

SINOPEC SHANGHAI PETROCHEMICAL CO LTD

Form 6-K

April 29, 2019

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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 April 2019**

**Commission File Number: 1-12158**

**Sinopec Shanghai Petrochemical Company Limited**

**(Translation of registrant's name into English)**

**No. 48 Jinyi Road, Jinshan District, Shanghai, 200540**

**The People's Republic of China**

**(Address of principal executive offices)**

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

Form 20-F

Form 40-F

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

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

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EXHIBITS

Exhibit

Number

99.1      2019 First Quarterly Report.

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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: April 26, 2019

By: /s/ Guo Xiaojun

Name: Guo Xiaojun

Title: Secretary to Board of Directors

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**Exhibit 99.1**

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

**(Stock Code: 00338)**

**2019 First 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 and 13.10B 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 the truthfulness, accuracy and completeness of the information contained in the 2019 first quarterly report, and warrant that there are no false representations or misleading statements contained in or material omissions from this report and severally and jointly accept responsibility pursuant to such information.
- 1.2 All directors attended the sixteenth meeting of the ninth session of the Board, and have considered and adopted the 2019 first quarterly report at the meeting.
- 1.3 Mr. Wu Haijun, Chairman of the Company, Mr. Zhou Meiyun, Executive Director, Vice President and Chief Financial Officer overseeing the accounting operations, and Ms. Yang Yating, person-in-charge of Accounting Department (Deputy Accounting Chief) and Finance Manager warrant the truthfulness, accuracy and completeness of the financial report contained in this first quarterly report.
- 1.4 The financial report of the Company's 2019 first quarterly report was prepared under the China Accounting Standards for Business Enterprises and was un audited.

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

	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)	43,079,860	44,539,960	-3.28
Total equity attributable to equity shareholders of the Company (RMB 000)	30,993,549	30,370,126	2.05
	From the beginning of the year to the end of the Reporting Period (January to March)	From the beginning of the year to the end of the Reporting Period last year (January to March)	Increase/decrease as compared to the corresponding period of the previous year (%) (January to March)
Net cash flows generated from operating activities (RMB 000)	-1,089,708	1,635,267	-166.64
	From the beginning of the year to the end of the Reporting Period (January to March)	From the beginning of the year to the end of the Reporting Period last year (January to March)	Increase/decrease as compared to the corresponding period of the previous year (%)(January to March)
Revenue (RMB 000)	25,136,233	25,759,522	-2.42
Net profit attributable to equity shareholders of the Company (RMB 000)	610,653	1,771,513	-65.53
Net profit attributable to equity shareholders of the Company excluding non-recurring items (RMB 000)	624,529	1,768,368	-64.68
Return on net assets (weighted average) (%)			Decreased by
	1.992	5.841	3.85 percentage points
Basic earnings per share (RMB/share)	0.056	0.164	-65.85

Diluted earnings per share (RMB/share)	0.056	0.164	-65.85
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**Table of Contents****Excluded non-recurring items and amount:**

*Unit: RMB 000*

<b>Item</b>	<b>Amount for the Reporting Period (January to March)</b>
Losses on disposal of non-current assets	-790
Government grants recognized 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	584
In addition to the effective hedging business related to the company's normal business operations, the fair value gains and losses arising from the holding of transactional financial assets, derivative financial assets, transactional financial liabilities and derivative financial liabilities, as well as the investment gains from the disposal of transactional financial assets, derivative financial assets, transactional financial liabilities, derivative financial liabilities and other creditor's rights investments.	-13,934
Other non-operating income and expenses other than those mentioned above	329
Other profit and loss items that meet the definition of non-recurring items	-7,377
Effect on minority interests (after tax)	886
Tax effect for the items above	6,426
<b>Total</b>	<b>-13,876</b>



**Table of Contents****2.2 Total Number of Shareholders as at the End of the Reporting Period, Top Ten Shareholders and Shareholdings of the Top Ten Shareholders of Shares in Circulation (or Unrestricted Shares)***Unit: Share*

