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中国石油化工股份有限公司

CHINA PETROLEUM & CHEMICAL CORPORATION

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

(Stock Code: 0386)

CONNECTED TRANSACTIONS

The Board announces that on 21 August 2009, Sinopec Corp. and Asset Management Company entered into six Asset Transfer Agreements, pursuant to which Sinopec Corp. will acquire from Asset Management Company all of the assets it holds in PEPRIS, RIPP, Beijing Chemical Institute, Shanghai Research Institute of Petrochemical Technology, Fushun Petrochemical Institute and Qingdao Safety Research Institute.

The Board announces that on 21 August 2009, Sinopec Corp. and Asset Management Company entered into five Equity Transfer Agreements, pursuant to which Sinopec Corp. will acquire from Asset Management Company its 100% equity interests in Xingpu Company, BPDIBCI, Qingdao Sinosun Certification Center, Fushun Huanke Company and Material Equipment Company.

The consideration for the Acquisition is RMB 3,945.8093 million (approximately HKD 4,477.3098 million). Sinopec Corp. will use its internal resources to pay for the consideration.

China Petrochemical Corporation is the controlling shareholder of Sinopec Corp., holding 75.84% of the issued share capital of Sinopec Corp. Pursuant to the Shanghai Listing Rules and the Hong Kong Listing Rules, China Petrochemical Corporation (with its subsidiaries) constitutes a connected person of Sinopec Corp. (with its subsidiaries). The Target Assets are owned by Asset Management Company, a wholly-owned subsidiary of China Petrochemical Corporation. Accordingly, the Acquisition constitutes a connected transaction under the Shanghai Listing Rules and the Hong Kong Listing Rules. As each of the percentage ratios (as defined in Rule 14.07 of the Hong Kong Listing Rules) applicable to the Acquisition is below 2.5%, the Acquisition shall comply with reporting and announcement requirement under the Hong Kong Listing Rules and is not subject to the approval of the independent shareholders of Sinopec Corp.

SUMMARY OF KEY INFORMATION

1. Transaction Risks

The Acquisition is conducted based on the principles of equality, fairness and openness, without concealing and deception, however, in consideration of the market system risk, market fluctuation risk and policy risk, the information below is hereby presented, and investors are requested to take into full consideration.

(1) Consideration fairness risk

In the Acquisition, the consideration of the assets and equity interests is determined by reference to the valuation value as determined in the valuation reports, and the final consideration is determined by both parties through negotiation on the basis of equality and fairness.

Due to the existence of time difference between valuation date, execution date of transaction agreements and the Date of Completion, and market fluctuation from time to time, fluctuation in the value of assets and equity to be acquired constitute the risks of fairness of considerations.

(2) Asset valuation increment risk

Valuers apply a fair appraisal approach with fair and objective attitude, with valuation result recorded with the management department. Similar to the consideration fairness risk, there are same risk factors, asset value (including asset increment) will fluctuate in accordance with fluctuation of market price, which constitutes the asset valuation increment risk.

(3) Profitability fluctuation risk

Although as anticipated, the assets to be acquired will have little effect on the financial indicators of Sinopec Corp., its major contribution to Sinopec Corp. is synergistic effect and business support. However, as change of market environment may result in fluctuation in profitability, there is certain effect on profitability fluctuation.

(4) Approval risk

As the consideration for the Acquisition is lower than 5% of the net value of

Sinopec Corp. as latest audited, the Acquisition is only subject to the approval of the Board and not subject to the approval of the general meeting of shareholders under the Shanghai Listing Rules. As each of the percentage ratios (as defined in Rule 14.07 of the Hong Kong Listing Rules) applicable to the Acquisition is below 2.5%, the Acquisition shall comply with reporting and announcement requirement under Rule 14A.45 and Rule 14A.47 of the Hong Kong Listing Rules and is not subject to the approval of the independent shareholders of Sinopec Corp.

In addition, pursuant to *Interim Measures on Administration of Transfer of State-owned Property Right of Enterprise* and *Notice on Relevant Matters in relation to Transfer of State-owned Property Right of Enterprise*, the Acquisition shall be approved by SASAC, and the Asset Valuation Reports in respect of the acquisitions of equity interests in five companies shall be filed with the SASAC. If the approval or filing of Acquisition and the Asset Valuation Reports is not granted by SASAC, five Equity Transfer Agreements and six Asset Transfer Agreements shall be terminated. Therefore, the Acquisition is uncertain before the approval by and filing with SASAC.

(5) Asset ownership risk

The assets and equity interests to be acquired are the assets of Asset Management Company, the titles are clear and there are no third party interests.

2. Effects on Sinopec Corp. after the Transaction

(1) Effects on financial indicators of Sinopec Corp.

In accordance with the 2008 Annual Report of Sinopec Corp. and Financial Statements on the Target Assets audited by Jingdu Tinwha Certified Public Accountants, after completion of the Acquisition, Sinopec Corp. will strengthen its financial safety, and enhance its profitability.

After completion of the Acquisition, assets of Sinopec Corp. will increase by RMB 423.1013 million with an increase of 0.05%, and liabilities of Sinopec Corp. increases by RMB 423.1013 million with an increase of 0.1%. Compared with that before the Acquisition, net assets of Sinopec Corp. will remain unchanged. Asset-liability ratio of Sinopec Corp. will increase from 53.09% to 53.12%, liquidity ratio and quick ratio will drop a little, and overall debt paying ability will slightly decline, but liabilities will still be within a reasonable level.

Therefore, after completion of the Acquisition, financial indicators of Sinopec Corp. are affected relatively little.

(2) Effects on continuing connected transactions between Sinopec Corp. and its parent company

The assets and equity interests involved in the Acquisition are the surviving part of China Petrochemical Corporation, which mainly provide supports in business, technology and logistic service. In practical operation, there are some connected transactions. Therefore, through the Acquisition, such surviving part will be incorporated to Sinopec Corp., which will significantly reduce the connected transactions, and is more beneficial to exert the synergistic effect of Sinopec Corp.

(3) Positive effects on corporate governance

Firstly, continuing connected transactions will be reduced; secondly, it will perfect and improve the whole level and ability of Sinopec Corp.'s scientific research system and material equipment supply system, reduce management layers, and enhance the management efficiency of Sinopec Corp.; lastly, the Acquisition will not result in new continuing connected transactions and competitions.

3. Whether Transaction Occurred with the Same Connected Person in the Last 24 Months

There were three connected transactions between the same connected person and Sinopec Corp. in the last 24 months, on 28 December 2007, 27 June 2008 and 27 March 2009, respectively; transaction amount is RMB 3,659.79 million, RMB 1,564.48 million, and RMB 1,839.39 million, respectively, for acquisitions (simultaneously RMB 157.47 million for disposal).

4. Other Issues that Require the Attention of Investors

(1) All the directors of Sinopec Corp. (including the independent directors) are of the view that the terms of the Acquisition were based on normal commercial terms and the Acquisition is part of the ordinary course of business of Sinopec Corp. and the consideration for the Acquisition and the terms of the agreements are fair and reasonable in the interests of Sinopec Corp. and its shareholders as a whole. Non-executive directors of Sinopec Corp., Mr. Su Shulin, Mr. Zhang Yaocang, Mr. Cao Yaofeng, Mr. Li Chunguang and Mr. Liu Yun, being connected directors by virtue of their directorship in China Petrochemical Corporation, abstained from voting at the Board meeting at which the proposed Acquisition was considered and voted by the Board.

(2) The financial data relating to the Acquisition, including the balance sheets and

the income statements of the Target Assets were prepared in accordance with the China Enterprise Accounting Rules. In the financial reports of the Target Assets for Acquisition, there is no material inconsistency in the values of the net asset and net profits whether prepared in accordance with China Enterprise Accounting Rules or prepared in accordance with the International Financial Reporting Rules.

(3) Six Asset Transfer Agreements and five Equity Transfer Agreements entered into between Sinopec Corp. and Asset Management Company are independent of each other. Any failure to perform one agreement shall not in any way affect the validity and performance of other agreements.

(4) Under the Acquisition, the acquisitions of equity interests in Xingpu Company, BPDIBCI, Qingdao Sinosun Certification Center, Fushun Huanke Company and Material Equipment Company are carried out by the way of direct agreement, therefore, the Asset Valuation Reports in respect of such acquisitions shall be filed with the SASAC, and such acquisitions shall also be approved by SASAC. Under the Acquisition, the Asset Valuation Reports in respect of the acquisitions of PEPRIS, RIPP, Beijing Chemical Institute, Shanghai Research Institute of Petrochemical Technology, Fushun Petrochemical Institute and Qingdao Safety Research Institute have been filed with China Petrochemical Corporation, but such acquisitions shall be further approved by China Petrochemical Corporation. In addition, the Acquisition will only be completed after the condition precedents set out in the relevant agreements have been satisfied.

I. SUMMARY OF KEY INFORMATION

1. Transaction Details

The 2nd Meeting of the Fourth Session of the Board was held on 21 August 2009, at which the "Proposal Concerning the Acquisition of Certain Assets and Equity Interests of Asset Management Company" was considered and approved. According to the above proposal, Sinopec Corp. will acquire from Asset Management Company all of the assets it holds in PEPRIS, RIPP, Beijing Chemical Institute, Shanghai Research Institute of Petrochemical Technology, Fushun Petrochemical Institute and Qingdao Safety Research Institute, and its 100% equity interests in Xingpu Company, BPDIBCI, Qingdao Sinosun Certification Center, Fushun Huanke Company and Material Equipment Company.

According to the Asset Valuation Reports issued by an independent asset valuation institution, as at the Valuation Date, being 31 May 2009, the aggregate appraised net value of the Target Assets amounts to RMB 3,945.8093 million (approximately HKD 4,477.3098 million). The consideration for the Acquisition is RMB 3,945.8093 million (approximately HKD 4,477.3098 million), amongst

which, consideration for all the assets of six research institutes is RMB 3,110.1581 million (approximately HKD 3,529.0964 million), and consideration for 100% equity interests in five limited liability companies is RMB 835.6512 million (approximately HK\$ 948.2134 million).

Sinopec Corp. will use its internal resources to pay for the consideration.

The Board has approved the execution of the six Asset Transfer Agreements and five Equity Transfer Agreements by Sinopec Corp. with Asset Management Company.

2. Connected Transaction Agreements

On 21 August 2009, Sinopec Corp. and Asset Management Company entered into respectively the following agreements in relation to the agreed transfer of the Target Assets in Beijing:

Agreement	Target Asset	Vendor	Purchaser
Asset Transfer Agreement regarding the Assets of PEPRIS	All assets of PEPRIS	Asset Management Company	Sinopec Corp.
Asset Transfer Agreement regarding the Assets of RIPP	All assets of RIPP	Asset Management Company	Sinopec Corp.
Asset Transfer Agreement regarding the Assets of Beijing Chemical Institute	All assets of Beijing Chemical Institute	Asset Management Company	Sinopec Corp.
Asset Transfer Agreement regarding the Assets of Shanghai Research Institute of Petrochemical Technology	All assets of Shanghai Research Institute of Petrochemical Technology	Asset Management Company	Sinopec Corp.
Asset Transfer Agreement regarding the Assets of Fushun Petrochemical Institute	All assets of Fushun Petrochemical Institute	Asset Management Company	Sinopec Corp.
Asset Transfer Agreement regarding the Assets of Qingdao Safety Research Institute	All assets of Qingdao Safety Research Institute	Asset Management Company	Sinopec Corp.
Equity Transfer	100% equity interests in	Asset	Sinopec Corp.

Agreement regarding Xingpu Company	Xingpu Company	Management Company	
Equity Transfer Agreement regarding BPDIBCI	100% equity interests in BPDIBCI	Asset Management Company	Sinopec Corp.
Equity Transfer Agreement regarding Qingdao Sinosun Certification Center	100% equity interests in Qingdao Sinosun Certification Center	Asset Management Company	Sinopec Corp.
Equity Transfer Agreement regarding Fushun Huanke Company	100% equity interests in Fushun Huanke Company	Asset Management Company	Sinopec Corp.
Equity Transfer Agreement regarding Material Equipment Company	100% equity interests in Material Equipment Company	Asset Management Company	Sinopec Corp.

Upon completion of the Acquisition, Sinopec Corp. will hold all assets in PEPRIS, RIPP, Beijing Chemical Institute, Shanghai Research Institute of Petrochemical Technology, Fushun Petrochemical Institute and Qingdao Safety Research Institute, and 100% equity interests in Xingpu Company, BPDIBCI, Qingdao Sinosun Certification Center, Fushun Huanke Company and Material Equipment Company.

3. Connected Relationship

As a controlling shareholder of Sinopec Corp., China Petrochemical Corporation holds 75.84% of the issued share capital of Sinopec Corp. Pursuant to the Shanghai Listing Rules and the Hong Kong Listing Rules, China Petrochemical Corporation (with its subsidiaries) constitutes a connected person of Sinopec Corp. (with its subsidiaries). The Target Assets are held by Asset Management Company, a wholly-owned subsidiary of China Petrochemical Corporation. Pursuant to the Shanghai Listing Rules and the Hong Kong Listing Rules, the Acquisition will constitute connected transaction under the Shanghai Listing Rules and the Hong Kong Listing Rules.

On 27 March 2009, Sinopec Corp. acquired the property rights of the eight oil product pipeline project divisions and equity interests and certain assets of two limited liability companies from China Petrochemical Corporation or its subsidiaries. Concurrently, Sinopec Corp. disposed certain assets held by Jinling Branch Company of Sinopec Corp. to Asset Management Company. Please refer to the announcement of Sinopec Corp. issued on 30 March 2009 for details. Due to its independent and different nature from the previous transactions, this

Acquisition will not be calculated in aggregation with the previous transactions under the Shanghai Listing Rules or Rule 14A.25 of the Hong Kong Listing Rules. Apart from the previous transactions, Sinopec Corp. has not engaged in any transaction with Asset Management Company or the ultimate beneficial owners of Asset Management Company, which would be otherwise required to be calculated on aggregation basis under Rule 14A. 25 of the Hong Kong Listing Rules.

