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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 in relation to Investment in the Comprehensive Technological Transformation and Quality Upgrading Project

This announcement is made in accordance with Rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

The board of directors and all directors of the Company guarantee that there are no false representations, misleading statements or material omissions in the contents of this announcement, and accept legal responsibility for the truthfulness, accuracy and completeness of its contents.

Important Note:

Name of the Project: the comprehensive technological transformation and quality upgrading project of Sinopec Shanghai Petrochemical Company Limited (the “**Project**”).

Total amount of the Project: approximately RMB21.307 billion (excluding deductible value-added tax).

Reminder for special risks: the Project is subject to approval at the general meeting of the shareholders of Sinopec Shanghai Petrochemical Company Limited (“**SPC**” or the “**Company**”). The Project may be affected by suppliers, engineering technology and force majeure and other factors, and may be subject to the risk of delay. There is a risk that the Project may not be implemented if the Company is unable to obtain the administrative approval required for the commencement of the Project.

1. INTRODUCTION OF THE PROJECT

In order to respond to the national requirements on energy saving, carbon reduction and safety and environmental protection, based on the economic development and market requirements in Shanghai and its surrounding areas, relying on existing corporate foundation to give full play to the advantages of refining and chemical integration, optimize resources allocation, develop high-end chemical materials, promote corporate transformation and upgrading, enhance corporate competitiveness and facilitate the high quality corporate development, SPC proposed to invest approximately RMB21.307 billion, on the premise of maintaining its capacity in crude oil processing, to promote the comprehensive technological transformation and quality upgrading of the Company through structural adjustment of oil refining devices by shutting down the existing 18 sets of devices (including 0.7 million tons ethylene/year devices) and installing new 1.20 million tons ethylene/year and downstream new materials devices.

On 14 January 2025, the Company convened the 13th meeting of the eleventh session of the board of directors to consider and approve the Project. The Project is subject to consideration and approval at the general meeting of shareholders of the Company.

The Project is not related transaction or major asset restructuring, nor does it constitute a transaction under Chapter 14 and Chapter 14A of the Hong Kong Listing Rules.

2. BASIC INFORMATION OF THE PROJECT

- (1) Name of the Project: the comprehensive technological transformation and quality upgrading project of SPC.
- (2) Investment entity: SPC.
- (3) Subject matter of the investment: structural adjustment of oil refining devices and installation of 1.20 million tons ethylene/year and downstream new materials devices.
- (4) Investment amount and funding source: the Company plans to invest approximately RMB21.307 billion, which is the Company's own capital.
- (5) construction period: the construction period for the main entity of the Project is approximately 3 years and the construction period for the other equipment is approximately 5 years, subject to actual construction progress.
- (6) Market positioning and feasibility analysis: after the Project is put into operation, it will improve the variety and production capacity of new material products of SPC and increase the production of raw materials for new materials. The Project has clear development direction, broad market prospect and satisfactory performance in terms of technological

and economic indicators. Its product energy consumption per unit can meet the mandatory national requirement regarding energy consumption standards, with competitive product costs, controllable safety risks and stronger overall competitiveness.

3. IMPACT OF THE PROJECT ON THE COMPANY

The Project can enhance effectively the Company's energy efficiency, intrinsic safety and environmental protection levels, and improve its integrated competitiveness. The implementation of the Project will not change the Company's principal business.

4. RISKS ANALYSIS OF EXTERNAL INVESTMENT

The Project may be affected by suppliers, engineering technology and force majeure and other factors, and may be subject to the risk of delay. There is a risk that the Project may not be implemented if the Company is unable to obtain the administrative approval required for the commencement of the Project. The Company will fully communicate with relevant suppliers, service providers and government agencies to avoid delay or failure in commencement of the Project. In case of delay or failure in commencement of the Project, the Company will actively prepare corresponding plans to minimize the Company's losses.

By Order of the Board
Sinopec Shanghai Petrochemical Company Limited
Liu Gang
Joint Company Secretary

Shanghai, the PRC, 14 January 2025

As at the date of this announcement, the executive directors of the Company are Guo Xiaojun, Guan Zemin, Du Jun and Huang Xiangyu; the non-executive directors of the Company are Xie Zhenglin and Qin Zhaohui; and the independent non-executive directors of the Company are Tang Song, Chen Haifeng, Yang Jun, Zhou Ying and Huang Jiangdong.