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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)*  
**(Stock code: 1128)**

**DESPATCH OF COMPOSITE DOCUMENT**  
**RELATING TO**  
**PROPOSED PRIVATISATION OF ZRCC BY SINOPEC CORP. THROUGH**  
**NINGBO YONGLIAN**  
**BY WAY OF MERGER BY ABSORPTION OF ZRCC**  
**UNDER ARTICLE 184 OF THE PRC COMPANY LAW**  
**AT THE CANCELLATION PRICE OF HK\$10.60 PER ZRCC H SHARE**  
**AND**  
**AMENDMENT OF ZRCC ARTICLES OF ASSOCIATION**

**Financial Adviser to ZRCC**

**LEHMAN BROTHERS**

LEHMAN BROTHERS ASIA LIMITED

**Independent Financial Adviser to the Independent Board Committee of ZRCC**

 **ROTHSCHILD**

The Composite Document will be despatched to ZRCC Shareholders on Monday, 28 November, 2005.

The Composite Document contains, among other things, information in relation to the Proposal and the Proposed Amendment, the recommendation from the Independent Board Committee with respect to the Proposal and the advice of the Independent Financial Adviser to the Independent Board Committee.

The respective notices of the Special General Meetings scheduled to be held on Thursday, 12 January, 2006 are set out in the Composite Document and will be published in the South China Morning Post and Hong Kong Economic Times on Monday, 28 November, 2005.

For the purpose of determining the entitlements of ZRCC Shareholders to attend and vote at the Special General Meeting and/or the Special General Meeting of the Independent ZRCC Shareholders, the registers of members of ZRCC will be closed from Monday, 12 December, 2005 to Thursday, 12 January, 2006 (both dates inclusive).

**ZRCC Shareholders and potential investors should be aware that implementation of the Proposal is subject to the Conditions being fulfilled (or waived, as applicable), as set out in the Composite Document, and therefore the Proposal may or may not become effective. ZRCC Shareholders and potential investors are advised to exercise extreme caution when dealing in the shares of ZRCC.**

## INTRODUCTION

Reference is made to the joint announcement (the “**Announcement**”) dated 12 November, 2005 and made by ZRCC and Sinopec Corp. in which it was stated that proposals would be put forward to ZRCC Shareholders regarding the proposed privatisation of ZRCC through Ningbo Yonglian by way of merger by absorption of ZRCC under Article 184 of the PRC Company Law at the cancellation price of HK\$10.60 per ZRCC H Share and the proposed amendments to the Articles of Association of ZRCC.

Terms defined in the Announcement have the same meanings when used in this announcement unless otherwise defined herein.

## DESPATCH OF THE COMPOSITE DOCUMENT

The document (the “**Composite Document**”) containing details of the Proposal and the Proposed Amendment will be despatched to ZRCC Shareholders on Monday, 28 November, 2005.

The Composite Document contains, among other things, details of the Proposal and the Proposed Amendment, the recommendation from the Independent Board Committee with respect to the Proposal and the advice of the Independent Financial Adviser to the Independent Board Committee, a notice of the Special General Meeting and a notice of the Special General Meeting of the Independent ZRCC Shareholders to approve the Proposal and the Proposed Amendment. ZRCC Shareholders are urged to read the recommendations of the Independent Financial Adviser in respect of the Proposal before voting.

## MEETINGS

The Special General Meeting and the Special General Meeting of the Independent ZRCC Shareholders are scheduled to be held at 9:30 a.m. and 10:30 a.m., respectively, on Thursday, 12 January, 2006 at the conference room on the 1st Floor, Donghai Hotel at Zhenhai District, Ningbo Municipality, Zhejiang Province, the People's Republic of China. Notices of the Special General Meeting and the Special General Meeting of the Independent ZRCC Shareholders are set out in the Composite Document and will be published in the South China Morning Post and Hong Kong Economic Times on Monday, 28 November, 2005. Further press announcements will be made by ZRCC giving details of the voting results of the Special General Meetings.

## CLOSURE OF THE REGISTERS OF MEMBERS OF ZRCC

For the purpose of determining the entitlements of ZRCC Shareholders to attend and vote at the Special General Meeting and/or the Special General Meeting of the Independent ZRCC Shareholders, the registers of members of ZRCC will be closed from Monday, 12 December, 2005 to Thursday, 12 January, 2006 (both dates inclusive). During such period, no transfer of ZRCC Shares will be effected. In order to be entitled to attend and vote at the Special General Meeting and/or Special General Meeting of the Independent ZRCC Shareholders, all transfer of ZRCC H Shares must be lodged with ZRCC's H share registrar in Hong Kong, Hong Kong Registrars Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on Friday, 9 December, 2005.