**Total number of shareholders** 88,503

**Shareholdings of the top ten shareholders**

<b>Name of shareholder (in full)</b>	<b>Number of shares held at the end of the Reporting Period</b>	<b>Percentage of total shareholding (%)</b>	<b>Number of shares with selling restrictions</b>	<b>Number of shares pledged or frozen</b>	<b>Situation of the shares</b>	<b>Type of shareholder</b>
China Petroleum & Chemical Corporation	5,460,000,000	50.44	0	0	None	State-owned legal person Overseas
HKSCC (Nominees) Limited	3,458,212,771	31.95	0	0	Unknown	legal person
China Securities Finance Corporation Limited	324,111,018	2.99	0	0	None	Others
HKSCC Limited	79,935,466	0.74	0	0	None	Others
Central Huijin Investment Ltd.	67,655,800	0.63	0	0	None	Others
GF Fund Agricultural Bank of China GF CSI Financial Asset Management Plan	45,222,300	0.42	0	0	None	Others
Dacheng Fund Agricultural Bank of China Dacheng CSI Financial Asset Management Plan	43,531,469	0.40	0	0	None	Others
China Asset Fund Agricultural Bank of China China Asset CSI Financial Asset Management Plan	43,083,750	0.40	0	0	None	Others
Bosera Fund Agricultural Bank of China Bosera CSI Financial Asset Management Plan	43,083,700	0.40	0	0	None	Others
E Fund Agricultural Bank of China E Fund CSI Financial Asset Management Plan	43,083,700	0.40	0	0	None	Others

**Table of Contents****Shareholdings of the Top Ten Shareholders with Unlimited Conditions of Sale**

Name of shareholder	Number of Liquidity Shares Holding Unlimited Conditions of Sale	Type and quantity of shares	
		Type	Quantity
China Petroleum & Chemical Corporation	5,460,000,000	RMB common stocks	5,460,000,000
HKSCC (Nominees) Limited	3,458,212,771	Overseas listed foreign share	3,458,212,771
China Securities Finance Corporation Limited	324,111,018	RMB common stocks	324,111,018
HKSCC Limited	79,935,466	RMB common stocks	79,935,466
Central Huijin Investment Ltd.	67,655,800	RMB common stocks	67,655,800
GF Fund Agricultural Bank of China GF CSI Financial Asset Management Plan	45,222,300	RMB common stocks	45,222,300
Dacheng Fund Agricultural Bank of China Dacheng CSI Financial Asset Management Plan	43,531,469	RMB common stocks	43,531,469
China Asset Fund Agricultural Bank of China China Asset CSI Financial Asset Management Plan	43,083,750	RMB common stocks	43,083,750
Bosera Fund Agricultural Bank of China Bosera CSI Financial Asset Management Plan	43,083,700	RMB common stocks	43,083,700
E Fund Agricultural Bank of China E Fund CSI Financial Asset Management Plan	43,083,700	RMB common stocks	43,083,700
Explanation of the connected relationship or acting in concert relationship of the above shareholders	Among the above-mentioned shareholders, China Petroleum & Chemical Corporation, a state-owned legal person, does not have any connected relationship with the other shareholders, and does not constitute an act-in-concert party under the Administration Measures on Acquisition of Listed Companies. Among the above-mentioned shareholders, HKSCC (Nominees) Limited is a nominee and HKSCC Limited is the nominal holder of the Company's Shanghai-Hong Kong Stock Connect. Apart from the above, the Company is not aware of any other connected relationships among the other shareholders, or whether any other shareholder constitutes an act-in-concert party under the Administrative Measures on Acquisition of Listed Companies.		

