

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting (“Annual General Meeting”) of China Petroleum & Chemical Corporation (“Sinopec Corp.”) for the year 2003 will be held at Beijing Continental Grand Hotel International Convention Center, No. 8 Beichendong Road, Chaoyang District, Beijing, China on Tuesday, 18 May 2004 at 9:00 a.m. for the following purposes:

### By way of ordinary resolutions:

- 1 To consider and approve the report of the Board of Directors of Sinopec Corp. for the year ended 31 December 2003.
- 2 To consider and approve the report of the Supervisory Committee of Sinopec Corp. for the year ended 31 December 2003.
- 3 To consider and approve the audited accounts and audited consolidated accounts of Sinopec Corp. for the year ended 31 December 2003.
- 4 To consider and approve Sinopec Corp.’s 2003 profit appropriation plan and the final dividend.
- 5 To re-appoint Messrs. KPMG Huazhen and KPMG as the PRC and international auditors, respectively, of Sinopec Corp. for the year 2004 and to authorise the Board of Directors to fix their remuneration.

### By way of special resolutions:

- 1 The proposal to authorise the board of directors to allot and issue new foreign shares listed overseas:
  - (a) subject to paragraphs (c) and (d) and pursuant to the Company Law of The People’s Republic of China (“PRC”) (“Company Law”) and the listing rules of the relevant stock exchanges (as amended from time to time), the exercise by the board of directors of Sinopec Corp. of all the powers of Sinopec Corp. granted by the general and unconditional mandate to issue new foreign shares listed overseas during the Relevant Period and to determine the terms and

conditions for the allotment and issue of new shares including the following terms:

- (1) class and number of new shares to be issued;
  - (2) price determination method of new shares and/or issue price (including price range);
  - (3) the starting and closing dates for the issue;
  - (4) class and number of the new shares to be issued to existing shareholders; and
  - (5) the making or granting of offers, agreements and options which might require the exercise of such powers.
- (b) The approval in paragraph (a) shall authorise the directors of Sinopec Corp. during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such powers after the end of the Relevant Period.
- (c) The aggregate nominal amount of overseas listed foreign shares and domestic shares allotted and issued conditionally or unconditionally (whether pursuant to an option or otherwise) by the board of directors of Sinopec Corp. pursuant to the approval in paragraph (a), otherwise than pursuant to issue of shares by conversion of the surplus reserve into share capital in accordance with the Company Law of the PRC and the Articles of Association of Sinopec Corp., shall not exceed 20% of the existing overseas listed foreign shares of Sinopec Corp.
- (d) In exercising the powers granted under paragraph (a), the board of directors of Sinopec Corp. must (1) comply with the Company Law of the PRC and the relevant regulatory stipulations (as amended from time to time) of the places where Sinopec Corp. is listed; and (2) obtain approval from China Securities Regulatory Commission and other relevant PRC government departments.

(e) For the purpose of this resolution:

“Relevant Period” means the period from the date of passing this resolution until whichever is the earliest of:

- (i) twelve months from the date of passing this resolution;
  - (ii) the conclusion of the next annual general meeting of Sinopec Corp.; and
  - (iii) the revocation or variation of the mandate granted under this resolution by special resolution of the shareholders in general meeting.
- (f) The board of directors, subject to the approval of the relevant authorities of the PRC and in accordance with the Company Law of the PRC, be and is hereby authorised to increase the registered capital of Sinopec Corp. to the required amount upon the exercise of the powers pursuant to paragraph (a) above, provided that the registered capital shall not exceed RMB 90,058,536,600.
- (g) Authorise the board of directors to sign the necessary documents, complete the necessary formalities and take other necessary steps to complete the allotment and issue and listing of new shares, provided the same do not violate the relevant laws, administrative regulations, listing rules of the relevant stock exchanges and the Articles of Association.
- (h) Subject to the approval of the relevant PRC authorities, the board of directors be and is hereby authorised to make appropriate and necessary amendments to Article 20 and Article 23 of the Articles of Association after completion of the allotment and issue of new shares according to the method, type and number of the allotment and issue of new shares by Sinopec Corp. and the actual situation of the shareholding structure of Sinopec Corp. at the time of completion of the allotment and issue of new shares in order to reflect the alteration of the share capital structure and registered capital of Sinopec Corp. pursuant to the exercise of this mandate.

