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中国石油化工股份有限公司

CHINA PETROLEUM & CHEMICAL CORPORATION

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 00386)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2019**

1 Important Notice

- 1.1 This announcement is a summary of the 2019 interim report of China Petroleum & Chemical Corporation (“**Sinopec Corp.**”). The full version of 2019 interim report is published on the websites of Shanghai Stock Exchange (www.sse.com.cn), The Stock Exchange of Hong Kong Limited (“**Hong Kong Stock Exchange**”) (www.hkex.com.hk) and Sinopec Corp. (www.sinopec.com/listco). Investors should read the 2019 interim report for more details.
- 1.2 The interim financial statements for the six-month period ended 30 June 2019 (the “**reporting period**”) of Sinopec Corp. and its subsidiaries (the “**Company**”), prepared in accordance with the Accounting Standards for Business Enterprises of the PRC (“**CASs**”) and International Financial Reporting Standards (“**IFRS**”), have been reviewed by PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers Certified Public Accountants respectively.

1.3 Basic Information of Sinopec Corp.

Stock name	中国石化	SINOPEC CORP	SINOPEC CORP	SINOPEC CORP
Stock code	600028	00386	SNP	SNP
Stock Exchange	Shanghai Stock Exchange	Hong Kong Stock Exchange	New York Stock Exchange	London Stock Exchange
	Authorised Representatives		Secretary to the Board	Representative on Securities Matters
Name	Mr. Ma Yongsheng	Mr. Huang Wensheng	Mr. Huang Wensheng	Mr. Zheng Baomin
Address	22 Chaoyangmen North Street, Chaoyang District, Beijing, PRC			
Tel	86-10-59960028	86-10-59960028	86-10-59960028	86-10-59960028
Fax	86-10-59960386	86-10-59960386	86-10-59960386	86-10-59960386
E-mail	ir@sinopec.com			

2 Principal Financial Data and Indicators

2.1 Principal Financial Data and Indicators Prepared in Accordance with CASs

Items	As at 30 June 2019 (Unaudited) RMB million	As at 31 December 2018 (Audited) RMB million	Changes from the end of the last year %
Total assets	1,824,845	1,592,308	14.6
Total equity attributable to equity shareholders of the Company	724,495	718,355	0.9

Items	Six-month period ended 30 June		Changes over the same period of preceding year %
	2019	2018	
	(Unaudited) RMB million	(Unaudited) RMB million	
Net cash flow from operating activities	32,918	71,620	(54.0)
Operating income	1,498,996	1,300,252	15.3
Net profit attributable to equity shareholders of the Company	31,338	41,600	(24.7)
Net profit attributable to equity shareholders of the Company excluding extraordinary gains and losses	30,451	39,791	(23.5)
Weighted average return on net assets (%)	4.28	5.74	(1.46)
			percentage points
Basic earnings per share (RMB)	0.259	0.344	(24.7)
Diluted earnings per share (RMB)	0.259	0.344	(24.7)

2.2 Principal Financial Data and Indicators Prepared in Accordance with IFRS

Items	Six-month period ended 30 June		Changes over the same period of preceding year %
	2019	2018	
	(Unaudited) RMB million	(Unaudited) RMB million	
Operating profit	49,138	61,576	(20.2)
Profit attributable to owners of the Company	32,206	42,386	(24.0)
Basic earnings per share (RMB)	0.266	0.350	(24.0)
Diluted earnings per share (RMB)	0.266	0.350	(24.0)
Net cash generated from operating activities	32,918	71,620	(54.0)

Items	As of	As of	Changes from the end of the last year %
	30 June 2019	31 December 2018	
	(Unaudited) RMB million	(Audited) RMB million	
Total assets	1,824,845	1,592,308	14.6
Total equity attributable to owners of the Company	723,452	717,284	0.9

3 Number of Shareholders and Shareholdings of Principal Shareholders

As at 30 June 2019, there were a total of 489,391 shareholders of Sinopec Corp., of which 483,587 were holders of A shares and 5,804 were holders of H shares. The public float of Sinopec Corp. satisfied the minimum requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”).

3.1 Top ten shareholders as of 30 June 2019

Unit: share

Name of Shareholders	Nature of shareholders	Percentage of shareholdings %	Total number of shares held	Changes of shareholdings ¹	Number of shares subject to pledges or lock up
China Petrochemical Corporation	State-owned share	68.31	82,709,227,393	0	0
HKSCC (Nominees) Limited ²	H share	20.97	25,388,042,747	(2,617,691)	Unknown
中國證券金融股份有限公司	A share	2.16	2,609,312,057	0	0
China National Holdings Limited	A share	1.03	1,252,427,354	(750,400)	0
北京誠通金控投資有限公司	A share	0.86	1,038,657,802	91,053,548	0
Hong Kong Securities Clearing Company Ltd	A share	0.59	716,173,774	(305,608,386)	0
中央匯金資產管理有限責任公司	A share	0.27	322,037,900	0	0
中國人壽保險股份有限公司-分紅-個人分紅-005-FH002滬	A share	0.25	297,950,260	115,992,600	0
中國人壽保險股份有限公司-傳統-普通保險產品-005L-CT001滬	A share	0.22	261,330,179	111,594,040	0
Guotai Junan Securities Co., Ltd.	A share	0.12	145,591,313	66,960,753	0

Notes:

1. As compared with the number of shares as at 31 December 2018.
2. Sinopec Century Bright Capital Investment Limited, a wholly-owned overseas subsidiary of China Petrochemical Corporation, holds 553,150,000 H shares, accounting for 0.46% of the total share capital of Sinopec Corp. Such shareholdings are included in the total number of shares held by HKSCC Nominees Limited.

Statement on the connected relationship or acting in concert among the aforementioned shareholders:

Apart from 中國人壽保險股份有限公司-分紅-個人分紅-005L-FH002滬 and 中國人壽保險股份有限公司-傳統-普通保險產品-005L-CT001滬 which were both administrated by 中國人壽保險股份有限公司, Sinopec Corp. is not aware of any connected relationship or acting in concert among or between the above-mentioned shareholders.

3.2 Information disclosed by H share shareholders in accordance with the Securities and Futures Ordinance (SFO) as of 30 June 2019

Name of shareholders	Status of shareholders	Number of shares of interests held or regarded as held	Approximate percentage of Sinopec Corp.'s issued share capital (H share) (%)
BlackRock, Inc.	Interests of corporation controlled by the substantial shareholder	2,276,472,135(L)	8.92(L)
Citigroup Inc.	Person having a security interest in shares	324,400(L)	0.00(L)
	Interests of corporation controlled by the substantial shareholder	114,751,966(L)	0.45(L)
	Approved lending agent	86,744,415(S)	0.34(S)
		1,951,640,484(L)	7.65(L)
Schroders Plc	Investment manager	1,530,314,895(L)	6.00(L)
JPMorgan Chase & Co.	Beneficial owner	321,650,960(L)	1.26(L)
		242,975,089(S)	0.95(S)
	Investment manager	296,492,462(L)	1.16(L)
		30,000(S)	0.00(S)
	Person having a security interest in shares	22,202,422(L)	0.09(L)
	Trustee (exclusive of passive trustee)	1,418,000(L)	0.01(L)
	Approved lending agent	685,993,518(L)	2.69(L)

Note: (L) Long position, (S): Short position

3.3 Changes in the Controlling Shareholders and the de facto Controller

There was no change in the controlling shareholder or the de facto controller of Sinopec Corp. during the reporting period.

4 Equity Interests of Directors, Supervisors and Other Senior Management

As at 30 June 2019, apart from the 13,000 A shares of Sinopec Corp. held by Director and Senior Vice President Mr. Ling Yiqun, none of the directors, supervisors and other senior management of Sinopec Corp. held any shares of Sinopec Corp.

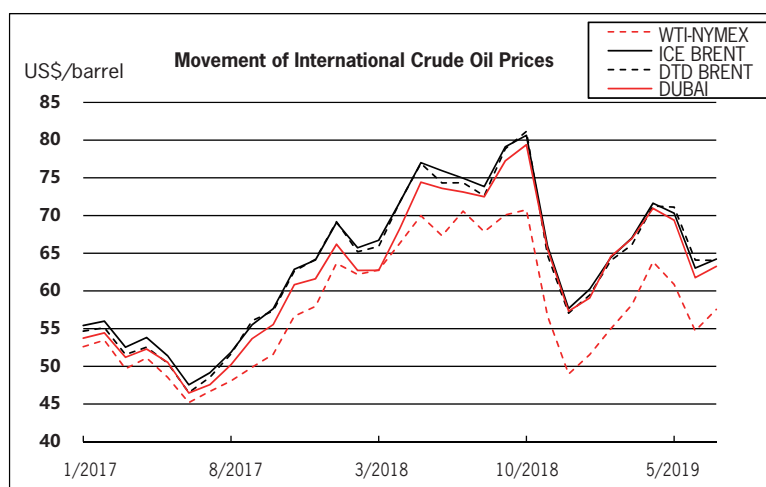
Save as disclosed above, the directors, supervisors and other senior management of Sinopec Corp. confirmed that none of them or any of their associates had any interest or short positions in any shares, underlying shares or debentures of Sinopec Corp. or any of its associated corporations (within the meaning of Part XV of the SFO), as recorded in the registry pursuant to Section 352 of the SFO or as otherwise notified to Sinopec Corp. and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (“**Model Code**”) contained in Appendix 10 to the Hong Kong Listing Rules.

