

Change in share capital for the year ended 31 December 2006

1. Changes in share capital for the year ended 31 December 2006

	Before change		Change					After change	
	Ratio shares	Ratio (%)	Rationed shares	Bonus shares	Shares transferred		Sub-total	Ratio Shares	Ratio (%)
					from reserve funds	Others			
I. Shares not in circulation									
1. Promoter's shares comprising,	4,000,000,000	55.56	-	-	-	-	-	4,000,000,000	55.56
State-owned shares	4,000,000,000	55.56	-	-	-	-	-	4,000,000,000	55.56
Domestic legal person shares	-	-	-	-	-	-	-	-	-
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 2006

- (i) Issue of shares during the past three years
As at 31 December 2006, 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 2006.



Shareholders

1. Total Number of shareholders and their shareholding as at 31 December 2006

Total number of shareholders at end of the Reporting Period 115,433

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
	China Petroleum & Chemical Corporation	State-owned Shareholder	55.56	4,000,000,000	0	Non-circulating	4,000,000,000	Nil
	HKSCC (Nominees) Limited	Foreign Shareholder	26.74	1,925,125,401	10,738,544	Circulating	0	Unknown
	Hong Kong & Shanghai Banking Corporation (Nominees) Limited	Foreign Shareholder	4.95	356,576,000	632,000	Circulating	0	Unknown
	Shanghai Kangli Gong Mao Company	Others	0.23	16,730,000	0	Non-circulating	16,730,000	Unknown
	China Construction Bank - Bosera Thematic Sector Equity Securities Investment Fund	Others	0.21	15,022,429	Unknown	Circulating	0	Unknown
	China Merchants Bank Co., Ltd. - Shang Zheng Hong Li Jiao Yi Xing Kai Fang Shi Securities Investment Fund	Others	0.17	12,123,764	12,123,764	Circulating	0	Unknown
	Zhejiang Province Economic Construction and Investment Company	Others	0.17	12,000,000	0	Non-circulating	12,000,000	Unknown
	Ximeng Assets Holding Company Limited	Others	0.17	11,900,000	Unknown	Circulating	0	Unknown
	Hong Kong & Shanghai Banking Corporation (Nominees) Limited	Foreign Shareholder	0.14	10,402,000	10,000	Circulating	0	Unknown
	CICC-Standard Chartered -Citigroup Global Markets Limited	Others	0.10	7,065,498	2,495,836	Circulating	0	Unknown

Top 10 holders of shares in circulation

Name of shareholders	Number of shares in circulation held	Type of Shares
HKSCC (Nominees) Limited	1,925,125,401	Overseas listed foreign shares
Hong Kong & Shanghai Banking Corporation (Nominees) Limited	356,576,000	Overseas listed foreign shares
China Construction Bank - Bosera Thematic Sector Equity Securities Investment Fund	15,022,429	RMB ordinary shares
China Merchants Bank Co., Ltd. - Shang Zheng Hong Li Jiao Yi Xing Kai Fang Shi Securities Investment Fund	12,123,764	RMB ordinary shares
Ximeng Assets Holding Company Limited	11,900,000	RMB ordinary shares
Hong Kong & Shanghai Banking Corporation (Nominees) Limited	10,402,000	Overseas listed foreign shares
CICC -Standard Chartered - Citigroup Global Markets Limited	7,065,498	RMB ordinary shares
Industrial and Commercial Bank of China - Shang Zheng 50 Jiao Yi Xing Kao Fang Shi Index Securities Investment Fund	6,972,315	RMB ordinary shares
Wangxiang Finance Co., Ltd.	6,410,039	RMB ordinary shares
China Minsheng Banking Corp., Ltd. - Orient Jing Xuan Hun He Xing Kai Fang Shi Securities Investment Fund	5,580,000	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, 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 shareholders. Apart from the above, 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:	China Petroleum & Chemical Corporation (“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, extraction, production and trading of crude oil and natural gas; processing of petroleum; production of petroleum products, trading, transportation, distribution and sales of petroleum products; production, distribution and trading of petrochemical products.

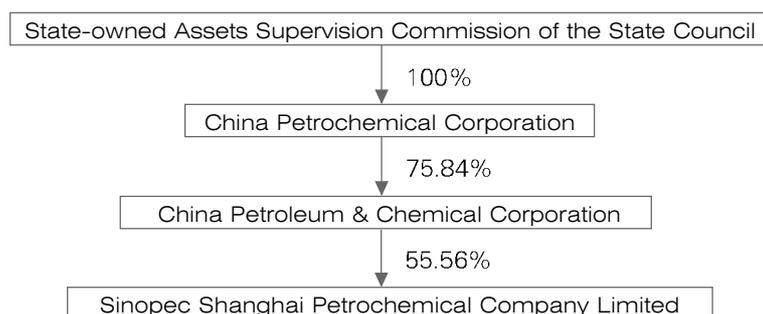
(2) De facto controller

Name of the de facto controller:	China Petrochemical Corporation (“Sinopec”)
Authorised representative:	Chen Tonghai
Registered capital:	RMB104.9 billion
Date of incorporation:	July 1998
Major business :	provide well drilling services, oil well logging services and mine shaft work services; manufacturing of production equipment and maintenance services; project construction services and public works and social services such as water and electricity.

(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 the 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 2006, HKSCC (Nominees) Limited held 1,925,125,401 H shares of the Company, representing 26.74% of the total issued 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 29 March 2007, 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 (the "Hong Kong Listing Rules").

Interests and Short Positions of Substantial Shareholders and Other Persons in Shares and Underlying Shares

As at 31 December 2006, the interests and short positions of the Company's substantial shareholders and other persons who are required to disclose their interests pursuant to Part XV of the the Securities and Futures Ordinance (Chapter 571 of the Laws of HongKong) ("SFO") of Hong Kong (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 of Hong Kong 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	-
Credit Suisse Group	Beneficial owner	208,225,909 (L)	2.89 (L)	8.94(L)
		93,688,711 (S)	1.30 (S)	4.02(S)
		5,852,010 (P)	0.08 (P)	0.25(P)
JPMorgan Chane & Co.	Beneficial owner	186,544,424 (L)	2.59 (L)	8.01 (L)
		138,833,084 (S)	1.93 (S)	5.96 (P)

Note: (L): Long positions; (S): Short positions; (P): Lending pool

(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 of Hong Kong in the underlying shares of equity derivatives were recorded in the register required to be kept under Section 336 of the SFO of Hong Kong.

(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 of Hong Kong 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 of Hong Kong.

Save as disclosed above, as at 31 December 2006, 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 of Hong Kong.