## 2 The proposal to amend Articles of Association and its schedules:

- a) Addition of clauses in relation to external guarantees in the Articles of Association and its schedules in accordance with the “Notice on Certain Issues relating to Regulating Fund Transfers between a Listed Company and Connected Parties and External Guarantees of Listed Companies”

(1) To amend the Articles of Association Article 107

- ① Sub-paragraph (8) of Section 1 “to determine the risks investment and security (including pledging of assets) of the Company according to the authority given in the shareholders’ general meeting;”

shall be amended as follows: “to determine the risks investments of the Company according to the authority given in the shareholder’s general meeting”;

A sub-paragraph shall be inserted as sub-paragraph (9): “to determine external guarantees (including pledging of assets) of the Company according to the authority given in the shareholder’s general meeting”;

*The original sub-paragraphs (9) to (19) shall become sub-paragraphs (10) to (20) accordingly.*

- ② Section 2: “Other than the board of directors’ resolutions in respect of the matters specified in sub-paragraphs (6), (7) and (13) of this Article which shall be passed by the affirmative vote of more than two-thirds of all the directors, the board of directors’ resolutions in respect of all other matters may be passed by the affirmative vote of a simple majority of the directors.”

shall be amended as follows:

“Other than the board of directors’ resolutions in respect of the matters specified in sub-paragraphs (6), (7), (9) and (14) of this Article which shall be passed by the affirmative vote of more than two-thirds of all the directors, the board of directors’ resolutions in respect of all other matters may be passed by the affirmative vote of a simple majority of the directors.”

- (2) To amend the Rules and Procedures for the Shareholders’ General Meeting

Sub-paragraph (3) of Article 13

Paragraph 1: “The Company shall not provide guarantees for its shareholders, controlling subsidiaries of its shareholders, subsidiary enterprises of shareholders or personal liability. If the Company provides guarantees to others, the guaranteed person shall provide counter-guarantee to the Company or take other necessary risk preventive measures.”

shall be amended as follows: “The Company shall not provide guarantees for its shareholders, controlling subsidiaries of its shareholders, subsidiary enterprises of shareholders or personal liability and shall not directly or indirectly provide liability guarantee for debtors with an asset to liability ratio exceeding 70%. If the Company provides guarantees to others, the guaranteed person shall provide counter-guarantee to the Company or take other necessary risk preventive measures. *The total amount of external guarantees of the Company shall not exceed 50% of the net assets stated in the consolidating accounting statements of the latest accounting year of the Company.*”

- (3) To amend the Rules and Procedures for the Board of Directors’ Meeting

- ① Sub-paragraphs (8) of Section 1 of Article 2 “to determine the risks investment and security (including pledging of assets) of the Company according to the authority given in the shareholders’ general meeting”;

shall be amended as follows: “to determine the risks investment of the Company according to the authority given in the shareholder’s general meeting”;

The following shall be inserted as sub-paragraph (9): “to determine matters relating to external guarantees (including pledging of assets) of the Company according to the authority given in the shareholder’s general meeting”;

*The original sub-paragraphs (9) to (19) shall become sub-paragraphs (10) to (20) accordingly.*

- ② A sub-paragraph (3) shall be inserted after sub-paragraph (2) of section 4 of Article 33: “to determine to provide external guarantees;”
- ③ The original sub-paragraph (3) of section 4 of Article 33 “to formulate proposals for any amendment to the Company’s Articles of Association” shall become sub-paragraph (4) of section 4 of Article 33 accordingly, and the same shall be amended as follows: “to formulate proposals for any amendment to the Articles of Association and its schedules”.

## NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

b) Addition of clauses in relation to shareholders' meetings and board meetings in the Articles of Association and its schedules in accordance with Appendix 3 and other provisions of the Listing Rules of the Hong Kong Stock Exchange

(1) To amend the Articles of Association

① A section shall be inserted in Article 74 as section 2: *"If any shareholder are required to abstain from voting or may only vote for or against a matter according to the Rules Governing the Listing of Securities of the Hong Kong Stock Exchange Limited, any vote by such shareholder or his proxy in violation of the relevant rules or restrictions referred to above shall not be counted in the voting results."*

② Sub-paragraph (4) of Article 100: *"if the shareholders who individually or jointly hold 5% or more of the Company's voting shares or the supervisory committee puts forward a provisional motion in an AGM of the Company for election of independent directors, a written notice stating their intention to nominate a candidate for directors and the nominee's consent to be nominated together with the written proofs and undertaking of the nominee referred to in sub-paragraphs (1) and (2) above shall be delivered to the Company seven (7) days before the AGM"*.

shall be amended as follows: *"if the shareholders who individually or jointly hold 5% or more of the Company's voting shares or the supervisory committee puts forward a provisional motion in a general meeting of the Company according to law for election of independent directors, a written notice stating their intention to nominate a candidate for directors and the nominee's consent to be nominated together*

*with the written proofs and undertaking of the nominee referred to in sub-paragraphs (1) and (2) above shall be delivered to the Company not less than seven (7) days before the general meeting, and the period granted by the Company for lodging the above notice and documents by the relevant nominator (such period shall commence from the date after the issue of the notice of the general meeting) shall not be less than seven (7) days"*.