5 Business Review and Prospects

5.1 Business Review

In the first half of 2019, recovery of the global economy slowed down, while China’s economy maintained an overall stable growth securing progress in its economic development with gross domestic product (GDP) up by 6.3%. The domestic demand for natural gas kept a high growth rate, up by 10.8% year on year. While the domestic demand for refined oil products maintained steady growth, the market witnessed strong competition with abundant supply. The domestic demand for major chemicals increased rapidly.

In the first half of 2019, international crude oil prices fluctuated with an upward trend first, and then slided rapidly. The average spot price of Platts Brent for the first half of 2019 was USD 65.95 per barrel, down by 6.6% year on year.



5.1.1 Operations Review

(1) Exploration and production

In the first half of 2019, the Company fully implemented the action plan of redoubling efforts in oil and gas exploration and production. Good results were obtained through efforts in maintaining oil production, increasing gas output and reducing cost while promoting an integrated value chain of natural gas business including production, supply, storage and marketing. In exploration, we continued to push forward high-quality exploration and reinforced preliminary exploration in new areas as well as integrating evaluation for key exploration and production projects to increase reserves, which led to new oil and gas discoveries in Jiyang Depression, Sichuan Basin and Ordos Basin, etc. In development, we strengthened the capacity building of profitable oil production and continuously promoted effective and rapid growth of natural gas. Capacity buildings in Fuling, Weirong, West Sichuan Depression and Dongsheng gas fields were accelerated with production and distribution optimised to promote a coordinated growth along the value chain. Production of oil and gas in the first half of 2019 was 226.63 million barrels of oil equivalent, up by 0.9% year on year, of which domestic crude production increased slightly to 124.05 million barrels, overseas crude production was 17.63 million barrels, and total gas production was 509.5 billion cubic feet, up by 7.0% compared to the same period of last year.

Exploration and Production: Summary of Operations

	Six-month period ended 30 June		Changes
	2019	2018	(%)
Oil and gas production (mmboe)	226.63	224.59	0.9
Crude oil production (mmbbls)	141.68	143.63	(1.4)
China	124.05	123.68	0.3
Overseas	17.63	19.95	(11.6)
Natural gas production (bcf)	509.50	476.20	7.0

(2) Refining

In the first half of 2019, with a market-oriented approach, we brought the advantage of integrated operations into full play, and continued to optimise product mix to produce more gasoline, jet fuel and chemical feedstock. Production of high-value-added products further increased, and diesel-to-gasoline ratio declined to 1.03. New projects and structural adjustment projects were implemented in an orderly manner. We moderately increased the export of refined oil products and expanded the market of kerosene to keep a relatively high utilisation rate. We implemented and constantly optimised the quality upgrading plan for new spec bunker fuel. In the first half of 2019, we processed 124 million tonnes of crude oil, up by 2.7% year on year, and produced 78.94 million tonnes of refined oil products, up by 3.4% year on year, with production of gasoline and kerosene up by 4.3% and 7.9%, respectively.

Refining: Summary of Operations

Unit: million tonnes

	Six-month period ended 30 June		Changes
	2019	2018	(%)
Refinery throughput	123.92	120.72	2.7
Gasoline, diesel and kerosene production	78.94	76.37	3.4
Gasoline	31.33	30.04	4.3
Diesel	32.24	32.09	0.5
Kerosene	15.37	14.25	7.9
Light chemical feedstock production	20.04	19.34	3.6

Note: Includes 100% of production of domestic joint ventures.

(3) Marketing and distribution

In the first half of 2019, confronted with strong competition, the Company aimed to achieve a balance between sales volume and profit. We brought our advantages of integrated business and distribution network into full play, coordinated internal and external resources, intensified efforts to explore more markets, thus, achieved sustained growth in both total domestic sales volume and retail scale. We adopted a flexible and targeted marketing strategy and upgraded our distribution network to reinforce existing advantages. We continuously explored overseas market in refined oil products, and expanded the scale of international trade. Total sales volume of refined oil products in the first half of 2019 was 126.91 million tonnes, up by 9.6% year on year, of which domestic sales volume was 91.77 million tonnes, up by 3.8% year on year. We strengthened the cultivation of self-owned brands and supply chain management, to enhance the profitability of non-fuel business.

Marketing and Distribution: Summary of Operations

	Six-month period ended 30 June		Change (%)
	2019	2018	
Total sales volume of refined oil products (million tonnes)	126.91	115.75	9.6
Total domestic sales volume of refined oil products (million tonnes)	91.77	88.45	3.8
Retail (million tonnes)	60.06	59.28	1.3
Direct sales and Distribution (million tonnes)	31.72	29.16	8.8
Annualised average throughput per station (tonne/station)	3,916	3,870	1.2

Note: The total sales volume of refined oil products includes the amount of refined oil marketing and trading sales volume.

	As of	As of	Change from the end of last year (%)
	30 June 2019	31 December 2018	
Total number of Sinopec-branded service stations	30,674	30,661	0.04
Number of company-operated stations	30,668	30,655	0.04
Number of convenience stores	27,362	27,259	0.38

(4) Chemicals

In the first half of 2019, the Company adhered to the development philosophy of “basic plus high-end” and sharpened market competitiveness through effective supply. We constantly fine-tuned chemical feedstock mix to further lower costs. We optimised product slate and increased high-end products output. The ratio of new and specialty products of synthetic resin reached 64.6%, the ratio of high-value-added products of synthetic rubber reaching 28.2%, and differential ratio of synthetic fibre reaching 90.2%. By enhancing the dynamic optimisation of facilities and product chain, and improving the utilisation and production scheduling based on market demand, we actively promoted a number of key projects and accelerated the construction of advanced production capacity. Ethylene production for the first half of 2019 was 6.16 million tonnes, up by 6.5% year on year. We enhanced the integration among production, marketing, R&D and application, promoted targeted marketing and service, and further expanded the market to enhance profitability along the value chain. Total chemical sales volume for the first half amounted to 48.69 million tonnes, up by 14.4% from the corresponding period in 2018.

Major Chemical Products: Summary of Operations

Unit: 1,000 tonnes

	Six-month period ended 30 June		Changes
	2019	2018	(%)
Ethylene	6,160	5,786	6.5
Synthetic resin	8,429	8,068	4.5
Synthetic fiber monomer and polymer	5,030	4,601	9.3
Synthetic fiber	633	603	5.0
Synthetic rubber	529	405	30.6

Note: Includes 100% of production of domestic joint ventures.

5.1.2 Health, Safety, Security and Environment

The Company constantly promoted the HSSE system in the first half of 2019 and implemented the concept of “Comprehensive Health” by integrating the management of occupational, physical and mental health of our employees. Stringent rules were set to control risks and supervise the safety and operations of contractors and strict measures were taken to manage and control major safety risks and eliminate significant safety hazards, all contributing to the stable and safe production performance. We upgraded our capabilities in all-dimension risk prevention and control as well as emergency response, further enhancing public security management. We actively practiced green and low-carbon growth strategy, enhanced coordinated management of energy and environment, and further promoted the Green Enterprise Campaign and the Energy Efficiency Upgrading Plan. We reinforced carbon asset management and pollution prevention and treatment. Energy management and environmental protection continued to yield good results on all fronts. In the first half of the year, the comprehensive energy consumption of the Company was flat with the same period of last year. Industrial fresh water usage was down by 1.1% year on year. COD of discharged waste water went down by 2.2% year on year and SO₂ emissions down by 4.0% year on year. All solid waste was properly treated.

5.1.3 Capital Expenditures

Focusing on quality and return on investment, the Company continuously optimised its investment projects. In the first half of 2019, total capital expenditures were RMB 42.878 billion. Capital expenditures for the exploration and production segment were RMB 20.064 billion, mainly for crude capacity building in Shengli and Northwest oilfields, shale gas capacity building in Fuling and Weirong, natural gas pipeline and storage as well as overseas projects. Capital expenditures for the refining segment were RMB 8.779 billion, mainly for the Zhongke integrated refining and chemical project, product mix optimisation of Tianjin, Zhenhai, Luoyang and Maoming. Capital expenditures for the marketing and distribution segment were RMB 8.071 billion, mainly for constructing refined oil products depots, pipelines and service stations. Capital expenditures for the chemicals segment were RMB 5.674 billion, mainly for integrated refining and chemical projects of Zhongke, Zhenhai and Wuhan. Capital expenditures for corporate and others were RMB 290 million, mainly for R&D facilities and information technology projects.

5.2 Business Prospects

Looking ahead to the second half of 2019, the international economy is expected to show a slower growth rate in the midst of a complex and uncertain global political and economic environment. As China will keep prioritising supply-side structural reform and advancing high quality development, continued growth of China's economy will further drive up the domestic demand for refined oil products and petrochemicals with a trend of demand for high end products. Along with the adjustment of China's energy structure, the domestic demand for natural gas will maintain strong growth.

Confronted with the present situation, the Company will stay committed to the overall guidelines of seeking steady progress, and pursue new concepts of development to fully optimise operations, expand markets, reduce costs, control risks and realize growth. Our focuses are on the following aspects:

For Exploration and Production, we will fully implement the action plan of redoubling efforts in oil and gas exploration and development, promote efficient exploration and profit-oriented production, and increase proved reserves to enhance sustainable development. In crude oil development, efforts will be made in promoting the capacity building of Shunbei and Shengli offshore blocks, improving refined reservoir characterisation and development of mature fields, and increasing reserve development rate and recovery rate through technology optimisation and scaled application. In natural gas development, we will accelerate the capacity construction of key areas as Western Sichuan and Hangjinqi, optimise the integrated system of natural gas production, supply, storage and marketing so as to achieve rapid and efficient development of the gas business. In the second half of 2019, we plan to produce 142 million barrels of crude oil, among which, domestic and overseas production will be 125 million barrels and 17 million barrels respectively, and 507 billion cubic feet of natural gas.

