

SINOPEC SHANGHAI PETROCHEMICAL CO LTD

Form 6-K

October 26, 2018

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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 October 2018

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 2018 Third 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: October 25, 2018

By: /s/ Shi Wei

Name: Shi Wei

Title: President

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Exhibit 99.1

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

(Stock Code: 00338)

2018 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 2018 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 twelfth meeting of the ninth session of the Board, and have considered and adopted the 2018 third quarterly report at the meeting.

1.3 Mr. Wu Haijun, Chairman and the responsible person of the Company, Mr. Zhou Meiyun, Executive Director, Vice President and Chief Financial Officer overseeing the accounting operations, and Mr. Zhang Feng, person-in-charge of Accounting Department (Accounting Chief) and Director of Finance Department 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 2018 third quarterly report was prepared under the China Accounting Standards for Business Enterprises and was unaudited.

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) | 42,247,772 | 39,609,536 | 6.66 |
| Total equity attributable to equity shareholders of the Company (RMB 000) | 29,734,305 | 28,256,306 | 5.23 |
| | 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 (%) (January to September) |
| Net cash flows generated from operating activities (RMB 000) | 3,335,224 | 5,068,803 | -34.20 |
| | 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 (%)(January to September) |
| Revenue (RMB 000) | 80,820,403 | 68,157,618 | 18.58 |
| Net profit attributable to equity shareholders of the Company (RMB 000) | 4,660,414 | 4,101,491 | 13.63 |
| Net profit attributable to equity shareholders of the Company excluding non- recurring items (RMB 000) | 4,672,075 | 4,124,954 | 13.26 |
| Return on net assets (weighted average) (%) | 15.080 | 14.654 | Increased by 0.426 percentage points |
| Basic earnings per share (RMB/share) | 0.431 | 0.381 | 13.12 |
| Diluted earnings per share (RMB/share) | 0.431 | 0.380 | 13.42 |

Table of Contents**Excluded non-recurring items and amount:**

Unit: RMB 000

| Item | Amount for the Reporting Period (July to September) | Amount for the period from the beginning of the year to the end of the Reporting Period (January to September) |
|--|--|---|
| Net losses on disposal of non-current assets | 14,260 | 11,403 |
| Tax relief and reduction with approval exceeding authority or without formal approval or of non-recurring nature | | |
| Government grants recognised 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 | 10,975 | 56,289 |
| Other gain or loss items falling within the definition of exceptional items | -31,230 | -53,841 |
| Employee reduction expenses | -14,142 | -27,155 |
| Income from forward exchange contracts | 16,869 | 18,103 |
| Income of investment disposal counted in the income statement | -679 | 943 |
| Income from external entrusted loans | -2 | 11 |
| Effect on minority interests (after tax) | 429 | -5,208 |
| Tax effect for the items above | -5,004 | -269 |
| Total | -8,524 | 276 |

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 | | | | | | | 90,001 |
|---|--|---|--|--|--------|-------------------------|--------|
| 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 Situation of the shares | Number | Type of shareholder | |
| China Petroleum & Chemical Corporation | 5,460,000,000 | 50.44 | 0 | Nil | | State-owned enterprise | |
| HKSCC (Nominees) Limited | 3,458,236,821 | 31.95 | 0 | Unknown | | legal person Foreign | |
| China Securities Finance Corporation Limited | 323,632,242 | 2.99 | 0 | Nil | | legal person Others | |
| Central Huijin Investment Ltd. | 67,655,800 | 0.63 | 0 | Nil | | Others | |
| HKSCC Limited | 57,862,847 | 0.53 | 0 | Nil | | Foreign legal person | |
| GF Fund Agricultural Bank of China GF CSI Financial Asset Management Plan | 45,222,300 | 0.42 | 0 | Nil | | Others | |
| Dacheng Fund Agricultural Bank of China Dacheng CSI Financial Asset Management Plan | 43,531,469 | 0.40 | 0 | Nil | | Others | |
| China Asset Fund Agricultural Bank of China China Asset CSI Financial Asset Management Plan | 43,083,750 | 0.40 | 0 | Nil | | Others | |
| Bosera Fund Agricultural Bank of China Bosera CSI Financial Asset Management Plan | 43,083,700 | 0.40 | 0 | Nil | | Others | |
| E Fund Agricultural Bank of China E Fund CSI Financial Asset Management Plan | 43,083,700 | 0.40 | 0 | Nil | | Others | |