4. Information on the Review and Approval of the Connected Transactions

The Acquisition was considered and approved at the 2nd Meeting of the Fourth Session of the Board. All the connected directors abstained from the reviewing and the voting while all the non-connected directors, including the independent directors, approved the Acquisition unanimously. The independent directors provide their independent opinions in relation to the Acquisition at the meeting.

As the consideration for the Acquisition is lower than 5% of the net value of Sinopec Corp. as latest audited, the Acquisition is only subject to the approval of the Board and not subject to the approval of the general meeting of shareholders under the Shanghai Listing Rules. As each of the percentage ratios (as defined in Rule 14.07 of the Hong Kong Listing Rules) applicable to the Acquisition is below 2.5%, the Acquisition shall comply with reporting and announcement requirement under Rule 14A. 45 and Rule 14A.47 of the Hong Kong Listing Rules and is not subject to the approval of the independent shareholders of Sinopec Corp.

5. Approval to be Obtained and Other Issues

Under the Acquisition, the acquisitions of equity interests in Xingpu Company, BPDIBCI, Qingdao Sinosun Certification Center, Fushun Huanke Company and Material Equipment Company are carried out by the way of direct agreement, therefore, the Asset Valuation Reports in respect of such acquisitions shall be filed with the SASAC, and such acquisitions shall also be approved by SASAC. Under the Acquisition, the Asset Valuation Reports in respect of the acquisitions of PEPRIS, RIPP, Beijing Chemical Institute, Shanghai Research Institute of Petrochemical Technology, Fushun Petrochemical Institute and Qingdao Safety Research Institute have been filed with China Petrochemical Corporation, but such acquisitions shall be further approved by China Petrochemical Corporation. In addition, the Acquisition will only be completed after the condition precedents set out in the relevant agreements have been satisfied.

II. INFORMATION OF THE PARTIES TO THE TRANSACTION

1. Information on Sinopec Corp.

Sinopec Corp. is an integrated energy and chemical company with upstream, midstream and downstream operations and it is the first PRC company publicly listed on the stock exchanges of Hong Kong, Shanghai, New York and London. The principal operations of Sinopec Corp. and its subsidiaries include:

- (1) Exploring for, developing, producing and trading of crude oil and natural gas;
- (2) Processing crude oil into refined oil products, producing refined oil products and trading, transporting, distributing and marketing of refined oil products; and
- (3) Producing, distributing and trading of chemical products.

2. Information on Asset Management Company

Asset Management Company is a wholly state-owned limited liability company, and is also a wholly-owned subsidiary of China Petrochemical Corporation. In 2005, China Petrochemical Corporation injected all investments other than Sinopec Corp., relevant professional companies, and non-financial investment into Asset Management Company. Its business scope covers:

- (1) Industry investment and investment management;
- (2) Keep operating several petrochemical facilities and small-sized oil plants after China Petrochemical Corporation injected its main assets into Sinopec Corp.;
- (3) Providing services in architectural erection, manufacture and overhaul of electromechanical equipment and instruments;
- (4) Real estate, import and export, contracting, and technical development;
- (5) Tendering agency, technical service, warehousing service, lease of land and self-owned houses, realty management, labor service;
- (6) Its branches engage in production and sale of electric power, heating power and gas, cargo transportation, water supply service, as well as operation of dangerous chemicals and so on.

III. INFORMATION ON TARGET ASSETS

1 Overview

The Target Assets involved in this Acquisition include all assets in six research institutes, and 100% equity interests in five limited liability companies held by Asset Management Company.

In accordance with the Financial Statements prepared by Beijing Jingdu Tinwha Certified Public Accountants Co., Ltd, an audit firm which is qualified to engage in the securities business within China, as at the Audit Date, the audited consolidated financial data of the Target Assets is as follows:

Unit: Millions RMB

Target Assets	Total Assets	Total Liabilities	Shareholders' Interests
All assets of PEPRIS	66.6732	19.2340	47.4392
All assets of RIPP	987.7463	120.3000	867.4463
All assets of Beijing Chemical Institute	309.1424	35.2947	273.8477
All assets of Shanghai Research Institute of Petrochemical Technology	46.6582	17.0312	29.6270
All assets of Fushun Petrochemical Institute	268.0690	30.4343	237.6347
All assets of Qingdao Safety Research Institute	51.6762	17.8472	33.8290
100% equity interests in Xingpu Company	67.6473	8.4381	59.2092
100% equity interests in BPDIBCI	5.9801	0.5798	5.4003
100% equity interests in Qingdao Sinosun Certification Center	3.6726	0.2187	3.4539
100% equity interests in Fushun Huanke Company	2.1985	0.0439	2.1546
100% equity interests in Material Equipment Company	838.7582	217.5002	621.2580
Total	2,648.2220	466.9221	2,181.2999

Beijing United Assets Appraisal Co., Ltd. and Beijing Zhongzheng Appraisal Co., Ltd., both of which are qualified to engage in securities business within China, appraised the Target Assets and issued separate Asset Valuation Reports. According to the Asset Valuation Reports, as at the Valuation Date, the preliminary appraisal values of the Target Assets are as follows:

Unit: Millions RMB

Target Assets	Total Assets	Total Liabilities	Net Assets
All assets of PEPRIS	202.2761	19.2340	183.0421
All assets of RIPP	2,268.0421	120.3000	2,147.7421
All assets of Beijing Chemical Institute	407.9121	35.2947	372.6174
All assets of Shanghai Research Institute of Petrochemical Technology	94.9216	17.0312	77.8904
All assets of Fushun Petrochemical Institute	298.1626	30.4343	267.7283
All assets of Qingdao Safety Research Institute	78.9850	17.8472	61.1378
100% equity interests in Xingpu Company	75.3191	8.4381	66.8810
100% equity interests in BPDIBCI	5.9731	0.5798	5.3933
100% equity interests in Qingdao Sinosun Certification Center	3.6746	0.2187	3.4559
100% equity interests in Fushun Huanke Company	2.1116	0.0439	2.0677
100% equity interests in Material Equipment Company	921.5327	173.6794	757.8533
Total	4,368.9106	423.1013	3,945.8093

2. Special Statements

- (1) Special statements on the whole appraisal increment of the assets to be acquired above and over 20% of book value

In accordance with the appraisal result of Beijing United Assets Appraisal Co., Ltd. and Beijing Zhongzheng Appraisal Co., Ltd., appraisal value of the assets and equity to be acquired exceeds more than 20% of the book value, with increment up to 81.71%.

Asset increment centers at land increment, representing 95.04% of net asset

increment. Reasons for large land increment proportion in the whole increment:

In recent years, due to development of real estate market, land price goes up drastically. Six research institutes are located at the high-quality land lot of the city, especially three research institutes in Beijing and Shanghai Research Institute of Petrochemical Technology are located at the golden land lot of two cities, and land price of these two cities is the highest in the nationwide, so land increment rate is large.

- (2) Special statements on the appraisal increment of the Material Equipment Company above and over 20% of book value

Appraisal value increment rate of Material Equipment Company is 23.95%, less than six research institutes, but it is also above and over 20% of book value. Increment is concentrated on lands and real estate of Material Equipment Company and its subsidiaries, with an increment of RMB 110 million, and secondly, financial assets held by Material Equipment Company, including treasury bonds, enterprise bonds and entrusted loans, increases by RMB 20 million based on respective market value.

3. Detailed Information of the Target Assets

(1) All Assets of PEPRIS

(i) Overview

PEPRIS is an unincorporated entity to succeed and manage the survival part of seven scientific research institutes under China Petrochemical Corporation after reorganization and listing in 2000, and it is the branch company of Asset Management Company. In the Acquisition, assets of PEPRIS consist of assets from the Headquarters of PEPRIS, Jingzhou Survey Technology Center, Hefei Training and Testing Center, Wuxi Geology Service Center, and Nanjing Geophysical Technology Service Center.

The Headquarters of PEPRIS and Wuxi Center mainly engage in real estate lease business.

Jingzhou Center mainly engages in exploration evaluation and mapping in national new areas and new domains of oil and gas.

Hefei Center mainly engages in training service, prospecting geochemical testing technology service and real estate lease service.

Nanjing Center mainly engages in real estate management and service, technical service, contracting and labor service.

(ii) Details of the assets of PEPRIS to be acquired

The assets of PEPRIS and the above-mentioned centers listed in the scope of the proposed Acquisition include land use right, immovable property, motor vehicles and equipment and credits and debts, etc.

(iii) Financial Statement and Asset Valuation Report of the assets of PEPRIS

In accordance with the Financial Statement (Beijing Jingdu Tinwha Shen Zi (2009) No. 1013) prepared by Beijing Jingdu Tinwha Certified Public Accountants Co., Ltd, an audit firm which is qualified to engage in the securities business within China, as at the Audit Date, the audited consolidated financial data of PEPRIS for the years ended 31 December 2007 and 31 December 2008, and five months of 2009 ended 31 May 2009 are as follows:

Consolidated Balance Sheet

Unit: Millions RMB

Item	As at 31 May 2009	As at 31 December 2008	As at 31 December 2007
Total current assets	42.7295	42.6992	43.4172
Total Non-current assets	23.9437	26.1501	22.4653
Total assets	66.6732	68.8493	65.8825
Total current liabilities	19.2340	39.9047	42.3230
Total liabilities	19.2340	39.9047	42.3230
Total shareholders' interests	47.4392	28.9446	23.5595

Consolidated Income Statement

Unit: Millions RMB

Item	As at 31 May 2009	As at 31 December 2008	As at 31 December 2007
Income	8.0126	14.1872	17.5857
Total cost	13.6116	50.2000	45.4906
Operation profit	-5.5990	-36.0128	-27.9049
Total profit	1.1854	-14.2402	-3.7305

Net profit	0.8891	-14.2402	-3.7305
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In accordance with the Asset Valuation Report (Zhong Lian Ping Bao Zi [2009] No. 299) prepared by Beijing United Assets Appraisal Co., Ltd by adopting the cost method, which is qualified to engage in securities business within China, as at the Valuation Date, the preliminary appraisal values of all assets of PEPRIS are as follows:

Unit: Millions RMB

Item	Book Value	Book Value after Adjustment	Appraised Value	Increment/Decrease Amount	Rate of Increment (%)
Current assets	42.7295	42.7295	42.7437	1.42	0.03
Fixed assets	23.9437	23.9437	159.5324	135.5887	566.28
Of which: Building	18.1600	18.1600	51.1344	32.9744	181.58
Land	3.7632	3.7632	106.5374	102.7742	2731.03
Equipment	2.0205	2.0205	1.8606	-0.1598	-7.91
Total assets	66.6732	66.6732	202.2761	135.6029	203.38
Total liabilities	19.2340	19.2340	19.2340	-	-
Net assets	47.4392	47.4392	183.0421	135.6029	285.85

(2) All Assets of RIPP

(i) Overview

RIPP is an unincorporated entity to operate and manage the surviving assets of Research Institute of Petroleum Processing of China Petrochemical Corporation after reorganization and listing in 2000, and it is the branch company of Asset Management Company.

RIPP mainly engages in technical development, technical service, technology import & export, production and sale of fine chemicals, manufacture and overhaul of equipment and instruments.

(ii) Details of the assets of RIPP to be acquired

The assets of RIPP listed in the scope of proposed Acquisition include land use right, immovable property, motor vehicles and equipment and credits and debts, etc.

(iii) Financial Statement and Asset Valuation Report of the assets of RIPP

In accordance with the Financial Statement (Beijing Jingdu Tinwha Shen Zi (2009) No. 1011) prepared by Beijing Jingdu Tinwha Certified Public Accountants Co., Ltd, an audit firm which is qualified to engage in the securities business within China, as at the Audit Date, the audited financial data of RIPP for the years ended 31 December 2007 and 31 December 2008, and five months of 2009 ended 31 May 2009 are as follows:

Balance Sheet

Unit: Millions RMB

Item	As at 31 May 2009	As at 31 December 2008	As at 31 December 2007
Total current assets	855.3504	881.7698	814.5557
Total Non-current assets	132.3959	134.0953	136.6861
Total assets	987.7463	1,015.8651	951.2418
Total current liabilities	120.3000	194.3750	204.3019
Total liabilities	120.3000	194.3750	204.3019
Total shareholders' interests	867.4463	821.4901	746.9399

Income Statement

Unit: Millions RMB

Item	As at 31 May 2009	As at 31 December 2008	As at 31 December 2007
Income	74.8514	154.3398	139.8067
Total cost	45.1776	121.3074	114.6048
Operation profit	29.6738	40.2836	49.4003
Total profit	37.1130	61.5140	73.8942
Net profit	27.8348	46.1355	49.5091

In accordance with the Asset Valuation Report (Zhong Lian Ping Bao

Zi [2009] No. 300) prepared by Beijing United Assets Appraisal Co., Ltd by adopting the cost method, which is qualified to engage in securities business within China, as at the Valuation Date, the preliminary appraisal values of all assets of RIPP are as follows:

Unit: Millions RMB

Item	Book Value	Book Value after Adjustment	Appraised Value	Increment/Decrease Amount	Rate of Increment (%)
Current assets	855.3505	855.3505	859.3073	3.9568	0.46
Fixed assets	106.6491	106.6491	1,263.6462	1,156.9971	1,084.86
Of which: Building	52.2243	52.2243	54.1800	1.9557	3.74
Equipment	53.5948	53.5948	41.8465	-11.7483	-21.92
Land	0.8300	0.8300	1,167.6197	1,166.7897	140,577.07
Intangible assets	25.5360	25.5360	144.8778	119.3418	467.35
Of which: Land Use Right	25.5360	25.5360	144.8778	119.3418	467.35
Other assets	0.2108	0.2108	0.2108	-	-
Total assets	987.7464	987.7464	2,268.0421	1,280.2957	129.62
Total liabilities	120.3000	120.3000	120.3000	-	-
Net assets	867.4464	867.4464	2,147.7421	1,280.2957	147.59

(3) All Assets of Beijing Chemical Institute

(i) Overview

Beijing Chemical Institute is an unincorporated entity to operate and manage the surviving assets of Beijing Chemical Institute of China Petrochemical Corporation after reorganization and listing in 2000, and it is the branch company of Asset Management Company.