For Refining, we will strengthen crude oil procurement and inventory and transportation management to improve the high-efficiency operation of the value chain and synergised profit-making ability, and promote the refining value chain based on the integrated advantage. We will accelerate the advanced capacity building, facilitate differentiated development for refineries to improve competitiveness in the market. We will further promote the application of technology for optimising refinery process, and adjust product mix based on the market. The quality upgrading plan for new spec bunker fuel will be improved to reduce production costs. In the second half of 2019, we plan to process 124 million tonnes of crude oil.

For Marketing and Distribution, we will stick to our strategy of balancing volume and profit, continue to optimise resources allocation, expand market, and increase operational profits. We will make efforts to expand total sales volume and retail scale through implementing targeted marketing. We will further improve our marketing network to reinforce existing advantages. We will accelerate exploring the e-vehicle charging and battery swapping business, and push forward the construction of hydrogen refueling stations. We will accelerate the development and marketing of self-owned brand products, improve the new business model of “Internet + service stations + convenience stores + comprehensive services” to advance the growth of non-fuel business. In the second half of 2019, we plan to sell 91.12 million tonnes of refined oil products in the domestic market.

For Chemicals, we will focus on the “basic plus high-end” development concept, speed up advantageous and advanced capacity building, strengthen transformation and upgrading, and upgrade our competitiveness and profit-making ability. We will fine-tune our feedstock slate, aim to maximise profit, diversify feedstock procurement channels, and reduce cost. We will further adjust product slate, and coordinate production, marketing, research, and application to raise the proportion of high-end products. We will make further adjustments to the structure of plants, enhance the dynamic optimisation of plants and product chains, and improve the utilisation and production plan. Meanwhile, we will carry out more thorough research on the market, promote precision marketing, integrate online and offline marketing, proactively develop market and expand sales, and keep increasing our market share. We plan to produce 6.04 million tonnes of ethylene in the second half of 2019.

In the second half of the year, the Company will continue to follow specialised development, market-oriented operation, internationalisation and overall coordination to promote high-quality development and deliver good operating results.

6 Management's Discussion and Analysis

The following discussion and analysis should be read in conjunction with the Company's interim financial statements and the accompanying notes in the interim report. Parts of the following financial data, unless otherwise stated, were consistent with the company's interim financial statements that have been prepared according to IFRS. The prices in the following discussion do not include value-added tax.

6.1 Consolidated results of operations

In the first half of 2019, the Company's turnover and other operating revenues were RMB 1,499.0 billion, representing an increase of 15.3% year on year, and operating profit was RMB 49.1 billion, representing a decrease of 20.2% year on year.

The following table sets forth the principal revenue and expenses items from the Company's unaudited consolidated financial statements for the first half of 2019 and the corresponding period in 2018:

	Six-month period ended 30 June		Change (%)
	2019 RMB million	2018 RMB million	
Turnover and other operating revenues	1,498,996	1,300,252	15.3
Turnover	1,466,833	1,268,803	15.6
Other operating revenues	32,163	31,449	2.3
Operating expenses	(1,449,858)	(1,238,676)	17.0
Purchased crude oil, products, and operating supplies and expenses	(1,207,182)	(994,797)	21.3
Selling, general and administrative expenses	(24,765)	(31,332)	(21.0)
Depreciation, depletion and amortisation	(52,684)	(51,902)	1.5
Exploration expenses, including dry holes	(4,347)	(4,362)	(0.3)
Personnel expenses	(38,221)	(37,340)	2.4
Taxes other than income tax	(120,246)	(118,721)	1.3
Other operating expense, net	(2,413)	(222)	986.9
Operating profit	49,138	61,576	(20.2)
Net finance costs	(5,163)	(263)	1,863.1
Investment income and share of profit less losses from associates and joint ventures	6,106	7,458	(18.1)
Profit before taxation	50,081	68,771	(27.2)
Income tax expense	(10,140)	(14,586)	(30.5)
Profit for the period	39,941	54,185	(26.3)
Attributable to:			
Owners of the Company	32,206	42,386	(24.0)
Non-controlling interests	7,735	11,799	(34.4)

(1) Turnover and other operating revenues

In the first half of 2019, the Company's turnover was RMB 1,466.8 billion, representing an increase of 15.6% year on year. The change was mainly attributable to the expansion of production volume and trading scale.

The following table sets forth the external sales volume, average realised prices and respective change rates of the Company's major products in the first half of 2019 as compared with the first half of 2018.

	Sales Volume (thousand tonnes)			Average realised price (VAT excluded) (RMB/tonne, RMB/thousand Six-month period ended 30 June cubic meters)		
	Six-month period ended 30 June		Change (%)	Six-month period ended 30 June		Change (%)
	2019	2018		2019	2018	
Crude Oil	2,997	3,580	(16.3)	3,010	2,880	4.5
Natural gas (million cubic meters)	13,133	11,799	11.3	1,416	1,362	4.0
Gasoline	45,093	43,623	3.4	7,484	7,635	(2.0)
Diesel	41,480	39,749	4.4	5,686	5,701	(0.3)
Kerosene	13,010	12,071	7.8	4,261	4,220	1.0
Basic chemical feedstock	21,320	20,005	6.6	4,664	5,287	(11.8)
Synthetic fibre monomer and polymer	8,291	5,495	50.9	5,831	6,729	(13.3)
Synthetic resin	7,670	7,190	6.7	7,928	8,495	(6.7)
Synthetic fibre	661	639	3.4	9,063	9,405	(3.6)
Synthetic rubber	629	533	18.0	9,674	10,612	(8.8)

Most of the crude oil and a small portion of natural gas produced by the Company were internally used for refining and chemical production with the remaining sold to other customers. In the first half of 2019, the turnover from crude oil, natural gas and other upstream products sold externally amounted to RMB 54.5 billion, up by 32.4% year on year, accounting for 3.6% of the Company's turnover and other operating revenues. The change was mainly attributable to increases in natural gas sales volume and prices as the result of promoting the building of natural gas production-supply-storage-sale system and actively expanding market and promoting sales.

Petroleum products (mainly consisting of refined oil products and other refined petroleum products) sold externally by the Refining Segment and the Marketing and Distribution Segment achieved external sales revenues of RMB 742.6 billion, representing an increase of 3.3% year on year and accounting for 49.5% of the Company's turnover and other operating revenues. Those changes were mainly due to fully exerting the advantages of the integrated value chain, moderately increasing the export of refined oil products, maintaining high utilisation rates, and intensifying efforts to explore more market shares, which increased gasoline, diesel and kerosene sales volume. The sales revenue of gasoline, diesel and kerosene was RMB 628.8 billion, representing an increase of 3.0% year on year, accounting for 84.7% of the total sales revenue of petroleum products. Turnover of other refined petroleum products was RMB 113.9 billion, representing an increase of 5.4% year on year, accounting for 15.3% of the sales revenue of petroleum products.

The Company's external sales revenue of chemical products was RMB 225.4 billion, representing an increase of 3.0% year on year, accounting for 15.0% of its turnover and other operating revenues. The change was mainly due to the increases in chemical product sales volume as a result of actively expanding markets and enhancing market engagement through chemical products trade.

(2) Operating expenses

In the first half of 2019, the Company's operating expenses were RMB 1,449.9 billion, representing an increase of 17.0% year on year. The change was mainly due to the expansion of the Company's crude oil and refined oil products trading volume and the increase in procurement cost of crude oil affected by exchange rate. The operating expenses mainly consisted of the following:

Purchased crude oil, products and operating supplies and expenses were RMB 1,207.2 billion, representing an increase of 21.3% year on year, accounting for 83.3% of total operating expenses, of which:

- Crude oil purchasing expenses were RMB 337.6 billion, representing an increase of 7.3% year on year. Throughput of crude oil purchased externally in the first half of 2019 was 100.34 million tonnes (excluding the volume processed for third parties), up by 2.1% year on year. The average cost of crude oil purchased externally was RMB 3,364 per tonne, up by 5.1% year on year.
- The Company's purchasing expenses of refined oil products were RMB 177.2 billion, representing an increase of 10.2% over the same period of 2018. The change was mainly due to the increase in diesel volume purchased externally.
- The Company's purchasing expense related to trading activities were RMB 396.8 billion, representing an increase of 50.5% over the same period of 2018. This was mainly due to expansion of the crude oil and refined oil trade.
- Other purchasing expenses were RMB 295.7 billion, an increase of 15.5% year on year.

Selling, general and administrative expenses of the Company totalled RMB 24.8 billion, representing a decrease of 21.0% year on year. This was mainly because the company significantly reduced costs and expenses, and adjusted accounting of some of the gas stations, land and other rental expenses as required by the New Lease Standard.

Depreciation, depletion and amortisation expenses of the Company were RMB 52.7 billion, representing an increase of 1.5% year on year. This was mainly due to the increasing of right-of-use assets resulted from implementation of the New Lease Standard.

Exploration expenses in the first half of 2019 were RMB 4.3 billion, representing a decrease of 0.3% year on year.

Personnel expenses were RMB 38.2 billion, representing an increase of 2.4% year on year.

Taxes other than income tax were RMB 120.2 billion, representing an increase of 1.3% year on year.

Other operating expenses, net were RMB 2.4 billion, up by RMB 2.2 billion.