**Table of Contents****3. Major Events****3.1 Description of Substantial Changes in Major Financial Report Items and Financial Indicators of the Company***Unit: RMB 000*

<b>Item</b>	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>	<b>Increase/ decrease amount</b>	<b>Change (%)</b>	<b>Major reason for change</b>
Prepayments	375,012	72,968	302,044	413.94	Increased prepaid raw material procurement expenses in the current period
Short-term borrowings	1,425,000	497,249	927,751	186.58	Increased demand for capital for daily production and operation
Staff salaries and welfares payable	272,457	128,861	143,596	111.43	Increase in outstanding performance appraisal awards

*Unit: RMB 000*

<b>Item</b>	<b>For the three-month period ended 31 March</b>		<b>Increase/ decrease amount</b>	<b>Change (%)</b>	<b>Major reason for change</b>
	<b>2019</b>	<b>2018</b>			
Operating profit	747,350	2,263,474	-1,516,124	-66.98	The rise in crude oil prices at the beginning of the year led to a significant increase in raw material costs, y-o-y decrease in product price and a sharp drop in gross profit.
Financial expenses	-119,841	-106,688	-13,153	12.33	The average level of bank deposits during the reporting period increased compared with the same period last year.
Investment income	195,291	271,384	-76,093	-28.04	The joint venture company's current operating condition is weaker than that of the same period last year, and its investment income decreases.
Income tax expenses	136,682	497,523	-360,841	-72.53	Earnings declined during the reporting period compared with the same period last year.



**Table of Contents****4. Appendix****4.1 CONSOLIDATED BALANCE SHEETS  
AS AT 31 MARCH 2019***Unit: RMB 000*

Items	As at the end of the period (unaudited)	As at the beginning of the year (audited)
<b>Current assets</b>		
Cash at bank and on hand	10,771,046	10,241,893
Trading financial assets	1,800,000	2,719,811
Derivative financial assets		7,468
Notes payable and accounts payable	4,238,779	3,970,245
Including: Notes payable	1,092,412	789,103
Accounts payable	3,146,367	3,181,142
Interests receivable	375,012	72,968
Other receivables	158,968	108,986
Inventories	6,508,112	8,120,875
Assets classified as held for sale	24,331	24,331
Other current assets	16,914	32,299
<b>Total current assets</b>	<b>23,893,162</b>	<b>25,298,876</b>
<b>Non-current assets</b>		
Long-term equity investments	4,866,359	4,657,133
Investment properties	378,023	376,739
Fixed assets	11,325,072	11,670,453
Construction in progress	1,645,450	1,559,401
Right-of-use assets	58,812	
Intangible assets	351,160	355,594
Long-term prepaid expenses	456,714	502,689
Deferred tax assets	105,108	119,075
<b>Total non-current assets</b>	<b>19,186,698</b>	<b>19,241,084</b>
<b>Total assets</b>	<b>43,079,860</b>	<b>44,539,960</b>

**Table of Contents****CONSOLIDATED BALANCE SHEETS (CONTINUED)****AS AT 31 MARCH 2019***Unit: RMB 000*

<b>Items</b>	<b>As at the end of the period (unaudited)</b>	<b>As at the beginning of the year (audited)</b>
<b>Current liabilities</b>		
Short-term borrowings	1,425,000	497,249
Derivative financial liabilities	139	11,005
Notes payable and accounts payable	5,744,206	7,394,383
Employee benefits payable	272,457	128,861
Taxes payable	3,233,060	4,642,692
Other payables	715,591	785,260
Contract Liabilities	363,751	453,564
Non-current liabilities due within one year		
<b>Total current liabilities</b>	<b>11,754,204</b>	<b>13,913,014</b>
<b>Non-current liabilities</b>		
Lease liabilities	77,444	
Deferred revenue	137,942	140,442
<b>Total non-current liabilities</b>	<b>215,386</b>	<b>140,442</b>
<b>Total liabilities</b>	<b>11,969,590</b>	<b>14,053,456</b>
<b>Shareholders' equity</b>		
Share capital	10,823,814	10,823,814
Capital surplus	610,327	610,327
Other comprehensive income	10,390	10,389
Surplus reserve	6,237,171	6,237,170
Specific reserve	69,902	57,135
Undistributed profits	13,241,945	12,631,291
<b>Total equity attributable to equity shareholders of the Company</b>	<b>30,993,549</b>	<b>30,370,126</b>
<b>Minority interests</b>	<b>116,721</b>	<b>116,378</b>
<b>Total shareholders' equity</b>	<b>31,110,270</b>	<b>30,486,504</b>
<b>Total liabilities and shareholders' equity</b>	<b>43,079,860</b>	<b>44,539,960</b>

