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中國石化鎮海煉油化工有限公司
SINOPEC ZHENHAI REFINING & CHEMICAL COMPANY LIMITED

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

(Stock code: 1128)

**FULFILMENT OF CONDITIONS
RELATING TO THE PROPOSED PRIVATISATION
AND
EXPECTED DATE OF WITHDRAWAL OF
THE ZRCC LISTING**

Financial Adviser to ZRCC

LEHMAN BROTHERS

LEHMAN BROTHERS ASIA LIMITED

Independent Financial Adviser to the Independent Board Committee of ZRCC

 **ROTHSCHILD**

The ZRCC Board is pleased to announce that all Conditions (save for the withdrawal of the ZRCC Listing) have been fulfilled or waived (as applicable), in accordance with the terms of the Merger Agreement. Accordingly, ZRCC has applied to the Stock Exchange for the withdrawal of the ZRCC Listing pursuant to Rule 6.15(2) of the Listing Rules.

To facilitate the calculation and payment of the total consideration for the Proposal, any ZRCC Shareholder who has voted against the Proposal at the Special General Meetings and who wishes to request ZRCC and/or ZRCC Shareholders who have voted for the Proposal to purchase its ZRCC Shares at a "fair price" in accordance with the ZRCC Articles, is advised to make such request before Wednesday, 22 March 2006. In the event that the ZRCC Shareholders do not make their request for a fair price before Wednesday, 22 March 2006, their right to do so will not be extinguished under PRC laws.

ZRCC H Shareholders are reminded that the last day for dealings in the ZRCC H Shares on the Stock Exchange will be on Friday, 17 March 2006 and the latest time for lodging transfers of the ZRCC H Shares in order to qualify for the Cancellation Price will be 4:00 p.m. on Wednesday, 22 March 2006. The ZRCC's Registers will be closed from Thursday, 23 March 2006.

The ZRCC Listing is expected to be withdrawn from the Stock Exchange with effect from 9:30 a.m. on Friday, 24 March 2006.

This announcement is made further to:

- (a) the joint announcement dated 12 November 2005 jointly issued by Sinopec Corp. and ZRCC in which it was stated that a proposal would be put forward to ZRCC Shareholders regarding the proposed privatisation of ZRCC through Ningbo Yonglian by way of merger by absorption pursuant to Article 184 of the PRC Company Law at the cancellation price of HK\$10.60 per ZRCC H Share;

- (b) the composite document dated 28 November 2005 jointly issued by ZRCC and Sinopec Corp. (the “Composite Document”); and
- (c) the announcement issued by ZRCC on 12 January 2006 in which it was stated that the Special General Meetings were duly held and all the resolutions proposed at such meetings were duly passed.

Capitalised terms used in this announcement shall have the same meanings as defined in the Composite Document unless the context herein requires otherwise.

FULFILMENT OF CONDITIONS

On 8 February 2006 and 10 February 2006, approvals from SASAC for the merger by absorption and SAFE for remitting the Merger Consideration were respectively obtained. The legal advisers of ZRCC on PRC laws have confirmed to ZRCC that the remaining outstanding procedures for registration, filing and other attendance for effecting such remittance are purely procedural, and accordingly there are no legal impediments for effecting such remittance for Ningbo Yonglian to fulfil its payment obligations under the Merger Agreement.

On 27 February 2006, ZRCC and Ningbo Yonglian entered into a supplemental agreement whereby ZRCC and Ningbo Yonglian agreed to waive the condition requiring the completion of all requisite procedures in connection with the remittance of the Merger Consideration. The ZRCC Board is pleased to announce that all Conditions (save for the withdrawal of the ZRCC Listing) have been fulfilled or waived (as applicable). Accordingly, ZRCC has applied to the Stock Exchange for the withdrawal of the ZRCC Listing pursuant to Rule 6.15(2) of the Listing Rules.