Beijing Chemical Institute mainly engages in publication of two

journals, *Petroleum & Chemical* and *Chemical Environmental Protection*, and lease of street commercial house, etc.

(ii) Details of the assets of Beijing Chemical Institute to be acquired

The assets of Beijing Chemical Institute listed in the scope of proposed Acquisition include land use right, houses, machines and equipment, electronic equipment, vehicles, construction in progress, and credits and debts, etc.

(iii) Financial Statement and Asset Valuation Report of the assets of Beijing Chemical Institute

In accordance with the Financial Statement (Beijing Jingdu Tinwha Shen Zi (2009) No. 1002) prepared by Beijing Jingdu Tinwha Certified Public Accountants Co., Ltd, an audit firm which is qualified to engage in the securities business within China, as at the Audit Date, the audited financial data of Beijing Chemical Institute for the years ended 31 December 2007 and 31 December 2008, and five months of 2009 ended 31 May 2009 are as follows:

Balance Sheet

Unit: Millions RMB

Item	As at 31 May 2009	As at 31 December 2008	As at 31 December 2007
Total current assets	276.4011	289.1221	282.5938
Total Non-current assets	32.7413	29.7296	27.0865
Total assets	309.1424	318.8516	309.6803
Total current liabilities	35.2947	35.8378	54.5430
Total liabilities	35.2947	35.8377	54.5429
Total shareholders' interests	273.8477	283.0139	255.1374

Income Statement

Unit: Millions RMB

Item	As at 31 May 2009	As at 31 December 2008	As at 31 December 2007
Income	8.2477	44.9112	54.9032
Total cost	25.6017	64.0169	73.0670
Operation profit	-17.3540	-17.5829	-11.8240

Total profit	-11.1938	-2.0318	9.9641
Net profit	-11.1938	-2.0318	6.6759

In accordance with the Asset Valuation Report (Zhong Lian Ping Bao Zi [2009] No. 301) prepared by Beijing United Assets Appraisal Co., Ltd by adopting the cost method, which is qualified to engage in securities business within China, as at the Valuation Date, the preliminary appraisal values of all assets of Beijing Chemical Institute are as follows:

Unit: Millions RMB

Item	Book Value	Book Value after Adjustment	Appraised Value	Increment/Decrease Amount	Rate of Increment (%)
Current assets	276.4011	276.4011	286.2033	9.8022	3.55
Fixed assets	30.1095	30.1095	39.5666	9.4571	31.41
Of which: Building	16.8495	16.8495	26.1434	9.2939	55.16
Equipment	13.2600	13.2600	13.4233	0.1633	1.23
Intangible assets	2.6319	2.6319	82.1422	79.5103	3,021.02
Of which: Land Use Right	2.6319	2.6319	82.1422	79.5103	3,021.02
Total assets	309.1425	309.1425	407.9121	98.7696	31.95
Total liabilities	35.2947	35.2947	35.2947	-	-
Net assets	273.8478	273.8478	372.6174	98.7696	36.07

(4) All Assets of Shanghai Research Institute of Petrochemical Technology

(i) Overview

Shanghai Research Institute of Petrochemical Technology is an unincorporated entity to operate and manage the surviving assets of Shanghai Research Institute of Petrochemical Technology of China

Petrochemical Corporation after reorganization and listing in 2000, and it is the branch company of Asset Management Company.

Shanghai Research Institute of Petrochemical Technology mainly engages in production and operation of catalyst of small variety, compatilizer SMAM25 and SMAM14 for PC/ABS alloy, bulking agent SMA214 and SMAM14 for AS, ABS glass fiber, glass fiber reinforced product (G2416).

(ii) Details of the assets of Shanghai Research Institute of Petrochemical Technology to be acquired

The assets of Shanghai Research Institute of Petrochemical Technology listed in the scope of proposed Acquisition include land use right, immovable property, motor vehicles and equipment and credits and debts, etc.

(iii) Financial Statement and Asset Valuation Report of the assets of Shanghai Research Institute of Petrochemical Technology

In accordance with the Financial Statement (Beijing Jingdu Tinwha Shen Zi (2009) No. 0995) prepared by Beijing Jingdu Tinwha Certified Public Accountants Co., Ltd, an audit firm which is qualified to engage in the securities business within China, as at the Audit Date, the audited financial data of Shanghai Research Institute of Petrochemical Technology for the years ended 31 December 2007 and 31 December 2008, and five months of 2009 ended 31 May 2009 are as follows:

Balance Sheet

Unit: Millions RMB

Item	As at 31 May 2009	As at 31 December 2008	As at 31 December 2007
Total current assets	32.1001	32.8701	40.6305
Total Non-current assets	14.5581	14.7583	14.2178
Total assets	46.6582	47.6284	54.8483
Total current liabilities	17.0312	19.7606	26.2434
Total liabilities	17.0312	19.7606	26.2433
Total shareholders'	29.6270	27.8678	28.6050

interests			
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Income Statement

Unit: Millions RMB

Item	As at 31 May 2009	As at 31 December 2008	As at 31 December 2007
Income	15.4823	50.5268	60.7043
Total cost	13.2628	48.3807	55.2129
Operation profit	2.2195	2.1461	5.4914
Total profit	2.2205	2.1461	5.3379
Net profit	1.6654	1.6096	3.6542

In accordance with the Asset Valuation Report (Zhong Lian Ping Bao Zi [2009] No. 303) prepared by Beijing United Assets Appraisal Co., Ltd by adopting the cost method, which is qualified to engage in securities business within China, as at the Valuation Date, the preliminary appraisal values of all assets of Shanghai Research Institute of Petrochemical Technology are as follows:

Unit: Millions RMB

Item	Book Value	Book Value after Adjustment	Appraised Value	Increment/Decrease Amount	Rate of Increment (%)
Current assets	32.1002	32.1002	35.8494	3.7492	11.68
Fixed assets	8.7432	8.7432	15.6527	6.9095	79.03
Of which: Building	7.4974	7.4974	14.4131	6.9157	92.24
Equipment	1.2458	1.2458	1.2396	-0.0062	-0.50
Intangible assets	5.8148	5.8148	43.4195	37.6047	646.71
Of which: Land Use Right	5.8148	5.8148	43.4195	37.6047	646.71
Total assets	46.6582	46.6582	94.9216	48.2634	103.44
Total liabilities	17.0312	17.0312	17.0312	-	-
Net assets	29.6270	29.6270	77.8904	48.2634	162.90

(5) All Assets of Fushun Petrochemical Institute

(i) Overview

Fushun Petrochemical Institute is an unincorporated entity to operate and manage the surviving assets of Sinopec Fushun Research Institute of China Petrochemical Corporation after reorganization and listing in 2000, and it is the branch company of Asset Management Company.

Fushun Petrochemical Institute mainly engages in technical development and technical service; production and sale of catalyst, special wax, special lubricant; manufacture and overhaul of electromechanical equipment and instruments.

(ii) Details of the assets of Fushun Petrochemical Institute to be acquired

The assets of Fushun Petrochemical Institute listed in the scope of proposed Acquisition include immovable property, land use right, motor vehicles and equipment and credits and debts, etc

(iii) Financial Statement and Asset Valuation Report of the assets of Fushun Petrochemical Institute

In accordance with the Financial Statement (Beijing Jingdu Tinwha Shen Zi (2009) No. 0999) prepared by Beijing Jingdu Tinwha Certified Public Accountants Co., Ltd, an audit firm which is qualified to engage in the securities business within China, as at the Audit Date, the audited financial data of Fushun Petrochemical Institute for the years ended 31 December 2007 and 31 December 2008, and five months of 2009 ended 31 May 2009 are as follows:

Balance Sheet

Unit: Millions RMB

Item	As at 31 May 2009	As at 31 December 2008	As at 31 December 2007
Total current assets	239.2329	257.5154	266.9480
Total Non-current assets	28.8361	27.1759	24.6309

Total assets	268.0690	284.6913	291.5789
Total current liabilities	30.4343	50.6432	75.7679
Total Non-current liabilities		2.6216	2.6217
Total liabilities	30.4343	53.2649	78.3896
Total shareholders' interests	237.6347	231.4264	213.1893

Income Statement

Unit: Millions RMB

Item	As at 31 May 2009	As at 31 December 2008	As at 31 December 2007
Income	43.6160	89.3238	284.2571
Total cost	47.1740	92.0800	288.7238
Operation profit	-3.5580	-2.5942	-3.5151
Total profit	5.1686	9.1753	10.0741
Net profit	3.8765	6.8815	6.7497

In accordance with the Asset Valuation Report (Zhong Lian Ping Bao Zi [2009] No. 302) prepared by Beijing United Assets Appraisal Co., Ltd by adopting the cost method, which is qualified to engage in securities business within China, as at the Valuation Date, the preliminary appraisal values of all assets of Fushun Petrochemical Institute are as follows:

Unit: Millions RMB

Item	Book Value	Book Value after Adjustment	Appraised Value	Increment/Decrease Amount	Rate of Increment (%)
Current assets	239.2329	239.2329	244.8858	5.6529	2.36
Fixed assets	28.8361	28.8361	35.3677	6.5316	22.65
Of which: Construction progress	0.9601	0.9601	-	-0.9601	-100.00
Building	22.5233	22.5233	30.3506	7.8273	34.75

Equipment	5.7927	5.7927	5.0171	-0.7756	-13.39
Intangible assets	-	-	17.9091	17.9091	
Of which: Land Use Right	-	-	17.8818	17.8818	
Total assets	268.0690	268.0690	298.1626	30.0936	11.23
Total liabilities	30.4343	30.4343	30.4343	-	-
Net assets	237.6347	237.6347	267.7283	30.0936	12.66

(6) All Assets of Safety Engineering Institute

(i) Overview

Safety Engineering Institute is an unincorporated entity to operate and manage the surviving assets of Safety Engineering Institute of China Petrochemical Corporation after reorganization and listing in 2000, and it is the branch company of Asset Management Company.

Safety Engineering Institute mainly engages in HSE consulting service and healthy guardianship service.

(ii) Details of the assets of Safety Engineering Institute to be acquired

The assets of Safety Engineering Institute listed in the scope of proposed Acquisition include immovable property, land use right, motor vehicles and equipment and credits and debts, etc.

(iii) Financial Statement and Asset Valuation Report of the assets of Safety Engineering Institute

In accordance with the Financial Statement (Beijing Jingdu Tinwha Shen Zi (2009) No. 1000) prepared by Beijing Jingdu Tinwha Certified Public Accountants Co., Ltd, an audit firm which is qualified to engage in the securities business within China, as at the Audit Date, the audited financial data of Safety Engineering Institute for the years ended 31 December 2007 and 31 December 2008, and five months of 2009 ended 31 May 2009 are as follows:

Balance Sheet

Unit: Millions RMB

Item	As at 31 May 2009	As at 31 December 2008	As at 31 December 2007
Total current assets	28.2653	29.2149	28.9248
Total Non-current assets	23.4109	24.2054	19.2009
Total assets	51.6762	53.4203	48.1257
Total current liabilities	16.9872	16.1802	11.6148
Total Non-current liabilities	0.0086	0.0086	0.0086
Total liabilities	17.8472	17.0402	12.4748
Total shareholders' interests	33.8290	36.3801	35.6509

Income Statement

Unit: Millions RMB

Item	As at 31 May 2009	As at 31 December 2008	As at 31 December 2007
Income	1.9900	6.1789	10.2418
Total cost	4.6887	12.5131	18.0033
Operation profit	-2.6987	-6.1933	-7.0094
Total profit	-0.1751	-0.5646	-1.5294
Net profit	-0.1751	-0.5646	-1.5294

In accordance with the Asset Valuation Report (Zhong Lian Ping Bao Zi [2009] No. 304) prepared by Beijing United Assets Appraisal Co., Ltd by adopting the cost method, which is qualified to engage in securities business within China, as at the Valuation Date, the preliminary appraisal values of all assets of Safety Engineering Institute are as follows:

Unit: Millions RMB

Item	Book Value	Book Value after Adjustment	Appraised Value	Increment/Decrease Amount	Rate of Increment (%)
Current assets	28.2653	28.2653	28.4949	0.2296	0.81

Fixed assets	23.4109	23.4109	50.4901	27.0792	115.67
Of which:					
Building	21.0367	21.0367	25.7611	4.7244	22.46
Equipment	2.3742	2.3742	1.9755	-0.3987	-16.79
Land	-	-	22.7535	22.7535	
Total assets	51.6762	51.6762	78.9850	27.3088	52.85
Total liabilities	17.8472	17.8472	17.8472	-	-
Net assets	33.8290	33.8290	61.1378	27.3088	80.73

(7) 100% Equity Interests in Xingpu Company

(i) Overview

As recorded in the Business License for Enterprises as Legal Persons issued by Beijing Administration for Industry and Commerce on 7 December 2007 with registration number 110114004208174, the current legal status of Xingpu Company is as follows: its registered address is at 1 Baifuquan Road, Chengqu Town, Changping District, Beijing; the economic nature is a state-owned enterprise; its registered capital is RMB 20.085 million, and paid-up capital is RMB 20.085 million; legal representative is Lu Peigang; date of establishment is 2 September 1988; business scope includes main operation of technical development and technical service of organic chemical, petrochemical, chemical auxiliary, and concurrent operation of sale of the products (except the products specified by the state) in the scope of main operation, machinery manufacturing, pressure vessel processing.

