
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Sinopec Shanghai Petrochemical Company Limited, you should at once hand this circular, together with the enclosed form of proxy and reply slip, to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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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)

**ELECTION OF NON-INDEPENDENT DIRECTOR
OF THE NINTH SESSION OF THE BOARD
AND
NOTICE OF ANNUAL GENERAL MEETING**

Sinopec Shanghai Petrochemical Company Limited will convene the 2017 annual general meeting at North Building, Jinshan Hotel, No.1, Jinyi East Road, Jinshan District, Shanghai, the People's Republic of China on Wednesday, 13 June 2018 at 2:00 p.m.. The relevant notice is set out on pages 6 to 10 of this circular. Whether or not you are able to attend the 2017 annual general meeting in person, please complete the form of proxy of the Company in accordance with the instructions printed thereon and return it to the Company's H shares share registrar, Hong Kong Registrars Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 24 hours before the time for holding the 2017 annual general meeting (i.e. not later than 2:00 p.m. on Tuesday, 12 June 2018) or any adjournment thereof (as the case may be).

Shareholders who intend to attend the 2017 annual general meeting should complete and return the reply slip to the Company on or before Thursday, 24 May 2018.

Completion and return of the form of proxy of the Company will not preclude you from attending and voting in person at the 2017 annual general meeting or any adjournment thereof (as the case may be) if you so wish, and in such event, the instrument appointing a proxy shall be deemed to be revoked.

A shareholder or his/her/its proxy shall produce necessary proof of identity and provide information which enables the Company to confirm his/her/its identity as a shareholder. For details, please refer to Note II "Registration procedures for attending the AGM" of the notice of 2017 annual general meeting.

26 April 2018

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DEFINITIONS

In this circular, unless the context otherwise requires the following expressions shall have the following meanings:

“AGM” or “Annual General Meeting”	the 2017 annual general meeting to be held at North Building, Jinshan Hotel, No. 1, Jinyi East Road, Jinshan District, Shanghai, the PRC on Wednesday, 13 June 2018 at 2:00 p.m.
“Board”	the board of Directors of the Company
“Company”	Sinopec Shanghai Petrochemical Company Limited, a joint stock limited company incorporated in the PRC and listed on the Main Board of the Hong Kong Stock Exchange (stock code: 00338), the Shanghai Stock Exchange (stock code: 600688) and the New York Stock Exchange (stock short name: SHI)
“Director(s)”	the director(s) of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Latest Practicable Date”	24 April 2018, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“PRC” or “China”	the People’s Republic of China and, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Shanghai Listing Rules”	the listing rules of the Shanghai Stock Exchange
“Shareholder(s)”	the shareholder(s) of the Company

LETTER FROM THE BOARD



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)

Executive Directors:

Wu Haijun
Gao Jinping
Jin Qiang
Guo Xiaojun
Zhou Meiyun

Non-executive Directors:

Lei Dianwu
Mo Zhenglin

Independent non-executive Directors:

Zhang Yimin
Liu Yunhong
Du Weifeng
Li Yuanqin

Registered Office:

48 Jinyi Road
Jinshan District
Shanghai, PRC

*Principal Place of Business
in Hong Kong:*

Room 605, 6/F
Island Place Tower
510 King's Road
Hong Kong

26 April 2018

To the Shareholders

Dear Sir or Madam,

**ELECTION OF NON-INDEPENDENT DIRECTOR
OF THE NINTH SESSION OF THE BOARD
AND
NOTICE OF ANNUAL GENERAL MEETING**

I. INTRODUCTION

The purpose of this circular is to provide you with relevant information to enable you to make an informed decision on whether to vote for or against the ordinary resolution for the proposed election of Mr. Jin Wenmin as a non-independent Director of the Ninth Session of the Board.

LETTER FROM THE BOARD

II. PROPOSED ELECTION OF MR. JIN WENMIN AS NON-INDEPENDENT DIRECTOR OF THE NINTH SESSION OF THE BOARD

Reference is made to the announcement published by the Company dated 20 March 2018 in relation to the nomination of non-independent Director.

For the biography of Mr. Jin Wenmin, the candidate proposed for election as non-independent Director of the Ninth Session of the Board, please refer to the Appendix to this circular.

