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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)**

**Resolutions of the 16th Meeting of the Seventh Session  
of the Board of Directors**

The Company and all members of the board of directors warrant that the information contained in this announcement is truthful, accurate and complete, and jointly accept full responsibility for any false representations or misleading statements contained in, or material omissions from, this announcement.

The notice for convening the 16th meeting (the "Meeting") of the seventh session of the board of directors (the "Board") of Sinopec Shanghai Petrochemical Company Limited (the "Company") was sent to all directors of the Company (the "Directors") on 10 October 2013 by facsimile transmission and mail. The Meeting was held on 24 October 2013 by way of correspondence. The convening of the Meeting complied with the Company Law of the People's Republic of China and the articles of association of the Company. Mr. Wang Zhiqing, Chairman, presided over the Meeting. In accordance with the relevant listing rules, directors who have any interest in the related party transaction shall withdraw from the meeting when the relevant matter is being voted by the Board. Therefore, affiliated Director Mr. Wang Zhiqing, Mr. Wu Haijun, Mr. Lei Dianwu and Mr. Xiang Hanyin did not take part in the votes in respect of the connected transactions. The Board considered and approved the following resolutions:

**Resolution 1** The establishment of the Independent Board Committee of the Company was considered and approved with 8 votes in favor, 0 vote against and 0 vote abstention. Independent Board Committee comprises Mr. Shen Liqiang, Mr. Jin Mingda, Mr. Cai Tingji and Mr. Zhang Yimin.

**Resolution 2** The appointment of Shenyin Wanguo Capital (H.K.) Limited as the independent financial advisor to the Independent Board Committee of the Company and the appointment of Shenyin Wanguo Securities Company Limited as the independent financial advisor to the independent shareholders of the Company's A shares were considered and approved with 8 votes in favor, 0 vote against and 0 vote abstention.

**Resolution 3** The renewed “Mutual Product Supply and Sale Services Framework Agreement” (2014-2016) with China Petrochemical Corporation and China Petroleum & Chemical Corporation and the Annual Caps on the relevant continuing connected transactions (i.e. the connected transactions in ordinary course of business, same as below) contemplated thereunder for each of years ending 31 December 2014, 2015 and 2016 were considered and approved with 8 votes in favor, 0 vote against and 0 vote abstention.

**Resolution 4** The renewed “Comprehensive Services Framework Agreement” with China Petrochemical Corporation and the Annual Caps on the relevant continuing connected transactions contemplated thereunder for each of the three years ending 31 December 2014, 2015 and 2016 were considered and approved with 8 votes in favor, 0 vote against and 0 vote abstention.

**Resolution 5** The opinion regarding “the Relevant Continuing Connected Transactions are Transactions Entered into in the Ordinary Course of Business and on Normal Commercial Terms” was considered and approved with 8 votes in favor, 0 vote against and 0 vote abstention. The independent non-executive Directors expressed agreement to the opinion.

**Resolution 6** The content of the Announcement on the Continuing Connected Transactions and the draft of the circular to H Shareholders were considered and approved with 8 votes in favor, 0 vote against and 0 vote abstention. Chairman Wang Zhiqing was authorized to make amendments to the Announcement on the Continuing Connected Transactions and the draft of the circular to H Shareholders as he deems fit. The despatch of the circular to H Shareholders on or around 31 October was approved.

**Resolution 7** The amendments to the articles of association of the Company and its appendices were considered and approved with 12 votes in favor, 0 vote against and 0 vote abstention. The Board also authorized the secretary to the Board to, on behalf of the Company, to transact all relevant matters in relation to such amendments regarding any applications, approvals, disclosure, registrations and filings (including wording amendments as requested by the regulatory authorities).

**Resolution 8** The convening of the second extraordinary general meeting of the Company in Jinshan District of Shanghai on 11 December 2013 at 14:00 was considered and approved with 12 votes in favor, 0 vote against and 0 vote abstention. A Shareholders may vote either on-site or by way of on-line voting. H Shareholders who intend to attend the extraordinary general meeting shall return the notice of attendance to the Company’s H Share registrar, Hong Kong Registrars Limited, by 8 November.

The aforesaid Resolutions 3, 4 and 7 will be submitted to the 2013 second extraordinary general meeting of the Company for consideration and approval.