(ii) Financial Statement and Asset Valuation Report

In accordance with the Financial Statement (Beijing Jingdu Tinwha Shen Zi (2009) No. 1012) prepared by Beijing Jingdu Tinwha Certified Public Accountants Co., Ltd, an audit firm which is qualified to engage in the securities business within China, as at the Audit Date, the audited financial data of Xingpu Company for the years ended 31 December 2007 and 31 December 2008, and five months of 2009 ended 31 May 2009 are as follows:

Balance Sheet

Unit: Millions RMB

Item	As at 31 May 2009	As at 31 December 2008	As at 31 December 2007
Total current assets	58.2085	64.4796	51.6687
Total Non-current assets	9.4388	9.9326	10.1021
Total assets	67.6473	74.4122	61.7708
Total current liabilities	8.4381	14.5052	3.7151
Total liabilities	8.4381	14.5052	3.7151
Total shareholders' interests	59.2092	59.9070	58.0557

Income Statement

Unit: Millions RMB

Item	As at 31 May 2009	As at 31 December 2008	As at 31 December 2007
Income	28.4832	138.1864	53.3324
Total cost	28.2090	135.9961	52.2056
Operation profit	0.2742	2.1903	1.1268
Total profit	0.2742	2.1932	1.2353
Net profit	0.2278	1.8512	0.6691

In accordance with the Asset Valuation Report (Zhong Lian Ping Bao Zi [2009] No. 277) prepared by Beijing United Assets Appraisal Co., Ltd by adopting the cost method, which is qualified to engage in securities business within China, as at the Valuation Date, the preliminary appraisal values of Xingpu Company are as follows:

Unit: Millions RMB

Item	Book Value	Book Value after Adjustment	Appraised Value	Increment/Decrease Amount	Rate of Increment (%)
Total assets	67.6473	67.6473	75.3191	7.6719	11.34
Total liabilities	8.4381	8.4381	8.4381		
Net assets	59.2092	59.2092	66.8810	7.6719	12.96

(8) 100% Equity Interests in BPDIBCI

(i) Overview

As recorded in the Business License for Enterprises as Legal Persons issued by Beijing Administration for Industry and Commerce on 11 June 2008 with registration number 110105002290096, the current legal status of BPDIBCI is as follows: its registered address is at 14 Beisanhuandong Road, Chaoyang District, Beijing; it is a state-owned enterprise; its registered capital is RMB 5 million, and paid-up capital is RMB 5 million; legal representative is Wu Changjiang; date of establishment is 5 October 1993; business scope: design of construction works (Grade B); technical development, cooperation, transfer, training, consulting of building materials and chemical process; tracing of drawing, blueprinting; sale of building materials, machinery and equipment, electrical equipment; design of environmental pollution prevention engineering (Grade B); design of pressure piping, chemical petrochemical machine, design of urban public works (Grade B); design of pressure vessel, stationary and office supplies; professional contracting; machine work; engineering consulting; construction cost consulting.

(ii) Financial Statement and Asset Valuation Report

In accordance with the Financial Statement (Beijing Jingdu Tinwha Shen Zi (2009) No. 1003) prepared by Beijing Jingdu Tinwha Certified Public Accountants Co., Ltd, an audit firm which is qualified to engage in the securities business within China, as at the Audit Date, the audited financial data of BPDIBCI for the years ended 31 December 2007 and 31 December 2008, and five months of 2009 ended 31 May 2009 are as follows:

Balance Sheet

Unit: Millions RMB

Item	As at 31 May 2009	As at 31 December 2008	As at 31 December 2007
Total current assets	5.6017	6.5285	5.4581
Total Non-current assets	0.3784	0.4407	0.3721
Total assets	5.9801	6.9692	5.8302
Total current liabilities	0.5798	1.1027	1.8034

Total liabilities	0.5798	1.1028	1.8033
Total shareholders' interests	5.4003	5.8664	4.0269

Income Statement

Unit: Millions RMB

Item	As at 31 May 2009	As at 31 December 2008	As at 31 December 2007
Income	5.0589	21.9211	12.8885
Total cost	5.5153	19.4680	12.5916
Operation profit	-0.4564	2.4531	0.2969
Total profit	-0.4564	2.4531	0.2969
Net profit	-0.4662	1.8396	-1.1021

In accordance with the Asset Valuation Report (Zhong Lian Ping Bao Zi [2009] No. 280) prepared by Beijing United Assets Appraisal Co., Ltd by adopting the cost method, which is qualified to engage in securities business within China, as at the Valuation Date, the preliminary appraisal values of BPDIBCI are as follows:

Unit: Millions RMB

Item	Book Value	Book Value after Adjustment	Appraised Value	Increment/Decrease Amount	Rate of Increment (%)
Total assets	5.9801	5.9801	5.9731	-0.0070	-0.12
Total liabilities	0.5798	0.5798	0.5798		
Net assets	5.4003	5.4003	5.3933	-0.0070	-0.13

(9) 100% Equity Interests in Qingdao Sinosun Certification Center

(i) Overview

As recorded in the Business License for Enterprises as Legal Persons issued by Qingdao Administration for Industry and Commerce on 27 April 2009 with registration number 370202018019015, the current legal status of Qingdao Sinosun Certification Center is as follows: its registered address is at 407-412, No. 218 Third Yan'an Road, Shinan

District, Qingdao; it is a state-owned enterprise; its registered capital is RMB 3.1 million; legal representative is Ding Xiaogang; date of establishment is 6 March 2002; operation period is effective from 6 March 2002; business scope: quality management system certification, environmental management system certification, occupational health and safety management system certification; HSE Management System Certification (competent governmental department approval document 1 validity period expires on 21 May 2011).

(ii) Financial Statement and Asset Valuation Report

In accordance with the Financial Statement (Beijing Jingdu Tinwha Shen Zi (2009) No. 1001) prepared by Beijing Jingdu Tinwha Certified Public Accountants Co., Ltd, an audit firm which is qualified to engage in the securities business within China, as at the Audit Date, the audited financial data of Qingdao Sinosun Certification Center for the years ended 31 December 2007 and 31 December 2008, and five months of 2009 ended 31 May 2009 are as follows:

Balance Sheet

Unit: Millions RMB

Item	As at 31 May 2009	As at 31 December 2008	As at 31 December 2007
Total current assets	3.6518	3.2537	3.1540
Total Non-current assets	0.0208	0.0432	0.1260
Total assets	3.6726	3.2969	3.2800
Total current liabilities	0.2187	0.4505	0.2892
Total liabilities	0.2187	0.4505	0.2892
Total shareholders' interests	3.4539	2.8464	2.9908

Income Statement

Unit: Millions RMB

Item	As at 31 May 2009	As at 31 December 2008	As at 31 December 2007
Income	2.4892	8.0532	8.2910
Total cost	1.6720	7.9771	7.8180
Operation profit	0.8172	0.0761	0.4730
Total profit	0.8100	0.0761	0.4730
Net profit	0.6075	-0.1443	0.2789

In accordance with the Asset Valuation Report (Zhong Lian Ping Bao Zi [2009] No. 279) prepared by Beijing United Assets Appraisal Co., Ltd by adopting the cost method, which is qualified to engage in securities business within China, as at the Valuation Date, the preliminary appraisal values of Qingdao Sinosun Certification Center are as follows:

Unit: Millions RMB

Item	Book Value	Book Value after Adjustment	Appraised Value	Increment/Decrease Amount	Rate of Increment (%)
Total assets	3.6726	3.6726	3.6746	0.0020	0.05
Total liabilities	0.2187	0.2187	0.2187		
Net assets	3.4539	3.4539	3.4559	0.0020	0.06

(10) 100% Equity Interests in Fushun Huanke Company

(i) Overview

As recorded in the Business License for Enterprises as Legal Persons issued by Fushun Administration for Industry and Commerce on 17 December 2007 with registration number 210400000006828, the current legal status of Fushun Huanke Company is as follows: its registered address is at 31 East Section Dandong Road, Wanghua District, Fushun; it is a limited liability company (exclusively owned by a legal person); its registered capital is RMB 3 million and paid-up capital is RMB 3 million; legal representative is Fang Xiangchen; date of establishment is 27 September 2007; operation period is effective from 27 September 2007 to 27 September 2017; business scope: petrochemical technology development, technical consulting, technical service, technology transfer; environmental technology evaluation (with the exception of the projects prohibited by and required for pre-license by the state laws and administration regulations).

(ii) Financial Statement and Asset Valuation Report

In accordance with the Financial Statement (Beijing Jingdu Tinwha Shen Zi (2009) No. 1007) prepared by Beijing Jingdu Tinwha Certified

Public Accountants Co., Ltd, an audit firm which is qualified to engage in the securities business within China, as at the Audit Date, the audited financial data of Fushun Huanke Company for the years ended 31 December 2007 and 31 December 2008, and five months of 2009 ended 31 May 2009 are as follows:

Balance Sheet

Unit: Millions RMB

Item	As at 31 May 2009	As at 31 December 2008	As at 31 December 2007
Total current assets	1.6687	2.5687	3.0000
Total Non-current assets	0.5298	0.2795	
Total assets	2.1985	2.8482	3.0000
Total current liabilities	0.0439	0.3653	
Total liabilities	0.0439	0.3653	
Total shareholders' interests	2.1546	2.4829	3.0000

Income Statement

Unit: Millions RMB

Item	As at 31 May 2009	As at 31 December 2008	As at 31 December 2007
Income	0.2400	0.7899	
Total cost	0.8500	1.3069	
Operation profit	-0.6100	-0.5170	
Total profit	-0.6100	-0.5172	
Net profit	-0.3282	-0.5172	

In accordance with the Asset Valuation Report (Zhong Lian Ping Bao Zi [2009] No. 278) prepared by Beijing United Assets Appraisal Co., Ltd by adopting the cost method, which is qualified to engage in securities business within China, as at the Valuation Date, the preliminary appraisal values of Fushun Huanke Company are as follows:

Unit: Millions RMB

Item	Book Value	Book Value after Adjustment	Appraised Value	Increment/Decrease Amount	Rate of Increment (%)

Total assets	2.1985	2.1985	2.1116	-0.0869	-3.95
Total liabilities	0.0439	0.0439	0.0439		
Net assets	2.1546	2.1546	2.0677	-0.0869	-4.03

(11) 100% Equity Interests in Material Equipment Company

(i) Overview

As recorded in the Business License for Enterprises as Legal Persons reissued by State Administration for Industry and Commerce on 14 May 2009 with registration number 10000000000386 (10-1), the current legal status of Material Equipment Company is as follows: its registered address is at Bldg. 2, Jia 6 Huixin East Street, Chaoyang District, Beijing; it is a state-owned enterprise; its registered capital is RMB 250 million; legal representative is Jiang Zhenying; business scope includes licensed business projects: none; general business projects: distribution of various raw materials (including steel products, nonferrous metal), fuel, supplementary materials, equipment and parts and components, automobile, petroleum (except product oil) and petrochemical products (except dangerous chemicals); agency for public bidding for construction works equipment; equipment construction; reclamation and processing of waste plastics, paper, dead catalyst; import & export; real estate development; technical development, technical consulting, technical service, information service relating thereto;

Material Equipment Company has established five wholly-owned subsidiaries in Shanghai, Tianjin, Nanjing and Dalian, which engage in equipment and materials distribution, international trade and logistics, etc., and meanwhile Material Equipment Company holds equity interests in (or controls) five limited liability companies.

(ii) Financial Statement and Asset Valuation Report

In accordance with the Financial Statement (Beijing Jingdu Tinwha Shen Zi (2009) No. 0993) prepared by Beijing Jingdu Tinwha Certified Public Accountants Co., Ltd, an audit firm which is qualified to engage in the securities business within China, as at the Audit Date, the audited consolidated financial data of Material Equipment Company for the years ended 31 December 2007 and 31 December 2008, and five months of 2009 ended 31 May 2009 are as follows:

Consolidated Balance Sheet

Unit: Millions RMB

Item	As at 31 May 2009	As at 31 December 2008	As at 31 December 2007
Total current assets	673.0180	640.2264	600.7856
Total Non-current assets	165.7402	194.8521	343.2770
Total assets	838.7582	835.0785	944.0626
Total current liabilities	158.2026	198.0196	350.0034
Total Non-current liabilities	59.2976	59.5271	59.5571
Total liabilities	217.5002	257.5467	409.5605
Total shareholders' interests	621.2580	577.5318	534.5021
Minority interests	0.9115	0.8979	1.0376

Consolidated Income Statement

Unit: Millions RMB

Item	As at 31 May 2009	As at 31 December 2008	As at 31 December 2007
Income	262.0426	971.3907	923.2103
Total cost	257.6334	963.8808	937.7994
Operation profit	18.3953	55.2794	18.6837
Total profit	18.4455	58.0035	45.9360
Net profit	20.1792	48.3497	28.0975
Minority interests	-0.0004	-0.1398	-0.0081

In accordance with the Asset Valuation Report (Zhong Zheng Ping Bao Zi [2009] No. 047) prepared by Beijing Zhongzheng Appraisal Co., Ltd. by adopting the cost method, which is qualified to engage in securities business within China, as at the Valuation Date, the preliminary appraisal values of Material Equipment Company are as follows:

Unit: Millions RMB

Item	Book Value	Appraised	Increment/Decrease	Rate of Increment
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		Value	Amount	(%)
Current assets	567.3989	597.9080	30.5091	5.38
Non-current assets	217.6902	333.6247	115.9345	53.26
Of which: Held-to-maturity investment	45.3900	54.7200	9.3300	20.56
Long-term equity investment	135.2903	221.8525	86.5622	63.98
Fixed assets	28.1583	43.1517	14.9934	53.25
Intangible assets	4.0407	13.7500	9.7093	240.29
Deferred income tax assets	4.8109	0.1505	-4.6604	-96.87
Total assets	785.0891	931.5327	146.4436	18.65
Total current liabilities	171.5245	171.5245	-	0.00
Total Non-current liabilities	2.1549	2.1549	-	0.00
Total liabilities	173.6794	173.6794	-	0.00
Net assets (shareholders' interests)	611.4096	757.8533	146.4436	23.95

IV. THE MATERIAL TERMS AND PRICING POLICIES OF THE CONNECTED TRANSACTIONS

1. Asset Transfer Agreement regarding the Assets of PEPRIS

(1) Date:
21 August 2009

(2) Parties to the Agreement:

Sinopec Corp. (as purchaser)
Asset Management Company (as vendor)

(3) Pricing Policy and Consideration

The consideration was determined by reference to the appraisal result concluded in the Asset Valuation Report. The consideration was negotiated and determined by the parties on the arm's length basis.

