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Sinopec Shanghai Petrochemical Company Limited
中國石化上海石油化工股份有限公司
(A joint stock limited company incorporated in the People's Republic of China)
(Stock Code: 00338)

2013 First Quarterly Report

This Report is published simultaneously in Shanghai and Hong Kong. This Report is published pursuant to the Rules Governing the 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 (the "Board") and the Supervisory Committee of Sinopec Shanghai Petrochemical Company Limited (the "Company") as well as its directors, supervisors and senior management warrant that there are no false representations or misleading statements contained in, or material omissions from, the 2013 first quarterly report, and severally and jointly accept full responsibility for the truthfulness, accuracy and completeness of the information contained in this report.
- 1.2 If any director fails to attend the Board meeting for considering and approving the 2013 first quarterly report of the Company, his name shall be set out separately:

Name of Director not Attending	Position	Reasons for the Absence	Name of Proxy
Lei Dianwu	Director	Business engagement	Wang Zhiqing
Jin Mingda	Independent Non-executive Director	Business engagement	Cai Tingji
Wang Yongshou	Independent Non-executive Director	Engagement	Cai Tingji

1.3 The financial report of the Company for the three-month period ended 31 March 2013 (the “Reporting Period”) was prepared under the China Accounting Standards for Business Enterprises and was unaudited.

1.4 Mr. Wang Zhiqing, Vice Chairman and President of the Company (performing the duties and powers of the Chairman), 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, hereby warrant the truthfulness and completeness of the financial report contained in the 2013 first quarterly report.

§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	Increase/decrease at the end of the Reporting Period as compared to the end of the previous year (%)
Total assets (RMB'000)	36,601,784	36,805,799	-0.55
Total equity attributable to equity shareholders of the Company (RMB'000)	16,372,267	16,190,419	1.12
Net asset value per share attributable to equity shareholders of the Company (RMB/share)	2.274	2.249	1.11
	From the beginning of the year to the end of the Reporting Period		Increase/decrease as compared to the corresponding period of the previous year (%)
Net cash inflow from operating activities (RMB'000)	3,226,319		Not Applicable
Net cash inflow per share from operating activities (RMB/share)	0.448		Not Applicable

	The Reporting Period	From the beginning of the year to the end of the Reporting Period	Increase/decrease during the Reporting Period as compared to the corresponding period of the previous year (%)
Net profit attributable to equity shareholders of the Company (RMB'000)	172,711	172,711	Not Applicable
Basic earnings per share (RMB/share)	0.024	0.024	Not Applicable
Basic earnings per share excluding non-recurring items (RMB/share)	0.023	0.023	Not Applicable
Diluted earnings per share (RMB/share)	0.024	0.024	Not Applicable
Return on net assets (weighted average) (%)	1.061	1.061	Increased by 2.115 percentage points
Return on net assets excluding non-recurring items (weighted average) (%)	1.005	1.005	Increased by 2.053 percentage points

Excluding non-recurring items and amount:

Unit: RMB'000

Item	Amount
Net earnings from disposal of non-current assets	-6,465
Government grants recorded through profit and loss (except for government grants under the State's unified standards on quota and amount entitlements and closely related to corporate business)	2,500
Income from external entrusted loans	494
Other non-operating income and expenses other than those mentioned above	-8,273
Income tax effect	2,898
Effect attributable to minority interests (after tax)	-154
Total	-9,000

