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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)

**Inside Information/
Overseas Regulatory Announcement**

Announcement on Estimated Loss in Annual Results of 2012

This announcement is issued pursuant to Part XIVA of the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong and Rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Board of Directors of the Company and all the members of the Board warrant that the information in this announcement does not contain any false representations, misleading statements or material omissions, and jointly and severally accept responsibility for the true, accurate and complete information contained herein.

1. Estimated results during the period

- (1) Period of estimated results: 1 January 2012 to 31 December 2012
- (2) Estimated results: based on the preliminary estimates by the Finance Department of Sinopec Shanghai Petrochemical Company Limited (the "Company"), the operating results for the year ended 31 December 2012 of the Company and its subsidiaries (the "Group") are expected to record a loss. Under China Accounting Standards for Business Enterprises, net loss attributable to equity shareholders of the Company is expected to be approximately RMB1,600 million.
- (3) The estimated results have not been audited by certified public accountants.

2. Results for the corresponding period of the previous year

	Under China Accounting Standards for Business Enterprises
Net profit attributable to equity shareholders of the Company (RMB'000)	944,414
Earnings per share (RMB per share)	0.131

3. Reasons

In 2012, amid complex and volatile international environment and a slowdown in domestic economic growth, demand for the petrochemicals was sluggish and prices were adjusted due to the high level of volatility in international crude oil prices. The Group's refining business incurred a policy-related loss and the profitability of petrochemical products also fell significantly. Net loss attributable to equity shareholders of the Company amounted to RMB1,609 million for the nine-month period ended 30 September 2012. Facing a challenging international and domestic economic environment, the Group made efforts to enhance its operating conditions by making prompt adjustments to its production plan and optimising production and operation. Meanwhile, the Group has committed to carrying out the construction of the Phase 6 Project and its trial run in order to lay a solid foundation for production and operation in 2013. In the fourth quarter of 2012, the Group's cost of crude oil processed declined compared to the first three quarters, which therefore somewhat minimised the loss from the petrochemical products business. However, since the operating results of the Company recorded a substantial loss in the first three quarters, the Group's full year operating results in 2012 are also expected to record a loss, according to preliminary estimates of the Company's Finance Department. Under China Accounting Standards for Business Enterprises, net loss attributable to equity shareholders of the Company is expected to be approximately RMB1,600 million.

The forecasts above represent preliminary estimates. Specific and accurate financial figures shall be disclosed in the audited 2012 annual report to be officially announced by the Company. Investors are advised to pay attention to investment risks.

Sinopec Shanghai Petrochemical Company Limited

Shanghai, the PRC, 24 January 2013

As at the date of this announcement, the executive directors of the Company are Rong Guangdao, Wang Zhiqing, Wu Haijun, Li Honggen, Shi Wei and Ye Guohua; the non-executive directors of the Company are Lei Dianwu and Xiang Hanyin, and the independent non-executive directors of the Company are Shen Liqiang, Jin Mingda, Wang Yongshou and Cai Tingji.