

INDUSTRIAL SERVICES OF AMERICA INC  
Form SC 13D/A  
October 14, 2014

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**SCHEDULE 13D**

**Under the Securities Exchange Act of 1934  
(Amendment No. 1)\***

**Industrial Services of America, Inc.**

(Name of Issuer)

**Common Stock (Par Value \$0.0033)**

(Title of Class of Securities)

**456314103**

(CUSIP Number)

**Recycling Capital Partners, LLC**

**295 South Commerce Drive**

**Waterloo, IN 46793**

**(260) 232-3031**

**Daniel M. Rifkin**

**295 South Commerce Drive**

**Waterloo, IN 46793**

**(260) 232-3031**

(Name, Address and Telephone Number of Person  
Authorized to Receive Notices and Communications)

**October 13, 2014**

(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box.

**Note:** Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 for other parties to whom copies are to be sent.

\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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CUSIP No. 456314103

13D/A

1. Names of Reporting Persons I.R.S. Identification Nos. of Above Persons (Entities Only)  
Recycling Capital Partners, LLC (47-0984520)
  2. Check the Appropriate Box if a Member of a Group (See Instructions)
    - (a)
    - (b)
  3. SEC Use Only
  4. Source of Funds (See Instructions)  
OO (Funds of Recycling Capital Partners, LLC)
  5. Check Box if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)
  6. Citizenship or Place of Organization  
Indiana
- |   |     |                          |              |
|---|-----|--------------------------|--------------|
| Number of<br>Shares<br>Beneficially<br>Owned by<br>Each<br>Reporting<br>Person With | 7.  | Sole Voting Power        | 1,714,286(1) |
|   | 8.  | Shared Voting Power      | 00,000       |
|   | 9.  | Sole Dispositive Power   | 1,714,286(1) |
|   | 10. | Shared Dispositive Power | 00,000       |
11. Aggregate Amount Beneficially Owned by Each Reporting Person  
1,714,286(1)
  12. Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)
  13. Percent of Class Represented by Amount in Row (11)  
19.5%(2)
  14. Type of Reporting Person (See Instructions)  
PN

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(1) Number of shares of common stock, par value \$0.0033 per share ( Common Stock ) of Industrial Services of America, Inc., a Florida corporation (the Issuer ), upon exercise of a warrant exercisable on December 13, 2014 at an exercise price of \$5.00 per share (the Warrant ) granted by Issuer to Recycling Capital Partners, LLC, an Indiana limited liability company ( RCP ) under that certain Common Stock Purchase Warrant, dated June 13, 2014 (the Warrant Agreement ), which amount includes (a) the 857,143 shares owned by the Reporting Person and (b) the 857,143 shares of Common Stock issuable upon exercise of the Warrant.

(2) With respect to the calculation of the percent of class beneficially owned by the Reporting Person, 8,813,553 was used as the total amount of outstanding shares, which amount includes (a) the 7,956,410 shares of Common Stock issued and outstanding as of August 8, 2014, as reflected in the Issuer s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2014 and (b) the 857,143 shares of Common Stock issuable upon exercise of the Warrant.

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CUSIP No. 456314103

13D/A

1. Names of Reporting Persons I.R.S. Identification Nos. of Above Persons (Entities Only)  
Daniel M. Rifkin
2. Check the Appropriate Box if a Member of a Group (See Instructions)  
(a)   
(b)
3. SEC Use Only
4. Source of Funds (See Instructions)  
OO (Funds of Recycling Capital Partners, LLC)
5. Check Box if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)
6. Citizenship or Place of Organization  
Indiana
- |   |     |  |
|---|-----|--|
| Number of<br>Shares<br>Beneficially<br>Owned by<br>Each<br>Reporting<br>Person With | 7.  | Sole Voting Power<br>00,000              |
|   | 8.  | Shared Voting Power<br>1,714,286(1)      |
|   | 9.  | Sole Dispositive Power<br>00,000         |
|   | 10. | Shared Dispositive Power<br>1,714,286(1) |
11. Aggregate Amount Beneficially Owned by Each Reporting Person  
1,714,286(1)
12. Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)
13. Percent of Class Represented by Amount in Row (11)  
19.5%(2)
14. Type of Reporting Person (See Instructions)  
IN

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(1) Number of shares of Common Stock upon exercise of the Warrant granted under the Warrant Agreement.