(3) Operating profit

In the first half of 2019, the Company's operating profit was RMB 49.1 billion, representing a decrease of 20.2% year on year. This was mainly due to the impact of narrowing gross margin of major products in refining and chemical segments.

(4) Net finance costs

In the first half of 2019, the Company's net finance costs were RMB 5.2 billion, up by RMB 4.9 billion, mainly affected by implementation of the New Lease Standard.

(5) Profit before taxation

In the first half of 2019, the Company's profit before taxation amounted to RMB 50.1 billion, representing a decrease of 27.2% year on year.

(6) Tax expense

In the first half of 2019, the Company's tax expense totalled RMB 10.1 billion, representing a decrease of 30.5% year on year.

(7) Profit attributable to non-controlling interests of the Company

In the first half of 2019, profit attributable to non-controlling interests was RMB 7.7 billion, a decrease of RMB 4.1 billion year on year.

(8) Profit attributable to owners of the Company

In the first half of 2019, profit attributable to owners of the Company was RMB 32.2 billion, representing a decrease of 24.0% year on year.

6.2 Assets, liabilities, equity and cash flows

(1) Assets, liabilities and equity

Unit: RMB million

	As of 30 June 2019 (Unaudited)	As of 31 December 2018 (Audited)	Change
Total assets	1,824,845	1,592,308	232,537
Current assets	544,858	504,120	40,738
Non-current assets	1,279,987	1,088,188	191,799
Total liabilities	957,629	735,773	221,856
Current liabilities	605,435	565,098	40,337
Non-current liabilities	352,194	170,675	181,519
Total equity attributable to owners of the Company	723,452	717,284	6,168
Share capital	121,071	121,071	—
Reserves	602,381	596,213	6,168
Non-controlling Interests	143,764	139,251	4,513
Total equity	867,216	856,535	10,681

(2) Cash Flow

The following table sets forth the major items in the unaudited consolidated cash flow statements for the first half of 2019 and of 2018.

Unit: RMB million

Major items of cash flows	Six-month period ended 30 June		Change
	2019	2018	
Net cash generated from operating activities	32,918	71,620	(38,702)
Net cash (used in)/generated from investing activities	(49,073)	19,258	(68,331)
Net cash used in financing activities	(2,945)	(49,308)	46,363
Net (decrease)/increase in cash and cash equivalents	(19,100)	41,570	(60,670)

6.3 The results of the principal operations by segments

Segments	Operating income (RMB million)	Operating cost (RMB million)	Gross profit margin* (%)	Increase of operating income on a year- on-year basis (%)	(Decrease)/	Increase/
					increase of operating cost on a year- on-year basis (%)	(decrease) of gross profit margin on a year- on-year basis (percentage point)
Exploration and Production	103,804	82,831	15.4	18.1	16.3	2.5
Refining	597,797	455,993	4.8	0.8	5.1	(3.4)
Marketing and Distribution	691,842	645,780	6.5	3.5	4.2	(0.6)
Chemicals	260,488	236,932	8.7	1.6	3.4	(1.5)
Corporate and Others	770,161	766,409	0.5	31.6	31.6	(0.0)
Elimination of inter- segment sales	(925,096)	(924,852)	N/A	N/A	N/A	N/A
Total	1,498,996	1,263,093	7.7	15.3	20.2	(2.3)

* Gross profit margin = (Operating income – Operating cost, tax and surcharges)/Operating income

7 Dividend

7.1 Dividend distribution for the year ended 31 December 2018

Upon approval at its 2018 annual general meeting, Sinopec Corp. distributed the final cash dividend of RMB 0.26 per share (tax inclusive). The final dividend for 2018 has been distributed to shareholders on or before 21 June 2019 who were registered as existing shareholders as at 10 June 2019. Combined with the 2018 interim cash dividend of RMB 0.16 per share (tax inclusive), the total cash dividend for the whole year 2018 amounted to RMB 0.42 per share (tax inclusive).

7.2 Interim dividend distribution plan for the six months ended 30 June 2019

As approved at the seventh meeting of the seventh session of board of directors of Sinopec Corp., the interim dividend for the six months ended 30 June 2019 of RMB 0.12 per share (tax inclusive) will be distributed based on the total number of shares as of 16 September 2019 (record date) in cash.

The 2019 interim dividend distribution plan of Sinopec Corp., with the consideration of interest of shareholders and development of the Company, is in compliance with the *Articles of Association of Sinopec Corp.* and relevant procedures. The independent non-executive directors of Sinopecs Corp. have issued independent opinions on it.

The interim cash dividend will be distributed on or before 26 September 2019 (Thursday) to all shareholders whose names appear on the register of members of Sinopec Corp. on 16 September 2019 (Monday). To be entitled to the interim dividend, holders of H shares shall lodge their share certificates and transfer documents with Hong Kong Registrars Limited at 1712-1716, 17th floor, Hopewell Centre, No. 183 Queen's Road East, Wanchai, Hong Kong, for registration of transfer, no later than 4:30 p.m. on 9 September 2019 (Monday). The register of members of H shares of Sinopec Corp. will be closed from 10 September 2019 (Tuesday) to 16 September 2019 (Monday) (both days inclusive).

The dividend will be denominated and declared in RMB and distributed to domestic shareholders and Shanghai-Hong Kong Stock Connect shareholders in RMB and to foreign shareholders in Hong Kong Dollars. The exchange rate for dividend to be paid in Hong Kong dollars is based on the average benchmark exchange rate of RMB against Hong Kong Dollar as published by the People's Bank of China one week ahead of the date of declaration of the interim dividend, i.e. 23 August 2019 (Friday).

In accordance with the *Enterprise Income Tax Law of the People's Republic of China* and its implementation regulations which came into effect on 1 January 2008, Sinopec Corp. is required to withhold and pay enterprise income tax at the rate of 10% on behalf of the non-resident enterprise shareholders whose names appear on the register of members for H Shares of Sinopec Corp. when distributing the cash dividends or issuing bonus shares by way of capitalisation from retained earnings. Any H Shares of the Sinopec Corp. which is not registered under the name of an individual shareholder, including those registered under HKSCC Nominees Limited, other nominees, agents or trustees, or other organisations or groups, shall be deemed as shares held

by non-resident enterprise shareholders. Therefore, on this basis, enterprise income tax shall be withheld from dividends payable to such shareholders. If holders of H Shares intend to change their shareholder status, please enquire about the relevant procedures with your agents or trustees. Sinopec Corp. will strictly comply with the law or the requirements of the relevant government authority to withhold and pay enterprise income tax on behalf of the relevant shareholders based on the registration of members for H shares of Sinopec Corp. as at the record date.

If the individual holders of H shares are residents of Hong Kong, Macau or countries which had an agreed tax rate of 10% for cash dividends or bonus shares by way of capitalisation form retained earnings with China under the relevant tax agreement, Sinopec Corp. should withhold and pay individual income tax on behalf of the relevant shareholders at a rate of 10%. Should the individual holders of H Shares are residents of countries which had an agreed tax rate of less than 10% with China under relevant tax agreement, Sinopec Corp. shall withhold and pay individual income tax on behalf of the relevant shareholders at a rate of 10%. In that case, if the relevant individual holders of H Shares wish to reclaim the extra amount withheld (Extra Amount) due to the application of 10% tax rate, Sinopec Corp. would apply for the relevant agreed preferential tax treatment provided that the relevant shareholders submit the evidence required by the notice of the tax agreement to the share register of Sinopec Corp. in a timely manner. Sinopec Corp. will assist with the tax refund after the approval of the competent tax authority. Should the individual holders of H Shares are residents of countries which had an agreed tax rate of over 10% but less than 20% with China under the tax agreement, Sinopec Corp. shall withhold and pay the individual income tax at the agreed actual rate in accordance with the relevant tax agreements. In the case that the individual holders of H Shares are residents of countries which had an agreed tax rate of 20% with China, or which had not entered into any tax agreement with China, or otherwise, Sinopec Corp. shall withhold and pay the individual income tax at a rate of 20%.

Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知) (Caishui [2014] No. 81):

For domestic investors of H Shares of Sinopec Corp. through Shanghai-Hong Kong Stock Connect, Sinopec Corp. shall withhold and pay income tax at the rate of 20% on behalf of individual investors and securities investment funds. Sinopec Corp. will not withhold or pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves.

For investors in the Hong Kong Stock Exchange (including enterprises and individuals) investing in the A Shares of Sinopec Corp. through Shanghai-Hong Kong Stock Connect Program, Sinopec Corp. will withhold and pay income taxes at the rate of 10% on behalf of those investors and will report to the tax authorities for the withholding. For investors who are tax residents of other countries, whose country of domicile is a country having entered into a tax treaty with the PRC stipulating a dividend tax rate of lower than 10%, the enterprises and individuals may, or may entrust a withholding agent to, apply to the tax authorities for the entitlement of the rate under such tax treaty. Upon approval by the tax authorities, the amount paid in excess of the tax payable based on the tax rate under such tax treaty will be refunded.

8 Financial statements

In this section, the Company refers to China Petroleum & Chemical Corporation and the Group refers to China Petroleum & Chemical Corporation and its subsidiaries.

