

Introduction

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



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 aromatics (including benzene, toluene, orthoxylene and paraxylene (“PX”)) and polypropylene (“PP”).

The Company is the largest oil refinery in the People’s Republic of China (the “PRC”) 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 18.5 million tonnes per annum (“tpa”) and a processing capacity of sour crude oil of 12

million tpa. The Company is well-equipped for achieving clean production, with a hydro-treating capacity of 14 million tpa. 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 in the PRC.

The Company is one of the most competitive refineries in the Asia Pacific region. It possesses fully equipped facilities and a high intensified processing capacity, and claims an outstanding competitive advantage in the integration of refining and chemical businesses. In addition, 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 unit refining cash operating cost and unit complete expense reach regional advanced levels of Asia Pacific.

Located in the Yangtze River Delta, which is the most developed economic region of the PRC 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.

Adhering to the principle of “harmonious development, sharing the future”, the Company was named as a “National Environmental-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.