

The Board of Directors (the "Directors") of Sinopec Zhenhai Refining & Chemical Company Limited (the "Company") hereby announces the unaudited condensed consolidated financial statements of the Company and its subsidiaries (the "Group") as at and for the six months ended 30th June, 2001.

CONDENSED CONSOLIDATED BALANCE SHEETS AS OF 30TH JUNE, 2001 AND 31ST DECEMBER, 2000

	Notes	30th June, 2001 (unaudited) RMB'000	31st December, 2000 (audited) RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		6,799,443	6,517,082
Intangible assets		31,515	33,874
Investments in associates		260,052	285,579
Other long-term investments		163,148	163,148
Other non-current assets		92,787	99,387
Deferred tax assets		64,697	31,798
Total non-current assets		<u>7,411,642</u>	<u>7,130,868</u>
Current assets			
Inventories		1,564,365	1,525,515
Trade receivables, net	3	138,749	212,814
Due from related parties	12	683,129	411,171
Prepayments and deposits		124,410	4,494
Other receivables, net		190,142	193,961
Cash at banks and on hand		1,406,466	2,117,996
Total current assets		<u>4,107,261</u>	<u>4,465,951</u>
TOTAL ASSETS		<u>11,518,903</u>	<u>11,596,819</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		2,523,755	2,523,755
Reserves	4	5,132,990	4,927,007
Total equity		<u>7,656,745</u>	<u>7,450,762</u>
Non-current liabilities			
Long-term loans, net of current portion		765,000	765,000
Other non-current liabilities		19,687	173,283
Convertible bonds		1,566,015	1,515,341
Total non-current liabilities		<u>2,350,702</u>	<u>2,453,624</u>
Current liabilities			
Short-term bank loans	5	300,000	-
Trade payables	6	286,502	516,710
Due to related parties	12	156,007	194,627
Other current liabilities		616,159	928,353
Current portion of long-term loans		152,788	52,743
Total current liabilities		<u>1,511,456</u>	<u>1,692,433</u>
TOTAL EQUITY AND LIABILITIES		<u>11,518,903</u>	<u>11,596,819</u>

The accompanying notes are an integral part of these financial statements.