



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)*

**Announcement of the Resolutions of the Fourth Meeting of the Third Session of  
the Board of Directors**

China Petroleum & Chemical Corporation and all members of its board of directors warrant the authenticity, accuracy and completeness of the information contained in this announcement, and jointly and severally accepts full responsibility for any misrepresentation, misleading statements or material omissions contained in this announcement.

The notice of the convening of the fourth meeting (the "**Meeting**") of the Third Session of the Board of Directors of China Petroleum & Chemical Corporation ("**Sinopec Corp**") was issued in writing on 29 September 2006. The Meeting was convened by way of written resolutions on 10 October 2006, at which the resolutions relating to the joint investment and construction of the Hainan Project by Sinopec Corp and an overseas subsidiary wholly-owned by China Petrochemical Corporation ("**Sinopec Group**") was considered and reviewed. The convening of the Meeting complies with the relevant provisions of the PRC laws and regulations and the Articles of Association of Sinopec Corp. As two of the directors of Sinopec Corp, Mr. Chen Tonghai and Mr. Zhou Yuan hold certain positions in Sinopec Group, they abstained from voting at the Meeting. The remaining nine directors of Sinopec Corp with voting rights have all signed the written resolutions to approve the transaction. The directors who signed the written resolutions (including the independent non-executive directors) passed the following resolutions:

1. THAT Sinopec Corp and an overseas subsidiary wholly-owned by Sinopec Group will jointly inject capital into SINOPEC Hainan Petrochemical Co Ltd for the construction of the Hainan Project (the "**Transaction**"). Considering the facts mentioned above and the terms of the Transaction, each of the directors (including the independent non-executive directors) unanimously believe that:
  - (1) the Transaction was entered into in the ordinary and usual course of business of Sinopec Corp;
  - (2) the Transaction was conducted on normal commercial terms; and
  - (3) the terms of the Transaction was fair and reasonable and in the interests of Sinopec Corp and all of its shareholders as a whole.

According to the approval of the National Development and Reform Commission, the total investment and the registered capital of SINOPEC Hainan Petrochemical Co Ltd is RMB11.956 billion and RMB 3.986 billion respectively. Sinopec Corp and the said subsidiary of Sinopec Group will respectively subscribe for 75% (i.e. RMB2.9895 billion) and 25% of the equity interests hereof;

2. THAT the major terms of the Articles of Association and the Joint Venture Contract of SINOPEC Hainan Petrochemical Co Ltd were approved;
3. THAT Sinopec Corp may, in proportion to its equity ratio in SINOPEC Hainan Petrochemical Co Ltd, provide guarantee for the loan facility in respect of the Hainan Project according to financing arrangements of SINOPEC Hainan Petrochemical Co Ltd; and
4. THAT the Chairman of the Board or any director authorized by the Chairman of the Board is authorized to sign any documents in relation to the Hainan

Project.

Prior approval from the independent non-executive directors has been obtained for the above resolutions.

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

Beijing, PRC, 11 October 2006

*As at the date of this announcement, the executive directors of Sinopec Corp. are Messrs. Wang Tianpu, Zhang Jianhua, Wang Zhigang, Dai Houliang; the non-executive directors are Messrs. Chen Tonghai, Zhou Yuan, Fan Yifei and Yao Zhongmin; the independent non-executive directors are Messrs. Shi Wanpeng, Liu Zhongli and Li Deshui.*