③ Sub-paragraph (3) of Article 101: *"if the shareholders who individually or jointly hold 5% or more of the Company's voting shares or the supervisory committee puts forward a provisional motion in an AGM of the Company for election of non-independent directors, a written notice stating their intention to nominate a candidate for directors and the nominee's consent to be nominated together with the written proofs and undertaking of the nominee referred to in sub-paragraph (1) above shall be delivered to the Company seven (7) days before the AGM"*.

shall be amended as follows: *"if the shareholders who individually or jointly hold 5% or more of the Company's voting shares or the supervisory committee puts forward a provisional motion in a general meeting of the Company according to law for election of non-independent directors, a written notice stating their intention to nominate a candidate for directors and the nominee's consent to be nominated together with the written proofs and undertaking of the nominee referred to in sub-paragraph (1) above shall be delivered to the Company not less than seven (7) days before the general meeting, and the period granted by the*

*Company for lodging the above notice and documents by the relevant nominator (such period shall commence from the date after the issue of the notice of the general meeting) shall not be less than seven (7) days"*.

④ Section (2) of Article 157 *"Directors shall not vote on the contract, transaction and arrangement where they own the major rights and interests, and shall not be listed in the quorum of the meeting"*

shall be amended as follows: *"If a director or his associate (as defined in the Rules Governing the Listing of Securities of the Hong Kong Stock Exchange Limited) have a material interest in any contract, transaction, arrangement or other matters that requires the approval of the board of directors, the relevant director shall not vote for the relevant matter at the meeting of the board of directors, and shall not be listed in the quorum of the meeting."*

⑤ Paragraph 1 of Section 1 of Article 76: *"At any shareholders' general meeting, a resolution shall be decided on a show of hands unless a poll is demanded:"*

shall be amended as follows: *"At any shareholders' general meeting, a resolution shall be decided on a show of hands unless a poll is demanded or otherwise required by the listing rules of the stock exchanges on which the Company's shares are listed"*.

(2) To amend the Rules and Procedures for the Shareholders' Meeting

A section shall be inserted in Article 62 as section 2: *"If any shareholder are required to abstain from voting or may only vote for or against a matter according to the Rules Governing the Listing of Securities of the Hong Kong Stock Exchange Limited, any vote by*

such shareholder or his proxy in violation of the relevant rules or restrictions referred to above shall not be counted in the voting results.”

(3) To amend the Rules and Procedures for the Board of Directors’ Meeting

Section 7 of Article 33: “In voting on the Company’s connected transactions by the board of directors, the connected directors who have interests in the transactions shall abstain from voting. Where resolutions cannot be reached due to the abstention from voting of the connected directors, the relevant motions shall be submitted directly to the shareholders’ general meeting for examination.”

shall be amended as follows: “If a director or his associate (as defined in the Rules Governing the Listing of Securities of the Hong Kong Stock Exchange Limited) have a material interest in any contract, transaction, arrangement or other matters that requires the approval of the board of directors, the relevant director shall not vote for the relevant matter at the meeting of the board of directors, and shall not be listed in the quorum of the meeting. Where resolutions cannot be reached due to the abstention from voting of the connected directors, the relevant motions shall be submitted directly to the shareholders’ general meeting for examination.”

c) Amendments to the Articles of Association and its schedules regarding “Detailed Rules on the Work of the Secretary of the Board”

(1) To amend the Articles of Association

Section 1 of Article 119: “The Company shall have one (1) secretary of the board of directors. The secretary shall be a senior officer of the Company accountable to the Company. The Company shall draw up “Work Regulations for the Secretary of the Board” to promote the management of the Company and make provisions for disclosure of information.”

shall be amended as follows: “The Company shall have one (1) secretary of the board of directors. The secretary shall be a senior officer of the Company accountable to the Company. *The Company shall formulate regulations in relation to the work of the Secretary of the Board to promote the management of the Company and make provisions for disclosure of information and investor relations.*”

(2) To Amend the Rules and Procedures for the Board of Directors’ Meetings

Article 20: “The Company shall formulate the “Work Regulations for the Secretary of the Board”, which shall set out detailed provisions in respect of the duties and responsibilities, roles, and the daily working body of the secretary of the board of directors. Those Regulations shall come into effect upon the submission to, and the approval of, the board of directors.”

shall be amended as follows: “The Company shall formulate *regulations in relation to the work of the secretary of the board, and perform the work for disclosure of information and investor relationship. The relevant system shall be effective after reporting to the board of directors for approval.*”

The contents of the referred to in the ordinary resolutions numbered 1 to 3 above are contained in the Annual Report of Sinopec Corp. for the year 2003 (the “Annual Report”), which are available for consideration at the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>).