(2) With respect to the calculation of the percent of class beneficially owned by the Reporting Person, 8,813,553 was used as the total amount of outstanding shares, which amount includes (a) the 7,956,410 shares of Common Stock issued and outstanding as of August 8, 2014, as reflected in the Issuer's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2014 and (b) the 857,143 shares of Common Stock issuable upon exercise of the Warrant.

CUSIP No. 456314103

13D/A

This Amendment No. 1 to Schedule 13D (this Amendment) amends and restates certain statements on Schedule 13D filed with the Securities and Exchange Commission on June 23, 2014 (the Schedule 13D), which relates to the common stock, par value \$0.0033 per share (the Common Stock) of Industrial Services of America, Inc. (the Issuer). Unless otherwise indicated, all capitalized terms used herein and not otherwise defined have the meanings assigned to such terms as set forth in the Schedule 13D.

This Amendment is being filed to amend Item 5 of the Schedule 13D with respect to the Responding Parties' beneficial ownership of shares of the Issuer as a result of the previously disclosed Common Stock Purchase Warrant dated June 13, 2014 being exercisable 60 days from the date hereof and as set forth below.

**Item 5. Interest in Securities of the Issuer.**

Item 5 is hereby amended and restated in its entirety to read as follows:

(a) RCP has beneficial ownership of 1,714,286 shares of the Issuer's Common Stock, comprising 19.5% of the outstanding shares as of August 8, 2014, taking into account the shares issuable upon exercise of the warrant described below. RCP's beneficial ownership of the Issuer's Common Stock consists of its ownership of 857,143 shares of Common Stock and its beneficial ownership of an additional 857,143 shares of Common Stock pursuant to a common stock purchase warrant exercisable between December 13, 2014 and June 13, 2019 at an exercise price of \$5.00 per share, subject to price adjustment for stock dividends, stock splits and other recapitalization events. As the sole manager of RCP, Daniel M. Rifkin has beneficial ownership over the same 1,714,286 shares, comprising 19.5% of the outstanding shares as described above.

(b) RCP has sole voting and sole dispositive power over 1,714,286 shares of the Issuer's Common Stock. Daniel M. Rifkin has shared voting and share dispositive power over 1,714,286 shares of the Issuer's Common Stock.

(c) There have been no transactions with respect the Issuer's Common Stock during the sixty (60) days prior to the date hereof by either of the Reporting Persons.

(d) Not applicable.

(e) Not applicable.



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13D/A

**SIGNATURES**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

RECYCLING CAPITAL PARTNERS, LLC

/s/ Daniel M. Rifkin  
Daniel M. Rifkin  
Title: Manager  
Date: October 13, 2014

DANIEL M. RIFKIN

/s/ Daniel M. Rifkin

CUSIP No. 456314103

13D/A

**JOINT FILING AGREEMENT**

In accordance with Rule 13d-1(k) under the Securities Exchange Act of 1934, as amended, each of the undersigned hereby agrees to (i) the joint filing on behalf of each of them of a statement amending a previously filed Schedule 13D with respect to the shares of Industrial Services of America, Inc. and (ii) that this Joint Filing Agreement be included as an exhibit to such joint filing, provided that, as contemplated by Section 13d-1(k)(ii), no person shall be responsible for the completeness and accuracy of the information concerning the other persons making the filing unless such person knows or has reason to believe such information is inaccurate.

IN WITNESS WHEREOF, the undersigned hereby execute this Joint Filing Agreement as of this 13th day of October, 2014.

**RECYCLING CAPITAL PARTNERS, LLC**

By: /s/ Daniel M. Rifkin  
Daniel M. Rifkin  
Its: Manager

**DANIEL M. RIFKIN**

/s/ Daniel M. Rifkin

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 VALIGN="top" ALIGN="left">4.1
**CONSOLIDATED 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	10,771,046	10,241,893
Trading financial assets	1,800,000	2,719,811
Derivative financial assets		7,468



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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*

<b>Items</b>	<b>Three months ended 31 March</b>	
	<b>2019</b>	<b>2018</b>
<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