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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 INCREASE IN INTERIM RESULTS OF 2021

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:

- In accordance with the People's Republic of China (“**PRC**” or “**China**”)’s Accounting Standards for Business Enterprises (“**CAS**”), the Company expects to record the net profit attributable to equity shareholders of the Company around RMB1.11 billion to RMB1.36 billion in the first half of 2021.
- In accordance with the CAS, the Company estimates that the net profit attributable to equity shareholders of the Company after deducting non-recurring items was amounted to around RMB1.04 billion to RMB1.27 billion in the first half of 2021 under CAS.

1. Estimated results during the current period

(1) Period of estimated results

1 January 2021 to 30 June 2021 (the “**Current Period**”)

(2) Estimated results

According to the preliminary estimates of the finance department of the Company, as of 30 June 2021, the Company and its subsidiaries (the “**Group**”) is expected to record a net profit attributable to equity shareholders of the Company of around RMB1.11 billion to RMB1.36 billion, a turnaround from loss to profit with an increase of approximately RMB2.83 billion to RMB3.07 billion compared with the same period of last year. The net profit attributable to equity shareholders of the holding company excluding non-recurring items is estimated to be around RMB1.04 billion to RMB1.27 billion, representing an increase of approximately RMB2.83 billion to RMB3.06 billion, a turnaround to profit from the same period of last year. Specific figures will be disclosed in the Company’s 2021 interim report.

(3) The estimated results for the Current Period have not been reviewed or audited by certified public accountants.

2. Results for the corresponding period of the previous year

	Under the CAS
Net profit attributable to equity shareholders of the holding company (RMB’ 000)	-1,716,072
Net profit attributable to equity shareholders of the holding company excluding non-recurring items (RMB’ 000)	-1,788,160
Basic earnings per share (RMB/Share)	-0.159

3. Major reasons for the expected increase in the results for the Current Period

Major reasons for the increase in the results for the first half of 2021 compared to the corresponding period of the previous year are:

In the first half of 2020, the Company recorded a loss with its gross profit of products decreased significantly due to the impact of the COVID-19 pandemic and the plunge in oil prices. The market demand for petroleum and petrochemical products has largely increased with the prices of major products picking up in 2021. By seizing the opportunity to further optimize business operation, tackle difficulties and enhance efficiency while focusing on cost reduction, the operating results of the Company has greatly improved.

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 2021 interim 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
Liu Gang
Joint Company Secretary

Shanghai, the PRC, 15 July 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, Huang Fei and Du Jun; 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.