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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)

2019 Third Quarterly Report

This announcement is published simultaneously in Shanghai and Hong Kong. This announcement is published pursuant to the Rules Governing Listing of Stocks on Shanghai Stock Exchange in the People's Republic of China and pursuant to the disclosure obligations under Rules 13.09 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 third 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 eighteenth meeting of the ninth session of the Board, and have considered and adopted the 2019 third quarterly report at the meeting.
- 1.3 Mr. 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 third quarterly report.
- 1.4 The financial report of the Company’s 2019 third quarterly report was prepared under the China Accounting Standards for Business Enterprises and was unaudited.

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)	39,478,794	44,539,960	-11.36%
Total equity attributable to equity shareholders of the Company (RMB'000)	29,332,367	30,370,126	-3.42%
	From the beginning of the year to the end of the Reporting Period (January to September)	From the beginning of the year to the end of the Reporting Period last year (January to September)	Increase/decrease as compared to the corresponding period of the previous year
Net cash flows generated from operating activities (RMB'000)	(414,628)	3,335,224	-112.43%
	From the beginning of the year to the end of the Reporting Period (January to September)	From the beginning of the year to the end of the Reporting Period last year (January to September)	Increase/decrease as compared to the corresponding period of the previous year
Revenue (RMB'000)	75,369,599	80,820,403	-6.74%
Net profit attributable to equity shareholders of the Company (RMB'000)	1,672,132	4,660,414	-64.12%
Net profit attributable to equity shareholders of the Company excluding non-recurring items (RMB'000)	1,522,252	4,672,075	-67.42%
Return on net assets (weighted average) (%)	5.112	15.080	Decreased by 9.968 percentage points
Basic earnings per share (RMB/share)	0.144	0.431	-66.59%
Diluted earnings per share (RMB/share)	0.144	0.431	-66.59%

Excluded non-recurring items and amount:*Unit: RMB'000*

Item	Amount for the Reporting Period (July to September)	Amount from the beginning of the year to the end of the Reporting Period (January to September)
Losses on disposal of non-current assets	118,642	99,918
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	2,960	15,926
Losses on non-monetary assets transactions	35,324	35,324
Other non-operating income and expenses other than those mentioned above	-23,433	-39,301
Other profit and loss items that meet the definition of non-recurring items	23,002	52,517
Staff reduction fees	-4,889	-18,238
Effect on minority interests (after tax)	-710	280
Tax effect for the items above	-529	3,453
Total	150,367	149,879

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					87,362	
Shareholdings of the top ten shareholders						
Name of shareholder (in full)	Number of shares held at the end of the Reporting Period	Percentage of total shareholding (%)	Number of shares with selling restrictions	Number of shares pledged or frozen		Type of shareholder
				Situation of the shares	Number	
China Petroleum & Chemical Corporation	5,460,000,000	50.44	0	None	0	State-owned legal person
HKSCC (Nominees) Limited	3,455,418,747	31.92	0	Unknown	0	Overseas legal person
China Securities Finance Corporation Limited	324,111,018	2.99	0	None	0	Others
HKSCC Limited	84,048,289	0.78	0	None	0	Others
Central Huijin Investment Ltd.	67,655,800	0.63	0	None	0	Others
GF Fund – Agricultural Bank of China – GF CSI Financial Asset Management Plan	45,222,300	0.42	0	None	0	Others
Dacheng Fund – Agricultural Bank of China – Dacheng CSI Financial Asset Management Plan	43,531,469	0.40	0	None	0	Others
China Asset Fund – Agricultural Bank of China – China Asset CSI Financial Asset Management Plan	43,083,750	0.40	0	None	0	Others
Bosera Fund – Agricultural Bank of China – Bosera CSI Financial Asset Management Plan	43,083,700	0.40	0	None	0	Others
E Fund – Agricultural Bank of China – E Fund CSI Financial Asset Management Plan	43,083,700	0.40	0	None	0	Others

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	3,455,418,747	Overseas listed foreign share	3,455,418,747
China Securities Finance Corporation Limited	324,111,018	RMB common stocks	324,111,018
HKSCC Limited	84,048,289	RMB common stocks	84,048,289
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.		