III. NOTICE OF AGM

The Company will convene the AGM at North Building, Jinshan Hotel, No. 1, Jinyi East Road, Jinshan District, Shanghai, the PRC on Wednesday, 13 June 2018 at 2:00 p.m. The notice of the AGM is set out on pages 6 to 10 of this circular.

Whether or not you are able to attend the AGM in person, please complete the form of proxy of the Company in accordance with the instructions printed thereon and return it to the Company's H shares share registrar, Hong Kong Registrars Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as practicable and in any event not less than 24 hours before the time for holding the AGM (i.e. not later than 2:00 p.m. on Tuesday, 12 June 2018) or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof (as the case may be) if you so wish, and in such event, the instrument appointing a proxy shall be deemed to be revoked.

Pursuant to Rule 13.39(4) of the Hong Kong Listing Rules, all votes at the AGM will be taken by poll except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands. The Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Hong Kong Listing Rules.

As at the Latest Practicable Date, to the best of the Company's knowledge, information and belief, no Shareholder is required to abstain from voting on any resolution at the AGM.

LETTER FROM THE BOARD

IV. RECOMMENDATION

The Directors consider that the proposed election of Mr. Jin Wenmin as a non-independent Director of the Ninth Session of the Board is in the best interests of the Company and the Shareholders as a whole. The Directors recommend the Shareholders to vote in favour of the resolution.

Yours faithfully,
For and on behalf of the Board
Sinopec Shanghai Petrochemical Company Limited
Wu Haijun
Chairman

Mr. Jin Wenmin, aged 53, is currently a Vice President of the Company. Mr. Jin joined the Shanghai Petrochemical Complex in 1985 and served as the Secretary of the Communist Party Committee of the Company's No.1 Oil Refining Device of Refining Unit, Head of Butadiene Device, Manager of the storage and transportation branch company, manager and Deputy Secretary of the Communist Party Committee of Storage and Transportation Department, manager and Deputy Secretary of the Communist Party Committee of Oil Refining Department etc. From April 2013 to February 2017, Mr. Jin was appointed as Head of Production Department of the Company. From May 2013 to August 2016, Mr. Jin served as Assistant to the President of the Company and was appointed as Vice President of the Company in September 2016. Mr. Jin graduated from the Shanghai Second Polytechnic University in July 2003, majoring in business administration. He is a senior engineer by professional title.

As at the Latest Practicable Date, Mr. Jin holds 175,000 A shares and 75,000 A shares share options of the Company.

Save as disclosed above, Mr. Jin (i) does not and did not hold any directorships in the last three years in other public companies the securities of which are listed on any securities market in Hong Kong or overseas; (ii) does not have relationships with any Director, supervisor, senior management, controlling shareholder, substantial shareholder or de facto controller of the Company, and (iii) does not have any interests in the shares or underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong). Mr. Jin has not faced any disciplinary action by the China Securities Regulatory Commission or other relevant authorities, nor has he been sanctioned by any stock exchange.

If the resolution in respect of the election of Mr. Jin as a non-independent Director is approved at the AGM, Mr. Jin will enter into a director's service contract with the Company on or around the date of the AGM. The term of office will begin on the date of passing of the resolution at the AGM and expire in June 2020. The remuneration of Mr. Jin will be determined in accordance with the "Remuneration System for Directors, Supervisors and Senior Management" approved at the Company's 2002 annual general meeting. The Company will disclose the amount of remuneration received by Mr. Jin in the relevant annual reports. Mr. Jin's remuneration will not be covered in the director's service contract.

Save as disclosed above, the Company is not aware of any information in respect of Mr. Jin that needs to be disclosed pursuant to Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Hong Kong Listing Rules, nor is the Company aware of any matters that need to be brought to the attention of the Shareholders.