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

Unit: Share

Total number of shareholders as at the end of the Reporting Period	102,588	
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.	2,294,740,101	Overseas listed foreign shares
China Construction Bank — CIFM China Advantage Security Investment Fund (中國建設銀行－上投摩根中國優勢證券投資基金)	41,186,200	RMB-denominated ordinary shares
Industrial and Commercial Bank of China — SWS MU New Economy Balanced Equity Fund (中國工商銀行－申萬菱信新經濟混合型證券投資基金)	7,000,000	RMB-denominated ordinary shares
IP KOW	5,432,000	Overseas listed foreign shares
Industrial and Commercial Bank of China — Nuo'an Value Growth Stock Securities Investment Fund (中國工商銀行－諾安價值增長股票證券投資基金)	4,124,923	RMB-denominated ordinary shares
Bank of China – Xin Tai Blue-chip Selected Stock Securities Investment Fund (中國銀行股份有限公司－泰信藍籌精選股票型證券投資基金)	4,110,290	RMB-denominated ordinary shares
Xu Zhiying (徐志英)	3,245,216	RMB-denominated ordinary shares
YIP CHOK CHIU	3,150,000	Overseas listed foreign shares
AMP Capital – AMP Capital China Growth Fund (安保資本投資有限公司－安保資本中國成長基金)	3,127,962	RMB-denominated ordinary shares
Lin Wen (林文)	3,090,000	RMB-denominated ordinary shares

§3 MAJOR EVENTS

3.1 Description of Substantial Changes in Financial Report Items and Financial Indicators of the Company

Changes and Explanation on the Consolidated Balance Sheet

Unit: RMB'000

Item	As at 31 March 2013	As at 31 December 2012	Increase/decrease amount	Change (%)	Reason for change
Cash at bank and on hand	266,894	160,962	105,932	65.81	Company's operations in the first quarter of 2013 improved
Bills receivable	2,930,078	2,065,483	864,595	41.86	Operating income increased and received bills increased
Accounts receivable	1,587,001	1,082,742	504,259	46.57	Operating income increased
Long-term deferred expenses	425,081	633,548	-208,467	-32.90	Long-term deferred expenses with maturity of less than one year transferred into other current assets
Accounts payable	7,961,892	5,523,248	2,438,644	44.15	Mainly due to increase in crude enroute at the end of the Reporting Period
Advances from customers	511,474	758,796	-247,322	-32.59	Settlement was strengthened and the balance of advances from customers decreased at the end of Reporting Period
Taxes payable	990,720	671,231	319,489	47.60	The increase in the sales volume of oil products caused increases in consumption tax and VAT payable

Changes and Explanation on the Consolidated Income Statement

Unit: RMB'000

Item	For the three-month period ended 31 March		Increase/ decrease amount	Change (%)	Reason for change
	2013	2012			
Operating profit ("–" for loss)	253,819	–243,210	497,029	Not Applicable	Gross profit of sales increased during the Reporting Period
Profit before income tax ("–" for loss)	241,263	–250,471	491,734	Not Applicable	
Net profit for the period ("–" for loss)	166,980	–183,614	350,594	Not Applicable	
Net profit attributable to equity shareholders of the Company ("–" for net loss)	172,711	–190,122	362,833	Not Applicable	
Financial expenses ("–" for financial income)	–28,574	37,376	–65,950	–176.45	Interest on loans and borrowings decreased
Investment income ("–" for loss)	–6,421	32,012	–38,433	–120.06	Net profit of associated companies decreased
Income tax expense	74,283	–66,857	141,140	Not Applicable	Operating results increased significantly

Changes and Explanation on the Cash Flow Statement

Unit: RMB'000

Item	For the three-month period ended 31 March		Increase/ decrease amount	Change (%)	Reason for change
	2013	2012			
Net cash inflow from operating activities ("–" for outflow)	3,226,319	–2,767,881	5,994,200	Not Applicable	Company's operations in the first quarter of 2013 improved
Net cash outflow from investing activities	–395,933	–880,831	484,898	Not Applicable	Investment on projects decreased
Net cash inflow from financing activities ("–" for outflow)	–2,725,532	3,851,674	–6,577,206	–170.76	Loans decreased due to improved operations of the Company

3.2 Disclosure of Implementation of the Cash Dividend Policy during the Reporting Period

In 2012, net loss attributable to equity shareholders of the Company amounted to RMB1,548,466,000 under the China Accounting Standards for Business Enterprises. Pursuant to the 2012 Profit Distribution Plan approved at the 11th Meeting of the Seven Session of the Board of the Company, the Board proposed that no dividend would be distributed for 2012. This resolution shall be approved by the 2012 Annual General Meeting of the Company.

