



**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 First Quarterly Results of 2008**

The Company and all members of the board of directors warrant that the information contained in this announcement is truthful, 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 regulation issued by the Shanghai Stock Exchange.

**1. Estimates on the results of this quarter**

- (1) Period of estimates on results: 1 January 2008 to 31 March 2008
- (2) Estimates on results: According to the preliminary estimates of the accounting department of Sinopec Shanghai Petrochemical Company Limited (the "Company"), the Company will suffer a loss for its net profit attributable to equity holders for the first quarter of 2008.
- (3) The results in such estimates are not reviewed or audited by any certified accountants.

**2. Results for the corresponding period of the previous year**

	Under the China Accounting Standards for Business Enterprises (2006)
Net profit attributable to shareholders of the Company (RMB'000)	1,065,214
Earnings per share (RMB)	0.148

### 3. Explanation for the reason

As international crude oil prices have been soaring and hovering at high levels, the crude oil costs of the Company increased substantially. With domestic petroleum product prices under stringent State control, there has been a severe mismatch between petroleum product prices and crude oil prices, thereby resulting in a relatively substantial loss for the Company's oil processing operation. While the Company has obtained government subsidy of RMB247,280,000 in the first quarter of 2008, according to the calculations of the Company's accounting department, it is estimated that the Company will suffer a loss for its net profit attributable to equity holders for the first quarter of 2008. Specific information will be disclosed in detail in the 2008 first quarterly report of the Company which will be published on 28 April 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, 7 April 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*