For details of the amendments to the articles of association of the Company and its appendices,

please refer to the appendix of this announcement.

## **Sinopec Shanghai Petrochemical Company Limited**

Shanghai, the PRC, 24 October 2013

*As at the date of this announcement, the Executive Directors of the Company are Wang Zhiqing, Wu Haijun, Gao Jinping, Li Honggen, Zhang Jianping and Ye Guohua; the Non-executive Directors of the Company are Lei Dianwu and Xiang Hanyin; and the Independent Non-executive Directors of the Company are Shen Liqiang, Jin Mingda, Cai Tingji and Zhang Yimin.*

Appendix: Amendments to the Articles of Association and Its Appendices of Sinopec Shanghai Petrochemical Company Limited

**1. Amendments to the Articles of Association**

<b>Existing Articles</b>	<b>Amended Articles</b>
<p><b>Article 12</b> The Company’s scope of business include: crude oil processing, oil products, petrochemical products, synthetic fibres and monomers, plastic and plastic products, raw materials and products for knitting, catalyst preparation and spent solvent reclamation, supply of electricity, heat energy, water and gas, water processing, loading and unloading on railways, river transport, terminals, storage, design, research and development, “Four Technologies” services, property management, leasing of self-owned property, training of employee in the system, design, production of different types of advertisement, to conduct advertising by making use of the Company’s own media platform (in case of franchise operation, to operate the same by virtue of the relevant licence).</p>	<p><b>Article 12</b> The Company’s scope of business include: crude oil processing, oil products, petrochemical products, synthetic fibres and monomers, plastic and plastic products, raw materials and products for knitting, catalyst preparation and spent solvent reclamation, supply of electricity, heat energy, water and gas, water processing, loading and unloading on railways, river transport, terminals, storage, design, research and development, “Four Technologies” services, property management, leasing of self-owned property, training of employee in the system, design, production of different types of advertisement, to conduct advertising by making use of the Company’s own media platform (in case of franchise operation, to operate the same by virtue of the relevant licence), quality technology services.</p>
<p><b>Article 20</b> Having been approved by the responsible company approval authority as authorized by the State Council, the Company may issue a total of 7,200,000,000 ordinary shares, or which 4,000,000,000 shares have been issued to the promoter upon its establishment representing 55.56% of the authorized ordinary share capital.</p>	<p><b>Article 20</b> Having been approved by the responsible company approval authority as authorized by the State Council upon the Company’s establishment, the Company may issue a total of 7,200,000,000 ordinary shares, or which 4,000,000,000 shares have been issued to the promoter and have been subscribed by the promoter’s assessed asset upon its establishment, representing 55.56% of the authorized ordinary share capital.</p>
<p><b>Article 21</b> After the establishment of the Company, the Company has issued 2,330,000,000 ordinary shares which are overseas listed foreign shares, representing 32.36% of the authorized ordinary share capital. The Company has also issued 870,000,000 ordinary shares to the general public (including the employees of</p>	<p><b>Adding one paragraph as Article 21 third paragraph</b> In 2013, the Company converted capital reserve to increase share capital of 3,600,000,000 shares. The shareholding structure of the Company after the above mentioned conversion is: 10,800,000,000 ordinary shares, of which 7,305,000,000</p>