By Order of the Board  
**Chen Ge**  
Secretary to the Board of Directors

Beijing, the PRC, 26 March 2004

Notes:

**1 Eligibility for attending the Annual General Meeting**

Holders of Sinopec Corp.’s H Shares whose names appear on the register of members maintained by Hong Kong Registrars Limited and holders of domestic shares whose names appear on the domestic shares register maintained by China Securities Registration and Clearing Company Limited Shanghai Branch Company at the close of business on Monday, 19 April 2004 are eligible to attend the Annual General Meeting.

In order to be eligible to attend and vote at the annual general meeting of Sinopec Corp. to be held on Tuesday, 18 May 2004, all transfers accompanied by the relevant share certificates must be lodged with share registrars for H Shares of Sinopec Corp. in Hong Kong, Hong Kong Registrars Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong, not later than 4:00 p.m. on Friday, 16 April 2004.

**2 Proxy**

(1) A member eligible to attend and vote at the Annual General Meeting is entitled to appoint, in written form, one or more proxies to attend and vote on its behalf. A proxy need not be a shareholder.

(2) A proxy should be appointed by a written instrument signed by the appointor or its attorney duly authorised in writing. If the form of proxy is signed by the attorney of the appointor, the power of attorney authorising that attorney to sign, or other authorisation document(s) must be notarised.

(3) To be valid, the power of attorney or other authorisation document(s) which have been notarised together with the completed form of proxy must be delivered, in the case of holders of domestic shares, to the registered address of Sinopec Corp. and, in the case of holders of H Shares, to Hong Kong Registrars Limited, not less than 24 hours before the time designated for holding of the Annual General Meeting.

(4) A proxy may exercise the right to vote by a show of hands or by poll. However, if more than one proxy is appointed by a shareholder, such proxies shall only exercise the right to vote by poll.

## NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

### 3 Registration procedures for attending the Annual General Meeting

- (1) A shareholder or his proxy shall produce proof of identity when attending the meeting. If a shareholder is a legal person, its legal representative or other persons authorised by the board of directors or other governing body of such shareholder may attend the Annual General Meeting by producing a copy of the resolution of the board of directors or other governing body of such shareholder appointing such persons to attend the meeting.
- (2) Holders of H Shares and domestic shares intending to attend the Annual General Meeting should return the reply slip for attending the Annual General Meeting to Sinopec Corp. on or before Wednesday, 28 April 2004.
- (3) Shareholders may send the above reply slip to Sinopec Corp. in person, by post or by fax.

### 4 Closure of Register of Members

The register of members of Sinopec Corp. will be closed from Monday, 19 April 2004 to Tuesday, 18 May 2004 (both days inclusive).

### 5 Procedures for demanding a poll to vote on resolutions

Subject to the rules of the stock exchanges to which the shares of Sinopec Corp. are listed, the following persons may demand a resolution to be decided on a poll, before or after a vote is carried out by a show of hands:

- (1) the chairman of the meeting;
- (2) at least two shareholders present in person or by proxy entitled to vote thereat;
- (3) one or more shareholders present in person or by proxy and representing 10% or more of all shares carrying the right to vote at the meeting singly or in aggregate.

Unless a poll is demanded, a declaration shall be made by the chairman that a resolution has been passed on a show of hands. The demand for a poll may be withdrawn by the person who demands the same.

### 6 Other Business

- (1) The Annual General Meeting will not last for more than one day. Shareholders who attend shall bear their own travelling and accommodation expenses.
- (2) The address of the Share Registrar for H Shares of Sinopec Corp., Hong Kong Registrars Limited is at:  
  
Shops 1712-1716, 17th Floor  
Hopewell Centre  
183 Queen's Road East  
Hong Kong
- (3) The address of the Share Registrar for A Shares of Sinopec Corp., China Securities Registration and Clearing Company Limited Shanghai Branch Company is at:  
  
72 Pu Jian Road  
Pudong District  
Shanghai  
PRC
- (4) The registered address of Sinopec Corp. is at:  
  
A6 Huixindong Street  
Chaoyang District  
Beijing 100029  
The People's Republic of China  
Telephone No.: (+86) 10 6499 0060  
Facsimile No.: (+86) 10 6499 0022