The consideration is RMB 183.0421 million (approximately HKD 207.6979 million).

Any profits or losses incurred in connection with the assets of PEPRIS during the period from the Valuation Date to the Date of Handover shall belong to or be borne by Asset Management Company whilst any profits or losses incurred in connection with assets of PEPRIS after the Date of Handover will be belong to or be borne by Sinopec Corp.

(4) Method of Payment

Sinopec Corp. and Asset Management Company agree that Sinopec Corp. shall use its internal resources to make a one-off payment in full of the consideration pursuant to the Asset Transfer Agreement regarding the Assets of PEPRIS to Asset Management Company within 20 working days after the date of execution or otherwise agreed by the parties.

(5) Date of Completion and Date of Handover

(i) Date of Completion

Sinopec Corp. and Asset Management Company agree that the Date of Completion shall be either 31 August 2009 or any later date as agreed by both parties in writing.

(ii) Date of Handover

Sinopec Corp. and Asset Management Company agree that the Date of Handover shall be 31 August 2009. On the Date of Handover, Asset Management Company shall deliver all assets of PEPRIS and the related approval documents, financial statements, lists of assets, title documents, legal documents and personnel files, in a form of List of Documents for Handover, to Sinopec Corp. After

examination, Sinopec Corp. shall execute the List of Documents for Handover. Asset Management Company shall warrant the completeness and authenticity of the above documents and shall be responsible for any liabilities arising out of or in relation to misrepresentation or omission therein.

(6) Other Key Terms of the Asset Transfer Agreement regarding the Assets of PEPRIS

(i) Conditions for the Asset Transfer Agreement regarding the Assets of PEPRIS to Come into Effect

- The agreement having been executed by the legal representatives or other authorized representatives of both parties.
- Each party having completed its internal approval procedures for the transfer of all assets of PEPRIS and obtained all the relevant written approval documents.

(ii) Condition Precedents for Completion

The acquisition of all assets of PEPRIS will only be satisfied and completed upon each of all the following conditions having been satisfied or waived:

- The Asset Transfer Agreement regarding the Assets of PEPRIS has become effective;
- The Asset Valuation Report pertaining to all assets of PEPRIS has been filed with China Petrochemical Corporation;
- Related approvals, authorizations, verifications and filing duly required for the implementation of the Acquisition have been obtained; and
- Other conditions, if any, shall also be satisfied.

2. Asset Transfer Agreement regarding the Assets of RIPP

(1) Date:

21 August 2009

(2) Parties to the Agreement:

Sinopec Corp. (as purchaser)
Asset Management Company (as vendor)

(3) Pricing Policy and Consideration

The consideration was determined by reference to the appraisal result concluded in the Asset Valuation Report. The consideration was negotiated and determined by the parties on the arm's length basis.

The consideration is RMB 2,147.7421 million (approximately HKD 2,437.0430 million).

Any profits or losses incurred in connection with the assets of RIPP during the period from the Valuation Date to the Date of Handover shall belong to or be borne by Asset Management Company whilst any profits or losses incurred in connection with assets of RIPP after the Date of Handover will be belong to or be borne by Sinopec Corp.

(4) Method of Payment

Sinopec Corp. and Asset Management Company agree that Sinopec Corp. shall use its internal resources to make a one-off payment in full of the consideration pursuant to the Asset Transfer Agreement regarding the Assets of RIPP to Asset Management Company within 20 working days after the date of execution or otherwise agreed by the parties.

(5) Date of Completion and Date of Handover

(i) Date of Completion

Sinopec Corp. and Asset Management Company agree that the Date of Completion shall be either 31 August 2009 or any later date as agreed by both parties in writing.

(ii) Date of Handover

Sinopec Corp. and Asset Management Company agree that the Date of Handover shall be 31 August 2009. On the Date of Handover, Asset Management Company shall deliver all assets of RIPP and the related approval documents, financial statements, lists of assets, title documents, legal documents and personnel files, in a form of List of Documents for Handover, to Sinopec Corp. After examination, Sinopec Corp. shall execute the List of Documents for Handover. Asset Management Company shall warrant the completeness and authenticity of the above documents and shall be responsible for any liabilities arising out of or in relation to misrepresentation or omission therein.

(6) Other Key Terms of the Asset Transfer Agreement regarding the Assets of RIPP

(i) Conditions for the Asset Transfer Agreement regarding the Assets of RIPP to Come into Effect

- The agreement having been executed by the legal representatives or other authorized representatives of both parties.
- Each party having completed its internal approval procedures for the transfer of all assets of RIPP and obtained all the relevant written approval documents.

(ii) Condition Precedents for Completion

The acquisition of all assets of RIPP will only be satisfied and completed upon each of all the following conditions having been satisfied or waived:

- The Asset Transfer Agreement regarding the Assets of RIPP has become effective;
- The Asset Valuation Report pertaining to all assets of RIPP has been filed with China Petrochemical Corporation;
- Related approvals, authorizations, verifications and filing duly required for the implementation of the Acquisition have been obtained; and
- Other conditions, if any, shall also be satisfied.

3. Asset Transfer Agreement regarding the Assets of Beijing Chemical Institute

(1) Date:

21 August 2009

(2) Parties to the Agreement:

Sinopec Corp. (as purchaser)
Asset Management Company (as vendor)

(3) Pricing Policy and Consideration

The consideration was determined by reference to the appraisal result concluded in the Asset Valuation Report. The consideration was negotiated and determined by the parties on the arm's length basis.

The consideration is RMB 372.6174 million (approximately HKD 422.8090 million).

Any profits or losses incurred in connection with the assets of Beijing Chemical Institute during the period from the Valuation Date to the Date of Handover shall belong to or be borne by Asset Management Company whilst any profits or losses incurred in connection with assets of Beijing Chemical Institute after the Date of Handover will be belong to or be borne by Sinopec Corp.

(4) Method of Payment

Sinopec Corp. and Asset Management Company agree that Sinopec Corp. shall use its internal resources to make a one-off payment in full of the consideration pursuant to the Asset Transfer Agreement regarding the Assets of Beijing Chemical Institute to Asset Management Company within 20 working days after the date of execution or otherwise agreed by the parties.

(5) Date of Completion and Date of Handover

(i) Date of Completion

Sinopec Corp. and Asset Management Company agree that the Date of Completion shall be either 31 August 2009 or any later date as agreed by both parties in writing.

(ii) Date of Handover

Sinopec Corp. and Asset Management Company agree that the Date of Handover shall be 31 August 2009. On the Date of Handover, Asset Management Company shall deliver all assets of Beijing Chemical Institute and the related approval documents, financial statements, lists of assets, title documents, legal documents and personnel files, in a form of List of Documents for Handover, to Sinopec Corp. After examination, Sinopec Corp. shall execute the List of Documents for Handover. Asset Management Company shall warrant the completeness and authenticity of the above documents and shall be responsible for any liabilities arising out of or in relation to misrepresentation or omission therein.

(6) Other Key Terms of the Asset Transfer Agreement regarding the Assets of Beijing Chemical Institute

(i) Conditions for the Asset Transfer Agreement regarding the Assets of Beijing Chemical Institute to Come into Effect

- The agreement having been executed by the legal representatives or other authorized representatives of both parties.
- Each party having completed its internal approval procedures for the transfer of all assets of Beijing Chemical Institute and obtained all the relevant written approval documents.

(ii) Condition Precedents for Completion

The acquisition of all assets of Beijing Chemical Institute will only be satisfied and completed upon each of all the following conditions having been satisfied or waived:

- The Asset Transfer Agreement regarding the Assets of Beijing Chemical Institute has become effective;
- The Asset Valuation Report pertaining to all assets of Beijing Chemical Institute has been filed with China Petrochemical Corporation;
- Related approvals, authorizations, verifications and filing duly required for the implementation of the Acquisition have been obtained; and
- Other conditions, if any, shall also be satisfied.

4. Asset Transfer Agreement regarding the Assets of Shanghai Research Institute of Petrochemical Technology

(1) Date:

21 August 2009

(2) Parties to the Agreement:

Sinopec Corp. (as purchaser)
Asset Management Company (as vendor)

(3) Pricing Policy and Consideration

The consideration was determined by reference to the appraisal result concluded in the Asset Valuation Report. The consideration was negotiated and determined by the parties on the arm's length basis.

The consideration is RMB 77.8904 million (approximately HKD 88.3822 million).

Any profits or losses incurred in connection with the assets of Shanghai Research Institute of Petrochemical Technology during the period from the Valuation Date to the Date of Handover shall belong to or be borne by Asset Management Company whilst any profits or losses incurred in connection with assets of Shanghai Research Institute of Petrochemical Technology after the Date of Handover will be belong to or be borne by Sinopec Corp.

(4) Method of Payment

Sinopec Corp. and Asset Management Company agree that Sinopec Corp. shall use its internal resources to make a one-off payment in full of the consideration pursuant to the Asset Transfer Agreement regarding the Assets of Shanghai Research Institute of Petrochemical Technology within 20 working days after the date of execution or otherwise agreed by the parties.

(5) Date of Completion and Date of Handover

(i) Date of Completion

Sinopec Corp. and Asset Management Company agree that the Date of Completion shall be either 31 August 2009 or any later date as agreed by both parties in writing.

(ii) Date of Handover

Sinopec Corp. and Asset Management Company agree that the Date of Handover shall be 31 August 2009. On the Date of Handover, Asset Management Company shall deliver all assets of Shanghai Research Institute of Petrochemical Technology and the related approval documents, financial statements, lists of assets, title documents, legal documents and personnel files, in a form of List of Documents for Handover, to Sinopec Corp. After examination, Sinopec Corp. shall execute the List of Documents for Handover. Asset Management Company shall warrant the completeness and authenticity of the above documents and shall be responsible for any liabilities arising out of or in relation to misrepresentation or omission therein.

(6) Other Key Terms of the Asset Transfer Agreement regarding the Assets of Shanghai Research Institute of Petrochemical Technology

(i) Conditions for the Asset Transfer Agreement regarding the Assets of Shanghai Research Institute of Petrochemical Technology to Come into Effect

- The agreement having been executed by the legal representatives or other authorized representatives of both parties.
- Each party having completed its internal approval procedures for the transfer of all assets of Shanghai Research Institute of Petrochemical Technology and obtained all the relevant written approval documents.

(ii) Condition Precedents for Completion

The acquisition of all assets of Shanghai Research Institute of Petrochemical Technology will only be satisfied and completed upon each of all the following conditions having been satisfied or waived:

- The Asset Transfer Agreement regarding the Assets of Shanghai Research Institute of Petrochemical Technology has become effective;
- The Asset Valuation Report pertaining to all assets of Shanghai Research Institute of Petrochemical Technology has been filed with China Petrochemical Corporation;
- Related approvals, authorizations, verifications and filing duly required for the implementation of the Acquisition have been obtained; and
- Other conditions, if any, shall also be satisfied.

5. Asset Transfer Agreement regarding the Assets of Fushun Petrochemical Institute

(1) Date:

21 August 2009

(2) Parties to the Agreement:

Sinopec Corp. (as purchaser)
Asset Management Company (as vendor)

(3) Pricing Policy and Consideration

The consideration was determined by reference to the appraisal result concluded in the Asset Valuation Report. The consideration was negotiated and determined by the parties on the arm's length basis.

The consideration is RMB 267.7283 million (approximately HKD 303.7913 million).

Any profits or losses incurred in connection with the assets of Fushun Petrochemical Institute during the period from the Valuation Date to the Date of Handover shall belong to or be borne by Asset Management Company whilst any profits or losses incurred in connection with assets of Fushun Petrochemical Institute after the Date of Handover will be belong to or be borne by Sinopec Corp.

(4) Method of Payment

Sinopec Corp. and Asset Management Company agree that Sinopec Corp. shall use its internal resources to make a one-off payment in full of the consideration pursuant to the Asset Transfer Agreement regarding the Assets of Fushun Petrochemical Institute within 20 working days after the date of execution or otherwise agreed by the parties.

(5) Date of Completion and Date of Handover

(i) Date of Completion

Sinopec Corp. and Asset Management Company agree that the Date of Completion shall be either 31 August 2009 or any later date as agreed by both parties in writing.

(ii) Date of Handover

Sinopec Corp. and Asset Management Company agree that the Date of Handover shall be 31 August 2009. On the Date of Handover, Asset Management Company shall deliver all assets of Fushun Petrochemical Institute and the related approval documents, financial statements, lists of assets, title documents, legal documents and personnel files, in a form of List of Documents for Handover, to Sinopec Corp. After examination, Sinopec Corp. shall execute the List of Documents for Handover. Asset Management Company shall warrant the completeness and authenticity of the above documents and shall be responsible for any liabilities arising out of or in relation to misrepresentation or omission therein.

(6) Other Key Terms of the Asset Transfer Agreement regarding the Assets of Fushun Petrochemical Institute

(i) Conditions for the Asset Transfer Agreement regarding the Fushun Petrochemical Institute to Come into Effect

- The agreement having been executed by the legal representatives or other authorized representatives of both parties.
- Each party having completed its internal approval procedures for the transfer of all assets of Fushun Petrochemical Institute and obtained all the relevant written approval documents.

(ii) Condition Precedents for Completion

The acquisition of all assets of Fushun Petrochemical Institute will only be satisfied and completed upon each of all the following conditions having been satisfied or waived:

- The Asset Transfer Agreement regarding the Assets of Fushun Petrochemical Institute has become effective;
- The Asset Valuation Report pertaining to all assets of Fushun Petrochemical Institute has been filed with China Petrochemical Corporation;
- Related approvals, authorizations, verifications and filing duly required for the implementation of the Acquisition have been obtained; and
- Other conditions, if any, shall also be satisfied.

