

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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)

## **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.

## 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

**Excluded non-recurring items and amount:**

Unit: RMB'000

<b>Item</b>	<b>Amount for the Reporting Period (July to September)</b>	<b>Amount for the period from the beginning of the year to the end of the Reporting Period (January to September)</b>
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
<b>Total</b>	<b>-8,524</b>	<b>276</b>

**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		Type of shareholder
				Situation of the shares	Number	
China Petroleum & Chemical Corporation	5,460,000,000	50.44	0	Nil	-	State-owned enterprise legal person
HKSCC (Nominees) Limited	3,458,236,821	31.95	0	Unknown	-	Foreign legal person
China Securities Finance Corporation Limited	323,632,242	2.99	0	Nil	-	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
<b>Shareholdings of the top ten shareholders of Unrestricted Shares</b>						
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	43,083,700	RMB ordinary shares		43,083,700		

Management Plan			
Explanation of the connected relationship or acting in concert relationship of the above shareholders	<p>Among the above-mentioned shareholders, China Petroleum &amp; 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”.</p>		

### 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 business
Cost of sales	64,033,755	51,614,139	12,419,616	24.06	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
----------------------	---------	---------	--------	-------	---



## 4. Appendix

### 4.1 CONSOLIDATED BALANCE SHEETS AS AT 30 SEPTEMBER 2018

*Unit: RMB '000*

Items	As at the end of the Period	As at the beginning of the year
	(unaudited)	(audited)
<b>Current assets</b>		
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
<b>Total current assets</b>	23,349,925	19,866,051
<b>Non-current assets</b>		
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
<b>Total non-current assets</b>	18,897,847	19,743,485
<b>Total assets</b>	42,247,772	39,609,536

**CONSOLIDATED BALANCE SHEETS (CONTINUED)**  
**AS AT 30 SEPTEMBER 2018**

*Unit: RMB'000*

Items	As at the end of the Period	As at the beginning of the year
	(unaudited)	(audited)
<b>Current liabilities</b>		
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
<b>Total current liabilities</b>	12,086,478	10,922,244
<b>Non-current liabilities</b>		
Deferred revenue	143,379	145,679
<b>Total non-current liabilities</b>	143,379	145,679
<b>Total liabilities</b>	12,229,857	11,067,923
<b>Shareholders' equity</b>		
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
<b>Total equity attributable to equity shareholders of the Company</b>	29,734,305	28,256,306
Minority interests	283,610	285,307
<b>Total shareholders' equity</b>	30,017,915	28,541,613
<b>Total liabilities and shareholders' equity</b>	42,247,772	39,609,536

**COMPANY BALANCE SHEETS  
AS AT 30 SEPTEMBER 2018**

*Unit: RMB'000*

Items	As at the end of the Period	As at the beginning of the year
	(unaudited)	(audited)
<b>Current assets</b>		
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
<b>Total current assets</b>	19,620,992	17,173,481
<b>Non-current assets</b>		
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
<b>Total non-current assets</b>	19,739,705	20,564,071
<b>Total assets</b>	39,360,697	37,737,552

**COMPANY BALANCE SHEETS (CONTINUED)**  
**AS AT 30 SEPTEMBER 2018**

*Unit: RMB'000*

Items	As at the end of the Period	As at the beginning of the year
	(unaudited)	(audited)
<b>Current liabilities</b>		
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
<b>Total current liabilities</b>	9,464,877	9,303,397
<b>Non-current liabilities</b>		
Deferred revenue	143,379	145,679
<b>Total non-current liabilities</b>	143,379	145,679
<b>Total liabilities</b>	9,608,256	9,449,076
<b>Shareholders' equity</b>		
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
<b>Total shareholders' equity</b>	29,752,441	28,288,476
<b>Total liabilities and shareholders' equity</b>	39,360,697	37,737,552

**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
<b>Total Revenue</b>	80,820,403	68,157,618
<b>Including: Revenue</b>	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
<b>Operating profit (“-” to indicate loss)</b>	<b>5,963,725</b>	<b>5,229,292</b>
Add: Non-operating income	40,154	10,880
Less: Non-operating expenses	59,667	38,369
<b>Total profit (“-” to indicate loss)</b>	<b>5,944,212</b>	<b>5,201,803</b>
Less: Income tax expenses	1,279,038	1,090,809
<b>Net Profit (“-” to indicate loss)</b>	<b>4,665,174</b>	<b>4,110,994</b>
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
<b>Other comprehensive income, net of tax</b>	<b>-5,063</b>	<b>-552</b>
<b>Total comprehensive income</b>	<b>4,660,111</b>	<b>4,110,442</b>
Attributable to equity shareholders of the Company	4,655,351	4,100,939
Minority interests	4,760	9,503
<b>Earnings per share</b>	Unit: RMB	
Basic earnings per share (RMB)	0.431	0.381
Diluted earnings per share (RMB)	0.431	0.380

