

BALANCE SHEET

at 31 December 2006
(Amounts in millions)

	Note	2006 RMB	2005 RMB
Non-current assets			
Property, plant and equipment	18	270,783	170,711
Construction in progress	19	41,139	39,086
Investments in subsidiaries	21	66,809	75,579
Investments	22	971	1,037
Interest in associates	23	7,470	5,933
Interest in jointly controlled entities	24	7,482	7,280
Deferred tax assets	29	5,936	3,220
Lease prepayments		765	568
Long-term prepayments and other assets	25	5,011	3,748
Total non-current assets		406,366	307,162
Current assets			
Cash and cash equivalents		2,763	5,014
Time deposits with financial institutions		220	110
Trade accounts receivable	26	8,832	8,826
Bills receivable	26	2,760	1,334
Inventories	27	53,988	50,417
Prepaid expenses and other current assets	28	15,225	15,556
Total current assets		83,788	81,257
Current liabilities			
Short-term debts	30	38,241	25,059
Loans from Sinopec Group Company and fellow subsidiaries	30	1,358	3,946
Trade accounts payable	31	38,041	28,833
Bills payable	31	16,265	19,077
Accrued expenses and other payables	32	72,313	40,559
Income tax payable		7,162	2,494
Total current liabilities		173,380	119,968
Net current liabilities		(89,592)	(38,711)
Total assets less current liabilities		316,774	268,451
Non-current liabilities			
Long-term debts	30	52,689	53,401
Loans from Sinopec Group Company and fellow subsidiaries	30	38,840	39,212
Deferred tax liabilities	29	6,174	2,216
Other liabilities		768	315
Total non-current liabilities		98,471	95,144
		218,303	173,307
Equity			
Share capital	33	86,702	86,702
Reserves	34	131,601	86,605
Total equity		218,303	173,307

Approved and authorised for issue by the board of directors on 6 April 2007.

Chen Tonghai
Chairman

Wang Tianpu
Director, President

Dai Houliang
Director, Senior Vice President and
Chief Financial Officer

The notes on pages 123 to 160 form part of these financial statements.