Table of Contents**Shareholdings of the top ten shareholders of Unrestricted Shares**

| Name of shareholder (in full) | Number of unrestricted shares held at the end of the Reporting Period | Number of shares pledged or frozen | |
|---|--|------------------------------------|---------------|
| | | Type of the shares | Number |
| China Petroleum & Chemical Corporation | 5,460,000,000 | RMB ordinary shares | 5,460,000,000 |
| HKSCC (Nominees) Limited | 3,458,236,821 | Overseas listed foreign shares | 3,458,236,821 |
| China Securities Finance Corporation Limited | 323,632,242 | RMB ordinary shares | 323,632,242 |
| Central Huijin Investment Ltd. | 67,655,800 | RMB ordinary shares | 67,655,800 |
| HKSCC Limited | 57,862,847 | RMB ordinary shares | 57,862,847 |
| GF Fund Agricultural Bank of China GF CSI Financial Asset Management Plan | 45,222,300 | RMB ordinary shares | 45,222,300 |
| Dacheng Fund Agricultural Bank of China Dacheng CSI Financial Asset Management Plan | 43,531,469 | RMB ordinary shares | 43,531,469 |
| China Asset Fund Agricultural Bank of China China Asset CSI Financial Asset Management Plan | 43,083,750 | RMB ordinary shares | 43,083,750 |
| Bosera Fund Agricultural Bank of China Bosera CSI Financial Asset Management Plan | 43,083,700 | RMB ordinary shares | 43,083,700 |
| E Fund Agricultural Bank of China E Fund CSI Financial Asset Management Plan | 43,083,700 | RMB ordinary shares | 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 (Sinopec Corp.), a state-owned enterprise legal person, does not have any connected relationship with the other shareholders, and is not an act-in-concert party of the other shareholders under the Administration Measures on Acquisition of Listed Companies . Among the above-mentioned shareholders, HKSCC (Nominees) Limited and HKSCC Limited are nominee shareholders. Apart from the above, the Company is not aware of any other connected relationships among the other shareholders, or any act-in-concert parties under the Administration Measures on the 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*

| Item | As at 30 September 2018 | As at 31 December 2017 | Increase/ decrease amount | Change (%) | Major reason for change |
|--------------------------|--|---------------------------------------|--|-----------------------|---|
| Cash at bank and on hand | 11,615,831 | 9,504,266 | 2,111,565 | 22.22 | Increase in profit and cash generated from operating activities in the Reporting Period |
| Other payables | 101,041 | 126,545 | (25,504) | -20.15 | Withdrawal of payments against Jinyon in the Reporting Period |
| Construction in progress | 1,150,693 | 966,485 | 184,208 | 19.06 | Increase in general construction expenditure in the Reporting Period |
| Staff salaries payable | 345,192 | 123,959 | 221,233 | 178.47 | Increase in the amount of bonuses accrued in the Reporting Period |
| Advances from customers | 1,000,318 | 477,273 | 523,045 | 109.59 | The purchase amount of non-related parties increased at the end of the reporting period |

Unit: RMB 000

| Item | For the nine-month period ended 30 September | | Increase/ decrease amount | Change (%) | Major reason for change |
|-------------|---|-------------|--|-----------------------|---|
| | 2018 | 2017 | | | |
| Revenue | 80,820,403 | 68,157,618 | 12,662,785 | 18.58 | Increase in petrochemical product prices and growth of oil sector |

| | | | | | |
|---|------------|------------|------------|--------|---|
| Cost of sales | 64,033,755 | 51,614,139 | 12,419,616 | 24.06 | business Increase in the cost of crude oil and other raw materials |
| Net cash flow from operating activities | 3,265,184 | 4,909,548 | -1,644,364 | -33.49 | The prices of major raw materials were affected by fluctuations in international oil prices |
| Financial expenses net value | 208,631 | 137,971 | 70,660 | 51.21 | Interest income increased significantly in the Reporting Period |
| Investment income | 933,950 | 848,278 | 85,672 | 10.10 | Increase in profit of SECCO in the Reporting Period |

