



DAQING PETROLEUM AND CHEMICAL GROUP LIMITED

大慶石油化工集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 362)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an annual general meeting of Daqing Petroleum and Chemical Group Limited (the "Company") will be held at Alexandra Room, 2/F., Mandarin Oriental, Hong Kong, 5 Connaught Road Central, Hong Kong on 2 December 2005, Friday at 3:30 p.m. for the purpose of considering and, if thought fit, passing the following resolutions:

ORDINARY RESOLUTIONS

1. to receive and consider the audited consolidated financial statements and the reports of the directors of the Company (the "Directors") and the auditors for the year ended 30 June 2005;
2. to declare nil dividend for the year ended 30 June 2005 as recommended by the board of Directors (the "Board");
3. (a) to re-elect the following persons as Directors:
 - (i) Mr. Ma Wing Yun Bryan
 - (ii) Mr. Yau Chung Hong
 (b) to authorise the Board to fix the Directors' remuneration;
4. to re-appoint Messrs. RSM Nelson Wheeler as auditors of the Company for the ensuing year and to authorise the Board to fix their remuneration;
5. as special business, to consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

A. "THAT:

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.01 each in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers, after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this resolution and the said approval shall be limited accordingly; and
- (d) for the purpose of this resolution:

"Relevant Period" means the period from the passing of this resolution until whichever is the earlier of:

 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law to be held; or
 - (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders in general meeting;

B. "THAT:

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase shares of HK\$0.01 each in the capital of the Company be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the shares to be purchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution and the said approval shall be limited accordingly; and
- (c) for the purpose of this resolution, "Relevant Period" means the period from the passing of this resolution until whichever is the earlier of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law to be held; or
 - (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders in general meeting;"

- C. "THAT the general mandate granted to the Directors pursuant to resolutions nos. 5A and 5B as above and for the time being in force to exercise the powers of the Company to allot shares and to make or grant offers, agreements and options which might require the exercise of such powers referred to in resolution no. 5A be and is hereby extended by the total nominal amount of shares in the capital of the Company repurchased by the Company since the granting of such general mandate pursuant to the exercise by the Directors of the powers of the Company to purchase such shares pursuant to resolution no. 5B, provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this resolution;"

- D. "THAT the existing scheme limit under the share option scheme adopted by a resolution of the shareholders of the Company on 18 November 2002 ("Share Option Scheme") be refreshed so that the aggregate nominal amount of the shares of the Company to be allotted and issued pursuant to the grant or exercise of the options under the Share Option Scheme (excluding options previously granted, outstanding, cancelled, lapsed

or exercised under the Share Option Scheme) shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this resolution ("Refreshed Scheme Limit") and that the Directors be and are hereby authorised, subject to compliance with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (as amended from time to time), to grant options under the Share Option Scheme up to the Refreshed Scheme Limit and to exercise all the powers of the Company to allot, issue and deal with shares of the Company pursuant to the exercise of such options;"

6. as special business, to consider and, if thought fit, pass with or without amendments, the following resolutions as special resolutions:

SPECIAL RESOLUTIONS

A. "THAT:

the articles of association of the Company be and are hereby amended in the following manner:-

- (a) by inserting "voting by way of a poll is required by the Listing Rules or" between "...decided on a show of hands unless" and "a poll is ..." in the first paragraph of Article 72 so that this paragraph becomes:

72. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless voting by way of a poll is required by the Listing Rules or a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:
- (b) by inserting "or" after "paid up on all the shares conferring that right;" in paragraph (iv) of Article 72 so that this paragraph becomes:

(iv) by any shareholder or shareholders present in person (or, in the case of a shareholder being a corporation, by its duly authorised representative) or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right; or
- (c) by adding the following paragraph after paragraph (iv) in Article 72:

(v) if required by the Listing Rules, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent. (5%) or more of the total voting rights at such meeting.
- (d) by replacing "that no Director holding office as Chairman...in determining the number of Directors to retire" with "always that every Director shall be subject to retirement at least once every three years" and adding "and shall continue to act as a Director throughout the meeting at which he retires" after "A retiring Director shall be eligible for re-election" in Article 108(A), so that this Article becomes:

108(A) At each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not exceeding one-third, shall retire from office by rotation provided always that every Director shall be subject to retirement at least once every three years. A retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he retires. The Company at the general meeting at which a Director retires may fill the vacated office.
- (e) by deleting "but so that the number of Directors...by the shareholders in general meeting" in Article 112, so that this Article becomes:

The Directors shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an additional Director. Any Director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at the meeting but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at such meeting."

By Order of the Board
Kwok Yuen Ying, Riki
Secretary

Hong Kong, 18 October 2005

As at the date of this announcement, the Board comprised of Ms. Chan Yuk Foebe, Mr. Chu Ki, Mr. Wang Hailou and Mr. Peng Zhanrong as Executive Directors and Mr. Ma Wing Yun Bryan, Mr. Meng Fanxi and Mr. Yau Chung Hong as Independent non-executive Directors.

Notes:

- (a) The register of members of the Company will be closed from 30 November 2005, Wednesday to 2 December 2005, Friday, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the annual general meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tengis Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong for registration not later than 4:00 p.m. on 29 November 2005, Tuesday.
- (b) A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
- (c) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power of attorney or other authority, must be lodged with the Company's branch share registrar in Hong Kong, Tengis Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the meeting or at any adjournment thereof.
- (d) A circular containing an explanatory statement regarding items (5A) to (5D) and (6A) above will be sent to members of the Company together with the 2005 Annual Report.