**COMPANY INCOME STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2018 (Unaudited)**

*Unit: RMB'000*

<b>Items</b>	<b>Nine months ended 30 September</b>	
	<b>2018</b>	<b>2017</b>
<b>Revenue</b>	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
<b>Operating profit</b> (“-” 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
<b>Total profit</b> (“-” to indicate loss)	5,917,851	5,159,379
Less: Income tax expenses	1,271,473	1,078,357
<b>Net Profit</b> (“-” to indicate loss)	4,646,378	4,081,022
Net profit from continuing operation (“-” to indicate loss)	4,646,378	4,081,022
<b>Other comprehensive income, net of tax</b>	-5,063	-552
<b>Total comprehensive income</b>	4,641,315	4,080,470

**CONSOLIDATED INCOME STATEMENTS  
FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2018 (Unaudited)**

*Unit: RMB'000*

Items	Three months ended 30 September	
	2018	2017
<b>Total Revenue</b>	28,632,763	25,050,668
<b>Including: Revenue</b>	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
<b>Operating profit ("-" to indicate loss)</b>	1,457,719	1,997,784
Add: Non-operating income	8,010	-22,083
Less: Non-operating expenses	36,674	25,124
<b>Total profit ("-" to indicate loss)</b>	1,429,055	1,950,577
Less: Income tax expenses	295,366	419,736
<b>Net Profit ("-" to indicate loss)</b>	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
<b>Other comprehensive income, net of tax</b>	0	0
<b>Total comprehensive income</b>	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
<b>Earnings per share</b>		Unit: RMB
Basic earnings per share (RMB)	0.105	0.142
Diluted earnings per share (RMB)	0.105	0.142

**COMPANY INCOME STATEMENTS  
FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2018 (Unaudited)**

*Unit: RMB'000*

<b>Items</b>	<b>Three months ended 30 September</b>	
	<b>2018</b>	<b>2017</b>
<b>Revenue</b>	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
<b>Operating profit</b> ("-" 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
<b>Total profit</b> ("-" to indicate loss)	1,451,361	1,931,899
Less: Income tax expenses	296,920	414,722
<b>Net Profit</b> ("-" to indicate loss)	1,154,441	1,517,177
Net profit from continuing operation ("-" to indicate loss)	1,154,441	1,517,177
<b>Other comprehensive income, net of tax</b>	0	0
<b>Total comprehensive income</b>	1,154,441	1,517,177



**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
<b>Cash flows from operating activities</b>		
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
<b>Sub-total of cash inflows</b>	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
<b>Sub-total of cash outflows</b>	85,425,496	70,609,431
<b>Net cash flows generated from operating activities</b>	3,335,224	5,068,803
<b>Cash flows from investing activities</b>		
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
<b>Sub-total of cash inflows</b>	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
<b>Sub-total of cash outflows</b>	3,373,197	2,284,187
<b>Net cash flows generated from investing activities</b>	970,105	-1,102,904

**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
<b>Cash flows from financing activities</b>		
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
<b>Sub-total of cash inflows</b>	<b>2,556,961</b>	<b>166,227</b>
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
<b>Sub-total of cash outflows</b>	<b>4,567,711</b>	<b>2,776,556</b>
<b>Net cash flows generated from financing activities</b>	<b>-2,010,750</b>	<b>-2,610,329</b>
<b>Effect of foreign exchange rate changes on cash and cash equivalents</b>	<b>16,986</b>	<b>-3,263</b>
<b>Net increase in cash and cash equivalents</b>	<b>2,311,565</b>	<b>1,352,307</b>
Add: Cash and cash equivalents at beginning of the period	7,504,266	5,440,623
<b>Cash and cash equivalents at end of the period</b>	<b>9,815,831</b>	<b>6,792,930</b>

**CASH FLOW STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2018 (Unaudited)**

*Unit: RMB'000*

Items	Nine months ended 30 September	
	2018	2017
<b>Cash flows from operating activities</b>		
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
<b>Sub-total of cash inflows</b>	<b>67,100,274</b>	<b>55,178,544</b>
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
<b>Sub-total of cash outflows</b>	<b>63,598,915</b>	<b>50,093,007</b>
<b>Net cash flows generated from operating activities</b>	<b>3,501,359</b>	<b>5,085,537</b>
<b>Cash flows from investing activities</b>		
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
<b>Sub-total of cash inflows</b>	<b>4,044,973</b>	<b>1,074,613</b>
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
<b>Sub-total of cash outflows</b>	<b>3,384,517</b>	<b>2,271,229</b>
<b>Net cash flows used in investing activities</b>	<b>660,456</b>	<b>-1,196,616</b>

**CASH FLOW STATEMENTS (Continue)**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2018 (Unaudited)**

*Unit: RMB'000*

Items	Nine months ended 30 September	
	2018	2017
<b>Cash flows from financing activities</b>		
Cash received from the investment	37,102	54,580
Cash received from borrowings	2,421,159	18,000
<b>Sub-total of cash inflows</b>	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
<b>Sub-total of cash outflows</b>	4,475,097	2,780,824
<b>Net cash flows used in financing activities</b>	-2,016,836	-2,708,244
<b>Effect of foreign exchange rate changes on cash and cash equivalents</b>	0	-562
<b>Net increase in cash and cash equivalents</b>	2,144,979	1,180,115
Add: Cash and cash equivalents at beginning of the period	6,268,493	4,421,143
<b>Cash and cash equivalents at end of the period</b>	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

*As at the date of this announcement, the executive directors of the Company are Wu Haijun, 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.*