**Table of Contents****COMPANY BALANCE SHEETS****AS AT 31 MARCH 2019***Unit: RMB 000*

<b>Items</b>	<b>As at the end of the period (unaudited)</b>	<b>As at the beginning of the year (audited)</b>
<b>Current assets</b>		
Cash at bank and on hand	9,575,797	9,119,013
Trading financial assets	1,800,000	2,519,100
Derivative financial assets		6,953
Notes receivable and accounts receivable	3,004,292	2,768,008
Including: Notes receivable	970,526	714,599
Accounts receivable	2,033,766	2,053,409
Advances to suppliers	371,025	68,934
Other receivables	139,811	96,182
Inventories	6,022,835	7,500,683
<b>Total current assets</b>	<b>20,913,760</b>	<b>22,078,873</b>
<b>Non-current assets</b>		
Long-term equity investments	5,959,106	5,762,327
Investment properties	409,075	408,366
Fixed assets	11,127,283	11,459,333
Construction in progress	1,645,450	1,559,401
Right-of-use assets	56,278	
Intangible assets	316,717	319,877
Long-term prepaid expenses	447,585	493,242
Deferred tax assets	95,909	109,137
<b>Total non-current assets</b>	<b>20,057,403</b>	<b>20,111,683</b>
<b>Total assets</b>	<b>40,971,163</b>	<b>42,190,556</b>

**Table of Contents****COMPANY BALANCE SHEETS (CONTINUED)****AS AT 31 MARCH 2019***Unit: RMB 000*

<b>Items</b>	<b>As at the end of the period (unaudited)</b>	<b>As at the beginning of the year (audited)</b>
<b>Current liabilities</b>		
Short-term borrowings	1,380,000	431,649
Derivative financial liabilities		9,799
Notes receivable and accounts receivable	4,091,031	5,535,625
Contract Liabilities	313,395	411,796
Employee benefits payable	266,885	123,157
Taxes payable	3,214,244	4,608,232
Other payables	703,144	718,847
<b>Total current liabilities</b>	<b>9,968,699</b>	<b>11,839,105</b>
<b>Non-current liabilities</b>		
Lease liabilities	74,757	
Deferred revenue	137,942	140,442
<b>Total non-current liabilities</b>	<b>212,699</b>	<b>140,442</b>
<b>Total liabilities</b>	<b>10,181,398</b>	<b>11,979,547</b>
<b>Shareholders equity</b>		
Share capital	10,823,814	10,823,814
Capital surplus	600,768	600,768
Other comprehensive income	69,768	57,135
Specific reserve	10,390	10,389
Surplus reserve	6,237,171	6,237,170
Undistributed profits	13,047,854	12,481,733
<b>Total shareholders equity</b>	<b>30,789,765</b>	<b>30,211,009</b>
<b>Total liabilities and shareholders equity</b>	<b>40,971,163</b>	<b>42,190,556</b>



**Table of Contents****4.2 CONSOLIDATED INCOME STATEMENTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2019 (Unaudited)***Unit: RMB 000*

Items	Three months ended 31 March	
	2019	2018
<b>Total revenue</b>	25,136,233	25,759,522
Including: Revenue	25,136,233	25,759,522
<b>Total operating cost</b>	24,583,829	23,765,489
Including: Cost of sales	20,831,769	19,769,281
Taxes and surcharges	2,973,374	3,252,945
Selling and distribution expenses	125,926	132,265
General and administrative expenses	765,507	717,657
R&D expenses	7,085	
Financial expenses	-119,841	-106,688
Including: Financial expense	13,572	10,209
Financial income	125,729	99,326
Asset impairment losses		29
Credit impairment losses	9	
Add: Other income	584	540
Investment income ( - to indicate loss)	195,291	271,384
Including: Share of income of associates and joint ventures	209,225	281,600
Exchange earnings( - to indicate loss)		
Change in fair value gains ( - to indicate loss)	-139	619
Asset disposal income ( - to indicate loss)	-790	-3,102