8.1 Auditors' opinion

Financial statements	<input checked="" type="checkbox"/> Unaudited	<input type="checkbox"/> Audited
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8.2 Financial Statements

8.2.1 Interim financial statements prepared under CASs

Consolidated and Parent Balance Sheets

Unit:RMB million

Items	At 30 June 2019 (Unaudited)		At 31 December 2018 (Audited)	
	Consolidated	Parent	Consolidated	Parent
Assets				
Current assets				
Cash at bank and on hand	163,147	71,662	167,015	82,879
Financial assets held for trading	19,539	10,500	25,732	22,500
Derivative financial assets	3,690	288	7,887	—
Bills receivable	6,986	340	7,886	156
Accounts receivable	72,455	28,650	56,993	29,989
Prepayments	9,064	3,778	5,937	2,488
Other receivables	24,924	61,078	25,312	57,432
Inventories	222,891	57,302	184,584	45,825
Other current assets	22,162	20,491	22,774	15,835
Total current assets	544,858	254,089	504,120	257,104
Non-current assets				
Long-term equity investments	148,016	293,255	145,721	289,207
Other equity instrument investments	1,426	395	1,450	395
Fixed assets	601,321	291,289	617,812	302,082
Construction in progress	148,116	52,440	136,963	51,598
Right-of-use assets	204,615	116,645	—	—
Intangible assets	103,141	8,635	103,855	8,571
Goodwill	8,680	—	8,676	—
Long-term deferred expenses	7,944	2,463	15,659	2,480
Deferred tax assets	18,526	10,073	21,694	11,021
Other non-current assets	38,202	4,245	36,358	9,145
Total non-current assets	1,279,987	779,440	1,088,188	674,499
Total assets	1,824,845	1,033,529	1,592,308	931,603

Unit:RMB million

Items	At 30 June 2019 (Unaudited)		At 31 December 2018 (Audited)	
	Consolidated	Parent	Consolidated	Parent
Liabilities and shareholders' equity				
Current liabilities				
Short-term loans	76,742	31,119	44,692	3,961
Derivative financial liabilities	1,986	1	13,571	967
Bills payable	6,749	2,464	6,416	2,075
Accounts payable	225,017	90,942	186,341	82,343
Contract liabilities	130,002	4,273	124,793	4,230
Employee benefits payable	13,000	8,103	7,312	4,294
Taxes payable	29,643	20,019	87,060	54,764
Other payables	80,199	116,719	77,463	119,514
Non-current liabilities due within one year	42,097	32,841	17,450	16,729
Total current liabilities	605,435	306,481	565,098	288,877
Non-current liabilities				
Long-term loans	67,359	47,643	61,576	48,104
Debentures payable	22,975	11,000	31,951	20,000
Lease liabilities	182,309	110,435	—	—
Provisions	44,089	33,936	42,800	33,094
Deferred tax liabilities	5,843	—	5,948	—
Other non-current liabilities	28,523	4,668	27,276	4,332
Total non-current liabilities	351,098	207,682	169,551	105,530
Total liabilities	956,533	514,163	734,649	394,407

Unit:RMB million

Items	At 30 June 2019 (Unaudited)		At 31 December 2018 (Audited)	
	Consolidated	Parent	Consolidated	Parent
Liabilities and shareholders' equity (continued)				
Shareholders' equity				
Share capital	121,071	121,071	121,071	121,071
Capital reserve	119,247	68,802	119,192	68,795
Other comprehensive income	(1,388)	339	(6,774)	(485)
Specific reserve	2,678	1,427	1,706	989
Surplus reserves	203,678	203,678	203,678	203,678
Retained earnings	279,209	124,049	279,482	143,148
Total equity attributable to shareholders of the Company	724,495	519,366	718,355	537,196
Minority interests	143,817	—	139,304	—
Total shareholders' equity	868,312	519,366	857,659	537,196
Total liabilities and shareholders' equity	1,824,845	1,033,529	1,592,308	931,603

Unaudited Consolidated and Parent Income Statement

Unit:RMB million

Items	Six-month period ended 30 June			
	2019		2018	
	Consolidated	Parent	Consolidated	Parent
Operating income	1,498,996	512,335	1,300,252	494,612
Less: Operating costs	1,263,093	404,570	1,050,719	369,561
Taxes and surcharges	120,246	81,950	118,721	83,045
Selling and distribution expenses	29,740	1,550	27,661	1,405
General and administrative expenses	27,039	11,167	33,908	16,810
Research and development expenses	3,989	3,727	4,080	3,888
Financial expenses	5,163	3,913	263	1,389
Exploration expenses, including dry holes	4,347	4,021	4,362	4,173
Add: Other income	1,600	891	1,849	593
Investment income	2,774	10,805	5,884	9,861
(Losses)/gains from changes in fair value	(306)	20	(450)	(171)
Credit impairment losses	(13)	8	38	14
Impairment losses	(82)	1	(137)	(49)
Asset disposal (losses)/gains	(174)	21	218	252
Operating profit	49,178	13,183	67,940	24,841
Add: Non-operating income	685	111	630	145
Less: Non-operating expenses	767	277	703	289
Profit before taxation	49,096	13,017	67,867	24,697
Less: Income tax expense	10,140	510	14,586	4,082
Net profit	38,956	12,507	53,281	20,615
Classification by going concern:				
Continuous operating net profit	38,956	12,507	53,281	20,615
Termination of net profit	—	—	—	—
Classification by ownership:				
Equity shareholders of the Company	31,338	12,507	41,600	20,615
Minority interests	7,618	—	11,681	—
Basic earnings per share (RMB)	0.259	N/A	0.344	N/A
Diluted earnings per share (RMB)	0.259	N/A	0.344	N/A

Unit:RMB million

Items	Six-month period ended 30 June			
	2019		2018	
	Consolidated	Parent	Consolidated	Parent
Other comprehensive income				
<i>Items that may not be reclassified subsequently to profit or loss</i>				
Changes in fair value of other equity instrument investments	(20)	—	(17)	—
<i>Items that may be reclassified subsequently to profit or loss</i>				
Other comprehensive income that can be converted into profit or loss under the equity method	(509)	27	(113)	—
Cash flow hedges	4,791	759	(508)	—
Foreign currency translation differences	306	—	896	—
Total other comprehensive income	4,568	786	258	—
Total comprehensive income	43,524	13,293	53,539	20,615
Attributable to:				
Equity shareholders of the Company	35,916	13,293	41,603	20,615
Minority interests	7,608	—	11,936	—

Unaudited Consolidated and Parent Cash Flow Statement

Unit:RMB million

Items	Six-month period ended 30 June			
	2019		2018	
	Consolidated	Parent	Consolidated	Parent
Cash flows from operating activities:				
Cash received from sale of goods and rendering of services	1,585,959	591,443	1,464,593	575,001
Refund of taxes and levies	736	573	905	521
Other cash received relating to operating activities	69,270	1,080	33,582	2,267
Sub-total of cash inflows	<u>1,655,965</u>	<u>593,096</u>	<u>1,499,080</u>	<u>577,789</u>
Cash paid for goods and services	(1,297,454)	(431,378)	(1,145,090)	(388,198)
Cash paid to and for employees	(32,849)	(17,414)	(32,167)	(17,980)
Payments of taxes and levies	(206,645)	(137,807)	(204,541)	(133,955)
Other cash paid relating to operating activities	(86,099)	(3,625)	(45,662)	(7,019)
Sub-total of cash outflows	<u>(1,623,047)</u>	<u>(590,224)</u>	<u>(1,427,460)</u>	<u>(547,152)</u>
Net cash flow from operating activities	<u>32,918</u>	<u>2,872</u>	<u>71,620</u>	<u>30,637</u>
Cash flows from investing activities:				
Cash received from disposal of investments	17,019	14,138	49,244	57,751
Cash received from returns on investments	4,038	8,453	3,609	23,497
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	107	17	7,480	469
Other cash received relating to investing activities	41,787	15,504	42,408	21,526
Sub-total of cash inflows	<u>62,951</u>	<u>38,112</u>	<u>102,741</u>	<u>103,243</u>

Unit:RMB million

Items	Six-month period ended 30 June			
	2019		2018	
	Consolidated	Parent	Consolidated	Parent
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	(46,253)	(22,231)	(35,084)	(17,135)
Cash paid for acquisition of investments	(11,958)	(5,783)	(6,840)	(2,864)
Other cash paid relating to investing activities	(53,813)	(25,900)	(38,371)	(5,010)
Net cash paid for the acquisition of subsidiaries and other business entities	—	—	(3,188)	—
Sub-total of cash outflows	(112,024)	(53,914)	(83,483)	(25,009)
Net cash flow from investing activities	(49,073)	(15,802)	19,258	78,234
Cash flows from financing activities:				
Cash received from capital contributions	1,570	—	502	—
Including: Cash received from minority shareholders' capital contributions to subsidiaries	1,570	—	502	—
Cash received from borrowings	331,459	73,981	317,798	56,132
Other cash received relating to financing activities	300	35,924	—	—
Sub-total of cash inflows	333,329	109,905	318,300	56,132
Cash repayments of borrowings	(293,992)	(47,206)	(308,961)	(95,449)
Cash paid for dividends, profits distribution or interest	(35,341)	(32,501)	(58,634)	(51,028)
Including: Subsidiaries' cash payments for distribution of dividends or profits to minority shareholders	(648)	—	(7,250)	—
Other cash paid relating to financing activities	(6,941)	(40,385)	(13)	—
Sub-total of cash outflows	(336,274)	(120,092)	(367,608)	(146,477)
Net cash flow from financing activities	(2,945)	(10,187)	(49,308)	(90,345)
Effects of changes in foreign exchange rate	(40)	—	(34)	—
Net (decrease)/increase in cash and cash equivalents	(19,140)	(23,117)	41,536	18,526