3. Major Events

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

Unit: RMB'000

	As at 30 September 2019	As at 31 December 2018	Increase/ decrease amount	Change (%)	Major reason for change
Financial assets at fair value including current changes on losses	509,496	2,719,811	(2,210,315)	-81.27	The structural deposits, which are mainly classified as financial assets at fair value including current changes on losses, were substantially reduced.
Accounts payable	(4,735,018)	(7,394,383)	2,659,365	-35.96	The decrease in the balance of accounts payable was mainly due to the decrease of US\$2.56 billion in accounts payable by Shanghai Petrochemical Company to the joint Sinopec Company, which was mainly due to changes in the arrangement of crude oil procurement plans.
Staff salaries and welfares payable	(442,528)	(128,861)	(313,667)	243.41	The balance of staff salaries and welfares payable increased by RMB314 million from the end of the last period, of which the balance of wages and bonuses increased by RMB312 million, mainly due to the increase of accrued bonus for the reporting period.
Taxes payable	(1,364,217)	(4,642,694)	3,278,477	-70.62%	The decrease in taxes payable was mainly due to the large amount of consumption tax at the end of the last period. The sales volume of gasoline, diesel and coal this year was affected by the economic situation and the downturn in the automobile market.

Unit: RMB'000

Item	For the nine-month period ended 31 March		Increase/ decrease amount	Change (%)	Major reason for change
	2019	2018			
Financial expenses - net	(288,237)	(208,631)	(79,606)	38.16	Changes in financial expenses were mainly due to changes in exchange gains and losses, and exchange gains increased by RMB80 million over the last period.
Asset impairment losses	24,788	83,342	(58,554)	-70.26	In the reporting period, there is no significant impairment of long-term assets, so asset impairment losses fell sharply.
Asset disposal income	(135,242)	11,403	(146,645)	-1286.02	Asset disposal income mainly came from Jinyong land purchasing and storage.
Income tax expenses	285,697	1,279,038	(993,341)	-77.66	The decrease in income tax expenses was mainly due to the slash of profit before tax over the same period last year.

4. Appendix

4.1 CONSOLIDATED BALANCE SHEETS AS AT 30 SEPTEMBER 2019

Unit: RMB'000

Items	As at the end of the period (unaudited)	As at the beginning of the year (audited)
Current assets		
Cash at bank and on hand	9,248,010	10,241,893
Financial assets at fair value including current changes on losses	509,496	2,719,811
Derivative financial assets	309	7,468
Notes payable	848,031	789,103
Accounts payable	2,816,064	3,181,142
Advances to suppliers	174,449	72,968
Other receivables	71,970	108,986
Including: Interests receivable	53,542	79,224
Inventories	6,007,979	8,120,875
Assets classified as held for sale	-	24,331
Other current assets	13,634	32,299
Total current assets	19,689,942	25,298,876
Non-current assets		
Long-term equity investments	5,665,311	4,657,133
Investment properties	370,670	376,739
Fixed assets	11,143,885	11,670,453
Construction in progress	1,669,259	1,559,401
Right-of-use assets	47,360	-
Intangible assets	342,292	355,594
Long-term prepaid expenses	440,138	502,689
Deferred tax assets	109,937	119,075
Total non-current assets	19,788,852	19,241,084
Total assets	39,478,794	44,539,960

CONSOLIDATED BALANCE SHEETS (CONTINUED)
AS AT 30 SEPTEMBER 2019

Unit: RMB'000

Items	As at the end of the period (unaudited)	As at the beginning of the year (audited)
Current liabilities		
Short-term borrowings	1,042,600	497,249
Derivative financial liabilities	611	11,005
Notes payable	445,000	-
Accounts payable	4,735,018	7,394,383
Accounts collected in advance	-	453,564
Employee benefits payable	442,528	128,861
Taxes payable	1,364,217	4,642,692
Other payables	911,107	785,260
Including: Interests payable	1,368	5,952
Dividends payable	29,144	26,488
Contract Liabilities	887,042	-
Non-current liabilities due within one year	26,353	-
Total current liabilities	9,854,476	13,913,014
Non-current liabilities		
Lease liabilities	18,722	-
Deferred revenue	145,092	140,442
Total non-current liabilities	163,814	140,442
Total liabilities	10,018,290	14,053,456
Shareholders' equity		
Share capital	10,823,814	10,823,814
Capital surplus	610,327	610,327
Other comprehensive income	6,724	10,389
Specific reserve	56,861	57,135
Surplus reserve	6,237,170	6,237,170
Undistributed profits	11,597,471	12,631,291
Total equity attributable to equity shareholders of the Company	29,332,367	30,370,126
Minority interests	128,137	116,378
Total shareholders' equity	29,460,504	30,486,504
Total liabilities and shareholders' equity	39,478,794	44,539,960