**Table of Contents****CONSOLIDATED INCOME STATEMENTS (CONTINUED)****FOR THE THREE MONTHS ENDED 31 MARCH 2019 (Unaudited)***Unit: RMB 000*

Items	Three months ended 31 March	
	2019	2018
<b>Operating profit ( - to indicate loss)</b>	747,350	2,263,474
Add: Non-operating income	7,361	25,937
Add: Non-operating income	7,032	18,205
<b>Total profit ( - to indicate loss)</b>	747,679	2,271,206
Less: Income tax expenses	136,682	497,523
<b>Net Profit ( - to indicate loss)</b>	610,997	1,773,683
(1) Classification by business continuity	610,997	1,773,683
Profit from continuing operations( - to indicate loss)	610,997	1,773,683
(2) Classification by ownership	610,997	1,773,683
Attributable to equity shareholders of the Company ( - to indicate loss)	610,653	1,771,513
Minority interests ( - to indicate loss)	344	2,170
<b>Other comprehensive income, net of tax</b>		
<b>Total comprehensive income</b>	610,997	1,773,683
Attributable to equity shareholders of the Company	610,653	1,771,513
Minority interests	344	2,170
<b>Earnings per share</b>		
Basic earnings per share (RMB)	0.056	0.164
Diluted earnings per share (RMB)	0.056	0.164

**Table of Contents****COMPANY INCOME STATEMENTS****FOR THE THREE MONTHS ENDED 31 MARCH 2019 (Unaudited)***Unit: RMB 000*

<b>Items</b>	<b>Three months ended 31 March</b>	
	<b>2019</b>	<b>2018</b>
<b>Revenue</b>	19,013,327	19,899,990
Less: Cost of sales	14,794,477	13,967,063
Taxes and surcharges	2,967,040	3,246,105
Selling and distribution expenses	107,155	102,739
General and administrative expenses	741,310	679,900
R&D expenses	5,252	
Financial expenses	-117,357	-86,066
Including: Financial expense	7,787	3,840
Financial income	-118,221	-90,889
Asset impairment losses		29
Credit impairment losses	9	
Add: Other income	574	540
Investment income ( - to indicate loss)	186,459	268,560
Including: Share of income of associates and joint ventures	196,779	268,560
Asset disposal income ( - to indicate loss)	-5,869	-3,340
<b>Operating profit ( - to indicate loss)</b>	<b>696,605</b>	<b>2,255,980</b>
Add: Non-operating income	1,946	2,707
Less: Non-operating expenses	7,030	8,953
<b>Total profit ( - to indicate loss)</b>	<b>691,521</b>	<b>2,249,734</b>
Less: Income tax expenses	125,401	493,997
<b>Net Profit ( - to indicate loss)</b>	<b>566,120</b>	<b>1,755,737</b>
(1) Profit from continuing operations( - to indicate loss)	566,120	1,755,737
<b>Other comprehensive income, net of tax</b>		
<b>Total comprehensive income</b>	<b>566,120</b>	<b>1,755,737</b>
<b>Earnings per share</b>		
Basic earnings per share (RMB)	0.052	0.162
Diluted earnings per share (RMB)	0.052	0.162