§4 APPENDIX

4.1 Consolidated Balance Sheet (*Unaudited*)

As at 31 March 2013

Unit: RMB'000

Item	31 March 2013	31 December 2012
	<i>(Unaudited)</i>	<i>(Audited)</i>
Current assets:		
Cash at bank and on hand	266,894	160,962
Bills receivable	2,930,078	2,065,483
Accounts receivable	1,587,001	1,082,742
Prepayments	133,184	90,261
Other receivables	50,582	40,765
Inventories	8,076,560	8,938,077
Other current assets	262,681	513,134
Total current assets	13,306,980	12,891,424
Non-current assets:		
Long-term equity investments	3,048,302	3,057,153
Investment properties	435,826	439,137
Fixed assets	17,277,486	17,622,001
Construction in progress	633,085	612,388
Intangible assets	492,993	497,575
Long-term deferred expenses	425,081	633,548
Deferred tax assets	982,031	1,052,573
Total non-current assets	23,294,804	23,914,375
Total assets	36,601,784	36,805,799

Consolidated Balance Sheet (Unaudited) (Continued)

As at 31 March 2013

Unit: RMB'000

Item	31 March 2013	31 December 2012
	<i>(Unaudited)</i>	<i>(Audited)</i>
Current liabilities:		
Short-term loans	8,296,437	11,023,877
Bills payable	6,318	-
Accounts payable	7,961,892	5,523,248
Advances from customers	511,474	758,796
Employee benefits payable	49,583	48,008
Taxes payable	990,720	671,231
Interest payable	17,234	20,987
Dividends payable	21,450	21,548
Other payables	693,057	859,562
Total current liabilities	18,548,165	18,927,257
Non-current liabilities:		
Long-term loans	1,229,570	1,231,340
Other non-current liabilities	190,730	190,000
Total non-current liabilities	1,420,300	1,421,340
Total liabilities	19,968,465	20,348,597
Shareholders' equity:		
Share capital	7,200,000	7,200,000
Capital reserve	2,914,763	2,914,763
Specific reserve	17,320	8,179
Surplus reserve	5,151,771	5,151,770
Retained earnings	1,088,413	915,707
Total equity attributable to equity shareholders of the Company	16,372,267	16,190,419
Minority interests	261,052	266,783
Total equity	16,633,319	16,457,202
Total liabilities and shareholders' equity	36,601,784	36,805,799

Balance Sheet (Unaudited)**As at 31 March 2013**

Unit: RMB'000

Item	31 March 2013	31 December 2012
	<i>(Unaudited)</i>	<i>(Audited)</i>
Current assets:		
Cash at bank and on hand	210,944	119,148
Bills receivable	2,810,215	1,914,007
Accounts receivable	1,154,148	811,738
Prepayments	126,310	82,426
Other receivables	32,056	15,569
Inventories	7,632,835	8,615,644
Other current assets	153,697	419,523
Total current assets	12,120,205	11,978,055
Non-current assets:		
Long-term equity investments	4,058,252	4,069,891
Investment properties	435,826	439,137
Fixed assets	16,786,987	17,105,599
Construction in progress	625,564	604,866
Intangible assets	403,097	406,356
Long-term deferred expenses	408,896	617,025
Deferred tax assets	981,795	1,052,338
Total non-current assets	23,700,417	24,295,212
Total assets	35,820,622	36,273,267

