

Press Releases

Proposed Privatisation of Sinopec Beijing Yanhua Petrochemical Company Limited
(Yanhua) by China Petroleum & Chemical Corporation by way of Merger by Absorption

22
April
2005

The Executive has received the following explanation regarding the wrong classification of the 52,000 H shares of Yanhua disclosed by Morgan Stanley Dean Witter Asia Limited on 18 April 2005.

The submission from Morgan Stanley Dean Witter Asia Limited is as follows:

"Subsequent to 8 February 2005, notwithstanding that the SFC had confirmed in writing that we were not restricted from dealing in index arbitrage positions, we had continued to include 52,000 H Shares held for index arbitrage purposes as a proprietary position. The inclusion was due to a mistake in classifying a trading account, which is an index arbitrage account, as a proprietary trading account that does not trade in index arbitrage. This misclassification was discovered on 15 April 2005, after our trader had sold a part of his index arbitrage position from the misclassified account, and our filings since 18 April 2005 reflect the correct classifications. We note that we did not vote these 52,000 H Shares at the Shareholders' Meeting at which the transaction was approved.

Morgan Stanley Dean Witter Asia Limited"

Ends