**Table of Contents****4.3 CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2019 (Unaudited)***Unit: RMB 000*

Items	Three months ended 31 March	
	2019	2018
<b>1. Cash flows from operating activities</b>		
Cash received from sales of goods or rendering of services	27,306,858	25,213,452
Refund of taxes and surcharges		19,539
Cash received relating to other operating activities	6,015	25,825
<b>Sub-total of cash inflows</b>	<b>27,312,873</b>	<b>25,258,816</b>
Cash paid for goods and services	23,266,199	19,239,624
Cash paid to and on behalf of employees	572,139	663,888
Payments of taxes and surcharges	4,385,444	3,584,166
Cash paid relating to other operating activities	178,799	135,871
<b>Sub-total of cash outflows</b>	<b>28,402,581</b>	<b>23,623,549</b>
<b>Net cash flows (used in)/ generated from operating activities</b>	<b>-1,089,708</b>	<b>1,635,267</b>
<b>2. Cash flows from investing activities</b>		
Cash received from entrusted lending	200,000	12,000
Cash received from returns on investments		-2,775
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	4,815	6,760
Cash received relating to other investing activities	800,215	959,290
<b>Sub-total of cash inflows</b>	<b>1,005,030</b>	<b>975,275</b>
Cash paid to acquire fixed assets, intangible assets and other long-term assets	293,828	198,388
Cash paid to entrusted lending		7,919
Cash paid to other related investment activities	504,396	1,000,000
<b>Sub-total of cash outflows</b>	<b>798,224</b>	<b>1,206,307</b>
<b>Net cash flows generated from/(used in) operating activities.</b>	<b>206,806</b>	<b>-231,032</b>

**Table of Contents****CONSOLIDATED CASH FLOW STATEMENTS (CONTINUED)****FOR THE THREE MONTHS ENDED 31 MARCH 2019 (Unaudited)***Unit: RMB 000*

<b>Items</b>	<b>Three months ended 31 March</b>	
	<b>2019</b>	<b>2018</b>
<b>3. Cash flows from financing activities</b>		
Cash received from the investment		38,102
Cash received from borrowings	1,897,500	544,100
Cash received from other fund-raising activities		
Sub-total of cash inflows	1,897,500	582,202
Cash repayments of borrowings	972,825	85,057
Cash paid for distribution of dividends or profits and interest expenses	10,812	10,397
Cash paid for other fund-raising activities	89	
Sub-total of cash outflows	983,726	95,454
Net cash flows generated from financing activities	913,774	486,748
<b>4. Effect of foreign exchange rate changes on cash and cash equivalents</b>	-1,719	-3,881
<b>5. Net increase in cash and cash equivalents</b>	29,153	1,887,102
Add: Cash and cash equivalents at beginning of the period	8,241,893	7,504,266
<b>6. Cash and cash equivalents at end of the period</b>	8,271,046	9,391,368

**Table of Contents****CASH FLOW STATEMENTS****FOR THE THREE MONTHS ENDED 31 MARCH 2019 (Unaudited)***Unit: RMB 000*

<b>Items</b>	<b>Three months ended 31 March</b>	
	<b>2019</b>	<b>2018</b>
<b>1. Cash flows from operating activities</b>		
Cash received from sales of goods or rendering of services	20,789,805	20,679,457
Cash received relating to other operating activities	8,694	747
<b>Sub-total of cash inflows</b>	<b>20,798,499</b>	<b>20,680,204</b>
Cash paid for goods and services	16,812,058	14,673,758
Cash paid to and on behalf of employees	535,445	528,713
Payments of taxes and surcharges	4,311,964	3,575,669
Cash paid relating to other operating activities	116,469	498,031
<b>Sub-total of cash outflows</b>	<b>21,775,936</b>	<b>19,276,171</b>
<b>Net cash flows (used in)/ generated from operating activities</b>	<b>-977,437</b>	<b>1,404,033</b>
<b>2. Cash flows from investing activities</b>		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	4,672	1,412
Cash received relating to other investing activities	785,005	1,070,583
<b>Sub-total of cash inflows</b>	<b>789,677</b>	<b>1,071,995</b>
Cash paid to acquire fixed assets, intangible assets and other long-term assets	290,527	198,328
Cash paid to investment activities		
Cash paid to other related investment activities	500,000	1,000,000
<b>Sub-total of cash outflows</b>	<b>790,527</b>	<b>1,198,328</b>
<b>Net cash flows used in investing activities</b>	<b>-850</b>	<b>-126,333</b>

**Table of Contents****CASH FLOW STATEMENTS (CONTINUED)****FOR THE THREE MONTHS ENDED 31 MARCH 2019 (Unaudited)***Unit: RMB 000*

