

## 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) 14 January 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:

### Details of dealings by exempt principal traders

| Date of Dealing | Identity of Company/Person Dealing     | Bought/Sold | No. of Shares | Unit Price (HK\$) |
|-----------------|----------------------------------------|-------------|---------------|-------------------|
| 13 January 2005 | Lehman Brothers International (Europe) | Bought      | 341,750       | N/A (Note 1)      |
| 13 January 2005 | Lehman Brothers International (Europe) | Sold        | 341,750       | N/A (Note 2)      |
| 13 January 2005 | Lehman Brothers Finance S.A.           | Bought      | 341,750       | N/A (Note 2)      |
| 13 January 2005 | Lehman Brothers Finance S.A.           | Bought      | 670,000       | \$3.675           |

*Note 1 This was a repurchase of H shares from LBIE Funding Trust, Series 2004-A by Lehman Brothers International (Europe) pursuant to the terms of a global master repurchase agreement dated 22 April 2004. Accordingly, there was no cash consideration paid for the said H Shares.*

*Note 2 This transfer was a return of shares by Lehman Brothers International (Europe) to Lehman Brothers Finance S.A. pursuant to the terms of overseas securities lending loan agreements dated 17 June 1993 and 10 May 1995. Accordingly, there was no cash consideration received for the said H Shares.*

As a result of the above dealings and taking into account its positions held prior to these dealings, Lehman Brothers Finance S.A. holds 1,120,000 shares in Yanhua (representing 0.11% of the issued H shares of Yanhua) in relation to hedging to an existing derivative position arising from its client transaction.

Lehman Brothers Asia Limited is the independent financial adviser to Yanhua in respect of the proposed privatization of Yanhua by Sinopec by way of merger by absorption at the cancellation price of HK\$3.80 per H share of Yanhua. Lehman Brothers Finance S.A. and Lehman Brothers International (Europe) are exempt principal traders connected with Yanhua and are required to make public disclosure in accordance with Rule 22.4.

Ends