Table of Contents**4. Appendix****4.1 CONSOLIDATED BALANCE SHEETS
AS AT 30 SEPTEMBER 2018***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 | 11,615,831 | 9,504,266 |
| Notes receivable and Accounts receivable | 3,976,193 | 3,426,439 |
| Including, Notes receivable | 1,160,668 | 1,151,053 |
| Accounts receivable | 2,815,525 | 2,275,386 |
| Advances to suppliers | 360,183 | 27,537 |
| Other receivables | 123,352 | 71,550 |
| Including, Interests receivable | 93,319 | 52,993 |
| Dividend receivable | 2,775 | 0 |
| Inventories | 7,045,655 | 6,597,598 |
| Non-current assets due within one year | 228,711 | 238,661 |
| Total current assets | 23,349,925 | 19,866,051 |
| Non-current assets | | |
| Long-term equity investments | 4,697,744 | 4,592,044 |
| Investment properties | 380,370 | 391,266 |
| Fixed assets | 11,825,996 | 12,892,501 |
| Construction in progress | 1,185,997 | 1,001,118 |
| Intangible assets | 384,359 | 397,661 |
| Long-term prepaid expenses | 310,738 | 349,588 |
| Deferred tax assets | 112,643 | 119,307 |
| Total non-current assets | 18,897,847 | 19,743,485 |
| Total assets | 42,247,772 | 39,609,536 |

Table of Contents**CONSOLIDATED BALANCE SHEETS (CONTINUED)****AS AT 30 SEPTEMBER 2018***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 | 1,866,355 | 606,157 |
| Financial liabilities measured at fair value through profit or loss | 0 | 1,516 |
| Notes payable and Accounts payable | 5,912,269 | 5,573,281 |
| Advances from customers | 1,000,318 | 477,273 |
| Employee benefits payable | 345,192 | 123,959 |
| Taxes payable | 1,863,972 | 3,290,036 |
| Other payables | 1,097,521 | 850,022 |
| Including, Interest payable | 2,040 | 864 |
| Dividends payable | 26,872 | 23,686 |
| Non-current liabilities due within one year | 851 | 0 |
| Total current liabilities | 12,086,478 | 10,922,244 |
| Non-current liabilities | | |
| Deferred revenue | 143,379 | 145,679 |
| Total non-current liabilities | 143,379 | 145,679 |
| Total liabilities | 12,229,857 | 11,067,923 |
| Shareholders equity | | |
| Share capital | 10,823,814 | 10,814,177 |
| Capital surplus | 615,761 | 586,307 |
| Other comprehensive income | 12,341 | 17,403 |
| Specific reserve | 30,700 | 0 |
| Surplus reserve | 5,727,624 | 5,727,624 |
| Undistributed profits | 12,524,065 | 11,110,795 |
| Total equity attributable to equity shareholders of the Company | 29,734,305 | 28,256,306 |
| Minority interests | 283,610 | 285,307 |
| Total shareholders equity | 30,017,915 | 28,541,613 |
| Total liabilities and shareholders equity | 42,247,772 | 39,609,536 |

Table of Contents**COMPANY BALANCE SHEETS****AS AT 30 SEPTEMBER 2018***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 | 10,213,472 | 8,268,493 |
| Notes receivable and Accounts receivable | 2,584,782 | 2,573,172 |
| Including, Notes receivable | 950,573 | 815,227 |
| Accounts receivable | 1,634,209 | 1,757,945 |
| Advances to suppliers | 351,016 | 20,931 |
| Other receivables | 101,042 | 126,546 |
| Including, Interests receivable | 92,194 | 51,115 |
| Inventories | 6,175,599 | 5,971,505 |
| Non-current assets due within one year | 195,081 | 212,834 |
| Total current assets | 19,620,992 | 17,173,481 |
| Non-current assets | | |
| Long-term equity investments | 5,820,446 | 5,711,216 |
| Investment properties | 412,549 | 423,941 |
| Fixed assets | 11,595,783 | 12,644,706 |
| Construction in progress | 1,185,997 | 1,000,924 |
| Intangible assets | 323,037 | 332,518 |
| Long-term prepaid expenses | 301,002 | 338,837 |
| Deferred tax assets | 100,891 | 111,929 |
| Total non-current assets | 19,739,705 | 20,564,071 |
| Total assets | 39,360,697 | 37,737,552 |