Unaudited Consolidated Statement of Changes in Equity

	Share capital	Capital reserve	Other comprehensive income	Specific reserve	Surplus reserves	Retained earnings	Total shareholders' equity attributable to equity shareholders of the Company	Minority interests	Total shareholders' equity
	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
Balance at 31 December 2017	121,071	119,557	(4,413)	888	199,682	290,459	727,244	126,826	854,070
Change in accounting policy	—	—	(12)	—	—	12	—	—	—
Balance at 1 January 2018	121,071	119,557	(4,425)	888	199,682	290,471	727,244	126,826	854,070
Change for the period									
1. Net profit	—	—	—	—	—	41,600	41,600	11,681	53,281
2. Other comprehensive income	—	—	3	—	—	—	3	255	258
Total comprehensive income	—	—	3	—	—	41,600	41,603	11,936	53,539
Transactions with owners, recorded directly in shareholders' equity:									
3. Appropriations of profits:									
– Distributions to shareholders	—	—	—	—	—	(48,428)	(48,428)	—	(48,428)
4. Contributions to subsidiaries from minority interests	—	—	—	—	—	—	—	448	448
5. Transaction with minority interests	—	32	—	—	—	—	32	(119)	(87)
6. Distributions to minority interests	—	—	—	—	—	—	—	(3,092)	(3,092)
Total transactions with owners, recorded directly in shareholders' equity	—	32	—	—	—	(48,428)	(48,396)	(2,763)	(51,159)
7. Net increase in specific reserve for the period	—	—	—	864	—	—	864	118	982
8. Others	—	(12)	—	—	—	(110)	(122)	1	(121)
Balance at 30 June 2018	121,071	119,577	(4,422)	1,752	199,682	283,533	721,193	136,118	857,311

Unaudited Consolidated Statement of Changes in Equity

	Share capital	Capital reserve	Other comprehensive income	Specific reserve	Surplus reserves	Retained earnings	Total shareholders' equity attributable to equity shareholders of the Company	Minority interests	Total shareholders' equity
	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
Balance at 1 January 2019	121,071	119,192	(6,774)	1,706	203,678	279,482	718,355	139,304	857,659
Change for the period									
1. Net profit	—	—	—	—	—	31,338	31,338	7,618	38,956
2. Other comprehensive income	—	—	4,578	—	—	—	4,578	(10)	4,568
Total comprehensive income	—	—	4,578	—	—	31,338	35,916	7,608	43,524
Amounts transferred to initial carrying amount of hedged items	—	—	808	—	—	—	808	55	863
Transactions with owners, recorded directly in shareholders' equity:									
3. Appropriations of profits:									
– Distributions to shareholders	—	—	—	—	—	(31,479)	(31,479)	—	(31,479)
4. Contributions to subsidiaries from minority interests	—	—	—	—	—	—	—	437	437
5. Distribution to minority interests	—	—	—	—	—	—	—	(3,705)	(3,705)
Total transactions with owners, recorded directly in shareholders' equity	—	—	—	—	—	(31,479)	(31,479)	(3,268)	(34,747)
6. Net increase in specific reserve for the period	—	—	—	972	—	—	972	117	1,089
7. Others	—	55	—	—	—	(132)	(77)	1	(76)
Balance at 30 June 2019	121,071	119,247	(1,388)	2,678	203,678	279,209	724,495	143,817	868,312

Unaudited Statement of Changes in Equity

	Share capital	Capital reserve	Other comprehensive income	Specific reserve	Surplus reserves	Retained earnings	Total shareholders' equity
	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
Balance at 31 December 2017	121,071	68,789	196	482	199,682	177,049	567,269
Change in accounting policy	—	—	—	—	—	—	—
Balance at 1 January 2018	121,071	68,789	196	482	199,682	177,049	567,269
Change for the period							
1. Net profit	—	—	—	—	—	20,615	20,615
2. Other comprehensive income	—	—	—	—	—	—	—
Total comprehensive income	—	—	—	—	—	20,615	20,615
Transactions with owners, recorded directly in shareholders' equity:							
3. Appropriations of profits:							
– Distributions to shareholders	—	—	—	—	—	(48,428)	(48,428)
Total transactions with owners, recorded directly in shareholders' equity	—	—	—	—	—	(48,428)	(48,428)
4. Net increase in specific reserve for the period	—	—	—	451	—	—	451
5. Others	—	—	—	—	—	(86)	(86)
Balance at 30 June 2018	121,071	68,789	196	933	199,682	149,150	539,821

Unaudited Statement of Changes in Equity

	Share capital	Capital reserve	Other comprehensive income	Specific reserve	Surplus reserves	Retained earnings	Total shareholders' equity
	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
Balance at 1 January 2019	121,071	68,795	(485)	989	203,678	143,148	537,196
Change for the period							
1. Net profit	—	—	—	—	—	12,507	12,507
2. Other comprehensive income	—	—	786	—	—	—	786
Total comprehensive income	—	—	786	—	—	12,507	13,293
Amounts transferred to initial carrying amount of hedged items	—	—	38	—	—	—	38
Transactions with owners, recorded directly in shareholders' equity:							
3. Appropriations of profits:							
– Distributions to shareholders	—	—	—	—	—	(31,479)	(31,479)
Total transactions with owners, recorded directly in shareholders' equity	—	—	—	—	—	(31,479)	(31,479)
4. Net increase in specific reserve for the period	—	—	—	438	—	—	438
5. Others	—	7	—	—	—	(127)	(120)
Balance at 30 June 2019	121,071	68,802	339	1,427	203,678	124,049	519,366

8.2.2 Interim financial statements prepared under IFRS

Unaudited Interim Consolidated Income Statement

Unit:RMB million

	Six-month period ended 30 June	
	2019	2018
Turnover and other operating revenues		
Turnover	1,466,833	1,268,803
Other operating revenues	32,163	31,449
	<u>1,498,996</u>	<u>1,300,252</u>
Operating expenses		
Purchased crude oil, products and operating supplies and expenses	(1,207,182)	(994,797)
Selling, general and administrative expenses	(24,765)	(31,332)
Depreciation, depletion and amortisation	(52,684)	(51,902)
Exploration expenses, including dry holes	(4,347)	(4,362)
Personnel expenses	(38,221)	(37,340)
Taxes other than income tax	(120,246)	(118,721)
Other operating expense, net	(2,413)	(222)
Total operating expenses	<u>(1,449,858)</u>	<u>(1,238,676)</u>
Operating profit	<u>49,138</u>	<u>61,576</u>
Finance costs		
Interest expense	(8,920)	(3,972)
Interest income	3,861	3,507
Foreign currency exchange (losses)/gains, net	(104)	202
Net finance costs	<u>(5,163)</u>	<u>(263)</u>

Unit:RMB million

	Six-month period ended 30 June	
	2019	2018
Investment income	231	840
Share of profits less losses from associates and joint ventures	5,875	6,618
Profit before taxation	50,081	68,771
Income tax expense	(10,140)	(14,586)
Profit for the period	<u>39,941</u>	<u>54,185</u>
Attributable to:		
Shareholders of the Company	32,206	42,386
Non-controlling interests	7,735	11,799
Profit for the period	<u>39,941</u>	<u>54,185</u>
Earnings per share:		
Basic	<u>0.266</u>	<u>0.350</u>
Diluted	<u>0.266</u>	<u>0.350</u>

Unaudited Interim Consolidated Statement of Comprehensive Income

Unit:RMB million

	Six-month period ended 30 June	
	2019	2018
Profit for the period	<u>39,941</u>	<u>54,185</u>
Other comprehensive income:		
<i>Items that maynot be reclassified subsequently to profit or loss:</i>		
Equity investments at fair value through other comprehensive income	<u>(20)</u>	<u>(17)</u>
Total items that maynot be reclassified subsequently to profit or loss	<u>(20)</u>	<u>(17)</u>
<i>Items that may be reclassified subsequently to profit or loss:</i>		
<i>Share of other comprehensive income of associates and joint ventures</i>	(509)	(113)
Cash flow hedges	4,791	(508)
Foreign currency translation differences	<u>306</u>	<u>896</u>
Total items that may be reclassified subsequently to profit or loss	<u>4,588</u>	<u>275</u>
Total other comprehensive income	<u>4,568</u>	<u>258</u>
Total comprehensive income for the period	<u>44,509</u>	<u>54,443</u>
Attributable to:		
Shareholders of the Company	36,784	42,389
Non-controlling interests	<u>7,725</u>	<u>12,054</u>
Total comprehensive income for the period	<u>44,509</u>	<u>54,443</u>

Interim Consolidated Balance Sheet

Unit:RMB million

	30 June 2019	31 December 2018
	(Unaudited)	(Audited)
Non-current assets		
Property, plant and equipment, net	601,278	617,762
Construction in progress	148,116	136,963
Right-of-use assets	269,362	—
Goodwill	8,680	8,676
Interest in associates	92,029	89,537
Interest in joint ventures	55,987	56,184
Financial assets at fair value through other comprehensive income	1,426	1,450
Deferred tax assets	18,526	21,694
Lease prepayments	—	64,514
Long-term prepayments and other assets	84,583	91,408
	1,279,987	1,088,188
Total non-current assets	1,279,987	1,088,188
Current assets		
Cash and cash equivalents	92,782	111,922
Time deposits with financial institutions	70,365	55,093
Financial assets at fair value through profit or loss	19,539	25,732
Derivative financial assets	3,690	7,887
Trade accounts receivable	72,455	56,993
Bills receivable	6,986	7,886
Inventories	222,891	184,584
Prepaid expenses and other current assets	56,150	54,023
	544,858	504,120
Total current assets	544,858	504,120

