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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)

**Announcement Regarding Estimated Growth in Profit for
2016 Annual Results**

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 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 2016 to 31 December 2016.
- (2) Estimated results: based on preliminary estimates by the finance department of Sinopec Shanghai Petrochemical Company Limited (the “**Company**”), the Company and its subsidiaries (the “**Group**”) are expected to record a 78%-88% growth of the net profit attributable to equity shareholders of the Company for the year ended 31 December 2016 over the same period of last year (i.e. RMB 5.778 billion-RMB 6.102 billion). Specific financial figures will be disclosed in the 2016 Annual Report of the Company.
- (3) The estimated results have not been audited or reviewed 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) | 3,245,849 |
| Basic earnings per share (RMB per share) | 0.301 |

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

Major reasons for substantial growth in the annual results of the Group in 2016 compared to the corresponding period of the previous year are:

1. In 2016, throughout the year, average prices of the Company's products decreased to a much lesser extent compared with the prices of the raw materials, which led to the increase in gross profit of the Company's products.
2. Shanghai Secco Petrochemical Company Limited, the Company's associate, recorded an increase in profit, hence increased the Company's investment income. The financial expenses of the Company decreased as it had ample funds of its own.
3. The Group strengthened its internal management, continued to reduce cost and enhance efficiency. The initiatives showed good results.

4. Other information

The forecasts above represent preliminary estimates. Specific and accurate financial figures will be disclosed in the audited 2016 annual report to be officially announced by the Company. Investors are advised to pay attention to investment risks.

Board of Directors, Sinopec Shanghai Petrochemical Company Limited

Shanghai, the PRC, 19 January 2017

As at the date of this announcement, the executive directors of the Company are Wang Zhiqing, Wu Haijun, Gao Jinping, Ye Guohua, Jin Qiang and Guo Xiaojun; the non-executive directors of the Company are Lei Dianwu and Mo Zhenglin; and the independent non-executive directors of the Company are Cai Tingji, Zhang Yimin, Liu Yunhong and Du Weifeng.