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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 2020

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 Rule 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 Group expects that the net profit attributable to the equity shareholders of the Company in 2020 will decrease by around RMB1.521 billion to RMB1.647 billion as compared with the same period of the previous year (statutory disclosure data), representing a year-on-year decrease of 69% to 74%.
- The Group estimates that the net profit attributable to the equity shareholders of the Company after deducting non-recurring items will decrease by around RMB1.533 billion to RMB1.631 billion as compared with the corresponding period of the previous year (statutory disclosure data), representing a year-on-year decrease of 74% to 79%.

1. Estimated results of 2020

- (1) Period of estimated results: 1 January 2020 to 31 December 2020 (the “Period”)
- (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 net profit attributable to equity shareholders of the Company of around RMB567 million to RMB693 million for the year ended 31 December 2020, representing a decrease of 69%-74% over the corresponding period of the previous year. Specific financial figures will be disclosed in the 2020 annual report of the Company.
- (3) The Group estimates that the net profit attributable to the equity shareholders of the Group after deducting non-recurring items will be around RMB442 million to RMB540 million, representing a year-on-year decrease of 74% to 79% (statutory disclosure data). Specific financial figures will be disclosed in the 2020 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)	2,213,716
Net profit attributable to the equity shareholders of the Company after deducting non-recurring items (RMB'000)	2,073,020
Earnings per share (RMB per share)	0.205

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

The major reasons for substantial decrease in the annual results of the Group in 2020 compared to the corresponding period of the previous year are:

1. In 2020, due to the abnormal fluctuation of international crude oil market price, the decrease in the selling price of the Company's products was higher than the decrease in the cost of crude oil and, as a result, the gross profit of the Company's products fell significantly.
2. Affected by the sharply dropped price of crude oil in the first half of 2020 and the declined processing capacity of the Company due to the COVID-19, the consumption of high price inventory was too slow.

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 2020 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
Huang Fei
Joint Company Secretary

Shanghai, the PRC, 27 January 2021

As at the date of this announcement, the executive directors of the Company are Wu Haijun, Guan Zemin, Jin Qiang, Jin Wenmin, Huang Xiangyu and Huang Fei; the non-executive directors of the Company are Xie Zhenglin and Peng Kun; and the independent non-executive directors of the Company are Li Yuanqin, Tang Song, Chen Haifeng, Yang Jun and Gao Song.