

Sinopec Zhenhai Refining & Chemical Company Limited (“Zhenhai Refining” or the “Company”) is situated in the port city of Ningbo, Zhejiang Province in Eastern China, one of the regions with the fastest economic growth in the PRC.

The Company is principally engaged in the production and sale of petroleum products (including gasoline, diesel, kerosene, fuel oil, naphtha and solvent naphtha), intermediate petrochemical products (including benzene, toluene, mixed-xylene, ortho-xylene (“BTX”), propylene and polypropylene), as well as urea and other petrochemical products including LPG, asphalt and petroleum coke. The three major products of the Company are gasoline, diesel and jet fuel.

The predecessor of the Company was Zhejiang Refinery Plant, which was established in 1974. It became a subsidiary of China Petrochemical Corporation in 1983 and was later renamed Sinopec Zhenhai General Petrochemical Works (“ZGP”). On 26th June, 1994, ZGP as sole promoter proposed the establishment of the Company, which was incorporated on 28th June, 1994. The Company became listed on The Stock Exchange of Hong Kong Limited on 2nd December, 1994 through an initial public offer of 600 million H shares which were listed on The Stock Exchange of Hong Kong Limited. The Company issued US\$200 million convertible bonds which were listed on both The Stock Exchange of Hong Kong Limited and London Stock Exchange on 19th December, 1996.

The Company has a comprehensive crude oil processing capacity of 12 million tonnes per annum (“tpa”). The Company became the first refining company with an annual throughput volume of feedstock oil exceeding 10 million tonnes in the PRC in 2000. It is one of the largest producers of high-octane unleaded gasoline, premium diesel, jet fuel, LPG, urea, paving asphalt and BTX in China. With the most advanced processing facilities and the largest oil berth in China’s refining industry, the Company processes the largest volume and variety of imported crude oil in China. The Company exports some of its products to the USA, Japan, South Korea, India, Hong Kong and Taiwan.

The Company consists of a refinery, an urea plant and five principal wholly owned subsidiaries, and has equity interests in seven principal associated companies in the PRC and overseas.

As at 31st December, 2000, the Company had a workforce of 10,034.

