

Changes of share capital

1. Changes of shares

	Before change		Change						After change	
	Ratio	Ratio	Rationed	Bonus	from reserve	Increase	Others	Sub-total	Ratio	Ratio
	shares	(%)	shares	shares	funds				Shares	(%)
I. Shares not in circulation										
1. Promoter's shares	4,000,000,000	55.56	-	-	-	-	-	-	4,000,000,000	55.56
comprising,	-	-	-	-	-	-	-	-	-	-
State-owned shares	-	-	-	-	-	-	-	-	-	-
Domestic legal person shares	4,000,000,000	55.56	-	-	-	-	-	-	4,000,000,000	55.56
Overseas legal person shares	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-
2. Legal person shares	150,000,000	2.08	-	-	-	-	-	-	150,000,000	2.08
3. Internal staff shares	-	-	-	-	-	-	-	-	-	-
4. Priority shares or others	-	-	-	-	-	-	-	-	-	-
Sub-total of Promoter shares	4,150,000,000	57.64	-	-	-	-	-	-	4,150,000,000	57.64
II. Shares in circulation										
1. RMB ordinary shares	720,000,000	10.00	-	-	-	-	-	-	720,000,000	10.00
2. Domestic listed foreign shares	-	-	-	-	-	-	-	-	-	-
3. Overseas listed foreign shares	2,330,000,000	32.36	-	-	-	-	-	-	2,330,000,000	32.36
4. Others	-	-	-	-	-	-	-	-	-	-
Sub-total of Shares in circulation	3,050,000,000	42.36	-	-	-	-	-	-	3,050,000,000	42.36
III. Shares in total	7,200,000,000	100.00	-	-	-	-	-	-	7,200,000,000	100.00

2. Issue and listing of shares as at 31 December 2005

(i) Issue of shares during the past three years

As at 31 December 2005, the Company did not issue new shares nor place any shares during the past three years.

(ii) Change of the Company's total number of shares and share structure

There was no change to the Company's total number of shares or share structure as a result of bonus issue or share placement during the reporting period.

(iii) Current employee shares

The Company had no employee shares as at 31 December 2005.



Shareholders

1. Number of shareholders and their shareholding as at 31 December 2005

Number of shares held at end of the reporting period 151,597

Shareholding of the Top 10 Shareholders

Rank	Name	Type of shareholders	Percentage of total shareholding (%)	Number of shares held	Increase / decrease during the year	Types of shares	Number of non-circulating shares held	Number of shares pledged or frozen
	Sinopec Corp.	State-owned Shareholder	55.56	4,000,000,000	-	Non-circulating	4,000,000,000	Nil
	HKSCC (Nominees) Limited	Foreign Shareholder	26.59	1,914,386,857	-1,500,000	Circulating	-	Unknown
	Hong Kong & Shanghai Banking Corporation (Nominees) Limited	Foreign Shareholder	4.94	355,944,000	180,000	Circulating	-	Unknown
	Industrial and Commercial Bank of China-Shang Zheng 50 Jiao Yi Xing Kai Fang Shi Index Securities Investment Fund	Others	0.32	23,260,115	Unknown	Circulating	-	Unknown
	Bank of Communications - Yifandga 50 Index Securities Investment Fund	Others	0.31	22,230,181	4,529,553	Circulating	-	Unknown
	Bank of Communications - Anshun Securities Investment Fund	Others	0.24	17,496,817	Unknown	Circulating	-	Unknown
	Shanghai Kangli Gong Mao Company	Others	0.23	16,730,000	-	Non-circulating	16,730,000	Unknown
	China Merchants Bank Company Limited - Merchant Bank Securities Investment Fund	Others	0.21	14,972,997	Unknown	Circulating	-	Unknown
	Zhejiang Province Economic Construction and Investment Company	Others	0.17	12,000,000	-	Non-circulating	12,000,000	Unknown
	Tai He Securities Investment Fund	Others	0.15	11,045,762	Unknown	Circulating	-	Unknown

Top 10 holders of shares in circulation

Name of shareholders	Number of shares in circulation held	Type of Shares
HKSCC (Nominees) Limited	1,914,386,857	Overseas listed foreign shares
Hong Kong & Shanghai Banking Corporation (Nominees) Limited	355,944,000	Overseas listed foreign shares
Industrial and Commercial Bank of China - Shang Zheng 50 Jiao Yi Xing Kai Fang Shi Index Securities Investment Fund	23,260,115	RMB ordinary shares
Bank of Communications - Yifandga 50 Index Securities Investment Fund	22,230,181	RMB ordinary shares
Bank of Communications - Anshun Securities Investment Fund	17,496,817	RMB ordinary shares
China Merchants Bank Company Limited - Merchant Bank Securities Investment Fund	14,972,997	RMB ordinary shares
Tai He Securities Investment Fund	11,045,762	RMB ordinary shares
Industrial and Commercial Bank of China - SYWG BNP Paribas Security Investment Fund	10,738,381	RMB ordinary shares
Hong Kong & Shanghai Banking Corporation (Nominees) Limited	10,392,000	Overseas listed foreign shares
Shangxi Trust & Investment Company Limited	10,000,000	RMB ordinary shares