6. Asset Transfer Agreement regarding the Assets of Qingdao Safety Research Institute

(1) Date:

21 August 2009

(2) Parties to the Agreement:

Sinopec Corp. (as purchaser)
Asset Management Company (as vendor)

(3) Pricing Policy and Consideration

The consideration was determined by reference to the appraisal result concluded in the Asset Valuation Report. The consideration was negotiated and determined by the parties on the arm's length basis.

The consideration is RMB 61.1378 million (approximately HKD 69.3731 million).

Any profits or losses incurred in connection with the assets of Qingdao Safety Research Institute during the period from the Valuation Date to the Date of Handover shall belong to or be borne by Asset Management Company whilst any profits or losses incurred in connection with assets of Qingdao Safety Research Institute after the Date of Handover will be belong to or be borne by Sinopec Corp.

(4) Method of Payment

Sinopec Corp. and Asset Management Company agree that Sinopec Corp. shall use its internal resources to make a one-off payment in full of the consideration pursuant to the Asset Transfer Agreement regarding the Assets of Qingdao Safety Research Institute within 20 working days after the date of execution or otherwise agreed by the parties.

(5) Date of Completion and Date of Handover

(i) Date of Completion

Sinopec Corp. and Asset Management Company agree that the Date of Completion shall be either 31 August 2009 or any later date as agreed by both parties in writing.

(ii) Date of Handover

Sinopec Corp. and Asset Management Company agree that the Date of Handover shall be 31 August 2009. On the Date of Handover, Asset Management Company shall deliver all assets of Qingdao Safety Research Institute and the related approval documents, financial statements, lists of assets, title documents, legal documents and personnel files, in a form of List of Documents for Handover, to Sinopec Corp. After examination, Sinopec Corp. shall execute the List of Documents for Handover. Asset Management Company shall warrant the completeness and authenticity of the above documents and shall be responsible for any liabilities arising out of or in relation to misrepresentation or omission therein.

(6) Other Key Terms of the Asset Transfer Agreement regarding the Assets of Qingdao Safety Research Institute

(i) Conditions for the Asset Transfer Agreement regarding the Qingdao Safety Research Institute to Come into Effect

- The agreement having been executed by the legal representatives or other authorized representatives of both parties.

- Each party having completed its internal approval procedures for the transfer of all assets of Qingdao Safety Research Institute and obtained all the relevant written approval documents.

(ii) Condition Precedents for Completion

The acquisition of all assets of Qingdao Safety Research Institute will only be satisfied and completed upon each of all the following conditions having been satisfied or waived:

- The Asset Transfer Agreement regarding the Assets Qingdao Safety Research Institute has become effective;
- The Asset Valuation Report pertaining to all assets of Qingdao Safety Research Institute has been filed with China Petrochemical Corporation;
- Related approvals, authorizations, verifications and filing duly required for the implementation of the Acquisition have been obtained; and
- Other conditions, if any, shall also be satisfied.

7. Equity Transfer Agreement regarding Xingpu Company

(1) Date:

21 August 2009

(2) Parties to the Agreement:

Sinopec Corp. (as purchaser)
Asset Management Company (as vendor)

(3) Pricing Policy and Consideration

The consideration was determined by reference to the appraisal result concluded in the Asset Valuation Report. The consideration was negotiated and determined by the parties on the arm's length basis based on the quality of the assets of Xingpu Company, the potential development and the industry it belongs to and some other factors.

The consideration is RMB 66.8810 million (approximately HKD 75.8899 million).

Any profits or losses incurred in connection with Xingpu Company during the period from the Valuation Date to the Date of Handover shall belong to or be borne by Asset Management Company whilst any profits or losses incurred in connection with Xingpu Company after the Date of Handover will be belong to or be borne by Sinopec Corp.

(4) Method of Payment

Sinopec Corp. and Asset Management Company agree that Sinopec Corp. shall use its internal resources to make a one-off payment in full of the consideration pursuant to the Equity Transfer Agreement regarding Xingpu Company within 20 working days after the date of execution or otherwise agreed by the parties.

(5) Date of Completion and Date of Handover

(i) Date of Completion

Sinopec Corp. and Asset Management Company agree that the Date of Completion shall be either 31 August 2009 or any later date as agreed by both parties in writing.

(ii) Date of Handover

Sinopec Corp. and Asset Management Company agree that the Date of Handover shall be 31 August 2009. On the Date of Handover, Asset Management Company shall deliver the related approval documents, financial statements, lists of assets, title documents, legal documents and personnel files in respect of Xingpu Company, in a form of List of Documents for Handover, to Sinopec Corp. After examination, Sinopec Corp. shall execute the List of Documents for Handover. Asset Management Company shall warrant the completeness and authenticity of the above documents and shall be responsible for any liabilities arising out of or in relation to misrepresentation or omission therein. At the same time, Asset Management Company and Sinopec Corp. shall enter into related lease agreements in respect of lease of land use right and/or property (if any) to Sinopec Corp.

(6) Other Key Terms of the Equity Transfer Agreement regarding Xingpu Company

(i) Conditions for the Equity Transfer Agreement regarding Xingpu Company to Come into Effect

- The agreement having been executed by the legal representatives or other authorized representatives of both parties.
- Each party having completed its internal approval procedures for the transfer of equity interests in Xingpu Company and having obtained all the relevant written approval documents.

(ii) Condition Precedents for Completion

The acquisition of equity interests in Xingpu Company will only be satisfied and completed upon each of all the following conditions having been satisfied or waived:

- The Equity Transfer Agreement regarding Xingpu Company has become effective;
- The Asset Valuation Report pertaining to Xingpu Company has been filed with China Petrochemical Corporation;
- Related approvals, authorizations, verifications and filing duly required for the implementation of the Acquisition have been obtained; and
- Other conditions, if any, shall also be satisfied.

8. Equity Transfer Agreement regarding BPDIBCI

(1) Date:

21 August 2009

(2) Parties to the Agreement:

Sinopec Corp. (as purchaser)
Asset Management Company (as vendor)

(3) Pricing Policy and Consideration

The consideration was determined by reference to the appraisal result concluded in the Asset Valuation Report. The consideration was negotiated and determined by the parties on the arm's length basis based on the quality of the assets of BPDIBCI, the potential development and the industry it belongs to and some other factors.

The consideration is RMB 5.3933 million (approximately HKD 6.1198 million).

Any profits or losses incurred in connection with BPDIBCI during the period from the Valuation Date to the Date of Handover shall belong to or be borne by Asset Management Company whilst any profits or losses incurred in connection with BPDIBCI after the Date of Handover will be belong to or be borne by Sinopec Corp.

(4) Method of Payment

Sinopec Corp. and Asset Management Company agree that Sinopec Corp. shall use its internal resources to make a one-off payment in full of the consideration pursuant to the Equity Transfer Agreement regarding BPDIBCI within 20 working days after the date of execution or otherwise agreed by the parties.

(5) Date of Completion and Date of Handover

(i) Date of Completion

Sinopec Corp. and Asset Management Company agree that the Date of Completion shall be either 31 August 2009 or any later date as agreed by both parties in writing.

(ii) Date of Handover

Sinopec Corp. and Asset Management Company agree that the Date of Handover shall be 31 August 2009. On the Date of Handover, Asset Management Company shall deliver the related approval documents, financial statements, lists of assets, title documents, legal documents and personnel files in respect of BPDIBCI, in a form of List of Documents for Handover, to Sinopec Corp. After examination, Sinopec Corp. shall execute the List of Documents for Handover. Asset Management Company shall warrant the completeness and authenticity of the above documents and shall be responsible for any liabilities arising out of or in relation to misrepresentation or omission therein. At the same time, Asset Management Company and Sinopec Corp. shall enter into related lease agreements in respect of lease of land use right and/or property (if any) to Sinopec Corp.

(6) Other Key Terms of the Equity Transfer Agreement regarding BPDIBCI

(i) Conditions for the Equity Transfer Agreement regarding BPDIBCI to Come into Effect

- The agreement having been executed by the legal representatives or other authorized representatives of both parties.
- Each party having completed its internal approval procedures for the transfer of equity interests in BPDIBCI and obtained all the relevant written approval documents.

(ii) Condition Precedents for Completion

The acquisition of equity interests in BPDIBCI will only be satisfied and completed upon each of all the following conditions having been satisfied or waived:

- The Equity Transfer Agreement regarding BPDIBCI has become effective;
- The Asset Valuation Report pertaining to BPDIBCI has been filed with China Petrochemical Corporation;
- Related approvals, authorizations, verifications and filing duly required for the implementation of the Acquisition have been obtained; and
- Other conditions, if any, shall also be satisfied.

9. Equity Transfer Agreement regarding Qingdao Sinosun Certification Center

(1) Date:

21 August 2009

(2) Parties to the Agreement:

Sinopec Corp. (as purchaser)
Asset Management Company (as vendor)

(3) Pricing Policy and Consideration

The consideration was determined by reference to the appraisal result concluded in the Asset Valuation Report. The consideration was negotiated and determined by the parties on the arm's length basis based on the quality of the assets of Qingdao Sinosun Certification Center, the

potential development and the industry it belongs to and some other factors.

The consideration is RMB 3.4559 million (approximately HKD 3.9214 million).

Any profits or losses incurred in connection with Qingdao Sinosun Certification Center during the period from the Valuation Date to the Date of Handover shall belong to or be borne by Asset Management Company whilst any profits or losses incurred in connection with Qingdao Sinosun Certification Center after the Date of Handover will be belong to or be borne by Sinopec Corp.

(4) Method of Payment

Sinopec Corp. and Asset Management Company agree that Sinopec Corp. shall use its internal resources to make a one-off payment in full of the consideration pursuant to the Equity Transfer Agreement regarding Qingdao Sinosun Certification Center within 20 working days after the date of execution or otherwise agreed by the parties.

(5) Date of Completion and Date of Handover

(i) Date of Completion

Sinopec Corp. and Asset Management Company agree that the Date of Completion shall be either 31 August 2009 or any later date as agreed by both parties in writing.

(ii) Date of Handover

Sinopec Corp. and Asset Management Company agree that the Date of Handover shall be 31 August 2009. On the Date of Handover, Asset Management Company shall deliver the related approval documents, financial statements, lists of assets, title documents, legal documents and personnel files in respect of Qingdao Sinosun Certification Center, in a form of List of Documents for Handover, to Sinopec Corp. After examination, Sinopec Corp. shall execute the List of Documents for Handover. Asset Management Company shall warrant the completeness and authenticity of the above documents and shall be responsible for any liabilities arising out of or in relation to misrepresentation or omission therein. At the same time, Asset Management Company and Sinopec Corp. shall enter into related lease agreements in respect of lease of land use right and/or property (if any) to Sinopec Corp.

(6) Other Key Terms of the Equity Transfer Agreement regarding Qingdao Sinosun Certification Center

(i) Conditions for the Equity Transfer Agreement regarding Qingdao Sinosun Certification Center to Come into Effect

- The agreement having been executed by the legal representatives or other authorized representatives of both parties.
- Each party having completed its internal approval procedures for the transfer of equity interests in Qingdao Sinosun Certification Center and obtained all the relevant written approval documents.

(ii) Condition Precedents for Completion

The acquisition of equity interests in Qingdao Sinosun Certification Center will only be satisfied and completed upon each of all the following conditions having been satisfied or waived:

- The Equity Transfer Agreement regarding Qingdao Sinosun Certification Center has become effective;
- The Asset Valuation Report pertaining to Qingdao Sinosun Certification Center has been filed with China Petrochemical Corporation;
- Related approvals, authorizations, verifications and filing duly required for the implementation of the Acquisition have been obtained; and
- Other conditions, if any, shall also be satisfied.

10. Equity Transfer Agreement regarding Fushun Huanke Company

(1) Date:

21 August 2009

(2) Parties to the Agreement:

Sinopec Corp. (as purchaser)
Asset Management Company (as vendor)

(3) Pricing Policy and Consideration

The consideration was determined by reference to the appraisal result concluded in the Asset Valuation Report. The consideration was negotiated and determined by the parties on the arm's length basis based on the quality of the assets of Fushun Huanke Company, the potential development and the industry it belongs to and some other factors.

The consideration is RMB 2.0677 million (approximately HKD 2.3462 million).

Any profits or losses incurred in connection with Fushun Huanke Company during the period from the Valuation Date to the Date of Handover shall belong to or be borne by Asset Management Company whilst any profits or losses incurred in connection with Fushun Huanke Company after the Date of Handover will be belong to or be borne by Sinopec Corp.

(4) Method of Payment

Sinopec Corp. and Asset Management Company agree that Sinopec Corp. shall use its internal resources to make a one-off payment in full of the consideration pursuant to the Equity Transfer Agreement regarding Fushun Huanke Company within 20 working days after the date of execution or otherwise agreed by the parties.

(5) Date of Completion and Date of Handover

(i) Date of Completion

Sinopec Corp. and Asset Management Company agree that the Date of Completion shall be either 31 August 2009 or any later date as agreed by both parties in writing.

(ii) Date of Handover

Sinopec Corp. and Asset Management Company agree that the Date of Handover shall be 31 August 2009. On the Date of Handover, Asset Management Company shall deliver the related approval documents, financial statements, lists of assets, title documents, legal documents and personnel files in respect of Fushun Huanke Company, in a form of List of Documents for Handover, to Sinopec Corp. After examination, Sinopec Corp. shall execute the List of Documents for Handover. Asset Management Company shall warrant the completeness and authenticity of the above documents and shall be responsible for any liabilities arising out of or in relation to misrepresentation or omission therein. At the same time, Asset Management Company and Sinopec Corp. shall

enter into related lease agreements in respect of lease of land use right and/or property (if any) to Sinopec Corp.

