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中國石化鎮海煉油化工股份有限公司

SINOPEC ZHENHAI REFINING & CHEMICAL COMPANY LIMITED

(a joint-stock limited company incorporated in the People's Republic of China)

**CONNECTED TRANSACTION — SALES OF PARAXYLENE UNTIL 2005
Announcement of The Resolutions Passed
at the Extraordinary General Meeting**

Reference is made to the announcement (“Previous Announcement”) and the notice (“EGM Notice”) of extraordinary general meeting (“EGM”) of Sinopec Zhenhai Refining & Chemical Company Limited (“the Company”) both dated 11 November 2003. The Board of Directors (“The Board”) announced that the resolutions set out in the EGM Notice were passed at the EGM held on Saturday, 27 December 2003.

Reference is made to the Previous Announcement and the EGM Notice of the Company both dated 11 November 2003. Terms used in this announcement shall, unless defined otherwise herein, bear the same meanings as those adopted in the Previous Announcement.

The Board announced that the following Resolutions set out in the EGM Notice were passed as ordinary resolutions of the Company at the EGM held at the conference room on the 1st floor of Donghai Hotel at the Company’s premises at Zhenhai District, Ningbo Municipality, Zhejiang Province, the PRC on Saturday, 27 December 2003, at 10:30 am, where a quorum was reached by the number of voting shares represented by attending shareholders and their proxies, with China Petroleum & Chemical Corporation, the controlling shareholder of the Company, and its associates abstaining from voting in respect thereof:

1. The ongoing connected transactions pursuant to the sales agreement (“the agreement”) of paraxylene entered into between the Company and Sinopec Yizheng Chemical Fibre Company Limited and the transactions contemplated under the agreement, including the relevant waiver application and the cap set out thereunder be and are hereby approved;
2. The executive directors of the Company be and are hereby approved and authorised to sign and prepare all necessary documents and take all necessary actions in order to fulfil all the obligations contemplated under the agreement on behalf of the Company.

By Order of the Board
Su Dewen
Company Secretary

27 December 2003, Ningbo, the PRC

Please also refer to the published version of this announcement in the South China Morning Post.