Unit:RMB million

	30 June 2019	31 December 2018
	(Unaudited)	(Audited)
Current liabilities		
Short-term debts	67,508	29,462
Loans from Sinopec Group Company and fellow subsidiaries	34,353	31,665
Lease liabilities	15,489	—
Derivative financial liabilities	1,986	13,571
Trade accounts payable	225,017	186,341
Bills payable	6,749	6,416
Contract liabilities	130,002	124,793
Other payables	122,184	166,151
Income tax payable	2,147	6,699
Total current liabilities	605,435	565,098
Net current liabilities	60,577	60,978
Total assets less current liabilities	1,219,410	1,027,210
Non-current liabilities		
Long-term debts	46,568	51,011
Loans from Sinopec Group Company and fellow subsidiaries	43,766	42,516
Lease liabilities	182,309	—
Deferred tax liabilities	5,843	5,948
Provisions	44,089	42,800
Other long-term liabilities	29,619	28,400
Total non-current liabilities	352,194	170,675
	867,216	856,535
Equity		
Share capital	121,071	121,071
Reserves	602,381	596,213
Total equity attributable to shareholders of the Company	723,452	717,284
Non-controlling interests	143,764	139,251
Total equity	867,216	856,535

8.2.3 Differences between consolidated financial statements prepared in accordance with the accounting policies complying with CASs and IFRS (UNAUDITED)

- (1) Effects of major differences between the shareholders' equity under CASs and the total equity under IFRS are analysed as follows:

	30 June 2019	31 December 2018
	RMB million	RMB million
Shareholders' equity under CASs	868,312	857,659
Adjustments:		
Government grants	(1,096)	(1,124)
Total equity under IFRS*	<u>867,216</u>	<u>856,535</u>

- (2) Effects of major differences between the net profit under CASs and the profit for the period under IFRS are analysed as follows:

	Six-month period ended 30 June	
	2019	2018
	RMB million	RMB million
Net profit under CASs	38,956	53,281
Adjustments:		
Government grants	28	47
Safety production fund	1,089	982
Others	(132)	(125)
Profit for the period under IFRS*	<u>39,941</u>	<u>54,185</u>

- * The figures are extracted from the consolidated financial statements prepared in accordance with the accounting policies complying with IFRS. The interim condensed consolidated financial statements for the six-month period ended 30 June 2019 and 30 June 2018 have not been audited by PricewaterhouseCoopers, while the consolidated financial statements for the year ended 31 December 2018 has been audited by PricewaterhouseCoopers.

8.3 The Group has no material accounting errors during the reporting period.

8.4 Changes in the scope of consolidation as compared with those for last annual report

Applicable Not applicable

8.5 Notes to the unaudited interim condensed consolidated financial statements prepared under IFRS

8.5.1 Turnover

Turnover primarily represents revenue from the sales of crude oil, refined petroleum products, chemical products and natural gas.

	Six-month period ended 30 June	
	2019	2018
	RMB million	RMB million
Crude oil	305,092	202,938
Gasoline	346,549	341,910
Diesel	292,115	268,259
Basic chemical feedstock	112,606	119,108
Kerosene	90,788	71,335
Synthetic resin	60,804	61,078
Natural gas	23,939	20,206
Synthetic fiber monomers and polymers	48,342	36,979
Others (i)	186,598	146,990
	<u>1,466,833</u>	<u>1,268,803</u>

(i) Others are primarily liquefied petroleum gas and other refinery and chemical by-products and joint products.

8.5.2 Income tax expense

Income tax expense in the consolidated income statement represents:

	Six-month period ended 30 June	
	2019	2018
	RMB million	RMB million
Current tax		
Provision for the period	8,580	19,028
Adjustment of prior years	(230)	43
Deferred taxation	1,790	(4,485)
	<u>10,140</u>	<u>14,586</u>

8.5.3 Basic and Diluted Earnings per Share

The calculation of basic earnings per share for the six-month period ended 30 June 2019 is based on the profit attributable to ordinary shareholders of the Company of RMB 32,206 million (2018: RMB 42,386 million) and the weighted average number of shares of 121,071,209,646 (2018: 121,071,209,646) during the period.

The calculation of diluted earnings per share for the six-month period ended 30 June 2019 is based on the profit attributable to ordinary shareholders of the Company (diluted) of RMB 32,206 million (2018: RMB 42,386 million) and the weighted average number of shares of 121,071,209,646 (2018: 121,071,209,646) calculated as follows:

(i) Profit attributable to ordinary shareholders of the Company (diluted)

	Six-month period ended 30 June	
	2019	2018
	RMB million	RMB million
Profit attributable to ordinary shareholders of the Company	32,206	42,386
After tax effect of employee share option scheme of Shanghai Petrochemical	—	(0)
Profit attributable to ordinary shareholders of the Company (diluted)	<u>32,206</u>	<u>42,386</u>

(ii) **Weighted average number of shares (diluted)**

	Six-month period ended 30 June	
	2019	2018
	Number of shares	Number of shares
Weighted average number of shares at 30 June	121,071,209,646	121,071,209,646
Weighted average number of shares (diluted) at 30 June	<u>121,071,209,646</u>	<u>121,071,209,646</u>

8.5.4 Dividends

Dividends payable to shareholders of the Company attributable to the period represent:

	Six-month period ended 30 June	
	2019	2018
	RMB million	RMB million
Interim dividends declared after the balance sheet date of RMB 0.12 per share (2018: RMB 0.16 per share)	<u>14,529</u>	<u>19,371</u>

Pursuant to the Company's Articles of Association and a resolution passed at the Directors' meeting on 23 August 2019, the directors authorised to declare the interim dividends for the year ending 31 December 2019 of RMB 0.12 (2018: RMB 0.16) per share totaling RMB 14,529 million (2018: RMB 19,371 million). Dividends declared after the balance sheet date are not recognised as a liability at the balance sheet date.

Dividends payable to shareholders of the Company attributable to the previous financial year, approved during the period represent:

	Six-month period ended 30 June	
	2019	2018
	RMB million	RMB million
Final cash dividends in respect of the previous financial year, approved during the period of RMB 0.26 per share (2018: RMB 0.40 per share)	<u>31,479</u>	<u>48,428</u>

Pursuant to the shareholders' approval at the Annual General Meeting on 9 May 2019, a final dividend of RMB 0.26 per share totalling RMB 31,479 million according to total shares on 10 June 2019 was approved. All dividends have been paid in June 2019.

Pursuant to the shareholders' approval at the Annual General Meeting on 15 May 2018, a final dividend of RMB 0.40 per share totalling RMB 48,428 million according to total shares on 4 June 2018 was approved. All dividends have been paid in June 2018.

8.5.5 Trade Accounts Receivable and Bills Receivable

	30 June 2019	31 December 2018
	RMB million	RMB million
Amounts due from third parties	62,653	50,108
Amounts due from Sinopec Group Company and fellow subsidiaries	4,261	3,170
Amounts due from associates and joint ventures	6,141	4,321
	73,055	57,599
Less: Impairment losses for bad and doubtful debts	(600)	(606)
	<u>72,455</u>	<u>56,993</u>
Trade accounts receivable, net	72,455	56,993
Bills receivable	6,986	7,886
	<u>79,441</u>	<u>64,879</u>

The ageing analysis of trade accounts receivable (net of impairment losses for bad and doubtful debts) is as follows:

	30 June 2019	31 December 2018
	RMB million	RMB million
Within one year	72,114	56,431
Between one and two years	225	353
Between two and three years	88	124
Over three years	28	85
	<u>72,455</u>	<u>56,993</u>

Impairment losses for bad and doubtful debts are analysed as follows:

	Six-month period ended 30 June	
	2019	2018
	RMB million	RMB million
Balance at 1 January	606	612
Provision for the period	35	16
Written back for the period	(33)	(37)
Written off for the period	(8)	(1)
Others	—	2
Balance at 30 June	600	592

Sales are generally on a cash term. Credit is generally only available for major customers with well-established trading records. Amounts due from Sinopec Group Company and fellow subsidiaries are repayable under the same terms.

Trade accounts receivable and bills receivable (net of impairment losses for bad and doubtful debts) primarily represent receivables that are neither past due nor impaired. These receivables relate to a wide range of customers for whom there is no recent history of default.