Table of Contents**COMPANY BALANCE SHEETS (CONTINUED)****AS AT 30 SEPTEMBER 2018***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 | 1,762,655 | 518,000 |
| Financial liabilities measured at fair value through profit or loss | | |
| Notes payable and Accounts payable | 3,626,437 | 4,129,720 |
| Advances from customers | 932,147 | 407,092 |
| Employee benefits payable | 334,207 | 30,411 |
| Taxes payable | 1,851,125 | 3,240,971 |
| Other payables | 958,306 | 977,203 |
| Including, Interest payable | 1,517 | 738 |
| Dividends payable | 26,872 | 23,686 |
| Total current liabilities | 9,464,877 | 9,303,397 |
| Non-current liabilities | | |
| Deferred revenue | 143,379 | 145,679 |
| Total non-current liabilities | 143,379 | 145,679 |
| Total liabilities | 9,608,256 | 9,449,076 |
| Shareholders equity | | |
| Share capital | 10,823,814 | 10,814,177 |
| Capital surplus | 615,761 | 586,307 |
| Other comprehensive income | 12,341 | 17,403 |
| Specific reserve | 30,700 | 0 |
| Surplus reserve | 5,727,625 | 5,727,624 |
| Undistributed profits | 12,542,200 | 11,142,965 |
| Total shareholders equity | 29,752,441 | 28,288,476 |
| Total liabilities and shareholders equity | 39,360,697 | 37,737,552 |

Table of Contents**4.2 CONSOLIDATED INCOME STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2018 (Unaudited)***Unit: RMB 000*

| Items | Nine months ended 30 September | |
|---|---------------------------------------|------------------|
| | 2018 | 2017 |
| Total Revenue | 80,820,403 | 68,157,618 |
| Including: Revenue | 80,820,403 | 68,157,618 |
| Total cost | 75,802,703 | 63,795,370 |
| Including: Cost of sales | 64,033,755 | 51,614,139 |
| Taxes and surcharges | 9,137,920 | 9,576,364 |
| Selling and distribution expenses | 389,205 | 347,316 |
| General and administrative expenses | 2,367,112 | 2,309,150 |
| Financial expenses | -208,631 | -137,971 |
| Asset impairment losses | 83,342 | 86,372 |
| Add: Other income | 21,962 | 25,705 |
| Investment income(- to indicate loss) | 933,950 | 848,278 |
| Including: Share of income of associates and joint ventures | 914,904 | 837,840 |
| Change in fair value gains (- to indicate loss) | 1,516 | 0 |
| Asset disposal income (- to indicate loss) | -11,403 | -6,939 |
| Operating profit (- to indicate loss) | 5,963,725 | 5,229,292 |
| Add: Non-operating income | 40,154 | 10,880 |
| Less: Non-operating expenses | 59,667 | 38,369 |
| Total profit (- to indicate loss) | 5,944,212 | 5,201,803 |
| Less: Income tax expenses | 1,279,038 | 1,090,809 |
| Net Profit (- to indicate loss) | 4,665,174 | 4,110,994 |
| Classified by continuity of operations | | |
| Net profit from continuing operation (- to indicate loss) | 4,665,174 | 4,110,994 |
| Classified by ownership of the equity | | |
| Attributable to equity shareholders of the Company | 4,660,414 | 4,101,491 |
| Minority interests | 4,760 | 9,503 |
| Other comprehensive income, net of tax | -5,063 | -552 |
| Total comprehensive income | 4,660,111 | 4,110,442 |
| Attributable to equity shareholders of the | | |
| Company | 4,655,351 | 4,100,939 |
| Minority interests | 4,760 | 9,503 |
| Earnings per share | | Unit: RMB |
| Basic earnings per share (RMB) | 0.431 | 0.381 |
| Diluted earnings per share (RMB) | 0.431 | 0.380 |