Items	Three months ended 31 March	
	2019	2018
<b>3. Cash flows from financing activities</b>		
Cash received from the investment		54,164
Cash received from borrowings	1,880,000	500,000
<b>Sub-total of cash inflows</b>	1,880,000	554,164
Cash repayments of borrowings	934,725	18,000
Cash paid for distribution of dividends or profits and interest expenses	10,204	3,955
<b>Sub-total of cash outflows</b>	944,929	21,955
<b>Net cash flows generated from financing activities</b>	935,071	532,209
<b>4. Effect of foreign exchange rate changes on cash and cash equivalents</b>		
<b>5. Net increase in cash and cash equivalents</b>	-43,216	1,809,909
Add: Cash and cash equivalents at beginning of the period	7,119,013	6,268,493
<b>6. Cash and cash equivalents at end of the period</b>	7,075,797	8,078,402

**Table of Contents****4.4 First Implementation of The New Financial Instruments Standards, New Revenue Standards, New Lease Standards to Adjust Related Items in The Financial Statements at the Beginning of the Year of First Implementation****CONSOLIDATED BALANCE SHEETS***Unit: RMB 000*

<b>Items</b>	<b>31 Dec 2018</b>	<b>1 Jan 2019</b>	<b>Adjusted Data</b>
<b>Current assets</b>			
Cash at bank and on hand	10,241,893	10,241,893	
Trading financial assets	2,719,811	2,719,811	
Derivative financial assets	7,468	7,468	
Notes receivable and accounts receivable	3,970,245	3,970,245	
Including: Notes receivable	789,103	789,103	
Accounts receivable	3,181,142	3,181,142	
Advances to suppliers	72,968	72,860	-108
Other receivables	108,986	108,986	
Inventories	8,120,875	8,120,875	
Assets classified as held for sale	24,331	24,331	
Other current assets	32,299	32,299	
<b>Total current assets</b>	<b>25,298,876</b>	<b>25,298,768</b>	<b>-108</b>
<b>Non-current assets</b>			
Long-term equity investments	4,657,133	4,657,133	
Investment properties	376,739	376,739	
Fixed assets	11,670,453	11,670,453	
Construction in progress	1,559,401	1,559,401	
Right-of-use assets		76,741	76,741
Intangible assets	355,594	355,594	
Long-term prepaid expenses	502,689	502,689	
Deferred tax assets	119,075	119,075	
<b>Total non-current assets</b>	<b>19,241,084</b>	<b>19,317,825</b>	<b>76,741</b>
<b>Total assets</b>	<b>44,539,960</b>	<b>44,616,593</b>	<b>76,633</b>



**Table of Contents****CONSOLIDATED BALANCE SHEETS (CONTINUED)***Unit: RMB 000*

<b>Items</b>	<b>31 Dec 2018</b>	<b>1 Jan 2019</b>	<b>Adjusted Data</b>
<b>Current liabilities</b>			
Short-term borrowings	497,249	497,249	
Derivative financial liabilities	11,005	11,005	
Notes payable and accounts payable	7,394,383	7,394,383	
Employee benefits payable	128,861	128,861	
Taxes payable	4,642,692	4,642,692	
Other payables	785,260	785,260	
Contract Liabilities	453,564	453,564	
<b>Total current liabilities</b>	<b>13,913,014</b>	<b>13,913,014</b>	
<b>Non-current liabilities</b>			
Lease liabilities		76,633	76,633
Deferred revenue	140,442	140,442	
<b>Total non-current liabilities</b>	<b>140,442</b>	<b>217,075</b>	<b>76,633</b>
<b>Total liabilities</b>	<b>14,053,456</b>	<b>14,130,089</b>	<b>76,633</b>
<b>Shareholders equity</b>			
Share capital	10,823,814	10,823,814	
Capital surplus	610,327	610,327	
Other comprehensive income	10,389	10,389	
Surplus reserve	57,135	57,135	
Specific reserve	6,237,170	6,237,170	
Undistributed profits	12,631,291	12,631,291	
<b>Total equity attributable to equity shareholders of the Company</b>	<b>30,370,126</b>	<b>30,370,126</b>	
<b>Minority interests</b>	<b>116,378</b>	<b>116,378</b>	
<b>Total shareholders equity</b>	<b>30,486,504</b>	<b>30,486,504</b>	
<b>Total liabilities and shareholders equity</b>	<b>44,539,960</b>	<b>44,616,593</b>	<b>76,633</b>