(6) Other Key Terms of the Equity Transfer Agreement regarding Fushun Huanke Company

(i) Conditions for the Equity Transfer Agreement regarding Fushun Huanke Company to Come into Effect

- The agreement having been executed by the legal representatives or other authorized representatives of both parties.
- Each party having completed its internal approval procedures for the transfer of equity interests in Fushun Huanke Company and obtained all the relevant written approval documents.

(ii) Condition Precedents for Completion

The acquisition of equity interests in Fushun Huanke Company will only be satisfied and completed upon each of all the following conditions having been satisfied or waived:

- The Equity Transfer Agreement regarding Fushun Huanke Company has become effective;
- The Asset Valuation Report pertaining to Fushun Huanke Company has been filed with China Petrochemical Corporation;
- Related approvals, authorizations, verifications and filing duly required for the implementation of the Acquisition have been obtained; and
- Other conditions, if any, shall also be satisfied.

11. Equity Transfer Agreement regarding Material Equipment Company

(1) Date:

21 August 2009

(2) Parties to the Agreement:

Sinopec Corp. (as purchaser)
Asset Management Company (as vendor)

(3) Pricing Policy and Consideration

The consideration was determined by reference to the appraisal result concluded in the Asset Valuation Report. The consideration was negotiated and determined by the parties on the arm's length basis based on the quality of the assets of Material Equipment Company, the potential development and the industry it belongs to and some other factors.

The consideration is RMB 757.8533 million (approximately HKD 859.9361 million).

Any profits or losses incurred in connection with Material Equipment Company during the period from the Valuation Date to the Date of Handover shall belong to or be borne by Asset Management Company whilst any profits or losses incurred in connection with Material Equipment Company after the Date of Handover will be belong to or be borne by Sinopec Corp.

(4) Method of Payment

Sinopec Corp. and Asset Management Company agree that Sinopec Corp. shall use its internal resources to make a one-off payment in full of the consideration pursuant to the Equity Transfer Agreement regarding Material Equipment Company within 20 working days after the date of execution or otherwise agreed by the parties.

(5) Date of Completion and Date of Handover

(i) Date of Completion

Sinopec Corp. and Asset Management Company agree that the Date of Completion shall be either 31 August 2009 or any later date as agreed by both parties in writing.

(ii) Date of Handover

Sinopec Corp. and Asset Management Company agree that the Date of Handover shall be 31 August 2009. On the Date of Handover, Asset Management Company shall deliver the related approval documents, financial statements, lists of assets, title documents, legal documents and personnel files in respect of Material Equipment Company, in a form of List of Documents for Handover, to Sinopec Corp. After examination, Sinopec Corp. shall execute the List of Documents for Handover. Asset Management Company shall warrant the completeness and authenticity of the above documents and shall be responsible for any liabilities arising

out of or in relation to misrepresentation or omission therein. At the same time, Asset Management Company and Sinopec Corp. shall enter into related lease agreements in respect of lease of land use right and/or property (if any) to Sinopec Corp.

(6) Other Key Terms of the Equity Transfer Agreement regarding Material Equipment Company

(i) Conditions for the Equity Transfer Agreement regarding Material Equipment Company to Come into Effect

- The agreement having been executed by the legal representatives or other authorized representatives of both parties.
- Each party having completed its internal approval procedures for the transfer of equity interests in Material Equipment Company and obtained all the relevant written approval documents.

(ii) Condition Precedents for Completion

The acquisition of equity interests in Material Equipment Company will only be satisfied and completed upon each of all the following conditions having been satisfied or waived:

- The Equity Transfer Agreement regarding Material Equipment Company has become effective;
- The Asset Valuation Report pertaining to Material Equipment Company has been filed with China Petrochemical Corporation;
- Related approvals, authorizations, verifications and filing duly required for the implementation of the Acquisition have been obtained; and
- Other conditions, if any, shall also be satisfied.

V. REASONS FOR THE CONNECTED TRANSACTIONS AND THE EFFECT OF THE CONNECTED TRANSACTIONS ON SINOPEC

1. Reasons for the Connected Transactions

- (1) To improve the technology ability of Sinopec Corp., and promote the

prosperous development of Sinopec Corp.

Six scientific research institutes in the Target Assets are integral part of the scientific research system of Sinopec Corp. For example, Xingpu Company to be acquired in the Acquisition is the core unit of Research Institute of Petroleum Processing, undertaking the important task of pilot test of scientific research achievements.

After completion of the Acquisition, scientific research system of Sinopec Corp. will be more complete, and form a complete scientific research chain for scientific research, pilot test, business support. A complete, efficient and powerful scientific research system is of great significance to improvement of the business of Sinopec Corp.

(2) To perfect the material equipment supply system of Sinopec Corp

After completion of the Acquisition, the material equipment supply system of Sinopec Corp. will be integrated again, not only eliminating their continuing connected transaction, but also achieving integrated operation in the business and geographic distribution.

(3) To reduce continuing connected transactions

In the process of reorganization of Sinopec Corp. for preparation for listing, main core assets of China Petrochemical Corporation were injected into Sinopec Corp., and a lot of matching businesses are retained in China petrochemical corporation, which results in continuing connected transactions between them.

One purpose of the Acquisition is to reduce the continuing connected transactions, improve the effectiveness of integrated cooperation, decrease management levels, and enhance the management efficiency.

After completion of the Acquisition, the continuing connected transactions between Sinopec Corp. and China Petrochemical Corporation will be effectively reduced, and rights and interests of Sinopec Corp. and all of its shareholders will be maintained.

2. Effects of the Acquisition on Sinopec Corp.

Effects of the Acquisition on Sinopec Corp. can be shown from supports for existing core business of Sinopec Corp. and elimination of partial continuing connected transactions.

(1) Effects on financial indicators of Sinopec Corp.

In near future, due to late completion of the Acquisition, supports for existing core business and synergic effect can not be shown effectively, so there is little effect on the financial indicators of Sinopec Corp.

In accordance with the relevant data about the balance sheet for the year ended 31 March 2009 of Sinopec Corp. and payment of consideration of self-owned funds by Sinopec Corp. in the Acquisition, effects on main financial indicators of Sinopec Corp. after the completion of the Acquisition are described as follows:

(i) Effects on net assets per share

As a result of completion of the Acquisition with self-owned funds, no change of share capital in the acquisition period, and without financial adjustment factors, net assets per share keep unchanged at the time of completion of the Acquisition.

(ii) Effects on asset-liability ratio

The Acquisition is completed by Sinopec Corp. with the Company's internal resources, and debt ratio after the Acquisition will be adjusted from 53.09% to 53.12%.

As a whole, due to small scale of the assets to be acquired, effects on the solvency and earning potential of Sinopec Corp. after the Acquisition are relatively small.

With further enhancement of technology strength of Sinopec Corp., synergic effect of technology propelling power and integrated operation will be realized, and accretive effect of earning potential per share will be gradually developed.

(2) Effects on continuing connected transactions

According to financial statements of Jingdu Tinwha, connected transactions amounted RMB 500 million in 2007, RMB 490 million in 2008 and RMB 120 million between January and May of 2009, respectively. Through the Acquisition, the survival part will be injected into Sinopec Corp., effectively consolidating and minimizing such connected transactions thereafter.

(3) Effects on core business system

- (i) Enhancement of the whole level of scientific research ability of Sinopec Corp.

Six scientific research institutes in the subjects of the Acquisition, corresponding to six scientific research institutes of Sinopec Corp., undertake the function of business support, and meanwhile have powerful scientific research strength.

Function of business support is concentrated on scientific research pilot test, logistic support, and personnel trainings, etc.; scientific research ability of six institutes and their national accredited qualifications are indispensable to the scientific research system of Sinopec Corp.

- (ii) Improvement of material equipment supply ability of Sinopec Corp.

Material Equipment Company in the subjects of the Acquisition was originally integrated with the material equipment business of Sinopec Corp. After completion of the Acquisition, material equipment supply system of Sinopec Corp. will be perfected, and the existing material equipment supply system of Sinopec Corp. will be further improved, in materials storage and reserves, particularly.

Simultaneously, the existing business system of Material Equipment Company to be acquired also perfects and prolongs the supply chain of Sinopec Corp., and enhances the materials safeguarding ability of Sinopec Corp.

VI. OTHER ARRANGEMENTS IN RELATION TO THIS TRANSACTION

1. Continuing Connected Transactions after the Completion of the Acquisition

After the completion of the Acquisition, the continuing connected transactions between Sinopec Corp. and China Petrochemical Corporation will be further reduced. The parties agree that all continuing connected transactions between Sinopec Corp. and China Petrochemical Corporation will be conducted in accordance with the market practice and the prices for such continuing connected transaction will be determined based on the principles of fairness, reasonableness, mutual benefit and market-oriented policy so that the interest of Sinopec Corp. and its minority shareholders will not be impaired.

2. The Arrangement for Personnel Involved in the Acquisition and Related Issues

In relation to the arrangement for the personnel involved in the Acquisition, the parties confirm that the employment relationship and the social insurance (including pension and medicare etc.) of all the registered employees (including the management and ordinary employees) in respect of Target Assets will be taken over by Sinopec Corp.

3. Issues in relation to Land and Real Estate Involved in the Acquisition

In relation to the land and real estate involved in the Acquisition, China Petrochemical Corporation undertakes:

- (1) In relation to the land use rights continue to be leased by Sinopec Corp. from China Petrochemical Corporation after the completion of the Acquisition, China Petrochemical Corporation guarantee and ensure the integrity and legality of the title of such land use rights and also ensure the legality and validity of the use of the land by Sinopec Corp. by way of leasing;
- (2) In relation to the real estate involved in the Target Assets and those need to be leased by Sinopec Corp. from China Petrochemical Corporation after the completion of the Acquisition, China Petrochemical Corporation guarantee and ensure the integrity for the disposal of the title of such real estate, and ensures the legality and validity of the transfer and leasing of such real estate; and
- (3) The aforementioned undertaking and warranty shall remain in effect after the completion of the Acquisition, and will not be affected by the completion of the Acquisition.

VII. OPINION OF THE INDEPENDENT DIRECTORS

Mr. Liu Zhongli, Mr. Ye Qing, Mr. Li Deshui, Mr. Xie Zhongyu and Mr. Chen Xiaojin, being the independent directors of Sinopec Corp., issued their independent views in respect of the Acquisition. The independent directors are of the view that the Acquisition was conducted on normal commercial terms in the ordinary course of business through fair and equitable negotiations. The considerations for the Acquisition and other terms and conditions contained in the agreements are fair and reasonable for Sinopec Corp. and its shareholders as a whole. The Acquisition will not damage Sinopec Corp. and independent shareholders. After the Acquisition, the existing connected transactions between Sinopec Corp. and China Petrochemical Corporation will be reduced, and this is beneficial to the sustainable and healthy development of Sinopec Corp. and is in the interest of Sinopec Corp. and its shareholders as a whole. Mr. Su Shulin, Mr. Zhang Yaocang, Mr. Cao Yaofeng, Mr.

Li Chunguang and Mr. Liu Yun, being the connected directors have abstained from voting for the Acquisition at the Board meeting at which the Acquisition was considered and approved. The voting procedures comply with the provisions of the applicable domestic and overseas laws and regulations, the regulatory documents and the articles of associations of Sinopec Corp.

VIII. OPINIONS FROM THE INDEPENDENT FINANCIAL ADVISER

As required by Shanghai Stock Exchange, China Enterprise Consultancy Co., Ltd. undertakes the independent financial adviser for the Acquisition. The independent financial adviser has carefully review the asset appraisal reports, audit reports and relevant agreements and announcements involved in the Acquisition, and on the basis of professional judgment, expresses the opinions as follows:

1. The Acquisition is conducted in compliance with the requirements of the relevant state laws and regulations, and in accordance with the relevant laws and regulations such as the Company Law, Securities Law and Shanghai Listing Rules.
2. In the Acquisition, Sinopec Corp. acquired in cash the relevant assets and equity interests of Asset Management Company and its subsidiaries (where applicable), so the Acquisition constitutes connected transaction. The consideration is reasonable and fair, without damaging the interests of Sinopec Corp. and its shareholders.
3. After completion of the Acquisition, Sinopec Corp.'s related business ability in scientific research and materials equipment, etc. is enhanced, business system is further completed, management efficiency is improved, which is beneficial to the sustainable development of Sinopec Corp. in the future.
4. The Acquisition has little effect on the capital structure of Sinopec Corp., with liability ratio going up slightly, but operating results and earning potential are enhanced to a certain extent.
5. After completion of the Acquisition, continuing connected transactions between Sinopec Corp. and China Petrochemical Corporation will be significantly reduced. Existing continuing connected transactions are normal connected transactions in the process of production and business operation. For such connected transactions, China Petrochemical Corporation and Sinopec Corp. will determine the pricing principle of connected transactions according to the previous specifications and undertaking of reduction of connected transactions, establish voting for the resolutions relating to withdrawal of connected persons, enhance transparency of the information on

connected transactions, and intensify practicable measures such as supervision on connected transactions. Therefore, the Acquisition is fair and reasonable, without damaging the lawful rights and interests of Sinopec Corp. and its non-connected shareholders.

6. There are no substantially horizontal competitions between Sinopec Corp. and Asset Management Company and other connected parties.
7. The Acquisition is fair, reasonable and lawful, and beneficial to Sinopec Corp. and in line with the long-term benefits of all shareholders.