NOTICE OF ANNUAL GENERAL MEETING



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)

NOTICE OF 2017 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 2017 annual general meeting (the “AGM”) of Sinopec Shanghai Petrochemical Company Limited (the “Company”) is to be held at North Building, Jinshan Hotel, No.1, Jinyi East Road, Jinshan District, Shanghai, the People’s Republic of China (the “PRC”) on Wednesday, 13 June 2018 at 2:00 p.m. for the following purposes:

To consider and pass the following ordinary resolutions by way of non-cumulative voting:

- (1) 2017 Work Report of the Board of Directors of the Company;
- (2) 2017 Work Report of the Supervisory Committee of the Company;
- (3) 2017 Audited Financial Statements of the Company;
- (4) 2017 Profit Distribution Plan of the Company;
- (5) 2018 Financial Budget Report of the Company;
- (6) The re-appointment of PricewaterhouseCoopers Zhong Tian LLP (Special General Partnership) and PricewaterhouseCoopers as the domestic and international auditors, respectively, of the Company for the year 2018, and the authorization to the board of directors of the Company to fix their remuneration; and
- (7) The election of Mr. Jin Wenmin as a non-independent director of the Ninth Session of the board of directors of the Company.

By Order of the Board
Sinopec Shanghai Petrochemical Company Limited
Guo Xiaojun
Joint Company Secretary

Shanghai, the PRC, 26 April 2018

NOTICE OF ANNUAL GENERAL MEETING

Notes:

I. Attendee of the AGM

1. Eligibility for attending the AGM

Holders of A shares whose names appear on the domestic shares register of the Company maintained by Shanghai Branch of China Securities Depository and Clearing Corporation Limited (the “CSDC Shanghai Branch”) and holders of H shares whose names appear on the register of members of the Company maintained by the Company’s H shares share registrar, Hong Kong Registrars Limited, at the close of business on Friday, 11 May 2018 are eligible to attend the AGM. Unregistered holders of H shares who wish to attend the AGM shall lodge the transfer documents and the relevant share certificates with the Company’s H shares share registrar, Hong Kong Registrars Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong before 4:30 p.m. on Friday, 11 May 2018.

2. Proxy

- (1) A member eligible to attend and vote at the AGM is entitled to appoint, in written form, one or more proxies to attend and vote on his/her behalf. A proxy need not be a shareholder of the Company.
- (2) A proxy should be appointed by a written instrument signed by the shareholder or its attorney duly authorised in writing. If the form of proxy is signed by the attorney of the shareholder, the power of attorney authorising the attorney to sign or other authorisation document(s) must be notarised.
- (3) To be valid, the form of proxy and/or the power of attorney or other authorisation document(s) which has/have been notarised must be delivered to the statutory address of the Company not less than 24 hours before the designated time for holding the AGM (i.e. not later than 2:00 p.m. on Tuesday, 12 June 2018). Holders of A shares shall deliver the relevant document(s) to the Company at No. 48 Jinyi Road, Jinshan District, Shanghai, the PRC, Postal code: 200540. Holder of H shares shall deliver the relevant document(s) to the H shares share registrar of the Company, Hong Kong Registrars Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong. If the Company does not receive the original copy of the relevant document(s) before the aforesaid time, the shareholder will be deemed as having not attended the AGM and the relevant form of proxy will be deemed void.

3. The directors, the supervisors and senior management of the Company

4. The lawyers of the Company

5. Others

II. Registration procedures for attending the AGM

1. A shareholder of the Company or his/her proxy shall produce proof of identity (identity card or passport) when attending the AGM. If the shareholder attending the meeting is a corporate shareholder, its legal representative who attends the meeting shall produce proof of identity and proof of his/her capacity as the legal representative and shall provide information which enables the Company to confirm its identity as a corporate shareholder. Where a representative is appointed by the corporate shareholder to attend the meeting, the representative shall produce proof of identity, the written authorization duly issued by the legal representative of the corporate shareholder, or a notarially certified copy of the resolution on authorization duly passed by the board of directors or other decision-making bodies of the corporate shareholder and information which enables the Company to confirm the identity of the corporate shareholder concerned.
2. Shareholders who intend to attend the AGM should complete and return the reply slip for 2017 AGM to the Company before Thursday, 24 May 2018. For details, please refer to the reply slip for 2017 AGM.

