

**NOTICE IS HEREBY GIVEN** that at the tenth meeting of the fourth session of the Board of Directors of Sinopec Shanghai Petrochemical Company Limited (the "Company") held on 26 March 2004, the Board of Directors has decided to hold the 2003 annual general meeting ("AGM") of the Company. The details of the 2003 AGM are as follows:

1. Date and Time: Friday, 18 June 2004 at 9:00 a.m.
2. Venue: Jinshan District, Shanghai, the PRC
3. Agenda:

### ORDINARY RESOLUTIONS

- (1) To consider and approve the 2003 Report of the Directors.
- (2) To consider and approve the 2003 Report of the Supervisory Committee.
- (3) To consider and approve the 2003 Audited Statement of Accounts and the 2004 Budget.
- (4) To consider and approve the 2003 Profit Appropriation Plan.
- (5) To consider and approve the re-appointment of KPMG Huazhen as the Company's domestic auditors for the year 2004 and KPMG as the Company's international auditors for the year 2004, and to authorise the Directors to fix their remuneration.
- (6) To consider and approve certain changes to the Company's fourth session of the Board of Directors and its fourth session of the Supervisory Committee, namely (a) the resignations of Xu Kaicheng, Feng Jianping, Jiang Baoxing and Li Weichang from the Board of Directors of the Company and the election of Du Chongjun, Han Zhihao, Wu Haijun and Gao Jinping as directors to replace them, and (b) the resignation of Du Chongjun from the Supervisory Committee of the Company and the election of Dai Shuming as a supervisor to replace him. The relevant details of the candidates are set out in the Appendix to this Notice. Under the relevant requirements of the Company's Articles of Association, the cumulative voting system shall apply to the election of directors of the Company.

## SPECIAL RESOLUTIONS

- (7) To consider and, if thought fit, pass the following resolution as a special resolution:

"**THAT** the following amendments to the Articles of Association of the Company proposed by the Board of Directors of the Company be and are hereby approved, and the Board of Directors of the Company be and are hereby authorised to modify the wording of the amendments and do all other things in respect of the amendments, in accordance with the requirements of any relevant PRC regulatory authority or the rules of any stock exchange on which the securities of the Company are listed:

- (a) The deletion of Article 83 and its replacement by the following clause:

"**Article 83** Subject to Article 88, shareholders (including proxies) shall, on a poll, have voting rights corresponding to the number of shares held by them which carry voting rights and, other than in cases of cumulative voting set out in Article 113, each such share shall have one vote."

- (b) The deletion of Article 88 and its replacement by the following clause:

"**Article 88** Resolutions of the shareholders' general meeting shall be divided into ordinary resolutions and special resolutions.

An ordinary resolution by a shareholders' general meeting shall require the approval of shareholders (including proxies) representing more than half of the voting rights present at the meeting.

A special resolution by a shareholders' general meeting shall require the approval of shareholders (including proxies) representing more than two-thirds of the voting rights present at the meeting.

Shareholders (including proxies) present at the meeting should clearly indicate a vote for or against each resolution requiring a vote at the meeting. Abstentions or failures to vote will not be processed as shares with voting rights when the Company is calculating the results of voting.

Where any shareholder is under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") required to abstain from voting or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted."

- (c) The deletion of Article 107 and its replacement by the following clause:

**"Article 107** The Company shall have a board of directors which shall consist of twelve (12) members, of which more than one-third shall be independent (non-executive) directors (that is, directors who are independent from the shareholders of the Company and do not hold any office in the Company, hereinafter referred to as "independent directors"), and at least one independent director shall be an accounting professional (that is, a person holding a senior position or a certified accountant).

There shall be one (1) chairman and one (1) to two (2) vice-chairman.

The board of directors may establish such committees as the strategic planning (development), audit, remuneration and nomination committees based on need. Of these committees, the audit, remuneration and nomination committees shall have independent directors as a majority of its members.

The board of directors shall have one or more directors as executive directors. The executive directors shall be responsible for matters as entrusted by the board."

- (d) The deletion of clause (4) of Article 110 and its replacement by the following clause:

**"Article 110** (4) If shareholders alone or together holding five per cent. (5%) or more of the voting rights of the Company or the supervisory committee propose a motion at the annual general meeting of shareholders for the election of an independent director, then written notice of the intention of such person(s) nominating the candidate and the willingness of the nominee to accept the nomination, together with the written materials and undertakings relating to the nominee set out in paragraphs (1) and (2) of this Article, shall be delivered to the Company during a period of not less than seven (7) days commencing no earlier than the day after the despatch of the notice of such annual general meeting of shareholders and ending no later than seven (7) days before the date of such annual general meeting of shareholders."