Table of Contents**COMPANY INCOME STATEMENTS****FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2018 (Unaudited)***Unit: RMB 000*

| Items | Nine months ended 30 September | |
|---|---------------------------------------|------------------|
| | 2018 | 2017 |
| Revenue | 59,398,025 | 48,632,557 |
| Less: Cost of sales | 42,820,226 | 32,269,533 |
| Taxes and surcharges | 9,119,957 | 9,559,562 |
| Selling and distribution expenses | 310,364 | 274,010 |
| General and administrative expenses | 2,270,227 | 2,206,250 |
| Financial expenses - net | -242,124 | -140,126 |
| Asset impairment losses | 68,150 | 100,412 |
| Add: Other income | 18,485 | 22,444 |
| Investment income (- to indicate loss) | 882,898 | 810,124 |
| Including: Share of income of associates and joint ventures | 872,799 | 803,391 |
| Asset disposal income(- to indicate loss) | -11,439 | -7,464 |
| Operating profit(- to indicate loss) | 5,941,169 | 5,188,020 |
| Add: Non-operating income | 13,789 | 9,533 |
| Less: Non-operating expenses | 37,107 | 38,174 |
| Total profit(- to indicate loss) | 5,917,851 | 5,159,379 |
| Less: Income tax expenses | 1,271,473 | 1,078,357 |
| Net Profit(- to indicate loss) | 4,646,378 | 4,081,022 |
| Net profit from continuing operation (- to indicate loss) | 4,646,378 | 4,081,022 |
| Other comprehensive income, net of tax | -5,063 | -552 |
| Total comprehensive income | 4,641,315 | 4,080,470 |

Table of Contents**CONSOLIDATED INCOME STATEMENTS****FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2018 (Unaudited)***Unit: RMB 000*

| Items | Three months ended 30 September | |
|---|--|------------------|
| | 2018 | 2017 |
| Total Revenue | 28,632,763 | 25,050,668 |
| Including: Revenue | 28,632,763 | 25,050,668 |
| Total cost | 27,465,116 | 23,364,990 |
| Including: Cost of sales | 23,325,924 | 18,772,168 |
| Taxes and surcharges | 3,023,482 | 3,571,091 |
| Selling and distribution expenses | 117,759 | 124,542 |
| General and administrative expenses | 959,223 | 896,091 |
| Financial expenses | -34,414 | -49,132 |
| Asset impairment losses | 73,142 | 50,230 |
| Add: Other income | 8,410 | 25,705 |
| Investment income(- to indicate loss) | 297,992 | 288,210 |
| Including: Share of income of associates and joint ventures | 272,502 | 277,772 |
| Change in fair value gains(- to indicate loss) | -7,784 | 0 |
| Asset disposal income(- to indicate loss) | -8,546 | -1,809 |
| Operating profit (- to indicate loss) | 1,457,719 | 1,997,784 |
| Add: Non-operating income | 8,010 | -22,083 |
| Less: Non-operating expenses | 36,674 | 25,124 |
| Total profit (- to indicate loss) | 1,429,055 | 1,950,577 |
| Less: Income tax expenses | 295,366 | 419,736 |
| Net Profit (- to indicate loss) | 1,133,689 | 1,530,841 |
| Classified by continuity of operations | | |
| Net profit from continuing operation (- to indicate loss) | 1,133,689 | 1,530,841 |
| Classified by ownership of the equity | | |
| Attributable to equity shareholders of the Company | 1,136,283 | 1,526,012 |
| Minority interests | -2,594 | 4,829 |
| Other comprehensive income, net of tax | 0 | 0 |
| Total comprehensive income | 1,133,689 | 1,530,841 |
| Attributable to equity shareholders of the Company | 1,136,283 | 1,526,012 |
| Attributable to minority shareholders | -2,594 | 4,829 |
| Earnings per share | | Unit: RMB |
| Basic earnings per share (RMB) | 0.105 | 0.142 |
| Diluted earnings per share (RMB) | 0.105 | 0.142 |

