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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)

PROFIT WARNING

ANNOUNCEMENT ON ESTIMATED DECREASE IN ANNUAL RESULTS OF 2019

This announcement is made by Sinopec Shanghai Petrochemical Company Limited (the “**Company**”) pursuant to Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the “**Securities and Futures Ordinance**”) and Rules 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors of the Company (the “**Board**”) and all the members of the Board warrant that there are no false representation, misleading statements or material omissions, and jointly and severally accept responsibilities for the truthfulness, accuracy and completeness of its contents.

This announcement is made by the Company pursuant to Part XIVA of the Securities and Futures Ordinance and Rule 13.09 of the Listing Rules.

Important Notice:

- The Company expects that the net profit attributable to the equity shareholders of the Company in 2019 will decrease by around RMB2.883 billion to RMB3.243 billion as compared with the same period of last year (statutory disclosed data), representing a year-on-year decrease of 55% to 61%.
- The Company estimates that the net profit attributable to the equity shareholders of the Company after deducting non-recurring items will decrease by around RMB2.890 billion to RMB3.178 billion as compared with the corresponding period of the previous year (statutory disclosure data), representing a year-on-year decrease of 57% to 63%.

1. Estimated results during the period

- (1) Period of estimated results: 1 January 2019 to 31 December 2019
- (2) Estimated results: based on preliminary estimates by the finance department of the Company, the Company and its subsidiaries (the “**Group**”) are expected to record a 55%-61% decrease of the net profit attributable to equity shareholders of the Company for the year ended 31 December 2019 over the corresponding period of the previous year (i.e. around RMB 2.034billion to RMB 2.394 billion). Specific financial figures will be disclosed in the 2019 annual report of the Company.
- (3) The Company estimates that the net profit attributable to the equity shareholders of the Company after deducting non-recurring items will be around RMB1.890 billion to RMB2.178 billion, representing a year-on-year decrease of 57% to 63% (statutory disclosure data). Specific financial figures will be disclosed in the 2019 annual report of the Company.
- (4) The estimated results have not been reviewed or audited by certified public accountants.

2. Results for the corresponding period of the previous year

	Under the China Accounting Standards for Business Enterprises
Net profit attributable to equity shareholders of the Company (RMB'000)	5,277,186
Net profit attributable to the equity shareholders of the Company after deducting non-recurring items (RMB'000)	5,067,583
Earnings per share (RMB per share)	0.488

3. Major reasons for expected decrease in the results for the period

Major reasons for substantial decrease in the annual results of the Group in 2019 compared to the corresponding period of the previous year are:

1. In 2019, the average selling price of the Company's products for the whole year dropped significantly and, as a result the gross profit of the Company's products fell significantly.
2. In 2019, the spread between high and low sulphur, and light and heavy crude oil in international crude oil market narrowed, and the Company's cost advantage in processing high-sulphur and heavy crude oil has been diminished.

4. Risk Warning

The Company does not have any significant uncertainties that affect the accuracy of the contents of this result forecast.

5. Other information

The forecasts above represent preliminary estimates only. Specific and accurate financial figures will be disclosed in the audited 2019 annual report to be officially announced by the Company. Investors are advised to pay attention to the investment risk.

By Order of the Board
Sinopec Shanghai Petrochemical Company Limited
Wu Haijun
Chairman

Shanghai, the PRC, 21 January 2020

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