8.5.6 Trade Accounts Payable and Bills Payable

	30 June 2019	31 December 2018
	RMB million	RMB million
Amounts due to third parties	205,144	170,818
Amounts due to Sinopec Group Company and fellow subsidiaries	10,114	9,142
Amounts due to associates and joint ventures	9,759	6,381
	225,017	186,341
Bills payable	6,749	6,416
Trade accounts payable and bills payable measured at amortised cost	231,766	192,757

The ageing analysis of trade accounts payable is as follows:

	30 June 2019	31 December 2018
	RMB million	RMB million
Within 1 month or on demand	216,429	181,035
Between 1 month and 6 months	2,197	2,154
Over 6 months	6,391	3,152
	<u>225,017</u>	<u>186,341</u>

8.5.7 Segment Reporting

(1) Information of reportable segmental revenues, profits or losses, assets and liabilities

Information of the Group's reportable segments is as follows:

	Six-month period ended 30 June	
	2019 RMB million	2018 RMB million
Turnover		
Exploration and production		
External sales	54,495	41,145
Inter-segment sales	44,993	42,607
	<u>99,488</u>	<u>83,752</u>
Refining		
External sales	69,905	69,665
Inter-segment sales	525,368	521,193
	<u>595,273</u>	<u>590,858</u>
Marketing and distribution		
External sales	672,739	648,949
Inter-segment sales	1,906	2,623
	<u>674,645</u>	<u>651,572</u>
Chemicals		
External sales	225,366	218,806
Inter-segment sales	27,843	30,057
	<u>253,209</u>	<u>248,863</u>
Corporate and others		
External sales	444,328	290,238
Inter-segment sales	324,986	294,555
	<u>769,314</u>	<u>584,793</u>
Elimination of inter-segment sales	<u>(925,096)</u>	<u>(891,035)</u>
Turnover	<u>1,466,833</u>	<u>1,268,803</u>

	Six-month period ended 30 June	
	2019	2018
	RMB million	RMB million
Other operating revenues		
Exploration and production	4,316	4,172
Refining	2,524	2,469
Marketing and distribution	17,197	16,753
Chemicals	7,279	7,405
Corporate and others	847	650
	<u>32,163</u>	<u>31,449</u>
Other operating revenues	32,163	31,449
Turnover and other operating revenues	1,498,996	1,300,252
Result		
Operating profit/(loss)		
By segment		
Exploration and production	6,243	(412)
Refining	19,090	38,932
Marketing and distribution	14,709	17,186
Chemicals	11,895	15,764
Corporate and others	(2,555)	(4,454)
Elimination	(244)	(5,440)
	<u>49,138</u>	<u>61,576</u>
Total segment operating profit	49,138	61,576

	Six-month period ended 30 June	
	2019	2018
	RMB million	RMB million
Share of profits/(losses) from associates and joint ventures		
Exploration and production	1,736	1,087
Refining	(509)	487
Marketing and distribution	1,670	1,125
Chemicals	1,873	3,137
Corporate and others	1,105	782
	<hr/>	<hr/>
Aggregate share of profits from associates and joint ventures	5,875	6,618
	<hr/> <hr/>	<hr/> <hr/>
Investment (losses)/income		
Exploration and production	(2)	2
Refining	25	12
Marketing and distribution	51	11
Chemicals	9	13
Corporate and others	148	802
	<hr/>	<hr/>
Aggregate investment income	231	840
	<hr/> <hr/>	<hr/> <hr/>
Net finance costs	(5,163)	(263)
	<hr/>	<hr/>
Profit before taxation	50,081	68,771
	<hr/> <hr/>	<hr/> <hr/>

	At 30 June 2019 RMB million	At 31 December 2018 RMB million
Assets		
Segment assets		
Exploration and production	396,629	321,686
Refining	314,328	271,356
Marketing and distribution	404,508	317,641
Chemicals	165,487	156,865
Corporate and others	173,377	152,799
	<u>1,454,329</u>	<u>1,220,347</u>
Total segment assets	<u>1,454,329</u>	<u>1,220,347</u>
Interest in associates and joint ventures	148,016	145,721
Financial assets at fair value through other comprehensive income	1,426	1,450
Deferred tax assets	18,526	21,694
Cash and cash equivalents, time deposits with financial institutions	163,147	167,015
Other unallocated assets	39,401	36,081
	<u>1,824,845</u>	<u>1,592,308</u>
Total assets	<u>1,824,845</u>	<u>1,592,308</u>

	At 30 June 2019 RMB million	At 31 December 2018 RMB million
Liabilities		
Segment liabilities		
Exploration and production	176,740	94,170
Refining	84,443	103,809
Marketing and distribution	237,468	159,536
Chemicals	49,173	37,413
Corporate and others	176,381	144,216
	<u>724,205</u>	<u>539,144</u>
Total segment liabilities	<u>724,205</u>	<u>539,144</u>
Short-term debts	67,508	29,462
Income tax payable	2,147	6,699
Long-term debts	46,568	51,011
Loans from Sinopec Group Company and fellow subsidiaries	78,119	74,181
Deferred tax liabilities	5,843	5,948
Other unallocated liabilities	33,239	29,328
	<u>957,629</u>	<u>735,773</u>
Total liabilities	<u>957,629</u>	<u>735,773</u>

	Six-month period ended 30 June	
	2019	2018
	RMB million	RMB million
Capital expenditure		
Exploration and production	20,064	10,762
Refining	8,779	4,610
Marketing and distribution	8,071	5,373
Chemicals	5,674	2,635
Corporate and others	290	307
	<u>42,878</u>	<u>23,687</u>
Depreciation, depletion and amortisation		
Exploration and production	24,357	27,302
Refining	9,751	9,320
Marketing and distribution	10,519	8,010
Chemicals	6,907	6,398
Corporate and others	1,150	872
	<u>52,684</u>	<u>51,902</u>
Impairment losses on long-lived assets		
Refining	—	116
Chemicals	17	—
	<u>17</u>	<u>116</u>

(2) Geographical information

The following tables set out information about the geographical information of the Group's external sales and the Group's non-current assets, excluding financial instruments and deferred tax assets. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers, and segment assets are based on the geographical location of the assets.

	Six-month period ended 30 June	
	2019	2018
	RMB million	RMB million
External sales		
Mainland China	1,084,497	993,231
Singapore	192,006	159,709
Others	222,493	147,312
	<u>1,498,996</u>	<u>1,300,252</u>
	30 June 2019	31 December 2018
	RMB million	RMB million
Non-current assets		
Mainland China	1,182,028	989,668
Others	53,201	50,892
	<u>1,235,229</u>	<u>1,040,560</u>

8.6 Changes in accounting policies

(1) Changes in significant accounting policies for the financial statements prepared under CASs:

- a) Ministry of Finance (MOF) issued revised “No.21 Accounting Standards for Business Enterprises - Lease” (“CAS 21”) in 2018. According to the provisions of CAS 21, the Group and the Company adjust the cumulative impact of first implementation of the standards into relevant items in the financial statements of 2019, and the comparative financial statements of 2018 have not been restated.

For operating lease contracts that already exist before the first implementation of CAS 21, the Group and the Company apply different methods based on the remaining lease period:

If the remaining lease term is more than one year, the Group and the Company recognise the lease liabilities based on the remaining lease payment and the incremental borrowing interest rate on 1 January 2019, and assume that the CAS 21 was adopted on the commencement date of the lease, and recognise the right-of-use assets based on the incremental borrowing interest rate on 1 January 2019.

If the remaining lease period is 12 months or less, or leases for which the underlying assets are individually of low value when it is new, the Group and the Company adopt the simplified method that do not recognise the right-of-use assets and lease liabilities, which has no significant impact on the financial statements.

On 1 January 2019, the Group and the Company use the same discount rate for lease contracts with similar characteristics when measuring lease liabilities. The incremental borrowing interest rates range from 4.35% to 4.90%.

- b) Ministry of Finance (MOF) issued Cai Kuai [2019] No. 6 “Announcement of the revision of general enterprise financial statements format for 2019”. The Group has adopted the above guidelines to prepare the financial statements for the six-month period ended 30 June 2019.

(2) Changes in significant accounting policies for the financial statements prepared under IFRS:

The Group has adopted IFRS 16 Lease (“IFRS 16”) from 1 January 2019 and applied the simplified transition approach. The comparative financial statements of 2018 have not been restated. The reclassifications and adjustments arising from adopting IFRS 16 are therefore recognised in the financial statements on 1 January 2019.

On adoption of IFRS 16, the Group recognised the lease liabilities based on the remaining lease payment and the incremental borrowing interest rate as at 1 January 2019. The lessee’s incremental borrowing rate applied to the lease liabilities on 1 January 2019 was from 4.35% to 4.90%.

Right-of-use assets were measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31 December 2018.

9 Repurchase, Sale and Redemption of Shares

There is no purchase, sale or redemption by the Company of listed securities of Sinopec Corp. during the reporting period.

10 Compliance with the Model Code

As required by the Hong Kong Stock Exchange, Sinopec Corp. has formulated the Rules Governing Shares and Changes in Shares Held by Company Directors, Supervisors and Senior Management and the Model Code of Securities Transactions by Company Employees (together, the “**Rules and the Code**”) to stipulate securities transaction by relevant employees. The standards of the Rules and the Code are no less strict than those set out in the Model Code. Upon the specific inquiries made by Sinopec Corp. to all the directors, they confirmed that they have complied with the required standards of the Model Code as well as those set out in the Rules and the Code during the reporting period.

11 Compliance with the Corporate Governance Code

During the reporting period, Sinopec Corp. has complied with the code provisions set out in the Corporate Governance Code and Corporate Governance Report contained in Appendix 14 to the Hong Kong Listing Rules.

12 Review of the Interim Report and the Interim Financial Statements

The Audit Committee of Sinopec Corp. has reviewed and confirmed the 2019 interim report and the interim financial statements of Sinopec Corp.

13 The 2019 interim report of Sinopec Corp. containing all the information required under paragraphs 37 to 44 of Appendix 16 to the Hong Kong Listing Rules will be published on the website of the Hong Kong Stock Exchange.

This announcement is published in both English and Chinese. If there is any inconsistency between the two versions, the Chinese version shall prevail.

By Order of the Board
China Petroleum & Chemical Corporation
Dai Houliang
Chairman

Beijing, the PRC, 23 August 2019

As of the date of this announcement, directors of the Company are: Dai Houliang, Ma Yongsheng#, Li Yunpeng*, Yu Baocai*, Ling Yiqun#, Liu Zhongyun#, Li Yong*, Tang Min+, Fan Gang+, Cai Hongbin+, Ng, Kar Ling Johnny+.*

Executive Director

* *Non-executive Director*

+ *Independent Non-executive Director*