NOTICE OF ANNUAL GENERAL MEETING

III. Others

1. Each shareholder or his/her proxy shall exercise his/her voting rights by way of poll.
2. The AGM is expected to last for less than a working day. Shareholders or their proxies who will attend the AGM shall be responsible for their own transportation and accommodation expenses.
3. Notes to the holders of the Company's H shares:

Date of closure of register of members in relation to the eligibility of attending the AGM

The register of members of the Company's H shares will be closed from Monday, 14 May 2018 to Wednesday, 13 June 2018 (both days inclusive), during which period no transfer of H shares will be registered in order to confirm the shareholders' eligibility to attend the AGM. Unregistered holders of the Company's H shares who wish to attend and vote at the AGM should lodge the H shares transfer documents and the relevant share certificates with the Company's H shares share registrar, Hong Kong Registrars Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 11 May 2018.

Date of closure of register of members in relation to the distribution of final dividend to holders of the Company's H shares

The board of directors of the Company has proposed to distribute a dividend for the year 2017 of RMB0.3 per share (tax inclusive) (the "Final Dividend") based on the total number of issued shares of the Company as at the record date for distributing dividend. Subject to the passing of the resolution by the shareholders of the Company at the AGM, the Final Dividend is expected to be distributed on or around Friday, 13 July 2018 to shareholders whose names appear on the register of members of the Company's H shares at the close of business on Tuesday, 26 June 2018. The Final Dividend is denominated and declared in Renminbi. The Final Dividend payable to the holders of the Company's A shares shall be paid in Renminbi while those payable to the holders of the Company's H shares shall be paid in Hong Kong dollars. The amount of Hong Kong dollars payable shall be calculated on the basis of the average closing exchange rates for Hong Kong dollars as announced by the Foreign Exchange Trading Centre of the PRC one calendar week prior to the approval of the Final Dividend at the AGM.

The register of members of the Company's H shares will be closed from Thursday, 21 June 2018 to Tuesday, 26 June 2018 (both days inclusive), during which period no transfer of H shares will be registered in order to confirm the shareholders' entitlement to receive the Final Dividend. Unregistered holders of the Company's H shares who wish to receive the Final Dividend should lodge the H shares transfer documents and the relevant share certificates with the Company's H shares share registrar, Hong Kong Registrars Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 20 June 2018.

For domestic individual and corporate investors who invested in H shares of the Company via Southbound Trading, the Company has entered into "The Agreement on Distribution of Cash Dividends of H shares for Southbound Trading" with the CSDC Shanghai Branch, pursuant to which, the CSDC Shanghai Branch, as the nominee holder of H shares of the Company for the investors of Southbound Trading, will receive cash dividend distributed by the Company and distribute the cash dividend to the relevant investors of Southbound Trading through its depository and clearing system. The arrangement of the record date of the investors of Southbound Trading is consistent with that of the Company's H shares shareholders. The Final Dividend is expected to be paid within three business days of Southbound Trading from Friday, 13 July 2018. The Final Dividend payable to the investors of Southbound Trading who invested in H shares of the Company will be paid in Renminbi.

NOTICE OF ANNUAL GENERAL MEETING

Withholding of both corporate and individual income tax on dividends

Pursuant to the Law of the People's Republic of China on Enterprise Income Tax and its implementation rules and the relevant provisions, when the Company distributes dividends to its shareholders who are overseas non-resident enterprises on the register of members of H shares of the Company, the Company has the obligation to withhold the enterprise income tax at a rate of 10%. All shares registered in the name of non-individual shareholders on the register of members of H shares of the Company, including HKSCC (Nominees) Limited, other corporate nominees and trustees, or other groups and organizations will be treated as shares held by non-resident enterprise shareholders and, thus, the income tax will be withheld on the dividends received. If any holder of the Company's H shares would like to change his/her/its residency status, please enquire about relevant procedures with his/her/its nominee or trustee.

