

Press Releases

Proposed Privatisation of Beijing Yanhua by Sinopec Corp by way of Merger by Absorption

Disclosure of Dealings in Relevant Securities in Sinopec Beijing Yanhua Petrochemical Company Limited (Yanhua) 16 February 2005

The Executive has received the following disclosure of dealings in the ordinary shares of Yanhua pursuant to Rule 22 of the Hong Kong Code on Takeovers and Mergers:

Date of Dealing	Identity of Company/Person Dealing	Bought/Sold	No. of Shares	Unit Price (HK\$)
14 January 2005	Morgan Stanley Dean Witter Asia Limited	Bought	5,000,000 (Note 1)	\$2.835
14 February 2005	Morgan Stanley Dean Witter Asia Limited	Bought	92,000 (Note 2)	\$3.7
14 February 2005	Morgan Stanley Dean Witter Asia Limited	Sold	42,000 (Note 3)	\$3.7
15 February 2005	Morgan Stanley Dean Witter Asia Limited	Sold	1,300,000 (Note 3)	\$3.7

Note 1: represents exercising an existing option position expiring on 14 January 2005 arising from option trades entered into by clients.

Note 2: represents index arbitrage trading.

Note 3: represents delta hedging against existing option positions arising from option trades entered into by clients.

As a result of the above dealings, Morgan Stanley Dean Witter Asia Limited holds:

- 114,000 shares in Yanhua (representing 0.01% of the issued H shares of Yanhua) in relation to index arbitrage trading.
- 6,806,000 shares in Yanhua (representing 0.67% of the issued H shares of Yanhua) in relation to delta hedging against existing option positions and index based derivatives from client transactions.

In addition, Morgan Stanley Dean Witter Asia Limited continues to hold proprietary position of 2,560,000 shares in Yanhua (representing 0.25% of the issued H shares of Yanhua).

Morgan Stanley Dean Witter Asia Limited is the financial adviser to China Petroleum & Chemical Corporation, the controlling shareholder of Yanhua and the offeror in respect of the proposed privatization of Yanhua by way of merger by absorption at the cancellation price of HK\$3.80 per H share of Yanhua. Morgan Stanley is required to make public disclosure in accordance with Rule 22.4.

Ends