**Table of Contents****COMPANY BALANCE SHEETS***Unit: RMB 000*

<b>Items</b>	<b>31 Dec 2018</b>	<b>1 Jan 2019</b>	<b>Adjusted Data</b>
<b>Current assets</b>			
Cash at bank and on hand	9,119,013	9,119,013	
Trading financial assets	2,519,100	2,519,100	
Derivative financial assets	6,953	6,953	
Notes receivable and accounts receivable	2,768,008	2,768,008	
Including: Notes receivable	714,599	714,599	
Accounts receivable	2,053,409	2,053,409	
Advances to suppliers	68,934	68,826	-108
Other receivables	96,182	96,182	
Inventories	7,500,683	7,500,683	
<b>Total current assets</b>	<b>22,078,873</b>	<b>22,078,765</b>	<b>-108</b>
<b>Non-current assets</b>			
Long-term equity investments	5,762,327	5,762,327	
Investment properties	408,366	408,366	
Fixed assets	11,459,333	11,459,333	
Construction in progress	1,559,401	1,559,401	
Right-of-use assets		74,111	74,111
Intangible assets	319,877	319,877	
Long-term prepaid expenses	493,242	493,242	
Deferred tax assets	109,137	109,137	
<b>Total non-current assets</b>	<b>20,111,683</b>	<b>20,185,794</b>	<b>74,111</b>
<b>Total assets</b>	<b>42,190,556</b>	<b>42,264,559</b>	<b>74,003</b>

**Table of Contents****COMPANY BALANCE SHEETS (CONTINUED)***Unit: RMB 000*

<b>Items</b>	<b>31 Dec 2018</b>	<b>1 Jan 2019</b>	<b>Adjusted Data</b>
<b>Current liabilities</b>			
Short-term borrowings	431,649	431,649	
Derivative financial liabilities	9,799	9,799	
Notes payable and accounts payable	5,535,625	5,535,625	
Contract Liabilities	411,796	411,796	
Employee benefits payable	123,157	123,157	
Taxes payable	4,608,232	4,608,232	
Other payables	718,847	718,847	
<b>Total current liabilities</b>	<b>11,839,105</b>	<b>11,839,105</b>	
<b>Non-current liabilities</b>			
Lease liabilities		74,003	74,003
Deferred revenue	140,442	140,442	
<b>Total non-current liabilities</b>	<b>140,442</b>	<b>214,445</b>	<b>74,003</b>
<b>Total liabilities</b>	<b>11,979,547</b>	<b>12,053,550</b>	<b>74,003</b>
<b>Shareholders equity</b>			
Share capital	10,823,814	10,823,814	
Capital surplus	600,768	600,768	
Other comprehensive income	10,389	10,389	
Specific reserve	57,135	57,135	
Surplus reserve	6,237,170	6,237,170	
Undistributed profits	12,481,733	12,481,733	
<b>Total shareholders equity</b>	<b>30,211,009</b>	<b>30,211,009</b>	
<b>Total liabilities and shareholders equity</b>	<b>42,190,556</b>	<b>42,264,559</b>	<b>74,003</b>

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**4.5 Description of the First-Time Implementation of The New Financial Instrument Standards, Income Standard and New Leases Standards, Retrospective Adjustment of the Previous Data Comparison**

The company has implemented the new leases standards since January 1, 2019, and has adjusted the first-time implementation of the financial statement related items at the beginning of the year, and has not retrospectively adjusted the comparative financial statements.

By Order of the Board

**Sinopec Shanghai Petrochemical Company Limited**

**Guo Xiaojun**

*Joint Company Secretary*

Shanghai, the PRC, 25 April 2019