- (e) The deletion of clause (3) of Article 111 and its replacement by the following clause:

**"Article 111** (3) If shareholders alone or together holding five per cent. (5%) or more of the voting rights of the Company or the supervisory committee propose a motion at the annual general meeting of shareholders for the election of a non-independent director, then written notice of the intention of such person(s) nominating the candidate and the willingness of the nominee to accept the nomination, together with the written materials and undertakings relating to the nominee set out in paragraph (1) of this Article, shall be delivered to the Company during a period of not less than seven (7) days commencing no earlier than the day after the despatch of the notice of such annual general meeting of shareholders and ending no later than seven (7) days before the date of such annual general meeting of shareholders."

- (f) The deletion of Article 154 and its replacement by the following clause:

**"Article 154** The supervisory committee shall consist of seven (7) supervisors, including four (4) supervisors representing the shareholders (including supervisor who are qualified to act as external supervisors) and three (3) supervisors representing the employees. The supervisors representing the shareholders shall be elected and removed from office by the shareholders in general meeting. The supervisors representing the employees shall be democratically elected and removed from office by the employees.

The supervisory committee shall have one chairman who shall be a supervisor. The term of office for a supervisor is three (3) years and the supervisor is eligible for re-election at the expiration of the term.

The election or removal of the chairman of the supervisory committee shall be decided by more than two-thirds of the members of the supervisory committee. The chairman of the supervisory committee shall co-ordinate the performance of the committee's duties. Where the chairman of the supervisory committee cannot perform his duties, the chairman shall appoint a supervisor to exercise the chairman's powers on behalf of the chairman."

- (g) The deletion of Article 177 and its replacement by the following clause:

**"Article 177** Where a director, supervisor, general manager or senior officer is in any way, directly or indirectly, materially interested in a contract, transaction or arrangement or proposed contract, transaction or arrangement with the Company, other than his contract of service, he shall declare the nature and extent of his interest to the board of directors at the earliest opportunity, whether or not such contract, transaction or arrangement or proposal therefore is otherwise subject to the approval of the board of directors.

A director shall not be entitled to vote on (nor shall be counted in the quorum in relation to) any resolution of the board in respect of any contract, transaction or arrangement in which he or any of his associates as defined in the Listing Rules ("Associate") has any material interest.

Unless the interested director, supervisor, general manager or senior officer has disclosed his interest in accordance with this Article and the contract, transaction or arrangement has been approved by the board at a meeting in which the interested director is not counted in the quorum and has refrained from voting, such contract transaction or arrangement in which a director, supervisor, general manager or senior officer is materially interested in is voidable at the instance of the Company except as against a bona fide party thereto acting without notice of the breach of duty by the director, supervisor, general manager or senior officer concerned.

For the purposes of this Article, a director, supervisor, general manager or senior officer is deemed to be interested in a contract, transaction or arrangement in which a Connected Person or Associate of such director, supervisor, general manager or senior officer is so interested."

- (8) To consider and, if thought fit, pass the following resolution as a special resolution:

"**THAT** Article 2 of Appendix 2 to the Articles of Association of the Company, namely the Rules of Procedure for Board of Directors' Meetings, be deleted and replaced by the following clause:

"**Article 2** The Board shall consist of 12 directors, including one chairman and one or two vice-chairmen.

The Board shall appoint one or more directors as executive directors. The executive directors committee shall handle the matters as delegated to them by the Board."

4. Attendees of the meeting:

- (1) Holders of the Company's shares whose names appear on the Register of Members of the Company after the close of trading on Tuesday 18 May 2004 or their proxies are entitled to attend the Company's AGM. They must complete the attendance confirmation slip and return it to the Company by 28 May 2004. For details, please refer to the slip.
- (2) Directors, supervisors and senior management of the Company.
- (3) Representatives of professional intermediaries engaged by the Company and guests invited by the Board of Directors.

5. Method of registration:

- (1) Please complete the attendance confirmation slip for the AGM. For details, please refer to the slip.
- (2) Registration period: 19 May 2004 to 28 May 2004:
- (3) Registration address: For details, please refer to the attendance confirmation slip for the AGM.

