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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)

ANNOUNCEMENT

Pursuant to a notice issued by the Beijing Securities Regulatory Office of the CSRC (as defined below), Sinopec Corp. (as defined below) is required to issue this announcement to disclose, among other things, the accounts receivable from the Controlling Shareholder (as defined below) and its associates as at 31st October, 2001.

As at 31st October, 2001, Sinopec Corp.'s consolidated accounts receivable from the Controlling Shareholder and its associates was Renminbi 11,586.47 million and the consolidated accounts payable to the Controlling Shareholder and its associates was Renminbi 14,466.30 million.

This announcement is made at the request of China Securities Regulatory Commission ("CSRC") pursuant to a notice dated 5th December, 2001 issued by the Beijing Securities Regulatory Office of the CSRC (中國證券監督管理委員會北京證券監管辦事處) to all relevant listed companies. Pursuant to the notice, the relevant listed companies are required to disclose, among other things, their accounts receivable from their respective controlling shareholders and the associates of such controlling shareholders as at 31st October, 2001.

According to the consolidated balance sheet of China Petroleum & Chemical Corporation ("Sinopec Corp.") as at 31st October, 2001, prepared in accordance with the generally accepted accounting principles of the People's Republic of China, Sinopec Corp.'s accounts receivable from China Petrochemical Corporation ("Controlling Shareholder") and its associates as at 31st October, 2001 was Renminbi 11,586.47 million, of which Renminbi 9,196.42 million was the amount resulting from normal transactions and Renminbi 2,390.05 million was the outstanding amount under other current account.

Sinopec Corp. has been adopting the following principal measures:

1. according to the said consolidated balance sheet of Sinopec Corp., as at 31st October, 2001, Sinopec Corp.'s accounts payable to the Controlling Shareholder and its associates was Renminbi 14,466.30 million. Where possible, Sinopec Corp. will set off the accounts payable to and the accounts receivable from the Controlling Shareholder and its associates;
2. as before, Sinopec Corp. will strengthen the management of transactions with the Controlling Shareholder and its associates and further regulate the amount of connected transactions.

The board of directors of Sinopec Corp. believes that, through the above measures, there is presently no obstacle which will hinder the receipt of the above accounts receivable and the existence of the accounts receivable does not have any material adverse impact on the financial and working capital position of Sinopec Corp. and its subsidiaries.

By order of the Board
Zhang Honglin
Company Secretary

Beijing, the PRC, 31st December, 2001