

(D) RECONCILIATION STATEMENT OF DIFFERENCES IN CONSOLIDATED SHAREHOLDERS' FUNDS BETWEEN THE
NEW AND OLD PRC ACCOUNTING STANDARDS
REVIEW REPORT OF THE PRC AUDITORS



The Board of Directors of China Petroleum & Chemical Corporation:

We have reviewed the attached reconciliation statement of differences in consolidated shareholders' funds between the new and old PRC accounting standards of China Petroleum & Chemical Corporation (the "Company") as at 31 December 2006 and 1 January 2007 (the "reconciliation statement of differences"). It is the responsibility of the Company's management to prepare the reconciliation statement of differences in accordance with the basis of preparation set out in note 2 to the reconciliation statement of differences. Our responsibility is to issue a review report on the reconciliation statement of differences based on our review.

According to relevant requirements of the "Notice on the Proper Disclosure of Financial and Accounting Information In Relation to the New Accounting Standards" (Zheng Jian Fa [2006] No. 136), we conducted our review by reference to the Standard on Review Engagements for Certified Public Accountants Registered in the PRC no. 2101 – Engagements to Review Financial Statements. This standard requires that we plan and perform the review to obtain limited assurance about whether the reconciliation statement of differences is free from material misstatement. A review is limited largely to making enquiries of relevant personnel of the Company about the accounting policies and all the important assumptions underlying the reconciliation statement of differences, obtaining an understanding of the calculation of the reconciled amounts in the reconciliation statement of differences, reading the reconciliation statement of differences to determine whether the basis of preparation has been properly followed and performing analytical procedures as and when necessary. A review provides a lower level of assurance than an audit. We have not conducted an audit and, accordingly, we do not express an audit opinion.

On the basis of our review, we are not aware of any issues which cause us to believe that the above reconciliation statement of differences has not been prepared, in all material respects, in accordance with the basis of preparation set out in note 2 to the reconciliation statement of differences.

KPMG Huazhen

Certified Public Accountants
Registered in the People's Republic of China

Wu Wei
Zhang Jingjing

Beijing, The People's Republic of China

6 April 2007