**COMPANY BALANCE SHEETS
AS AT 30 SEPTEMBER 2019**

Unit: RMB'000

Items	As at the end of the period (unaudited)	As at the beginning of the year (audited)
Current assets		
Cash at bank and on hand	7,777,083	9,119,013
Financial assets at fair value including current changes on losses	509,497	2,519,100
Derivative financial assets	-	6,953
Notes receivable	763,947	714,599
Accounts receivable	1,676,068	2,053,409
Advances to suppliers	113,241	68,934
Other receivables	57,611	96,182
Including: Interests receivable	50,565	79,114
Inventories	5,747,092	7,500,683
Total current assets	16,644,539	22,078,873
Non-current assets		
Long-term equity investments	6,758,114	5,762,327
Investment properties	401,511	408,366
Fixed assets	10,942,034	11,459,333
Construction in progress	1,668,228	1,559,401
Right-of-use assets	43,714	-
Intangible assets	302,006	319,877
Long-term prepaid expenses	431,436	493,242
Deferred tax assets	100,922	109,137
Total non-current assets	20,647,965	20,111,683
Total assets	37,292,504	42,190,556

COMPANY BALANCE SHEETS (CONTINUED)
AS AT 30 SEPTEMBER 2019

Unit: RMB'000

Items	As at the end of the period (unaudited)	As at the beginning of the year (audited)
Current liabilities		
Short-term borrowings	1,000,000	431,649
Derivative financial liabilities	-	9,799
Notes payable	445,000	
Accounts payable	3,246,044	5,535,625
Accounts collected in advance	-	411,796
Contract Liabilities	782,056	-
Employee benefits payable	431,126	123,157
Taxes payable	1,349,540	4,608,232
Other payables	881,120	718,847
Including: Interests payable	916	4,225
Dividends payable	29,144	26,488
Non-current liabilities due within one year	24,870	-
Total current liabilities	8,159,756	11,839,105
Non-current liabilities		
Lease liabilities	16,699	-
Deferred revenue	143,762	140,442
Total non-current liabilities	160,461	140,442
Total liabilities	8,320,217	11,979,547
Shareholders' equity		
Share capital	10,823,814	10,823,814
Capital surplus	600,768	600,768
Other comprehensive income	6,724	10,389
Specific reserve	56,836	57,135
Surplus reserve	6,237,170	6,237,170
Undistributed profits	11,246,975	12,481,733
Total shareholders' equity	28,972,287	30,211,009
Total liabilities and shareholders' equity	37,292,504	42,190,556

**4.2 CONSOLIDATED INCOME STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019 (Unaudited)**

Unit: RMB'000

Items	Third quarter of ("3Q")2019	3Q2018	First three quarters of 2019	First three quarters of 2018
Total revenue	23,377,016	28,632,763	75,369,599	80,820,403
Including: Revenue	23,377,016	28,632,763	75,369,599	80,820,403
Total operating cost	23,065,995	27,391,974	74,160,447	75,719,361
Including: Cost of sales	19,156,674	23,325,924	62,821,404	64,033,755
Taxes and surcharges	3,188,715	3,023,482	9,018,863	9,137,920
Selling and distribution expenses	128,952	117,759	389,367	389,205
General and administrative expenses	673,567	959,223	2,189,749	2,367,112
R&D expenses	7,922	-	29,301	-
Financial expenses	-89,835	-34,414	-288,237	-208,631
Add: Other income	460	8,410	3,011	21,962
Investment income ("-" to indicate loss)	189,251	297,992	709,218	933,950
Including: Share of income of associates and joint ventures	225,633	272,502	717,863	914,904
Change in fair value gains ("-" to indicate loss)	5,191	-7,784	-7,250	1,516
Asset impairment losses ("-" to indicate loss)	-	-	-2	-
Asset impairment losses ("-" to indicate loss)	-	-73,142	-24,786	-83,342
Asset disposal income ("-" to indicate loss)	153,966	-8,546	135,242	-11,403

