

## Press Releases

Proposed Privatisation of Sinopec Beijing Yanhua Petrochemical Company Limited 18  
(Yanhua) by China Petroleum & Chemical Corporation by way of Merger by Absorption April  
Disclosure of Dealings in Relevant Securities in Yanhua 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 H Shares	Unit Price (HK\$)
14 April 2005	Morgan Stanley Dean Witter Asia Limited	Sold	24,000 (Note 1)	\$3.725
15 April 2005	Morgan Stanley Dean Witter Asia Limited	Sold	36,000 (Note 1)	\$3.775

*Note 1: represents index arbitrage trading.*

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

- 70,000 H shares in Yanhua (representing 0.006% of the issued H shares of Yanhua) in relation to index arbitrage trading (Note 2).
- 3,340,000 H shares in Yanhua (representing 0.33% 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 2,508,000 H shares in Yanhua (representing 0.25% of the issued H shares of Yanhua) (Note 2).

*Note 2: Morgan Stanley Dean Witter Asia Limited informed the Executive today that there had been a wrong classification of their index arbitrage and proprietary positions. The first relevant disclosure was made to the Executive on 5 January 2005. According to Morgan Stanley Dean Witter Asia Limited, their index arbitrage position of 52,000 shares in Yanhua was classified wrongly as proprietary position. Therefore, the index arbitrage position of Morgan Stanley Dean Witter Asia Limited disclosed to the Executive from 5 January to 11 April 2005 was understated by 52,000 Yanhua shares and its proprietary position during the same period was overstated by the same number of Yanhua shares. The positions above have been restated based on latest information provided by Morgan Stanley Dean Witter Asia Limited.*

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 privatisation of Yanhua by way of merger by absorption at the cancellation price of HK\$3.80 per H share of Yanhua. Morgan Stanley Dean Witter Asia Limited is required to make public disclosure in accordance with Rule 22.4.

Ends