After all the Conditions have been fulfilled or waived (as applicable) (including the withdrawal of ZRCC Listing), ZRCC will apply to the Ningbo SAIC for its de-registration. After the de-registration process of ZRCC is completed, ZRCC will cease to exist as a legal entity and all the ZRCC Shares will be legally cancelled.

TIMETABLE

The expected timetable in relation to the withdrawal of the ZRCC Listing is as follows:

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| Last day for dealings in ZRCC H Shares | Friday, 17 March 2006 |
| Suspension of dealings in ZRCC H Shares | 9:30 a.m. on Monday, 20 March 2006 |
| Latest time for lodging transfers of ZRCC H Shares in order to qualify for the Cancellation Price/Record Time | 4:00 p.m. on Wednesday, 22 March 2006 |
| Closure of ZRCC’s Registers (until ZRCC’s deregistration occurs) | Thursday, 23 March 2006 |
| Withdrawal of the ZRCC Listing becomes effective. | Friday, 24 March 2006 |
| Press announcement that all Conditions are satisfied (or waived, as applicable) in the South China Morning Post and Hong Kong Economic Times | Friday, 24 March 2006 |
| Cheques for payment of the Cancellation Price to be despatched on or before | Monday, 3 April 2006 |

LAST DAY FOR DEALINGS IN THE ZRCC H SHARES AND CLOSURE OF THE ZRCC'S REGISTERS

The ZRCC H Shareholders are reminded that dealings in the ZRCC H Shares on the Stock Exchange will cease immediately after 4:00 p.m. on Friday, 17 March 2006 and the latest time for lodging transfers of the ZRCC H Shares in order to qualify for the Cancellation Price will be 4:00 p.m. on Wednesday, 22 March 2006.

The ZRCC's Registers will be closed from Thursday, 23 March 2006.

ZRCC H Shareholders should ensure that their ZRCC H Shares are lodged for registration in their names or in the names of their nominees with the Hong Kong branch share registrar of ZRCC, 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 Wednesday, 22 March 2006 in order to qualify for their entitlements under the Proposal.

EXPECTED DATE OF WITHDRAWAL OF THE ZRCC LISTING

ZRCC has applied to the Stock Exchange for the withdrawal of the ZRCC Listing pursuant to Rule 6.15(2) of the Listing Rules. The ZRCC Listing is expected to be withdrawn from the Stock Exchange with effect from 9:30 a.m. on Friday, 24 March 2006.

PAYMENT OF CANCELLATION PRICE

To facilitate the calculation and payment of the total consideration for the Proposal, ZRCC Shareholder who has voted against the Proposal at both Special General Meetings and who wishes to request ZRCC and/or ZRCC Shareholders who have voted for the Proposal to purchase its ZRCC Shares at a "fair price" in accordance with the ZRCC Articles, is advised to make such request to the Secretarial Office to the ZRCC Board at Zhenhai District, Ningbo Municipality, Zhejiang Province, PRC (Postcode: 315207), before Wednesday, 22 March 2006. In the event that the ZRCC Shareholders do not make their request for fair price before Wednesday, 22 March 2006, their right to do so will not be extinguished under PRC laws.

Cheques for payment of the Cancellation Price to ZRCC H Shareholders (other than the Dissenting ZRCC Shareholders) will be despatched on or before Monday, 3 April 2006.

On behalf of the board of
Sinopec Zhenhai Refining & Chemical Company Limited
Su Dewen
Company Secretary

1 March 2006, Ningbo, PRC

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 of this announcement, the Executive Directors of ZRCC are Mr. Sun Weijun (Chairman), Mr. Zhan Juping (Deputy Chairman), Mr. Xu Liqiao, Mr. Sun Jianli and Mr. Yu Renming; the Non-executive Directors of ZRCC are Ms. Wang Lisheng and Mr. Hu Weiqing; and the Independent Non-executive Directors of ZRCC are Mr. Sun Yongsan, Mr. Cen Kefa, Mr. Li Linghong and Ms. Qiu Yun.

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