

NOTICE IS HEREBY GIVEN that the Board of Director of the Company has decided to hold the 2001 annual meeting ("AGM") of the Company on Tuesday 18 June 2002, at Jinshan District, Shanghai, PRC, at 9:00am to deal with the following matters:

- 1) to consider and approve the 2001 Report of the Directors;
- 2) to consider and approve the 2001 Report of the Supervisory Committee;
- 3) to consider and approve the 2001 Audited Statement of Accounts;
- 4) to consider and approve the 2001 Profit Appropriation Plan;
- 5) to consider and approve the re-appointment of KPMG Huazhen as the Company's domestic auditors for the year ending 31 December 2002 and KPMG as the Company's international auditors for the year ending 31 December 2002, and to authorise the Directors to fix their remuneration;
- 6) to elect directors for the Company's new session of the Board of Directors, and to elect members of the Company's new session of the Supervisory Committee;
- 7) to consider and, if thought fit, pass the following resolution as a special resolution:

"THAT"

- (a) the Board of Directors of the Company be and is hereby authorised to make such amendments to Article 20, Article 21 and Article 24 of the articles of association of the Company as it thinks fit so as to increase the registered share capital of the Company and to reflect the new capital structure of the Company upon the allotment and issuance of shares of the Company as contemplated in special resolution 7(b) below;
- (b) subject to the passing of the special resolution 7(a) above and subject to special resolution 7(d), the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to separately or concurrently allot and issue domestic shares or overseas listed foreign shares of securities convertible into such shares or options or warrants or similar rights to subscribe for any domestic shares or overseas listed foreign shares in the Company and to make an offer or agreement or grant an option which would or might require domestic shares or overseas listed foreign shares to be allotted and issued be and issued by and is hereby generally and unconditionally approved;
- (c) the approval in special resolution 7(b) shall authorise the Directors of the Company to make an offer or agreement or grant an option during the Relevant Period which would or might require domestic shares or overseas listed foreign shares to be allotted and issued either during or after the end of the Relevant Period;

- (d) the aggregate amount of domestic shares or overseas listed foreign shares allotted or agreed to be allotted by the Directors of the Company pursuant to the approval in special resolutions 7(b) and 7(c), otherwise than pursuant to (i) a rights issue; (ii) the exercise of the conversion rights under the terms of any securities which are convertible into domestic shares or overseas listed foreign shares of the Company; (iii) the exercise of rights of subscription under the terms of any warrants issued by the Company; or (iv) any scrip dividend or similar arrangement providing for the allotment of domestic shares or overseas listed foreign shares in lieu of the whole or part of a dividend on domestic shares or overseas listed foreign shares of the Company in accordance with the articles of association of the Company, shall not exceed 20 per cent. of each of the existing domestic share capital and overseas listed foreign share capital of the Company; and
- (e) for the purpose of this special resolution 7, "Relevant Period" means the period from the passing of this special resolution 7 until whichever is the earlier of:
 - (i) the conclusion of the next annual general meeting of the Company following the passing of this special resolution 7;
 - (ii) the expiration of the 12 month period following the passing of this special resolution 7; or
 - (iii) the date on which the authority set out in this special resolution 7 is revoked or varied by a special resolution of the members of the Company in general meeting.

"right issue" means an offer of share open for a period fixed by the Directors of the Company to holders of shares of the Company on to register of members of the Company on a fixed record date and, where appropriate, the holders of other equity securities of the Company entitled to be offered therein, in proportion to their then holdings of such shares or other equity securities (subject of such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange)."; and

- 8) to transact further business, if necessary.

By order of the Board
Zhang Jingming
Company Secretary

Shanghai, 29 March 2002

Notes:

- (a) The Company shall separately notify Shareholders of the names and details of the nominees for the Board of the Directors and the Supervisory Committee on or before 28 May 2002, being not less than 20 days prior to the date on which the AGM will be held.
- (b) Holders of the Company's share whose names appear on the Register of Members of the Company on 17 May 2002 are entitled to attend the Company's AGM. They shall complete the attendance confirmation slip enclosed with the Company's annual report and send it back to the Company by 28 May 2000. Please refer to the slip for details.
- (c) Persons holding the Company's H Shares should note that the Register of Members of the Company's H Shares will be closed from 17 May 2002 to 18 June 2002, both days inclusive, during which period no share transfer will be effected. In order to attend the Company's 2001 AGM, persons holding the Company's H Shares shall lodge transfer documents and the relevant share certificates with the Company share registrars, Hong Kong Registrars Limited, 2nd Floor, Vicwood Plaza, 199 Des Voeux Road, Central, Hong Kong by 4:00 p.m. on Thursday 16 May 2002.
- (d) A shareholder entitled to attend and vote at the AGM may appoint a proxy (no matter whether he is a shareholder or not) to attend and vote instead of him. Each shareholder (or his proxy) shall be entitled to one vote for each share held. The completion and deposit of a form of proxy will not preclude any shareholder from attending and voting at the AGM.
- (e) Shareholders must appoint a proxy in writing. Such instrument should be signed by the person appointing the proxy or by the proxy himself. If the form of proxy is signed by the proxy, it must be certified by a notary. To be valid, a notarially certified proxy form and voting instructions must be returned to the Secretary's Office of the AGM 24 hours prior to the commencement of the AGM. A form of proxy for use at the AGM will be despatched to shareholders in due course.
- (f) The AGM is expected to last half a day. Shareholders attending the AGM should be responsible for their own transportation and accommodation expense.
- (g) The address of the Secretary's Office is:
The Secretary's Office of the Board of Directors of Sinopec Shanghai Petrochemical Company Limited No.48 Jinyi Road, Jinshan District Shanghai, P.R.C.
Postal code: 200540
Telephone: 86-21- 57943143
Fax: 86-21- 57940050