Table of Contents**COMPANY INCOME STATEMENTS****FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2018 (Unaudited)***Unit: RMB 000*

| Items | Three months ended 30 September | |
|---|--|------------------|
| | 2018 | 2017 |
| Revenue | 20,422,494 | 18,094,113 |
| Less: Cost of sales | 15,178,561 | 11,881,961 |
| Taxes and surcharges | 3,017,357 | 3,563,923 |
| Selling and distribution expenses | 98,709 | 99,810 |
| General and administrative expenses | 925,613 | 861,309 |
| Financial expenses - net | -63,455 | -48,104 |
| Asset impairment losses | 57,950 | 50,230 |
| Add: Other income | 6,704 | 22,444 |
| Investment income(- to indicate loss) | 262,976 | 270,897 |
| Including: Share of income of associates and joint ventures | 262,976 | 264,164 |
| Asset disposal income(- to indicate loss) | -8,546 | -2,107 |
| Operating profit(- to indicate loss) | 1,468,893 | 1,976,218 |
| Add: Non-operating income | 7,789 | -19,024 |
| Less: Non-operating expenses | 25,321 | 25,295 |
| Total profit(- to indicate loss) | 1,451,361 | 1,931,899 |
| Less: Income tax expenses | 296,920 | 414,722 |
| Net Profit(- to indicate loss) | 1,154,441 | 1,517,177 |
| Net profit from continuing operation (- to indicate loss) | 1,154,441 | 1,517,177 |
| Other comprehensive income, net of tax | 0 | 0 |
| Total comprehensive income | 1,154,441 | 1,517,177 |

Table of Contents**4.3 CONSOLIDATED CASH FLOW STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2018 (Unaudited)***Unit: RMB 000*

| Items | Nine months ended 30 September | |
|---|--------------------------------|-------------------|
| | 2018 | 2017 |
| Cash flows from operating activities | | |
| Cash received from sales of goods or rendering of services | 88,657,753 | 75,576,811 |
| Refund of taxes and surcharges | 53,650 | 71,688 |
| Cash received relating to other operating activities | 49,317 | 29,735 |
| Sub-total of cash inflows | 88,760,720 | 75,678,234 |
| Cash paid for goods and services | 69,932,197 | 55,904,482 |
| Cash paid to and on behalf of employees | 1,836,820 | 1,691,162 |
| Payments of taxes and surcharges | 13,315,993 | 12,623,839 |
| Cash paid relating to other operating activities | 340,486 | 389,948 |
| Sub-total of cash outflows | 85,425,496 | 70,609,431 |
| Net cash flows generated from operating activities | 3,335,224 | 5,068,803 |
| Cash flows from investing activities | | |
| Cash received from entrusted lending | 12,000 | 48,000 |
| Cash received from returns on investments | 811,442 | 479,632 |
| Net cash received from disposal of fixed assets, intangible assets and other long-term assets | 210,585 | 1,848 |
| Proceeds from disposal of subsidiary and other business entities | 9,600 | 641,365 |
| Cash received relating to other investing activities | 3,299,675 | 10,438 |
| Sub-total of cash inflows | 4,343,302 | 1,181,283 |
| Cash paid to acquire fixed assets, intangible assets and other long-term assets | 569,996 | 772,187 |
| Cash paid to entrusted lending | 21,304 | 12,000 |
| Cash paid to other related investment activities | 2,781,897 | 1,500,000 |
| Sub-total of cash outflows | 3,373,197 | 2,284,187 |
| Net cash flows generated from investing activities | 970,105 | -1,102,904 |

