



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: 338)

Price-sensitive Information
Expected Loss for the Annual Results of 2008

Sinopec Shanghai Petrochemical Company Limited (the “Company”) and all members of the board of directors warrant that the information contained in this announcement is true, accurate and complete, and that there are no false representations or misleading statements contained in, or material omissions from, this announcement.

This announcement is made pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the relevant regulations issued by the Shanghai Stock Exchange.

I. Estimates on the results

- (1) Period of estimates on the results: 1 January 2008 to 31 December 2008.
- (2) Estimates on the results: The Company estimated that the Company and its subsidiaries (the “Group”) will incur a significant loss for its net profit attributable to equity shareholders of the Company for the year of 2008.
- (3) The estimated results are not reviewed or audited by any certified accountants.

II. 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) | 1,592,110 |
| Earnings per share (RMB) | 0.221 |

III. Reason

From January 2008 to July 2008, the crude oil costs of the Company surged substantially as international crude oil prices soared continuously. Prices of refined oil products and crude oil were seriously inverted as a result of the Government's stringent control over the domestic prices of refined oil products, which led to a severe loss in the Company's oil refining operation. Since July 2008, following the rapid drop in international crude oil prices coupled with the worsening impact of the international financial crisis on the industry, consumption and market demand for downstream petrochemical products had dropped, which led to a substantial decline in the prices of petrochemical products. It takes time for the Company to absorb the cost of the crude oil and intermediate raw materials which it had purchased at high prices. At the same time, the Group received a substantially reduced amount of financial subsidies for its oil refining operation during the third quarter of the year, and at present, the Company is not aware of whether it will continue to receive financial subsidies for its oil refining operation in the fourth quarter of the year. In view of the above, the Company expects the Group to incur a significant loss in net profit for the twelve-month period ending 31 December 2008.

Investors are advised to pay attention to the risks involved in the investment in the Company's securities.

Sinopec Shanghai Petrochemical Company Limited

Shanghai, the PRC, 29 October 2008

As at the date of this announcement, the executive directors of the Company are Rong Guangdao, Du Chongjun, Han Zhihao, Shi Wei, Li Honggen and Dai Jinbao; the non-executive directors of the Company are Lei Dianwu and Xiang Hanyin, and the independent non-executive directors of the Company are Chen Xinyuan, Sun Chiping, Jiang Zhiquan and Zhou Yunnong.