Balance Sheet (Unaudited) (Continued)**As at 31 March 2013**

Unit: RMB'000

Item	31 March 2013	31 December 2012
	<i>(Unaudited)</i>	<i>(Audited)</i>
Current liabilities:		
Short-term loans	8,353,437	11,092,877
Accounts payable	7,312,170	5,175,493
Advances from customers	477,532	675,446
Employee benefits payable	43,894	42,959
Taxes payable	982,821	663,603
Interest payable	17,139	20,987
Dividends payable	21,450	21,548
Other payables	1,070,380	1,246,286
Total current liabilities	18,278,823	18,939,199
Non-current liabilities:		
Long-term loans	1,200,000	1,200,000
Other non-current liabilities	190,730	190,000
Total non-current liabilities	1,390,730	1,390,000
Total liabilities	19,669,553	20,329,199
Shareholders' equity:		
Share capital	7,200,000	7,200,000
Capital reserve	2,914,763	2,914,763
Specific reserve	7,579	-
Surplus reserve	5,151,771	5,151,770
Retained earnings	876,956	677,535
Total equity	16,151,069	15,944,068
Total liabilities and shareholders' equity	35,820,622	36,273,267

4.2 Consolidated Income Statement (Unaudited)
For the three-month period ended 31 March 2013

Unit: RMB'000

Item	2013	2012
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Operating income	28,857,297	23,550,221
Less: Operating costs	25,343,751	21,649,053
Business taxes and surcharges	2,387,128	1,429,399
Selling and distribution expenses	159,615	164,565
General and administrative expenses	735,188	546,610
Financial expenses (“-” for financial income)	-28,574	37,376
Impairment losses (“-” for reversals)	-51	-1,560
Add: Investment income (“-” for loss)	-6,421	32,012
Including: Income from investment in associates and jointly controlled enterprises (“-” for loss)	-6,421	25,878
Operating profit (“-” for loss)	253,819	-243,210
Add: Non-operating income	3,111	4,997
Less: Non-operating expenses	15,667	12,258
Including: Losses from disposal of non-current assets	6,465	4,989
Profit before income tax (“-” for loss)	241,263	-250,471
Less: Income tax expense	74,283	-66,857
Net profit for the period (“-” for loss)	166,980	-183,614
Attributable to: Equity shareholders of the Company (“-” for loss)	172,711	-190,122
Minority shareholders	-5,731	6,508
Earnings per share:		
Basic and diluted earnings per share (“-” for loss) (RMB)	0.024	-0.026
Other comprehensive income	-	-
Total comprehensive income (“-” for loss)	166,980	-183,614
Attributable to: Equity shareholders of the Company (“-” for loss)	172,711	-190,122
Minority shareholders	-5,731	6,508

Income Statement (Unaudited)**For the three-month period ended 31 March 2013**

Unit: RMB'000

Item	2013	2012
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Operating income	25,247,986	20,171,979
Less: Operating costs	21,768,161	18,338,832
Business taxes and surcharges	2,386,416	1,428,324
Selling and distribution expenses	127,930	141,623
General and administrative expenses	694,143	510,376
Financial expenses (“-” for financial income)	-22,664	37,569
Impairment losses (“-” for reversals)	-51	-100
Add: Investment income (“-” for loss)	-11,639	20,585
Including: Income from investment in associates and jointly controlled enterprises (“-” for loss)	-11,639	20,585
Operating profit (“-” for loss)	282,412	-264,060
Add: Non-operating income	3,074	4,295
Less: Non-operating expenses	15,519	12,256
Including: Losses from disposal of non-current assets	6,457	4,989
Profit before income tax (“-” for loss)	269,967	-272,021
Less: Income tax expense	70,542	-72,879
Net profit for the period (“-” for loss)	199,425	-199,142
Other comprehensive income	-	-
Total comprehensive income (“-” for loss)	199,425	-199,142