<p>the Company) which are domestic shares representing 12.08% of the authorized ordinary share capital.</p> <p>The shareholding structure of the Company after issue of the shares pursuant to the above paragraph is: 7,200,000,000 ordinary shares, of which 4,000,000,000 shares issued at the time of establishment of the Company, 870,000,000 domestic shares listed in the PRC and issued after the establishment of the Company, and 2,330,000,000 overseas listed foreign shares.</p>	<p>domestic shares listed in the PRC, representing 67.64% and 3,495,000,000 overseas listed foreign shares, representing 32.36%.</p>
<p><b>Article 24</b> The registered capital of the Company shall be RMB7,200,000,000.</p>	<p><b>Article 24</b> The registered capital of the Company shall be RMB10,800,000,000.</p>
<p><b>Article 46 Second Paragraph Item (1)</b> (1) A fee in the sum of two (2) Hong Kong dollars or such higher sum then agreed by the Hong Kong Stock Exchange is paid to the Company in respect of the registration of any transfer in the title of the shares to which it relates or for the alteration in the title of such shares or other documents.</p>	<p><b>Article 46 Second Paragraph Item (1)</b> (1) A fee in the sum of two Hong Kong dollars and fifty cents (2.5) or such higher sum then agreed by the Hong Kong Stock Exchange is paid to the Company in respect of the registration of any transfer in the title of the shares to which it relates or for the alteration in the title of such shares or other documents.</p>
<p><b>Article 47</b> No registration of any change in the register of shareholders arising from a transfer of shares shall be effected thirty (30) days before the holding of a shareholders' general meeting or within five (5) days before the decision is made on the distribution of dividends by the Company.</p>	<p><b>Article 47</b> No registration of any change in the register of shareholders arising from a transfer of shares shall be effected thirty (30) days before the holding of a shareholders' general meeting or within five (5) days before the decision is made on the distribution of dividends by the Company. The changes of the register of A shareholders are more applicable to the laws and regulations in PRC.</p>
<p><b>Article 63</b> Any requisition by the supervisory committee or by shareholders alone or together holding ten per cent (10%) or more of the total voting rights of the Company to convene an extraordinary general meeting or a class meeting shall be dealt with by the following procedures: (1) by signing one or more counterpart requisitions stating the object of the meeting,</p>	<p><b>Article 63</b> Any requisition by the supervisory committee or by shareholders alone or together holding ten per cent (10%) or more of the total voting rights of the Company to convene an extraordinary general meeting or a class meeting shall be dealt with the" Rules and Procedures of Shareholder Meetings".</p>

<p>require the board of directors to, and the board of directors shall as soon as possible proceed to, convene an extraordinary general meeting of shareholders or a class meeting or dispatch a notice of meeting within fifteen (15) days after receiving written request from the supervisory committee. The shareholding of the requisitionists shall be the shareholding on the date of deposit of the requisition;</p> <p>(2) if the board of directors fails to issue a notice of meeting within thirty (30) days from the date of the receipt of the requisition, the requisitionists may themselves convene such a meeting in a manner as similar as possible as that in which meetings are to be convened by the board of directors; provided that any meeting so convened shall be convened within four (4) months of the date of receipt of the requisition by the board.</p> <p>Any reasonable expenses incurred by the requisitionists by reason of the board failing to convene a meeting shall be borne by the Company and such expenses shall be set off against sums owned by the Company to the directors in default.</p>	
<p><b>Article 66 Second Paragraph</b></p> <p>The Company convened a general meeting of shareholders to consider and approve Article 93 of the Articles that is related to the resolutions of public shareholders. The Company shall reannounce the notice of the general meeting of shareholders within three days after the date of share registration notwithstanding that a notice of the general meeting of shareholders has been issued.</p>	<p><b>Delete</b></p>
<p><b>Article 93</b></p> <p>The following issues shall require approval on resolutions submitted to the shareholders' general meeting of the Company, and the approval by more than one half of the voting rights held by the public shareholders who are present at the meeting and having the domestic shares listed on the domestic market, in order for such issues to take effect or to submit such issues for application:</p> <p>(1) the issuance of new shares to public</p>	<p><b>Delete</b></p>

shareholders of the Company (including overseas-listed foreign shares or other title certificates with a share nature, except for the overseas-listed foreign shares that are, upon approval at the shareholders' general meeting by way of a special resolution, issued by the Company at a 12-month interval with a volume not exceeding 20% of the foreign shares in issue), issuance of convertible bonds of the Company or placing of shares to existing shareholders (other than those promised to be fully subscribed by the Controlling Shareholder in cash prior to the meetings);

(2) major asset reorganization of the Company, pursuant to which the total amount of assets purchased has exceeded the audited net nominal value of the assets purchased by 20% or above;

(3) the repayment of debts owed to the Company with the equities held by the shareholders in the Company;

(4) the foreign listing of the subsidiaries of the Company which has a material effect on the Company;

(5) any relevant matter which has a material effect on the interests of the public shareholders during the development of the Company.

A shareholders' general meeting will be convened to approve and consider the resolutions stated above. A voting platform by way of internet should be provided to shareholders if the technical conditions allow.

