

General Information

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 2005, 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 Securities and Futures Ordinance ("SFO"):

Name of shareholder	Nature	Class of shares	Capacity	Note	Number of shares/ underlying shares	% to	
						entire issued capital	all issued H shares
Sinopec Corp	Long position	State-owned legal person shares	Corporate	a	1,800,000,000	71.32	N/A
BP Plc	Long position	H shares	Corporate	b	237,600,000	9.41	32.83
J.P. Morgan Chase & Co.	Long position	H shares	Beneficial owner/ Investment manager/ Custodian	c	63,015,000	2.50	8.71
	Lending pool	H shares	N/A	c	10,327,000	0.41	1.43
FMR Corp	Long position	H shares	Investment manager		42,086,000	1.67	5.81
Baring Asset Management Limited	Long position	H shares	Investment manager	d	43,486,000	1.72	6.01

Notes:

- (a) Sinopec Corp held the above 1,800,000,000 state-owned legal person shares in the Company. China Petrochemical Corporation is the ultimate controlling shareholder of the Company, and is a state-authorized investment institution and a state-holding company. It has a 67.92% equity interest in Sinopec Corp.
- (b) BP Products North America Inc., which was a controlled corporation of BP Plc, had a direct holding in the above 237,600,000 H shares.
- (c) The shares in which J.P. Morgan Chase & Co. was deemed to be interested were held via JP Morgan Chase Bank, N.A., J.P. Morgan Whitefriars Inc., JF Asset Management Limited and JF International Management Inc. respectively.
- (d) The shares in which Baring Asset Management Limited was deemed to be interested were held via Baring Asset Management (Asia) Limited.

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RMB Exchange Rate Adjustment

Starting from 21 July 2005, the PRC government began to implement a “managed” floating exchange rate system, to which the government will make adjustments on the basis of market mechanism and with reference to a basket of currencies. The adjusted RMB exchange rate against 1 US dollar as at 21 July 2005 was RMB8.11. The Company has made corresponding adjustments to the exchange rate used in its accounting practice.

Trust Deposit and Overdue Time Deposit

The Company did not have any trust deposit or any overdue time deposit as at 30 June 2005.

Purchase, Sale and Redemption of the Company’s Listed Securities

During the period ended 30 June 2005, neither the Company nor its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities.

Appointment of Auditors

Pursuant to the approval of the annual general meeting held on 17 June 2005, the Board of Directors formally appointed KPMG as the Company’s auditors for the year of 2005. The term is one year to the conclusion of the next annual general meeting.

Review of the Interim Financial Report

KPMG conducted their review on the interim financial report 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 Institute of Certified Public Accountants. The financial information contained in this interim financial report was unaudited.