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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

Proposed Change of International and Domestic Auditors

This announcement is made by Sinopec Shanghai Petrochemical Company Limited (the “Company”) pursuant to Rule 13.51(4) of the Listing Rules.

China Petroleum Corporation, the ultimate controlling shareholder of the Company, is a state-owned enterprise regulated by the State-owned Assets Supervision and Administration Commission of the State Council of the People’s Republic of China (“SASAC”). Under the relevant requirements by the Ministry of Finance of the People’s Republic of China and SASAC, there are certain limits to the number of years for which an auditor may continuously undertake financial auditing work in respect of a state-owned enterprise and its subsidiaries. In view of the above limits, the Company has reached consensus with KPMG and KPMG Huazhen (Special General Partnership) (“KPMG Huazhen”) on the non-renewal of their appointment, the transitional arrangements and other related matters, and agreed that after KPMG and KPMG Huazhen have completed the audit work in respect of the Company for the financial year ended 31 December 2012, the Company will not re-appoint KPMG and KPMG Huazhen as its international and domestic auditors, respectively, for the financial year ending 31 December 2013.

As recommended by the Audit Committee of the Company, the board of directors of the Company (the “Board”) has resolved to put forward an ordinary resolution at the 2012 annual general meeting of the Company (the “2012 AGM”) to appoint PricewaterhouseCoopers and PricewaterhouseCoopers Zhong Tian CPAs Limited Company (to be renamed as “PricewaterhouseCoopers Zhong Tian LLP”) as the international and domestic auditors, respectively, of the Company for the financial year ending 31 December 2013.

The Company has received a written confirmation from KPMG and KPMG Huazhen that there are no matters that need to be reported or brought to the attention of the shareholders of the Company in connection with the relevant change. The Board also confirms that there are no other matters that need to be brought to the attention of the shareholders of the Company in connection with the above change, and there are no disagreements or unresolved matters between the Company and KPMG or KPMG Huazhen.

The proposed appointment of the international and domestic auditors of the Company is subject to approval by the shareholders of the Company by way of an ordinary resolution at the 2012 AGM. In accordance with the Listing Rules, the Company will dispatch to its shareholders a circular in respect of the 2012 AGM containing details of the proposed appointment of auditors.

The Board would take this opportunity to express its sincere gratitude to KPMG and KPMG Huazhen for the professional services they have rendered to the Company in the past years.

By Order of the Board
Zhang Jingming
Company Secretary

Shanghai, the PRC, 27 March 2013

As at the date of this announcement, the executive directors of the Company are Rong Guangdao, Wang Zhiqing, Wu Haijun, Li Honggen, Shi Wei 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, Wang Yongshou and Cai Tingji.