for purchase of investments	(77,638)	(77,638)
<b>Sub-total of cash outflows</b>	(1,613,874)	(1,624,201)
<b>Net cash flows from investing activities</b>	(386,305)	(1,122,479)
<b>Cash flows from financing activities:</b>		
<b>Proceeds from issuance of corporate bonds</b>	977,800	977,800
Proceeds from borrowings	11,927,838	11,437,281
<b>Sub-total of cash inflows</b>	11,927,838	12,415,081

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Repayment of borrowings	(12,874,756)	(11,917,765)
Cash paid for dividends, profit distribution and interest	(508,721)	(1,038,947)
<b>Sub-total of cash outflows</b>	<b>(13,383,477)</b>	<b>(12,956,712)</b>
<b>Net cash flows from financing activities</b>	<b>(1,455,639)</b>	<b>(541,631)</b>
<b>Effect of foreign exchange rate changes</b>	<b>(1,917)</b>	<b>(118)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>174,614</b>	<b>(132,108)</b>
Add: Cash and cash equivalents at the beginning of the period	894,650	1,347,237
<b>Cash and cash equivalents at the end of the period</b>	<b>1,069,264</b>	<b>1,215,129</b>

**Cash Flow Statement**

January September 2007

Unit: 000; Currency: RMB; Account Category: Unaudited

	From the beginning of the year to the end of the reporting period (January-September)	From the beginning of the previous year corresponding period of the previous year (January-September)
<b>Cash flows from operating activities:</b>		
<b>Cashed received from sale of goods and rendering of services</b>	41,647,691	39,069,728
Refund of taxes and levies		52,285
Other cash received relating to operating activities	5,183	4,367
<b>Sub-total of cash inflows</b>	<b>41,652,874</b>	<b>39,126,380</b>
Cash paid for goods and services	(37,232,719)	(36,031,577)
Cash paid to and on behalf of employee	(979,219)	(858,689)
Taxes paid	(1,152,935)	(583,460)
Other cash paid relating to operating activities	(182,045)	(233,579)
<b>Sub-total of cash outflows</b>	<b>39,546,918</b>	<b>37,707,305</b>
<b>Net cash flows from operating activities</b>	<b>2,105,956</b>	<b>1,419,075</b>
<b>Cash flows from investing activities:</b>		
<b>Cash received from disposal of investments</b>	583,558	86,258
Cash received from investment income	669,690	189,713
Cash received from disposal of fixed assets and intangible assets	33,856	126,590

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Other cash received relating to investing activities	26,430	28,897
<b>Sub-total of cash inflows</b>	<b>1,313,534</b>	<b>431,458</b>
Cash paid for acquisition of fixed assets and intangible assets	(1,587,414)	(1,392,602)
<b>Sub-total of cash outflows</b>	<b>(1,587,414)</b>	<b>(1,392,602)</b>
<b>Net cash flows from investing activities</b>	<b>(273,880)</b>	<b>(961,144)</b>
<b>Cash flows from financing activities:</b>		
<b>Proceeds from issuance of corporate bonds</b>		<b>977,800</b>
Proceeds from borrowings	11,482,838	11,078,954
<b>Sub-total of cash inflows</b>	<b>11,482,838</b>	<b>12,056,754</b>
Repayment of borrowings	(12,680,765)	(11,566,533)
Cash paid for dividends, profit distribution and interest	(396,328)	(928,535)
<b>Sub-total of cash outflows</b>	<b>(13,077,093)</b>	<b>(12,495,068)</b>
<b>Net cash flows from financing activities</b>	<b>(1,594,255)</b>	<b>(438,314)</b>
<b>Effect of foreign exchange rate changes</b>	<b>(56)</b>	<b>(14)</b>
<b>Net increase in cash and cash equivalents</b>	<b>237,765</b>	<b>19,603</b>
Add: Cash and cash equivalents at the beginning of the period	551,693	821,564
<b>Cash and cash equivalents at the end of the period</b>	<b>789,458</b>	<b>841,167</b>

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**Exhibit 99.2**

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

**(Stock Code: 338)**

**Overseas Regulatory Announcement**

Sinopec Shanghai Petrochemical Company Limited (the Company) and all members of the board of directors warrant that the information contained in this announcement is truthful, accurate and complete, and that there are no false presentations or misleading statements contained in, or material omissions from, this announcement.

This announcement is published simultaneously in Shanghai and Hong Kong. This announcement is published domestically pursuant to the Rules Governing Listing of Stocks on Shanghai Stock Exchange, and in Hong Kong pursuant to the disclosure obligations under Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Special Notice:

The Company will not disclose its A-share share reform proposal within the upcoming week. Investors are reminded to be aware of investments risks.

At present, holders of non-circulating shares of the Company are studying the relevant issues regarding the share reform of the Company. No specific proposals have been presented for the time being.

**1. Current Status of the Share Reform Proposal by Holders of Non-Circulating Shares of the Company**

At present, holders of non-circulating shares of the Company are studying the relevant issues regarding the share reform of the Company. No specific proposals have been presented for the time being.

**2. Status of the Sponsoring Institution for the Share Reform of the Company**

At present, the Company has not entered into any share reform sponsorship agreement with a sponsoring institution.

**3. Confidentiality and Responsibilities of Directors**

All directors of the Company have confirmed and clearly informed the relevant parties to fulfill the obligation of confidentiality in accordance with the requirements of Article 7 of the Measures on the Administration of Share Reforms by Listed Companies.

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All directors of the Company warrant the timely disclosure of matters in relation to the share reform in accordance with the requirements of Rules 7.3 and 7.4 of the Rules Governing Listing of Stocks on Shanghai Stock Exchange.

All directors of the Company have confirmed that they are aware of the penalties for failure to make statutory information disclosure and for insider dealing as stipulated in the Criminal Law, the Securities Law and the Measures on the Administration of Share Reforms by Listed Companies.

**Sinopec Shanghai Petrochemical Company Limited**

Shanghai, the PRC, 28 October 2007

*As at the date of this announcement, the executive directors of the Company are Rong Guangdao, Du Chongjun, Han Zhihao, Shi Wei, Li Honggen and Dai Jinbao; the non-executive directors of the Company are Lei Dianwu and Xiang Hanyin, and the independent non-executive directors of the Company are Chen Xinyuan, Sun Chiping, Jiang Zhiquan and Zhou Yunnong.*