4.3 Consolidated Cash Flow Statement (Unaudited)
For the three-month period ended 31 March 2013

Unit: RMB'000

Item	2013	2012
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Cash flows from operating activities:		
Cash received from sale of goods and rendering of services	31,657,506	27,749,310
Refund of taxes	7,198	12,941
Cash received relating to other operating activities	54,101	25,844
Sub-total of cash inflows	31,718,805	27,788,095
Cash paid for goods and services	-24,507,317	-28,261,164
Cash paid to and for employees	-649,632	-533,349
Cash paid for all types of taxes	-2,953,418	-1,605,283
Cash paid relating to other operating activities	-382,119	-156,180
Sub-total of cash outflows	-28,492,486	-30,555,976
Net cash inflow from operating activities (“-” for outflow)	3,226,319	-2,767,881
Cash flows from investing activities:		
Cash received from disposal of investments	-	16,000
Cash received from investment income	2,923	2,841
Net cash received from disposal of fixed assets	-2,002	1,258
Cash received relating to other investing activities	3,183	27,541
Sub-total of cash inflows	4,104	47,640
Cash paid for acquisition of fixed assets and other long-term assets	-399,909	-928,471
Cash paid relating to other investing activities	-128	-
Sub-total of cash outflows	-400,037	-928,471
Net cash outflow from investing activities	-395,933	-880,831

Consolidated Cash Flow Statement (*Unaudited*) (Continued)
For the three-month period ended 31 March 2013

Unit: RMB'000

Item	2013	2012
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Cash flows from financing activities:		
Cash received from borrowings	11,809,728	12,761,471
Sub-total of cash inflows	11,809,728	12,761,471
Cash repayments of borrowings	-14,444,234	-8,819,302
Cash paid for dividends, profits distribution and interest	-90,676	-90,495
Cash paid relating to other financing activities	-350	–
Sub-total of cash outflows	-14,535,260	-8,909,797
Net cash inflow from financing activities (“–” for outflow)	-2,725,532	3,851,674
Effect of foreign exchange rate changes on cash and cash equivalents	1,078	35
Net increase in cash and cash equivalents	105,932	202,997
Add: Cash and cash equivalents at the beginning of the period	160,962	91,346
Cash and cash equivalents at the end of the period	266,894	294,343

Cash Flow Statement (*Unaudited*)

For the three-month period ended 31 March 2013

Unit: RMB'000

Item	2013	2012
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Cash flows from operating activities:		
Cash received from sale of goods and rendering of services	27,972,754	23,911,709
Cash received relating to other operating activities	54,957	25,142
Sub-total of cash inflows	28,027,711	23,936,851
Cash paid for goods and services	-20,864,141	-24,499,738
Cash paid to and for employees	-609,639	-498,309
Cash paid for all types of taxes	-2,945,517	-1,551,045
Cash paid relating to other operating activities	-384,590	-139,390
Sub-total of cash outflows	-24,803,887	-26,688,482
Net cash inflow from operating activities (“-” for outflow)	3,223,824	-2,751,631
Cash flows from investing activities:		
Net cash received from disposal of fixed assets	-2,002	1,256
Cash received relating to other investing activities	2,589	24,991
Sub-total of cash inflows	587	26,247
Cash paid for acquisition of fixed assets and other long-term assets	-397,295	-922,336
Sub-total of cash outflows	-397,295	-922,336
Net cash outflow from investing activities	-396,708	-896,089

Cash Flow Statement (*Unaudited*) (Continued)
For the three-month period ended 31 March 2013

Unit: RMB'000

Item	2013	2012
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Cash flows from financing activities:		
Cash received from borrowings	11,782,728	12,731,280
Sub-total of cash inflows	11,782,728	12,731,280
Cash repayments of borrowings	-14,427,465	-8,818,060
Cash paid for dividends, profits distribution and interest	-90,483	-87,402
Cash paid relating to other financing activities	-100	–
Sub-total of cash outflows	-14,518,048	-8,905,462
Net cash inflow from financing activities (“–” for outflow)	-2,735,320	3,825,818
Effect of foreign exchange rate changes on cash and cash equivalents	–	36
Net increase in cash and cash equivalents	91,796	178,134
Add: Cash and cash equivalents at the beginning of the period	119,148	61,057
Cash and cash equivalents at the end of the period	210,944	239,191

By Order of the Board
Wang Zhiqing
Vice Chairman and President
(performing the duties and powers of the Chairman)

Shanghai, the PRC, 19 April 2013

As at the date of this announcement, the executive directors of the Company are Wang Zhiqing, Wu Haijun, Li Honggen 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.