By order of the Board  
Zhang Jingming  
Company Secretary

Shanghai, 26 March 2004

Notes:

- (a) Holders of the Company's H Shares should note that the Register of Members in respect of the Company's H Shares will be closed from 18 May 2004 to 17 June 2004, both days inclusive, during which period no share transfer will be effected. In order to qualify for the final dividend, holders of the Company's H Shares shall lodge transfer documents and the relevant share certificates with the Company's share registrar at 19/F, Hopewell Centre, 183 Queen's Road East, Hong Kong by 4:00 p.m. on 17 May 2004. Details of the record date, timing and dividend distribution procedures for holders of A Shares will be announced separately.
- (b) 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.
- (c) 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 24 hours prior to the commencement of the AGM. A form of proxy for use for the AGM will be despatched to shareholders in due course.
- (d) The AGM is expected to last half a day. Shareholders attending the AGM shall be responsible for their own transportation and accommodation expenses.
- (e) The address of the Secretary's Office is:  
The Secretary's Office of the Board of Directors  
Sinopec Shanghai Petrochemical Company Limited  
No. 48 Jinyi Road, Jinshan District  
Shanghai, PRC  
Postal code: 200540  
Telephone: +86(21)5794 3143  
Fax: +86(21)5794 0050

**Appendix:**

(1) Biographies of nominated directors

Du Chongjun, 49, is Secretary of the Communist Party Committee and Chairman of the Supervisory Committee of the Company. He joined the Shanghai Petrochemical Complex (the "Complex") in 1974 and held various positions including Deputy Secretary and Secretary of the Communist Party Committee and General Manager of the Acrylic Fibre Plant of the Complex; General Manager, Secretary of the Communist Party Committee and General Manager of the Acrylic Business Division of Shanghai Jinyang Acrylic Fibre Plant. In May 1999, he was Deputy Secretary of the Communist Party Committee and the Secretary of the Communist Party Discipline Supervisory Committee of the Company. In June 1999, he was Chairman of the Supervisory Committee of the Company. In October 2003, he was Secretary of the Communist Party Committee of the Company. Mr Du has extensive experience in large-scale enterprise operation, management and internal supervision. In 1986, Mr Du graduated from East China Institute of Chemical Technology majoring in industrial management. In 1999, he graduated from Shanghai No.2 Industrial University with a bachelor's degree in computer applications management and is a senior economist. As at 31 December 2003, Mr Du held 1,000 shares in the Company. Other than as set out above, as at 31 December 2003, Mr Du had no interests or short positions in any shares, underlying shares of equity derivatives or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO") as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Companies. Mr Du does not have any relationships with any Directors, Supervisors, substantial shareholders or controlling shareholders of the Company. In accordance with the rules regarding remuneration of directors, supervisors and senior management of the Company adopted by the shareholders of the Company at the 2002 Annual General Meeting held on 18 June 2003, the annual remuneration of Mr Du will generally be fixed at 40% to 90% of the annual remuneration of the Chairman of the Board of Directors and the President of the Company (currently set at RMB240,000 each), with the actual amount to be determined by the chairman of the Board of Directors and the President based on Mr Du's workload, responsibilities and actual performance.

Han Zhihao, 52, is the Chief Financial Officer of the Company responsible for financial management, investment and fund raising. Mr Han joined the Complex in 1976 and held various positions including Deputy Director of the Vehicle Transportation Department, Deputy Director and Director of the Finance Department of the Complex, Director of the Finance Department and Deputy Chief Accountant of the Company. In 1998, he was Chief Accountant of the Company. In October 2003, he was Chief Financial Officer of the Company. He graduated from Shanghai University of Finance and Economics with a major in financing and accounting (self studies). In 2002, he obtained an MBA from East China University of Science and Technology - University of Canberra in Australia. Mr Han is a senior accountant. As at 31 December 2003, Mr Han had no interests or short positions in any shares, underlying shares of equity derivatives or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Companies. Mr Han does not have any relationships with any Directors, Supervisors, substantial shareholders or controlling shareholders of the Company. In accordance with the rules regarding remuneration of directors, supervisors and senior management of the Company adopted by the shareholders of the Company at the 2002 Annual General Meeting held on 18 June 2003, the annual remuneration of Mr Han will generally be fixed at 40% to 90% of the annual remuneration of the Chairman of the Board of Directors and the President of the Company (currently set at RMB240,000 each), with the actual amount to be determined by the chairman of the Board of Directors and the President based on Mr Han's workload, responsibilities and actual performance.