Pursuant to the Guo Shui Han [2011] No. 348 issued by the State Administration of Taxation, for individual holders of the Company's H shares (the "Individual H Shares Shareholders"), the Company shall withhold and pay the individual income tax for dividends on behalf of such shareholders. Meanwhile, the Individual H Shares Shareholders may be entitled to relevant tax preferential treatments under the tax agreements between the PRC and the countries in which the Individual H Shares Shareholders reside or under the tax arrangements between Mainland China and Hong Kong (Macau). For Individual H Shares Shareholders who are Hong Kong or Macau residents or who reside in a country which has entered into an agreement with the PRC stipulating a tax rate of lower than 10% in respect of dividend, the Company will withhold and pay individual income tax at the rate of 10% on behalf of such Individual H Shares Shareholders. For Individual H Shares Shareholders who reside in a country which has entered into an agreement with the PRC stipulating a tax rate of lower than 10% in respect of dividend, the Company may make applications on their behalf to seek entitlement of the relevant agreed preferential treatments pursuant to the Announcement of the State Administration of Taxation in relation to Issuance of the "Administrative Measures on Preferential Treatment Entitled by Non-residents Under Tax Treaties" 《(國家稅務總局關於發佈〈非居民納稅人享受稅收協定待遇管理辦法〉的公告)》. For Individual H Shares Shareholders who reside in a country which has entered into an agreement with the PRC stipulating a tax rate of higher than 10% but lower than 20% in respect of dividend, the Company will withhold and pay individual income tax at the actual agreed tax rate on behalf of such Individual H Shares Shareholders. For Individual H Shares Shareholders who reside in a country which has not entered into any tax agreement with the PRC or which has entered into a tax agreement with the PRC stipulating a tax rate of 20% in respect of dividend, or under any other circumstances, the Company will withhold and pay the individual income tax at a tax rate of 20% on behalf of such Individual H Shares Shareholders.

Pursuant to the Notice on Taxation Policies concerning the Pilot Program of an Interconnection Mechanism for Transactions in the Shanghai and Hong Kong Stock Markets (Cai Shui [2014] No. 81):

For dividends received by the Mainland China investors who invest in H shares of the Company via the Shanghai-Hong Kong Stock Connect, the Company will withhold and pay income tax at the rate of 20% on behalf of such individuals and investment funds. The Company will neither withhold nor pay income tax of the dividends received by corporate investors, and the tax should be declared and paid by the corporate investors themselves.

For dividends received by Hong Kong investors (enterprises or individuals) that invest in A shares of the Company via the Shanghai-Hong Kong Stock Connect, income tax shall be withheld at the tax rate of 10% by the Company and the Company shall undergo the procedure of tax withholding and declaration with the tax authorities in charge. For investors who reside in a country which has entered into a tax agreement with the PRC stipulating a tax rate of less than 10% in respect of dividend, the enterprises or individuals may apply to the taxation authority of the Company for tax preference of the tax agreement by themselves or authorize the tax withholding obligator to file such an application. The taxation authority in charge will, after verification and approval, refund the taxes based on the difference between the taxes levied and the taxes payable calculated according to the tax rate of the tax agreement.

NOTICE OF ANNUAL GENERAL MEETING

The Company will determine the country of residence of the Individual H Shares Shareholders based on the registered address as recorded in the register of members of the Company's H shares (the "Registered Address") as at the close of business on Tuesday, 26 June 2018 and will withhold and pay individual income tax on that basis. If the country of residence of the Individual H Shares Shareholder is not the same as the Registered Address, the Individual H Shares Shareholder shall notify the Company's H shares share registrar, Hong Kong Registrars Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, and provide relevant supporting documents not later than 4:30 p.m. on Wednesday, 20 June 2018. If the Individual H Shares Shareholders do not provide relevant supporting documents to the Company's H shares share registrar within the time limit stated above, the Company will determine the country of residence of the Individual H Shares Shareholders based on the Registered Address recorded in the register of members of the Company's H shares as at the close of business on Tuesday, 26 June 2018.

The Company will assume no liability and will not entertain any claims arising from and whatsoever in respect of any delay or error in determination of the residency status of the H shares shareholders of the Company or any disputes over the tax withholding mechanism.

If holders of the Company's H shares have any questions regarding the aforesaid arrangements, please consult your tax advisor on the taxation impact in Mainland China, Hong Kong and other countries (regions) for owning and disposing of the Company's H shares.

The record date for dividend distribution, distribution procedures and time for the distribution of dividends applicable to holders of the Company's A shares will be announced in a separate public announcement.

4. The Secretariat for the AGM is: The Secretariat of the Board of Sinopec Shanghai Petrochemical Company Limited, the contact details are as follows:

No. 48 Jinyi Road, Jinshan District, Shanghai, the PRC
Postal code: 200540
Telephone: (8621) 57943143
Fax: (8621) 57940050