Table of Contents**CONSOLIDATED CASH FLOW STATEMENTS (Continue)****FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2018 (Unaudited)***Unit: RMB 000*

| Items | Nine months ended 30 September | |
|---|---------------------------------------|-------------------|
| | 2018 | 2017 |
| Cash flows from financing activities | | |
| Cash received from the investment | 37,102 | 54,580 |
| Including: cash inflows from minority investment in subsidiaries | 0 | 54,580 |
| Cash received from borrowings | 2,519,859 | 111,647 |
| Sub-total of cash inflows | 2,556,961 | 166,227 |
| Cash repayments of borrowings | 1,261,157 | 59,422 |
| Cash paid for distribution of dividends or profits and interest expenses | 3,306,554 | 2,717,134 |
| Sub-total of cash outflows | 4,567,711 | 2,776,556 |
| Net cash flows generated from financing activities | -2,010,750 | -2,610,329 |
| Effect of foreign exchange rate changes on cash and cash equivalents | 16,986 | -3,263 |
| Net increase in cash and cash equivalents | 2,311,565 | 1,352,307 |
| Add: Cash and cash equivalents at beginning of the period | 7,504,266 | 5,440,623 |
| Cash and cash equivalents at end of the period | 9,815,831 | 6,792,930 |

Table of Contents**CASH FLOW STATEMENTS****FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2018 (Unaudited)***Unit: RMB 000*

| Items | Nine months ended 30 September | |
|---|---------------------------------------|-------------------|
| | 2018 | 2017 |
| Cash flows from operating activities | | |
| Cash received from sales of goods or rendering of services | 67,070,300 | 55,130,684 |
| Refund of taxes and surcharges | 9,886 | 23,383 |
| Cash received relating to other operating activities | 20,088 | 24,477 |
| Sub-total of cash inflows | 67,100,274 | 55,178,544 |
| Cash paid for goods and services | 48,402,777 | 35,542,670 |
| Cash paid to and on behalf of employees | 1,629,076 | 1,569,002 |
| Payments of taxes and surcharges | 13,270,521 | 12,567,177 |
| Cash paid relating to other operating activities | 296,541 | 414,158 |
| Sub-total of cash outflows | 63,598,915 | 50,093,007 |
| Net cash flows generated from operating activities | 3,501,359 | 5,085,537 |
| Cash flows from investing activities | | |
| Cash received from returns on investments | 768,606 | 448,131 |
| Net cash received from disposal of fixed assets, intangible assets and other long-term assets | 3,705 | 1,129 |
| Cash received relating to other investing activities | 3,272,662 | 625,353 |
| Sub-total of cash inflows | 4,044,973 | 1,074,613 |
| Cash paid to acquire fixed assets, intangible assets and other long-term assets | 584,517 | 771,229 |
| Cash paid to other related investment activities | 2,800,000 | 1,500,000 |
| Sub-total of cash outflows | 3,384,517 | 2,271,229 |
| Net cash flows used in investing activities | 660,456 | -1,196,616 |

Table of Contents**CASH FLOW STATEMENTS (Continue)****FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2018 (Unaudited)***Unit: RMB 000*

| Items | Nine months ended 30 September | |
|---|---------------------------------------|-------------------|
| | 2018 | 2017 |
| Cash flows from financing activities | | |
| Cash received from the investment | 37,102 | 54,580 |
| Cash received from borrowings | 2,421,159 | 18,000 |
| Sub-total of cash inflows | 2,458,261 | 72,580 |
| Cash repayments of borrowings | 1,178,000 | 72,000 |
| Cash paid for distribution of dividends or profits and interest expenses | 3,297,097 | 2,708,824 |
| Sub-total of cash outflows | 4,475,097 | 2,780,824 |
| Net cash flows used in financing activities | -2,016,836 | -2,708,244 |
| Effect of foreign exchange rate changes on cash and cash equivalents | 0 | -562 |
| Net increase in cash and cash equivalents | 2,144,979 | 1,180,115 |
| Add: Cash and cash equivalents at beginning of the period | 6,268,493 | 4,421,143 |
| Cash and cash equivalents at end of the period | 8,413,472 | 5,601,258 |

By Order of the Board

Sinopec Shanghai Petrochemical Company Limited**Guo Xiaojun***Joint Company Secretary*

Shanghai, the PRC, 25 October 2018