Mr Wu Haijun, 41, is Vice President of the Company responsible for development planning, investment project, project construction, technological development, technological advancement and information management. Mr Wu joined the Complex in 1984 and held various positions including Deputy Director, Director and Manager of Petrochemical Department of the Company. In May 1999, he was appointed as Vice President of the Company. Mr Wu graduated from Chemical Engineering Department of Eastern China Petrochemical Institute in 1984 with a bachelor's degree in chemical engineering. In 1997, he obtained an MBA from Sino-European Industrial and Commercial Institute. He is a qualified senior engineer. As at 31 December 2003, Mr Wu held 1,500 shares in the Company. Other than as set out above, as at 31 December 2003, Mr Wu had no interests or short positions in any shares, underlying shares of equity derivatives or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Companies. Mr Wu does not have any relationships with any Directors, Supervisors, substantial shareholders or controlling shareholders of the Company. In accordance with the rules regarding remuneration of directors, supervisors and senior management of the Company adopted by the shareholders of the Company at the 2002 Annual General Meeting held on 18 June 2003, the annual remuneration of Mr Wu will generally be fixed at 40% to 90% of the annual remuneration of the Chairman of the Board of Directors and the President of the Company (currently set at RMB240,000 each), with the actual amount to be determined by the chairman of the Board of Directors and the President based on Mr Wu's workload, responsibilities and actual performance.



Gao Jinping, 37, is Deputy Secretary of the Communist Party Committee and Chairman of the Trade Union of the Company. Mr Gao joined the Complex in 1990 and held various positions including Deputy Secretary of the Communist Youth League, Deputy Secretary of the Communist Experimental Plant, Deputy Secretary of the Communist Petrochemical Business Division and Director of the Propaganda Division of the Company. In May 2003, Mr Gao has held positions as Deputy Secretary of the Communist Party Committee and Chairman of the Trade Union of the Company. Mr Gao graduated from the Food Processing Faculty of Shanghai Aquatic Products University, with a major in cooling and cold storage technology, and has obtained a bachelor's degree in engineering in July 1990. In June 2001, he completed his further studies in Shanghai Social Science Industrial Economy post-graduate course, and is medium professional technician. As at 31 December 2003, Mr Gao had no interests or short positions in any shares, underlying shares of equity derivatives or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Companies. Mr Gao does not have any relationships with any Directors, Supervisors, substantial shareholders or controlling shareholders of the Company. In accordance with the rules regarding remuneration of directors, supervisors and senior management of the Company adopted by the shareholders of the Company at the 2002 Annual General Meeting held on 18 June 2003, the annual remuneration of Mr Gao will generally be fixed at 40% to 90% of the annual remuneration of the Chairman of the Board of Directors and the President of the Company (currently set at RMB240,000 each), with the actual amount to be determined by the chairman of the Board of Directors and the President based on Mr Gao's workload, responsibilities and actual performance.

(2) Biography of nominated supervisor

Dai Shuming, 48, is Deputy Secretary of the Communist Party Committee and Secretary of the Disciplinary Committee of the Company. Mr Dai joined the Complex in 1973. He has held various positions including Deputy Director of the office of the Communist Party of the Shanghai Petrochemical Complex, Deputy Director and Director of the office of the Communist Party of the Shanghai, Petrochemical Company and Director of the President's office. In October 2003, he was appointed as the Company's Deputy Secretary of the Communist Party Committee and Secretary of the Disciplinary Committee. Mr Dai graduated from the Social Science Department of Eastern China Petrochemical Institute with a major in politics. He has further obtained university qualification of Communist Party Political Administration Profession from Shanghai Municipal Committee Party School in January 1998. In June 2001, he completed his further studies in Shanghai Social Science Industrial Economy post-graduate course, and has senior professional technical qualifications. As at 31 December 2003, Mr Dai had no interests or short positions in any shares, underlying shares of equity derivatives or debentures of the Company or its associated corporations (within the meaning of Part XV of SFO as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Companies. Mr Dai does not have any relationships with any Directors, Supervisors, substantial shareholders or controlling shareholders of the Company. In accordance with the rules regarding remuneration of directors, supervisors and senior management of the Company adopted by the shareholders of the Company at the 2002 Annual General Meeting held on 18 June 2003, the annual remuneration of Mr Dai will generally be fixed at 40% to 90% of the annual remuneration of the Chairman of the Board of Directors and the President of the Company (currently set at RMB240,000 each), with the actual amount to be determined by the chairman of the Board of Directors and the President based on Mr Dai's workload, responsibilities and actual performance.