

Sinopec Zhenhai Refining & Chemical Company Limited (the “Company”) became listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 2 December 1994. (stock code: 1128)

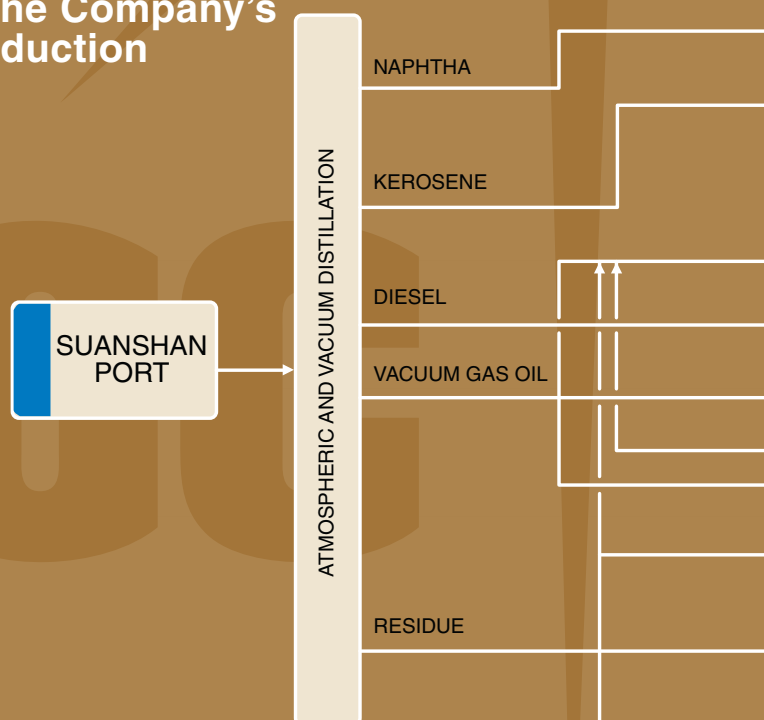
Introduction



The Company is principally engaged in the production and sale of petroleum products (including gasoline, diesel, kerosene, naphtha, liquefied petroleum gas (“LPG”), solvent oil, fuel oil), intermediate petrochemical products, asphalt, urea and petrochemical products, such as, paraxylene (“PX”), polypropylene (“PP”).

The Company is the largest oil refinery in China with a scale of operation up to international standards. It is also one of the 10 largest refineries in the Asia Pacific region. At present, the Company has a comprehensive processing capacity of over 18 million tonnes per annum

The general flow chart of the Company’s production



("tpa") and a processing capacity of sour crude oil of 12 million tpa. Hydro-treating capacity reaches 14 million tpa, which is above the international average. The Company is also the largest processing base of imported crude oil and sour crude oil, as well as the largest export base for petroleum products.

The Company is one of the most competitive refineries in Asia Pacific. It possesses fully equipped facilities, a high intensified processing capacity, and an outstanding competitive advantage in the integration of refining and chemical businesses. Besides, the Company owns prestigious brand names and enjoys an excellent reputation. It is also highly competitive in respect of cost control, product quality, processing technology, environmental protection, human resources, etc. Moreover, the application of advanced information technology and the streamlined organisational structure have also raised the Company's corporate management standards. The Company's net cash revenue and returns on assets are among the highest in the Asia Pacific region, while the unit refining cash operating cost and the unit complete expense reach the region's leading level.

Located in the Yangtze River Delta, which is the most developed economic region of China led by Shanghai, the Company benefits from a market with enormous consumption power and geographical coverage. At Beilun Harbour, Ningbo, the Company owns a port with a handling capacity of over 30 million tpa. With an advantageous geographical location and favourable market conditions, the Company enjoys great development prospects.

The Company follows the philosophy of "harmonious development, sharing the future" and was named as the "National Environmentally Friendly Enterprise" in 2004. The Company is committed to achieving maximum cost-effectiveness and sustainable development. It is endeavouring to develop itself into a "world-class, high-tech and integrated" refining-and-chemical enterprise with international competitiveness and will continue to create greater value and returns for shareholders.

The number of employees of the Company as at 31 December 2004 was 8,766.

