

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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| <u>2007 Third Quarterly Report, dated October 26, 2007</u> | Exhibit 99.1 |
| <u>Announcement on Share Reform dated October 28, 2007</u> | Exhibit 99.2 |

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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<br>end of the<br>reporting<br>period | As at the<br>end of the<br>previous<br>year | Increase/<br>(decrease) as<br>compared to<br>the end of<br>the previous<br>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<br>of the year to the end<br>of the reporting<br>period<br><br>(January-September) | Increase/(decrease)<br>as compared to the<br>corresponding<br>period of the<br>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<br>period<br><br>(July-September) | From the<br>beginning of the year<br>to the end of the<br>reporting period<br><br>(January-September) | Increase/<br><br>(decrease) as<br>compared to the<br>corresponding<br>period of the<br>previous<br>year (%) |
|--|---|---|---|
| Net (loss) / profit attributable to equity shareholders of the Company<br>( 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<br>points increase   |
| Return on net assets excluding non-recurring items (%)                           | (1.040)   | 6.154   | 6.372 percentage<br>points increase   |

|  | From the beginning<br>of the year to the end<br>of the reporting<br>period<br><br>(January-September)<br>( 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<br>2007 | December<br>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>                                  |                   |                   |
| <b>Long-term loans</b>  | 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>                                      |                   |                   |
| <b>Share capital</b>  | 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         | December          |
|                                     | 2007              | 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   |

|                                  |                  |                  |
|----------------------------------|------------------|------------------|
| <b>Total current liabilities</b> | <b>6,942,531</b> | <b>6,198,364</b> |
|----------------------------------|------------------|------------------|

**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 |

|                                      |                |                  |
|--------------------------------------|----------------|------------------|
| <b>Total non-current liabilities</b> | <b>825,431</b> | <b>1,148,047</b> |
|--------------------------------------|----------------|------------------|

|                          |                  |                  |
|--------------------------|------------------|------------------|
| <b>Total liabilities</b> | <b>7,767,962</b> | <b>7,346,411</b> |
|--------------------------|------------------|------------------|

**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 |

|                     |                   |                   |
|---------------------|-------------------|-------------------|
| <b>Total equity</b> | <b>20,903,854</b> | <b>19,412,895</b> |
|---------------------|-------------------|-------------------|

|  |                   |                   |
|--|-------------------|-------------------|
| <b>Total liabilities and shareholders equity</b> | <b>28,671,816</b> | <b>26,759,306</b> |
|--|-------------------|-------------------|

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

January September 2007

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

|   | The reporting<br>period | The<br>corresponding<br>period of the<br>previous year | From the beginning<br>of the year to the end<br>of the reporting<br>period | From the beginning of<br>the previous year to the<br>end of the<br>corresponding period<br>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<br>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<br>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<br>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<br>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<br>period<br>(July-September) | The corresponding<br>period of the<br>previous year<br>(July-September) | From the beginning<br>of the year to the end<br>of the reporting period<br>(January-September) | From the beginning of<br>the previous year to the<br>end of the<br>corresponding period<br>of the previous year<br>(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<br>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<br>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<br>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<br>of the year to the end<br>of the reporting<br>period<br>(January-September) | From the beginning<br>of the previous year<br>to the end of the<br>corresponding year<br>(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)   |
| <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  |
| 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<br>of the year to the end<br>of the reporting<br>period<br>(January-September) | From the beginning<br>of the previous year<br>corresponding period<br>of the previous year<br>(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>                                | 1,313,534    | 431,458      |
| Cash paid for acquisition of fixed assets and intangible assets | (1,587,414)  | (1,392,602)  |
| <b>Sub-total of cash outflows</b>                               | (1,587,414)  | (1,392,602)  |
| <b>Net cash flows from investing activities</b>                 | (273,880)    | (961,144)    |
| <b>Cash flows from financing activities:</b>                    |              |              |
| <b>Proceeds from issuance of corporate bonds</b>                |              | 977,800      |
| Proceeds from borrowings  | 11,482,838   | 11,078,954   |
| <b>Sub-total of cash inflows</b>                                | 11,482,838   | 12,056,754   |
| 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>                               | (13,077,093) | (12,495,068) |
| <b>Net cash flows from financing activities</b>                 | (1,594,255)  | (438,314)    |
| <b>Effect of foreign exchange rate changes</b>                  | (56)         | (14)         |
| <b>Net increase in cash and cash equivalents</b>                | 237,765      | 19,603       |
| 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>       | 789,458      | 841,167      |

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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.*