IX. DETAILS OF HISTORICAL CONNECTED TRANSACTIONS

1. In 2007, Sinopec Corp. acquired assets (including equity interests and operational rights) from the controlling shareholder, which is detailed as follows:

- (1) Connected person

- (i) Name: China Petrochemical Corporation.
- (ii) Connected relationship with Sinopec Corp.: Controlling shareholder of Sinopec Corp..
- (iii) Connected directors: Su Shulin, Zhou Yuan

- (2) Details of connected transactions

- (i) Type of transaction: Acquisition of equity interests in five oil refinery enterprises and operational rights of 63 gas stations.
- (ii) Subject of transaction: China Petrochemical Corporation transferred to Sinopec Corp. its 100% state-owned property right held in Hangzhou Plant, 59.47% state-owned property right held in Yangzhou Petrochemical and 75% equity interests in Zhanjiang Dongxing, and transferred to Sinopec Yangzi Petrochemical Co., Ltd. its 100% state-owned property right in Taizhou Petrochemical and its 100% state-owned equity interests in Qingjiang Petrochemical, and meanwhile, China Petrochemical Corporation transferred the operational rights of its 63 gas stations to Sinopec Corp.
- (iii) Amount of transaction: The consideration is RMB 3,659.79 million (about HKD 3,879.38 million).

- (iv) Transaction date: 31 December 2007.
- (v) Fulfilment of transaction: acquisition of equity interests in five oil refinery enterprises has been completed (acquisition of 63 gas stations).
- (vi) Effects on financial position and operating results of Sinopec Corp.: Five oil refinery enterprises engage in processing of crude oil and production of petrochemical products, with petroleum refinery capacity amounted to 8 million tons per year. With decades of development, they have accumulated rich technologies and experience. Acquisition of operational rights of 63 gas stations can rationalize the oil product sale system, perfect the product oil retail network of Sinopec Corp., and enhance the product oil sale ability. Through the Acquisition, Sinopec Corp. can further focus on prime operations, expand industry scale, strengthen core competitive power and sustainable development ability, and effectively reduce connected transactions. Through the Acquisition, integration of production, operation, management and sales between Sinopec Corp. and target companies, scale effect and synergic effect will be achieved.

2. In 2008, Sinopec Corp. acquired certain assets from six legal entities under the controlling shareholder, which is detailed as follows:

(1) Connected persons

- (i) Name: Six entities, i.e., Sinopec Shengli Petroleum Administrative Bureau, Sinopec Jiangnan Petroleum Administrative Bureau, Sinopec Zhongyuan Petroleum Exploration Bureau (Zhongyuan Petroleum), Sinopec Henan Petroleum Exploration Bureau, Sinopec Jiangsu Petroleum Exploration Bureau and Sinopec East China Petroleum Bureau.

- (ii) Connected relationship with Sinopec Corp.

The above six entities are the legal entities under Sinopec Corp.'s controlling shareholder, China Petrochemical Corporation.

- (iii) Connected directors: Su Shulin, Zhou Yuan

(2) Details of connected transactions

- (i) Type of transaction: Asset acquisition.
- (ii) Subject of transaction: Including down-hole operation assets and operations of maintenance nature and related liabilities owned by Shengli Petroleum Administrative Bureau, Jiangnan Petroleum Administrative Bureau, Zhongyuan Petroleum Exploration Bureau, Henan Petroleum Exploration Bureau, Jiangsu Petroleum Exploration Bureau and East China Petroleum Bureau.
- (iii) Amount: The consideration is RMB 1,564.48 million (about HKD 1,670.71 million).
- (iv) Transaction date: 30 June 2008.
- (v) Fulfilment of transaction: completed.
- (vi) Effects on financial position and operating results of Sinopec Corp.:
The target assets acquired are closely associated with the daily production and operation of the oil field of Sinopec Corp., implementation of the acquisition can further meet the demand for down-hole operation of the oil recovery plants under Sinopec Corp., keep daily production steady and in order, reduce the operation number, improve the operation quality, decrease the operation costs, rationalize the oil field operation management system, enhance the business synergy of oil recovery operation with down-hole operation system, improve the production efficiency, and further reduce connected transactions in production business; in the long run, with timely satisfaction of the demand for down-hole operation of the oil recovery plant, rationalization of oil field operation management system, synergic effect of oil recovery business with down-hole operation system business, gradual integration of domestic product oil price with the international price, earning potential of the target assets acquired will be enhanced, and accretive effect of profits per share of Sinopec Corp. will be gradually developed.

3. In 2009, Sinopec Corp. acquired certain assets (including property rights, equity interests and assets) from the controlling shareholder and its subordinate entities, and disposed certain assets to the subordinate entities of the controlling shareholder, which is detailed as follows:

(1) Connected persons

- (i) Name: China Petrochemical Corporation, Asset Management

Company, Sinopec Sales & Industrial Co., Ltd., Shengli Oil Field Shengli Petroleum & Chemical Construction Corporation.

(ii) Connected relationship with Sinopec Corp.:

China Petrochemical Corporation is the controlling shareholder of this Company.

Asset Management Company is the wholly-owned subsidiary of China Petrochemical Corporation, which is the controlling shareholder of Sinopec Corp..

Sinopec Sales & Industrial Co., Ltd. is the wholly-owned subsidiary of Asset Management Company.

Shengli Oil Field Shengli Petroleum & Chemical Construction Corporation is the holding subsidiary of Shengli Petroleum Administrative Bureau which is a legal entity under China Petrochemical Corporation.

(iii) Connected directors: Su Shulin, Zhou Yuan.

(2) Details of connected transactions

(i) Type of transaction: Acquisition of property rights of the eight oil product pipeline project divisions, equity interests in two companies, submarine pipeline and cable testing and maintenance devices and partial assets of Shijiazhuang Branch Company; sale of fertilizer devices of Jinling Branch of the Company.

(ii) Subject of transaction:

Subject of acquisition: Property rights of the eight oil product pipeline project divisions owned by Sinopec Sales & Industrial Co., Ltd., 100% state-owned equity interests held by China Petrochemical Corporation in Qingdao Petrochemical Co., Ltd., 41.99% state-owned equity interests held by Asset Management Company in Shijiazhuang Chemical Fiber Co., Ltd., submarine pipeline and cable testing and maintenance devices owned by Shengli Oil Field Shengli Petroleum & Chemical Construction Corporation and partial assets of Shijiazhuang Branch Company. Assets mainly include transportation and storage assets in relation to oil refining (including oil products, loading/unloading oil, grouping stations, oil pipeline, etc.), certain electric instruments, fire control,

environment supervision devices, one water source, congruence, 4-n-Octylphenol, roads and paths in the plant area, warehouse, etc.; office buildings and related office equipment; construction in process; 45 pieces of related land; telecommunication station equipment; security office equipment; employee training center equipment; newspaper office equipment.

Subject of sales: Fertilizer devices of Jinling Branch Company of the Company, mainly including four parts, i.e., integrated fertilizer workshop, purification and chemical combination work area, finished product work area and urea work area.

(iii) Amount of transaction:

The consideration for acquisition: RMB 1,839.38 million (about HKD 2,078.50 million).

The consideration for disposal: RMB 157.47 million (about HKD 177.94 million).

(iv) Transaction date: 31 March 2009.

(v) Fulfilment of transaction: completed.

(vi) Effects on financial position and operating results of Sinopec Corp.: Through the transaction, Sinopec Corp. further expands operation scale and enhances core business competitiveness. The oil product pipelines acquired under this transaction are the most essential and competitive in the entire marketing mechanism of oil products, and are of vital significance to the competitiveness of Sinopec Corp.'s service stations located in the middle and eastern regions of China with the most rigorously developing economies, and to perfection of industry chain. The acquisition of Qingdao Petrochemical is critical to the consolidation and enhancement of Sinopec Corp's competitiveness at Bo Hai Gulf, and to the optimization of industrial structuring. Qingdao Petrochemical's earning potential can be further developed after the acquisition accompanying the pricing reform of oil products. The acquisition of other equity interests and assets is a critical step in our business strategies, which are important to the elevation of the overall strength of the Company and its ability to respond to the development cycles of the industry.

X. NON-COMPETITION UNDERTAKING OF CHINA PETROCHEMICAL CORPORATION

Prior to the restructuring of Sinopec Corp., for the protection of Sinopec Corp.'s interest, China Petrochemical Corporation and Sinopec Corp. entered into a Non-competition Agreement, pursuant to which China Petrochemical Corporation undertook to Sinopec Corp., unless Sinopec Corp. agrees in writing or under certain circumstances as permitted under the Non-competition Agreement, that it shall: (a) not be involved in any business which competes or may compete with Sinopec Corp.'s business; (b) provide Sinopec Corp. with an option to purchase any business of China Petrochemical Corporation which competes or may compete with Sinopec Corp.'s business and right of first refusal over any business which competes or may compete with Sinopec Corp.

China Petrochemical Corporation agrees to continue to comply with the above undertakings.

XI. CHECKLIST OF DOCUMENTS FOR INSPECTION

The following documents will be available for inspection during normal working hours at the legal address of Sinopec Corp.:

1. the Board resolutions of the 2nd Meeting of the Fourth Session of the Board of Sinopec Corp.;
2. the opinion of independent directors;
3. the resolutions of the 2nd Meeting of the Fourth Session of the Supervisory Committee;
4. Asset Transfer Agreement regarding Assets of PEPRIS entered into between Sinopec Corp. and Asset Management Company;
5. Asset Transfer Agreement regarding Assets of RIPP entered into between Sinopec Corp. and Asset Management Company;
6. Asset Transfer Agreement regarding Assets of Beijing Chemical Institute entered into between Sinopec Corp. and Asset Management Company;
7. Asset Transfer Agreement regarding Assets of Shanghai Research Institute of Petrochemical Technology entered into between Sinopec Corp. and Asset Management Company;
8. Asset Transfer Agreement regarding Assets of Fushun Petrochemical Institute entered into between Sinopec Corp. and Asset Management Company;

9. Asset Transfer Agreement regarding Assets of Qingdao Safety Research Institute entered into between Sinopec Corp. and Asset Management Company;
10. Equity Transfer Agreement regarding Xingpu Company entered into between Sinopec Corp. and Asset Management Company;
11. Equity Transfer Agreement regarding BPDIBCI entered into between Sinopec Corp. and Asset Management Company;
12. Equity Transfer Agreement regarding Qingdao Sinosun Certification Center entered into between Sinopec Corp. and Asset Management Company;
13. Equity Transfer Agreement regarding Fushun Huanke Company entered into between Sinopec Corp. and Asset Management Company;
14. Equity Transfer Agreement regarding Material Equipment Company entered into between Sinopec Corp. and Asset Management Company;
15. the Financial Statements of Target Assets;
16. the Asset Valuation Reports of Target Assets;
17. the Report of Independent Financial Advisor.

DEFINITIONS

Names	Definitions
Acquisition	The proposed acquisition of the Target Assets by Sinopec Corp. pursuant to six Asset Transfer Agreements and five Equity Transfer Agreements executed with Asset Management Company
Asset Management Company	Sinopec Asset Management Company
Audit Date	31 May 2009
Beijing Chemical Institute	Beijing Chemical Research Institute of Sinopec Asset Management Company
Board of Directors	Board of Directors of Sinopec Corp.

BPDIBCI		Beijing Petrochemical Design Institute of Beijing Chemical Institute
Business Day		Any day other than Saturday, Sunday or any day when a bank in China shall suspend or is authorized to suspend its business operation pursuant to the applicable laws
China Petrochemical Corporation		China Petrochemical Corporation
Date of Completion		31 August 2009 or any other date agreed in writing by Sinopec Corp. and Asset Management Company
Date of Handover		31 August 2009
Directors		Directors of Sinopec Corp.
Fushun Company	Huanke	Fushun Huanke Petrochemical Technical Development Co., Ltd.
Fushun Petrochemical Institute		Fushun Research Institute of Petroleum and Petrochemicals of Sinopec Asset Management Company
HKD		Lawful currency of Hong Kong Special Administrative Region of the People's Republic of China. As at the Valuation Date, RMB 1 is equivalent to approximately HKD 1.1347, however, no representation is made that any amounts in RMB can be or could have been converted into HKD at the above rates or vice versa.
Hong Kong Listing Rules		Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
Hong Kong Stock Exchange		The Stock Exchange of Hong Kong Limited
Material Equipment Company		Sinopec Material Equipment Company
PEPRIS		Petroleum Exploration & Production Research Institute of Sinopec Asset Management Company
Qingdao Research Institute	Safety	Safety Engineering Research Institute of Sinopec Asset Management Company

Qingdao Sinosun Certification Center		Qingdao Sinosun Management System Certification Center
RIPP		Research Institute of Petroleum Processing of Sinopec Asset Management Company
RMB		The lawful currency of the People's Republic of China
SASAC		State-owned Assets Supervision and Administration Commission of the State Council of the People's Republic of China
Shanghai Listing Rules		The Listing Rules of Shanghai Stock Exchange
Shanghai Research Institute of Petrochemical Technology	Research of	Shanghai Research Institute of Petrochemical Technology of Sinopec Asset Management Company
Shanghai Exchange	Stock	The Shanghai Stock Exchange
Sinopec Corp.		China Petroleum & Chemical Corporation
Target Assets		<ol style="list-style-type: none"> (1) All assets of PEPRIS (2) All assets of RIPP (3) All assets of Beijing Chemical Institute (4) All assets of Shanghai Research Institute of Petrochemical Technology (5) All assets of Fushun Petrochemical Institute (6) All assets of Qingdao Safety Research Institute (7) 100% equity interests in Xingpu Company (8) 100% equity interests in BPDIBCI (9) 100% equity interests in Qingdao Sinosun Certification Center (10) 100% equity interests in Fushun Huanke Company (11) 100% equity interests in Material Equipment Company
Valuation Date		31 May 2009
Xingpu Company		Beijing Xingpu Fine Chemical Technical Development Company

For and on behalf of the Board of Directors
China Petroleum & Chemical Corporation
Chen Ge
Secretary to the Board of Directors

Beijing, PRC, 21 August 2009

As at the date of this announcement, the non-executive directors are Messrs. Su Shulin, Zhang Yaocang, Cao Yaofeng, Li Chunguang and Liu Yun; the executive directors of Sinopec Corp. are Messrs. Wang Tianpu, Zhang Jianhua, Wang Zhigang, Cai Xiyou and Dai Houliang; the independent non-executive directors are Messrs. Liu Zhongli, Ye Qing, Li Deshui, Xie Zhongyu and Chen Xiaojin.