

Significant Events

1. Substantial Shareholders

Save as disclosed below, the Directors of the Company are not aware of any persons (other than a Director or Supervisor or chief executive of the Company or his/her respective associate(s)) who, as at 30 June 2003, had an interest or short position in the shares or underlying shares of the Company which was recorded in the register to be kept under section 336 of the the Securities and Futures Ordinance ("SFO"):

Name of Shareholder	Nature	Class of Shares	Capacity	Note	Number of shares/ underlying shares	% to entire issued capital	% to all issued H shares
China Petrochemical Corporation	Long position	State-owned legal person shares	Corporate	a	1,800,000,000	71.32	N/A
BP p.l.c.	Long position	H shares	Corporate	b	237,600,000	9.41	32.83
JP Morgan Chase & Co.	Long Position	H shares	Investment Manager/ Other	c	88,996,000	3.53	12.30
	Lending Pool	H shares	Other	c	17,864,000	0.71	2.47

Notes:

- (a) China Petrochemical Corporation is the ultimate controlling shareholder of the Company, and is a State-authorised investment institution and a State-holding company. It has a 55.06 per cent equity interest in Sinopec Corp which held the above 1,800,000,000 State-owned legal person shares in the Company.
- (b) ARCO Asia Pacific Investments Limited, which was a controlled corporation of BP p.l.c., had a direct holding in the above 237,600,000 H Shares.
- (c) The shares in which JP Morgan Chase & Co. were deemed to be interested, were held via JF Asset Management Limited, J.P. Morgan Fleming Asset Management (UK) Limited and JPMorgan Chase Bank respectively.
- (d) For the latest disclosure of interests filings for the Company's substantial shareholders, please refer to the "Disclosure of Interests" section at the Stock Exchange's web-site at www.hkex.com.hk.

2. New Board of Directors and Supervisory Committee

The annual general meeting held on 20 June 2003 elected members of the Board of Directors and the Supervisory Committee for a new term of office of three years, details of which were published in Hong Kong newspapers, South China Morning Post and Wen Wei Po, on 23 June 2003.

3. External Investment

The Company together with BP Global Investment Ltd has established a joint-venture company ("JVC") for the sale of LPG. The total investment amount of the JVC is US\$25 million, including a registered capital of US\$10 million. The Company and BP Global Investment Ltd each hold 50 per cent interest of the JVC. The establishment of the JVC has been approved by the relevant department of the State, and the relevant procedures for business registration have been completed. The Company plans to sell all of the LPG produced by the Company to the JVC.

4. Loans to Third Party and Overdue Time Deposit

The Company did not have any loans to third party or any overdue time deposit as at 30 June 2003.

5. Purchase, Sale and Redemption of the Company's Listed Securities

During the period ended 30 June 2003, neither the Company nor its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

6. Interests of Directors and Supervisors

As at 30 June 2003, neither the Directors nor the Supervisors of the Company has any interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which was recorded on the register required to be kept under section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

For the latest disclosure of interests filings for the Directors or the Supervisors of the Company, please refer to the "Disclosure of Interests" section at the Stock Exchange's web-site at www.hkex.com.hk.

7. Appointment of Auditors

Pursuant to the approval of the annual general meeting held on 20 June 2003, KPMG was appointed as the Company's auditors for the year of 2003. The term is one year to the conclusion of the next annual general meeting.

8. Review of the Interim Financial Report

KPMG have conducted their review on the interim financial statements and the review was conducted in accordance with the Statement of Auditing Standards 700 "Engagements to review interim financial reports" issued by the Hong Kong Society of Accountants. The financial information contained in these interim financial statements was unaudited.

9. Code of Best Practice

The first meeting of the fourth Board of Directors held on 20 June 2003 elected the members of the Audit Committee of the Board of Directors. The organisational structure of the Audit Committee is in compliance with the Code of Best Practice in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The Audit Committee of the Company carries out functions similar to those of an audit committee as defined under the Code of Best Practice.

The Audit Committee held a meeting on 22 August 2003 to review the "2003 interim financial report".

The Directors were not aware of any information which reasonably indicated that the Company had not complied with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited during the first half of 2003.

By Order of the Board
Sun Weijun
Chairman

22 August 2003, Ningbo, the PRC