<sup>1</sup> As Article 93 of the original Articles of Association was deleted in this amendment, the numbering will be adjusted accordingly hereafter

<p><b>Article 100 First Paragraph Item (3)</b>  (3) the number of shareholders and proxies attending the meeting, the total number of voting shares represented by the shareholders who are entitled to vote; the proportion of the number of voting shares represented by the shareholders who are entitled to vote out of the total number of shares of the Company; the number of voting shares represented by public shareholders holding domestically listed shares (including their proxies) and the number of voting shares represented by shareholders holding noncirculating shares (including their proxies) and their respective proportions out of the total number of shares of the Company; the individual voting results for each motion of the public shareholders holding domestically listed shares and shareholders holding non-circulating shares;</p>	<p><b>Article 99 First Paragraph Item (3)</b>  (3) the number of shareholders and proxies attending the meeting, the total number of voting shares represented by the shareholders who are entitled to vote; the proportion of the number of voting shares represented by the shareholders who are entitled to vote out of the total number of shares of the Company;</p>
<p><b>Article 114 First Paragraph</b>  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).</p>	<p><b>Article 113 First Paragraph</b>  The Company shall have a board of directors which shall consist of eleven to fifteen (11-15) 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).</p>
<p><b>Article 206</b>  Where there is any profit that may be distributed to shareholders, the Company shall take steps to implement a profit distribution scheme with the principle of providing reasonable investment return to shareholders as well as ensuring the Company to meet its reasonable capital requirements.</p> <p>The profit distribution policies of the Company are as follows:</p> <p>a) The Company shall properly deal with the</p>	<p><b>Article 205</b>  (1) The Company should place emphasis on delivering reasonable return on investments to the investors. The Company shall pay due attention to the opinions of minority shareholders through various channels when allocating its profits. The profits distribution policy of the Company shall be durative and stable, taking into account of the long-term interests of the Company, the overall interests of all shareholders and the Company’s sustainable development.</p>



<p>correlation between the short-term benefits and long-term development of the Company and formulate a reasonable dividend distribution plan each year based on the prevailing operating environment and the capital requirement plan for project investment and after thoroughly considering the benefits of shareholders.</p> <p>b) The profit distribution policies of the Company shall maintain consistency and stability.</p> <p>c) The accumulated profits distributed in cash by the Company over the past three years shall represent no less than 30% of the realized average annual distributable profits over the past three years.</p> <p>d) If the Board of the Company does not make any cash profit distribution proposal, the Company shall disclose the reason(s) in its periodic reports.</p>	<p>(2) The Company may distribute dividends in the following forms: cash, shares or other forms approved by laws, administrative rules, regulations of competent authorities and regulatory provisions in the place where the Company's shares are listed. The Company shall give priority to the distribution of dividends in cash. The Company may make interim dividends distribution.</p> <p>(3) The Company shall distribute cash dividends when the Company's net profit and retained earnings, in separate financial statement, are positive and the Company has adequate cash inflows over the requirements of cash outflows of operation and sustainable development. The cash dividends per annum should not be less than thirty (30) percent of the net profit of the Company in the current year.</p> <p>(4) The Company may adjust its profits distribution policy referred to in sub-paragraphs (2) and (3) of this Article in case of war, natural disasters and other force majeure, or where changes to the external environment of the Company result in material impact on the production and operation of the Company, or where there are significant changes in the Company's own operations or financial conditions, or where the Company's board of directors considers it necessary. Independent directors shall issue independent opinions on the adjustment of profits distribution policy whilst the board of directors shall discuss the rationality of such adjustment in detail and form a resolution which shall be submitted to shareholders' meeting for approval by special resolution. The convening of shareholders' meeting shall comply with regulatory provisions in the place where the Company's shares are listed.</p> <p>(5) The management of the Company shall formulate the annual profits distribution plan and submit such plan to the board of directors</p>
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	<p>for consideration. Independent directors shall issue independent opinions on such plan and the board of directors shall form a resolution which shall be submitted for approval by shareholders' meeting. If the conditions for the distribution of cash dividends have been satisfied and the Company does not propose a cash dividends distribution plan or does not propose such plan in compliance with the sub-paragraph (3) of this Article, independent directors shall issue independent opinions whilst the board of directors shall give specific explanation regarding such arrangement and form a resolution which shall be submitted to shareholders' meeting for approval and make relevant disclosures. The plan for half-yearly dividends distribution of the Company shall comply with Article 213<sup>2</sup> of the Articles of Association.</p>
<p><b>Article 210 Second paragraph</b> The Company may, subject to resolution by shareholders in shareholders' general meeting, convert the common reserve into share capital by issuing new shares to the shareholders in proportion to their existing shareholdings or increasing the par value of each share provided that when the statutory common reserve is converted into share capital of the Company, the remaining statutory common reserve after such conversion shall be no less than twenty-five per cent. (25%) of the registered capital.</p>	<p><b>Article 209 Second paragraph</b> when the statutory common reserve is converted into share capital of the Company, the remaining statutory common reserve after such conversion shall be no less than twenty-five percent. (25%) of the registered capital.</p>
<p><b>Article 212</b> The Company may distribute its dividend in the following forms: (1) cash; (2) shares.</p>	<p><b>Delete</b></p>