## GENERAL

**ZRCC Shareholders and potential investors should be aware that implementation of the Proposal is subject to the Conditions being fulfilled (or waived, as applicable), as set out in the Composite Document, and therefore the Proposal may or may not become effective. ZRCC Shareholders and potential investors are advised to exercise extreme caution when dealing in the shares of ZRCC.**

## EXPECTED TIMETABLE

The expected timetable for the Proposal is set out below:

Latest time for lodging transfers of the ZRCC H Shares in order to  
be entitled to attend and vote at the Special General Meeting  
and the Special General Meeting of the Independent  
ZRCC Shareholders .....4:00 p.m. on  
Friday, 9 December, 2005

Closure of the Registers for the determination of entitlements of the Independent ZRCC Shareholders to attend and vote at the Special General Meeting of the Independent ZRCC Shareholders and of the ZRCC Shareholders to attend and vote at the Special General Meeting.....Monday, 12 December, 2005 to Thursday, 12 January, 2006

Latest time for receiving reply slips for the Special General Meeting and Special General Meeting of the Independent ZRCC Shareholders<sup>1</sup> .....Thursday, 22 December, 2005

Latest time for lodging forms of proxy in respect of the Special General Meeting .....9:30 a.m. on Wednesday, 11 January, 2006

Latest time for lodging forms of proxy in respect of the Special General Meeting of the Independent ZRCC Shareholders .....10:30 a.m. on Wednesday, 11 January, 2006

Suspension of dealings in ZRCC H Shares.....9:30 a.m. on Thursday, 12 January, 2006

Special General Meeting .....9:30 a.m. on Thursday, 12 January, 2006

Special General Meeting of the Independent ZRCC Shareholders .....10:30 a.m. on Thursday, 12 January, 2006

Press announcements of the results of the Special General Meetings in the South China Morning Post and Hong Kong Economic Times .....Friday, 13 January, 2006

Resumption of dealings in ZRCC H Shares .....9:30 a.m. on Friday, 13 January, 2006

Each of ZRCC and Ningbo Yonglian notifies its creditors of the Proposal pursuant to the PRC Company Law .....Friday, 13 January, 2006

End of the period during which creditors may request ZRCC and Ningbo Yonglian to pay off their respective indebtedness<sup>2</sup> .....Friday, 14 April, 2006

Expected date for all Conditions to be satisfied (or waived, if applicable), except for the withdrawal of ZRCC Listing .....Friday, 14 April, 2006

Application to the Hong Kong Stock Exchange for withdrawal of  
ZRCC Listing .....Tuesday, 18 April, 2006

Press announcement that all Conditions (save for the withdrawal of  
ZRCC Listing) are satisfied (or waived, as applicable),  
including the expected date of withdrawal of the ZRCC Listing,  
and details regarding the Record Time and closure of  
ZRCC's Registers in the South China Morning Post and  
Hong Kong Economic Times. ....Wednesday, 19 April, 2006

Last day for dealings in ZRCC H Shares .....Thursday, 4 May, 2006

Suspension of dealings in ZRCC H Shares.....9:30 a.m. on  
Monday, 8 May, 2006

Latest time for lodging transfers of ZRCC H Shares  
in order to qualify for the Cancellation  
Price/Record Time .....4:00p.m. on  
Wednesday, 10 May, 2006

Closure of ZRCC's Registers  
(until ZRCC's deregistration occurs) .....Thursday, 11 May, 2006

Expected date of withdrawal of ZRCC Listing .....Friday, 12 May, 2006

Press announcement that all Conditions are satisfied  
(or waived, as applicable) in the South China Morning Post  
and Hong Kong Economic Times .....Friday, 12 May, 2006

Cheques for payment of the Cancellation Price  
to be despatched on or before .....Monday, 22 May, 2006

1. The late submission of the reply slips for the Special General Meeting and the Special General Meeting of the Independent ZRCC Shareholders will not preclude the rights of eligible ZRCC Shareholders to attend and vote at the respective Special General Meetings.
2. The creditor notice period for ZRCC will be reduced from 90 days to 45 days if ZRCC Shareholders approve the Proposed Amendment at the Special General Meeting, and in such event, the expected time for the fulfillment (or waiver, if applicable) of the Conditions and the other events that follow, including the payment of the Cancellation Price, may be changed accordingly.

As set out in the above “Expected Timetable”, and subject to, among other things, all the Conditions being fulfilled or waived, withdrawal of ZRCC Listing is expected to become effective on Friday, 12 May, 2006. Details of the Conditions are set out in the Composite Document. The Proposal will lapse if it does not become effective on or before 31 December, 2006 (or such other date as ZRCC and Ningbo Yonglian may agree), and ZRCC Shareholders will be notified accordingly by way of a press announcement. ZRCC Directors intend for the ZRCC Listing to be withdrawn if the Merger is implemented or be maintained in the event that the Merger is not approved or lapses.

On behalf of the board of  
**Sinopec Zhenhai Refining & Chemical Company Limited**  
**Su Dewen**  
*Secretary to the Board of Directors*

Ningbo, the PRC, 25 November, 2005

*The ZRCC Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

*As at the date hereof, the ZRCC Board comprises: Sun Weijun, Zhan Juping, Xu Liqiao, Sun Jianli and Yu Renming as executive directors, Wang Lisheng and Hu Weiqing as non-executive directors, and Sun Yongsun, Cen Kefa, Li Linghong and Qiu Yun as independent non-executive directors.*

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