Description of any connected relationship or connected parties relationships on the above shareholders Of the above-mentioned shareholders, China Petroleum & Chemical Corporation ("Sinopec Corp."), the State-owned shareholder, does not have any connected relationship with the other shareholders, and is not a concerted party of the other shareholders under the "Administration Measures for Disclose of Shareholdings in Listed Companies." Of the above-mentioned shareholders, HKSCC (Nominees) Limited and Hong Kong & Shanghai Banking Corporation (Nominees) Limited are nominee companies. The Company is not aware of whether or not there are connected relationships among the other shareholders, and whether or not they are concerted parties under the "Administration Measures for Disclosure of Shareholdings in Listed Companies".

2. Information on the controlling shareholder and de facto controller of the Company

(1) Controlling shareholder

Name of controlling shareholder: Sinopec Corp.

Authorised representative: Chen Tonghai

Registered capital: RMB86.7 billion

Date of incorporation: February 2000

Major business: Crude oil and natural gas business includes: exploring for, extracting and producing crude oil and natural gas; pipe crude oil, natural gas and products; refining crude oil to become petroleum products; and selling crude oil, natural gas and oil products. Chemical business includes producing and selling a variety of industrial chemical products.

(2) De facto controller

Name of the de facto controller: China Petrochemical Corporation

Authorised representative: Chen Tonghai

Registered capital: RMB104.9 billion

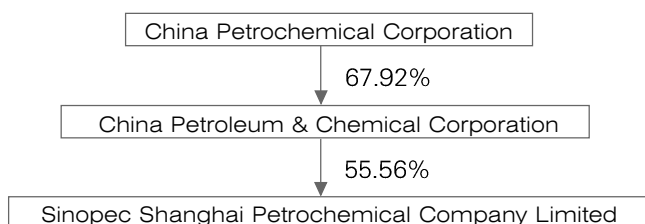
Date of incorporation: July 1998

Major business : provide well drilling, oil well logging and mine shaft work service; manufacturing of production equipment and maintenance service; public project including project construction service, water and electricity and so forth, as well as social service.

(3) Change of controlling shareholder and de facto controller of the Company

During the reporting period, there was no change to the controlling shareholder and de facto controller of the Company.

(4) Diagram of the ownership and controlling relationship between the Company and the de facto controller



3. Other legal shareholders holding more than 10% of the Company's share capital

As at 31 December 2005, HKSCC (Nominees) Limited held 1,914,386,857 H shares of the Company, representing 26.59% of the total share capital of the Company.

4. Public Float

Based on information that is publicly available to the Company and within the knowledge of its directors as at 24 March 2006, the Company has a sufficient public float which complies with the requirement under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Interests and short positions of substantial shareholders and other persons in shares and underlying shares

As at 31 December 2005, the interests and short positions of substantial shareholders and other persons who are required to disclose their interests pursuant to Part XV of the SFO (including those who are entitled to exercise, or control the exercise of, 5% or more of the voting power at any general meeting of the Company but excluding the directors, supervisors and senior management of the Company) in the shares and underlying shares of equity derivatives of the Company as recorded in the register required to be kept under Section 336 of the SFO were as set out below:

(1) (a) Interests in ordinary shares of the Company

Name of shareholders	Capacity	Number of share interests held or regarded as held	% of total issued share capital	% of shareholding in the Company's total issued H shares
China Petroleum & Chemical Corporation	Beneficial owner	4,000,000,000 Promoter legal person shares(L)	55.56	-
Alliance Capital Management L.P.	Beneficial owner	145,095,210(L)	2.02	6.23(L)

Note: (L): Long positions

(b) Interests in underlying shares of the Company

No interests of substantial shareholders or other persons who are required to disclose their interests pursuant to Part XV of the SFO in the underlying shares of equity derivatives were recorded in the register required to be kept under Section 336 of the SFO.

(2) Short positions in shares and underlying shares of the Company

No short positions of substantial shareholders or other persons who are required to disclose their interests pursuant to Part XV of the SFO in the shares or underlying shares of equity derivatives of the Company were recorded in the register required to be kept under Section 336 of the SFO.

Save as stated above, as at 31 December 2005, no interests or short positions of any other person in the shares or underlying shares of equity derivatives of the Company were recorded in the register required to be kept under Section 336 of the SFO.