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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 on Estimated Loss in Annual Results of 2014**

This announcement is issued pursuant to Part XIVA of the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong and Rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Board of Directors of the Company and all the members of the Board warrant that the information in this announcement does not contain any false representations, misleading statements or material omissions, and jointly and severally accept responsibility for the true, accurate and complete information contained herein.

### **1. Estimated results during the period**

- (1) Period of estimated results: 1 January 2014 to 31 December 2014.
- (2) Estimated results: based on preliminary estimates by the Finance Department of Sinopec Shanghai Petrochemical Company Limited (the “**Company**”), the Company and its subsidiaries (the “**Group**”) is expected to record a loss in its operating results for the year ended 31 December 2014. Under China Accounting Standards for Business Enterprises, net loss attributable to equity shareholders of the Company is expected to be between RMB650 million and 750 million.
- (3) The estimated results have not been audited or reviewed by certified public accountants.

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

	Under China Accounting Standards for Business Enterprises
Net profit attributable to equity shareholders of the Company (RMB'000)	2,003,545
Basic earnings per share (RMB per share)	0.186

### **3. Reasons for the estimated loss in the annual results**

1. In 2014, demand for petrochemicals in China remained sluggish and petrochemical prices

weakened. Profit margin for the Group's petrochemical products declined significantly and the petrochemical sector recorded a loss.

2. In the second half of 2014, especially in the fourth quarter, the price of crude oil in the international market saw a continuous and significant decline, resulting in a significant decrease in the price of the Group's oil products and petrochemical products. Given that imported crude oil has a long procurement cycle and the cost of the Group's crude oil in transit and in storage is relatively high, the profit margin of the refining sector and the petrochemical sector has been further reduced, with the refining sector recording a loss.

#### **4. Other information**

The forecasts above represent preliminary estimates. Specific and accurate financial figures will be disclosed in the audited 2014 annual report to be officially announced by the Company. Investors are advised to pay attention to investment risks.

**Sinopec Shanghai Petrochemical Company Limited**

Shanghai, the PRC, 26 January 2015

*As at the date of this announcement, the executive directors of the Company are Wang Zhiqing, Wu Haijun, Gao Jinping, Ye Guohua, Jin Qiang and Guo Xiaojun; the non-executive directors of the Company are Lei Dianwu and Mo Zhenglin, and the independent non-executive directors of the Company are Shen Liqiang, Jin Mingda, Cai Tingji and Zhang Yimin.*