



中国石油化工股份有限公司
CHINA PETROLEUM & CHEMICAL CORPORATION

Re: Exposure Draft on Improvements to IFRSs

December 25, 2009

Dear sir/Madam,

We appreciate the opportunity to respond to the Exposure Draft on Improvements to IFRSs on behalf of China Petroleum & Chemical Corporation (hereinafter "Sinopec Corp."). It is noted that the International Accounting Standards Board (hereinafter "the Board") has put much effort, especially that reflected in the modifications to the Proposal Amendments, to improve the measurement of assets revaluation. Sinopec Corp. strongly supports the Board to modify the current IFRSs except for the following matters on which we have concerns:

Question 1

Do you agree with the Board's proposal to amend the IFRS as described in the exposure draft? If not, why and what alternative do you propose?

IFRS1 First-time Adoption of International Financial Reporting standards-revaluation as deemed cost

We generally agree the amendments to allow a first-time adopter to use an event-driven revaluation as "deemed cost" when the revaluation occurred after the date of transition to IFRSs but during the reporting periods covered by the first IFRS financial statements. However, we feel that there is still some room to be improved in the Proposed Amendments as follows:

Paragraph D8 says the entity may elect a deemed cost at the date of transition that meets the criteria in paragraphs D5–D7. However, paragraphs D5–D7 says valuations obtained at, or before, the date of transition to IFRSs are deemed cost at the date of the revaluation, not mentioning how to recognize valuations obtained after the date of transition to IFRSs but during the reporting periods covered by the first IFRS financial statements. Therefore, we suggest that the Board clarify on how the entity should recognize revaluations obtained after the date of transition as deemed cost.



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In addition, we suggest that the Board state how the event-driven revaluation should be recognized when the recognition and measurement date is after the date of transition, i.e. should the revaluation be recognized in profit and loss, in comprehensive income or in equity? We suggest that revaluation should be recognized under equity.

Finally, we appreciate the opportunity to share our views and recommendations with the Board regarding the Proposed Amendments. Should you have any questions regarding this reply letter, please contact Ms. Lian Jia at lianji@sinopec.com or Miss Wang Yan at caroline.wang@sinopec.com.

Sincerely yours,

Wang Xinhua (signature)
Chief Financial Officer
China Petroleum & Chemical Corporation

A handwritten signature in black ink, appearing to read "Wang Xinhua", with a long vertical line extending downwards from the end of the signature.