CONSOLIDATED INCOME STATEMENTS(CONTINUED)
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019 (Unaudited)

Unit: RMB '000

Items	3Q2019	3Q2018	First three quarters of 2019	First three quarters of 2018
Operating profit (“-” to indicate loss)	659,889	1,457,719	2,024,585	5,963,725
Add: Non-operating income	2,112	8,010	12,998	40,154
Less: Non-operating expenses	23,045	36,674	39,384	59,667
Total profit (“-” to indicate loss)	638,956	1,429,055	1,998,199	5,944,212
Less: Income tax expenses	70,171	295,366	285,697	1,279,038
Net Profit (“-” to indicate loss)	568,785	1,133,689	1,712,502	4,665,174
Classification by business continuity				
1. Profit from continuing operations (“-” to indicate loss)	568,785	1,133,689	1,712,502	4,665,174
Classification by ownership				
1. Attributable to equity shareholders of the Company (“-” to indicate loss)	534,891	1,136,283	1,672,132	4,660,414
2. Minority interests (“-” to indicate loss)	33,894	-2,594	40,370	4,760
Other comprehensive income, net of tax	-	-	-3,667	-5,063
Total comprehensive income	568,785	1,133,689	1,708,835	4,660,111
Attributable to equity shareholders of the Company	534,891	1,136,283	1,668,465	4,655,351
Minority interests	33,894	-2,594	40,370	4,760
Earnings per share				
Basic earnings per share (RMB)	0.039	0.105	0.144	0.431
Diluted earnings per share (RMB)	0.039	0.105	0.144	0.431

COMPANY INCOME STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019 (Unaudited)

Unit: RMB'000

Items	3Q2019	3Q2018	First three quarters of 2019	First three quarters of 2018
Revenue	19,739,126	20,422,494	58,201,333	59,398,025
Less: Cost of sales	15,580,341	15,178,561	45,896,166	42,820,226
Taxes and surcharges	3,184,365	3,017,357	9,002,880	9,119,957
Selling and distribution expenses	106,167	98,709	321,851	310,364
General and administrative expenses	648,420	925,613	2,109,136	2,270,227
R&D expenses	5,823	-	23,354	-
Financial expenses	-72,706	-63,455	-258,220	-242,124
Add: Other income	342	6,704	1,294	18,485
Investment income (“-” to indicate loss)	209,083	262,976	711,098	882,898
Including: Share of income of associates and joint ventures	208,362	262,976	671,858	872,799
Change in fair value gains (“-” to indicate loss)	5,495	-	-6,757	-
Credit impairment losses (“-” to indicate loss)	-	-	-7	-
Asset impairment losses (“-” to indicate loss)	-	-57,950	-24,786	-68,150
Asset disposal income (“-” to indicate loss)	-3,243	-8,546	-27,015	-11,439
Operating profit (“-” to indicate loss)	498,393	1,468,893	1,759,993	5,941,169
Add: Non-operating income	2,005	7,789	7,141	13,789
Less: Non-operating expenses	23,042	25,321	39,379	37,107
Total profit (“-” to indicate loss)	477,356	1,451,361	1,727,755	5,917,851
Less: Income tax expenses	63,142	296,920	256,560	1,271,473
Net Profit (“-” to indicate loss)	414,214	1,154,441	1,471,195	4,646,378
1. Profit from continuing operations (“-” to indicate loss)	414,214	1,154,441	1,471,195	4,646,378
Other comprehensive income, net of tax	-	-	-3,667	-5,063
Total comprehensive income	414,214	1,154,441	1,467,528	4,641,315

