



**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: 338)**

## **Price Sensitive Information**

### **Announcement on Change in Tax Rate**

This announcement is made pursuant to the general disclosure requirements under Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Sinopec Shanghai Petrochemical Company Limited (the "Company") and all members of the board of directors warrant that the information contained in this announcement is truthful, accurate and complete, and that there are no false presentations or misleading statements contained in, or material omissions from, this announcement.

The Company is notified by the Shanghai Municipal Office of the State Administration of Taxation that from 2007, the income tax rate for the Company will be adjusted from the original 15% to 33%.

According to the estimates by the Company's finance department, the net profit of the Group (being the Company and its subsidiaries) disclosed for the first quarter of 2007 would accordingly decrease by approximately RMB227,000,000 according to the financial statements of the Company prepared based on the People's Republic of China Accounting Rules and Regulations (the net profit of the Group (being the Company and its subsidiaries) for the first quarter of 2007 as disclosed on 27 April 2007, based on PRC Accounting Rules and Regulations was RMB1,078,490,000).

The board of directors of the Company advises investors to pay attention to the investment risks involved.

**Sinopec Shanghai Petrochemical Company Limited**

Shanghai, the PRC, 9 August 2007

*As at the date of this announcement, the executive directors of the Company are Rong Guangdao, Du Chongjun, Han Zhihao, Shi Wei, Li Honggen and Dai Jinbao; the non-executive directors of the Company are Lei Dianwu and Xiang Hanyin, and the independent non-executive directors of the Company are Chen Xinyuan, Sun Chiping, Jiang Zhiquan and Zhou Yunnong.*