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Mitsui Chemicals, Inc.  
China Petroleum & Chemical Corp.

## **Mitsui Chemicals and Sinopec to Conclude a Joint-Venture for Bisphenol A in China**

Mitsui Chemicals, Inc. (MCI) notifies MCI and China Petroleum & Chemical Corp. (Sinopec Corp.) have obtained a business license from the Chinese government to form a joint venture (JV), which will produce and sell bisphenol-A (BPA).

The both companies could further enhance each of competitive strengths in the business environment marked by ever-intensifying international competition. MCI which is the largest phenol and BPA manufacturer in Asia and Sinopec Corp. which has China's largest phenol (PHL) production capacity, cooperate in the field of BPA, which is a PHL derivative. The two companies have examined to establish the JV producing BPA on equal investment basis, since they signed a letter of intent in March 25, 2004. At this time, they obtain the business authorization from the Chinese government. Moreover, they agree the both firms continuously examine the expansion of cooperative ties.

The summaries of the new JV company and plant are as mentioned below:

1. Company name : Shanghai Sinopec Mitsui Chemicals, Co., Ltd.
2. Date of establishment : April 2006
3. Total investment amount : about RMB 900 million (MCI 50%, Sinopec Corp. 50%)
4. Location : Shanghai Chemical Industry Park, Caojing
5. Business description : Manufacturing and selling bisphenol-A
6. Production capacity : 120,000 metric tons per year  
The production process will be the latest ion-exchange resin method.
7. Schedule : Start of construction: August 2006  
Completion: October 2007
8. Raw material : PHL and acetone.  
The parties have agreed on the BPA plant's receiving its requirements under internationally competitive pricing arrangement from the PHL plant of Shanghai Gao Qiao Company, a refining and chemical branch of Sinopec Corp., which launched the new plant's operation from March 2005.

< Appendix >

1. Overview of MCI

Main business: Petrochemicals business (petrochemical feedstock and polyolefin), Functional Polymeric Materials business (Elastomers, Functional Polymers, specialty resin and urethane) and Functional chemicals & Engineered materials business (functional fabricated products, electronics materials, information materials, agrochemicals, and fine & performance chemicals)

Net sales for FY 2004: ¥1,227.5 billion

Paid-in capital: ¥103,226 million

Number of employees: 12,228 staffs on a consolidated base

Headquarters: Shiodome City Center, 1-5-2, Higashi-Shimbashi, Minato-ku, Tokyo, Japan

Production sites in Japan: 5 works

Sales offices in Japan: one in headquarters and three branch offices

2. Overview of Sinopec Corp.

Main business: Oil and gas mining business, oil refinery business (gasoline, diesel and other fuels, lubricant, solvent, WAX, and petrochemical feedstock), Chemical business (olefin, synthetic resin and rubbers, synthetic fiber feedstock, synthetic fiber, and urea), and Engineering business (oil and gas mining, oil refining and chemical plants)

Net sales in 2004: RMB 590.6 billion

Shareholders' equity: RMB 86.7 billion (listed on the stock exchanges of NY, London, and HK)

Number of employees: 390,000 staffs

Headquarters: No.A6 Hu xin East St. Chaoyang District, Beijing, China

SINOPEC Shanghai Gao Qiao Company is a refining and chemical branch of Sinopec Corp.