**4.3 CONSOLIDATED CASH FLOW STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019 (Unaudited)**

Unit: RMB'000

Items	First three quarters of 2019	First three quarters of 2018
1. Cash flows from operating activities		
Cash received from sales of goods or rendering of services	82,838,287	88,657,753
Refund of taxes and surcharges	1,498	53,650
Cash received relating to other operating activities	142,416	49,317
Sub-total of cash inflows	82,982,201	88,760,720
Cash paid for goods and services	67,619,497	69,932,197
Cash paid to and on behalf of employees	1,917,525	1,836,820
Payments of taxes and surcharges	13,437,183	13,315,993
Cash paid relating to other operating activities	422,624	340,486
Sub-total of cash outflows	83,396,829	85,425,496
Net cash flows (used in)/ generated from operating activities	-414,628	3,335,224
2. Cash flows from investing activities		
Cash received from entrusted lending	2,753,630	12,000
Cash received from returns on investments	87,469	811,442
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	214,370	210,585
Net cash received from disposal of subsidiaries and other operating units	-404	9,600
Cash received relating to other investing activities	3,434,755	3,299,675
Sub-total of cash inflows	6,489,820	4,343,302
Cash paid to acquire fixed assets, intangible assets and other long-term assets	937,712	569,996
Cash paid to entrusted lending	753,184	21,304
Cash paid to other related investment activities	7,625,416	2,781,897
Sub-total of cash outflows	9,316,312	3,373,197
Net cash flows generated from/ (used in) operating activities.	-2,826,492	970,105

CONSOLIDATED CASH FLOW STATEMENTS (CONTINUED)
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019 (Unaudited)

Unit: RMB'000

Items	First three quarters of 2019	First three quarters of 2018
3. Cash flows from financing activities		
Cash received from the investment	-	37,102
Cash received from borrowings	3,730,100	2,519,859
Sub-total of cash inflows	3,730,100	2,556,961
Cash repayments of borrowings	3,184,749	1,261,157
Cash paid for distribution of dividends or profits and interest expenses	2,733,816	3,306,554
Cash paid for other financing activities	76,925	-
Sub-total of cash outflows	5,995,490	4,567,711
Net cash flows generated from financing activities	-2,265,390	-2,010,750
4. Effect of foreign exchange rate changes on cash and cash equivalents	12,627	16,986
5. Net increase in cash and cash equivalents	-5,493,883	2,311,565
Add: Cash and cash equivalents at beginning of the period	8,241,893	7,504,266
6. Cash and cash equivalents at end of the period	2,748,010	9,815,831

CASH FLOW STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019 (Unaudited)

Unit: RMB'000

Items	First three quarters of 2019	First three quarters of 2018
1. Cash flows from operating activities		
Cash received from sales of goods or rendering of services	64,505,401	67,070,300
Refund of taxes and surcharges	-	9,886
Cash received relating to other operating activities	171,983	20,088
Sub-total of cash inflows	64,677,384	67,100,274
Cash paid for goods and services	49,603,020	48,402,777
Cash paid to and on behalf of employees	1,804,996	1,629,076
Payments of taxes and surcharges	13,318,250	13,270,521
Cash paid relating to other operating activities	253,141	296,541
Sub-total of cash outflows	64,979,407	63,598,915
Net cash flows (used in)/ generated from operating activities	-302,023	3,501,359
2. Cash flows from investing activities		
Cash received from the recovery of investments	2,552,461	-
Cash received from investment income	36,958	768,606
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	65,313	3,705
Cash received relating to other investing activities	3,412,340	3,272,662
Sub-total of cash inflows	6,067,072	4,044,973
Cash paid to acquire fixed assets, intangible assets and other long-term assets	925,218	584,517
Cash paid to investment activities	827,943	-
Cash paid to other related investment activities	7,613,200	2,800,000
Sub-total of cash outflows	9,366,361	3,384,517
Net cash flows used in investing activities	-3,299,289	660,456

CASH FLOW STATEMENTS (CONTINUED)
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019 (Unaudited)

Unit: RMB'000

Items	First three quarters of 2019	First three quarters of 2018
3. Cash flows from financing activities		
Cash received from the investment	-	37,102
Cash received from borrowings	3,700,000	2,421,159
Sub-total of cash inflows	3,700,000	2,458,261
Cash repayments of borrowings	3,131,649	1,178,000
Cash paid for distribution of dividends or profits and interest expenses	2,734,015	3,297,097
Cash paid for related financing activities	74,954	-
Sub-total of cash outflows	5,940,618	4,475,097
Net cash flows generated from financing activities	-2,240,618	-2,016,836
4. Effect of foreign exchange rate changes on cash and cash equivalents	-	-
5. Net increase in cash and cash equivalents	-5,841,930	2,144,979
Add: Cash and cash equivalents at beginning of the period	7,119,013	6,268,493
6. Cash and cash equivalents at end of the period	1,277,083	8,413,472