<sup>2</sup>The content of Article 215 of the original Articles of Association: Unless otherwise resolved by shareholders in general meeting, the board of directors to declare half yearly dividends. Unless otherwise provided by law, the amount of half-yearly dividend shall not exceed fifty per cent (50%) of the distributable profits as set out in the interim profit statements.

## 2. Amendments to the Appendices to the Articles of Association

### 2.1 Amendments to Rules of Procedure for Shareholders' General Meetings

Existing Articles	Amended Articles
<p><b>Article 26 Paragraph 5</b>            In the event that a shareholders' general meeting is to be convened to examine and approve matters referred to in the Articles of Association requiring approval by the Company's public shareholders, a notice of shareholders' general meeting shall be published again within three days of the closure of the Register even though such notice may have been published before.</p>	<p><b>Delete</b></p>
<p><b>Article 66</b>            The following issues shall require approval by the shareholders' general meeting of the Company, and the approval by the public shareholders holding more than one half of the total voting rights of the shares giving that right, who are present at the meeting, in order to take effect or to submit for application:            (1) the issuance of new shares to the public shareholders of the Company (including overseas-listed foreign shares or other title certificates with nature similar to shares, except for the overseas-listed foreign shares that are, upon approval at the shareholders' general meeting by way of a special resolution issued by the Company at a 12-month interval with a volume not exceeding 20% of the foreign shares in issue), issuance of convertible bonds of the Company or placing of shares to existing shareholders (other than those promised to be fully subscribed by the Controlling Shareholder in cash prior to the meetings);            (2) major asset reorganization of the Company, pursuant to which the total amount of assets purchased has exceeded the audited net nominal value of the assets purchased by 20% or above;            (3) the repayment of debts owed to the Company with the equities held by the</p>	<p><b>Delete</b></p>

<p>shareholders in the Company;  (4) the foreign listing of the subsidiaries of the Company which has a material effect on the Company;  (5) any relevant matter which has a material effect on the interests of the public shareholders during the development of the Company.</p>	
<p><b>Article 73 Paragraph one item (3)</b>  (3) the number of shareholders and proxies attending the meeting, the total number of voting shares represented by the shareholders who are entitled to vote; the proportion of the number of voting shares represented by the shareholders who are entitled to vote out of the total number of shares of the Company; the number of voting shares represented by public shareholders holding domestically listed shares (including their proxies) and the number of voting shares represented by shareholders holding non-circulating shares (including their proxies) and their respective proportions out of the total number of shares of the Company; the individual voting results for each motion of the public shareholders holding domestically listed shares and shareholders holding non-circulating shares;</p>	<p><b>Article 72 First Paragraph Item (3) <sup>3</sup></b>  (3) the number of shareholders and proxies attending the meeting, the total number of voting shares represented by the shareholders who are entitled to vote; the proportion of the number of voting shares represented by the shareholders who are entitled to vote out of the total number of shares of the Company;</p>

<sup>3</sup> As Article 66 of the original Rules of Procedure for Shareholders' General Meetings was deleted in this amendment, the numbering will be adjusted accordingly hereafter

*2.2 Amendments to Rules of Procedure for Board of Directors' Meetings*

<b>Existing Articles</b>	<b>Amended Articles</b>
<p><b>Article 2 Paragraph 1</b>  The Board shall consist of 12 directors, including one chairman and one to two vice-chairmen.</p>	<p><b>Article 2 Paragraph 1</b>  The Board shall consist of 11-15 directors, including one chairman and one to two vice-chairmen.</p>