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

Items	31 Dec 2018	1 Jan 2019	Adjusted Data
Current assets			
Cash at bank and on hand	10,241,893	10,241,893	
Financial assets at fair value including current changes on losses	2,719,811	2,719,811	
Derivative financial assets	7,468	7,468	
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	
Including: Interests receivable	79,224	79,224	
Inventories	8,120,875	8,120,875	
Assets classified as held for sale	24,331	24,331	
Other current assets	32,299	32,299	
Total current assets	25,298,876	25,298,768	-108
Non-current assets			
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	
Total non-current assets	19,241,084	19,317,825	76,741
Total assets	44,539,960	44,616,593	76,633

CONSOLIDATED BALANCE SHEETS (CONTINUED)

Unit: RMB'000

Items	31 Dec 2018	1 Jan 2019	Adjusted Data
Current liabilities			
Short-term borrowings	497,249	497,249	
Derivative financial liabilities	11,005	11,005	
Accounts payable	7,394,383	7,394,383	
Accounts collected in advance	453,564	-	-453,564
Employee benefits payable	128,861	128,861	
Taxes payable	4,642,692	4,642,692	
Other payables	785,260	785,260	
Including: Interests payable	5,952	5,952	
Dividends payable	26,488	26,488	
Contract Liabilities	-	453,564	453,564
Total current liabilities	13,913,014	13,913,014	
Non-current liabilities			
Lease liabilities	-	76,633	76,633
Deferred revenue	140,442	140,442	
Total non-current liabilities	140,442	217,075	76,633
Total liabilities	14,053,456	14,130,089	76,633
Shareholders' equity			
Share capital	10,823,814	10,823,814	
Capital surplus	610,327	610,327	
Other comprehensive income	10,389	10,389	
Specific reserve	57,135	57,135	
Surplus reserve	6,237,170	6,237,170	
Undistributed profits	12,631,291	12,631,291	
Total equity attributable to equity shareholders of the Company	30,370,126	30,370,126	
Minority interests	116,378	116,378	
Total shareholders' equity	30,486,504	30,486,504	
Total liabilities and shareholders' equity	44,539,960	44,616,593	76,633

COMPANY BALANCE SHEETS

Unit: RMB'000

Items	31 Dec 2018	1 Jan 2019	Adjusted Data
Current assets			
Cash at bank and on hand	9,119,013	9,119,013	
Financial assets at fair value including current changes on losses	2,519,100	2,519,100	
Derivative financial assets	6,953	6,953	
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	
Including: Interests receivable	79,114	79,114	
Inventories	7,500,683	7,500,683	
Total current assets	22,078,873	22,078,765	-108
Non-current assets			
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	
Total non-current assets	20,111,683	20,185,794	74,111
Total assets	42,190,556	42,264,559	74,003

COMPANY BALANCE SHEETS (CONTINUED)

Unit: RMB'000

Items	31 Dec 2018	1 Jan 2019	Adjusted Data
Current liabilities			
Short-term borrowings	431,649	431,649	
Derivative financial liabilities	9,799	9,799	
Notes payable	5,535,625	5,535,625	
Accounts collected in advance	411,796	-	-411,796
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	
Including: Interests payable	4,225	4,225	
Dividends payable	26,488	26,488	
Total current liabilities	11,839,105	11,839,105	
Non-current liabilities			
Lease liabilities	-	74,003	74,003
Deferred revenue	140,442	140,442	
Total non-current liabilities	140,442	214,445	74,003
Total liabilities	11,979,547	12,053,550	74,003
Shareholders' equity			
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	
Total shareholders' equity	30,211,009	30,211,009	
Total liabilities and shareholders' equity	42,190,556	42,264,559	74,003

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 1 January 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, 23 October 2019

As at the date of this announcement, the executive directors of the Company are Wu Haijun, Shi Wei, Jin Qiang, Guo Xiaojun, Zhou Meiyun and Jin Wenmin; the non-executive directors of the Company are Lei Dianwu and Mo Zhenglin; and the independent non-executive directors of the Company are Zhang Yimin, Liu Yunhong, Du Weifeng and Li Yuanqin.