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中国石化
SINOPEC

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)

Overseas Regulatory Announcement
China Petroleum & Chemical Corporation
Report on Payments to Governments for 2020

This announcement is made pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

By Order of the Board
China Petroleum & Chemical Corporation
Huang Wensheng
Vice President and Secretary to the Board of Directors

Beijing, the PRC
16 June 2021

As of the date of this announcement, directors of the Company are: Zhang Yuzhuo, Ma Yongsheng#, Zhao Dong*, Yu Baocai#, Liu Hongbin#, Ling Yiqun#, Li Yonglin#, Cai Hongbin+, Ng, Kar Ling Johnny+, Shi Dan+ and Bi Mingjian+.*

Executive Director

* *Non-executive Director*

+ *Independent Non-executive Director*

China Petroleum & Chemical Corporation

Report on Payments to Governments for 2020

1. Introduction

Section 4.3A of the UK Disclosure Rules and Transparency Rules (DTR 4.3A) requires the extractive sector companies whose transferable securities are admitted to trading on a regulated market to publicly disclose payments made to the governments of those countries where they carry out extractive operations.

DTR 4.3A applies without limitation to companies incorporated outside the UK but that have transferable securities traded on the London Stock Exchange (LSE).

China Petroleum & Chemical Corporation (Sinopec Corp.) consolidated Report on payments to governments for 2020 (the Report) is presented below pursuant to DTR 4.3A. It includes Payments made by Sinopec Corp.'s Extractive Companies as defined below, for the benefit of each government in the countries in which these companies carry out their activities. The Report also provides details on the total amount of such payments by type, specific project and government paid.

Where the amount of payment made during the period for a specific project or country is less than £86,000 or the equivalent amount in another currency, such payment is not disclosed in the Report.

2. Reporting principles

Definitions

Extractive Companies: China Petroleum & Chemical Corporation and its subsidiaries whose activities consist, in whole or in part, of the exploration, prospection, discovery, development and extraction of minerals, crude oil and natural gas, amongst others, fully consolidated by Sinopec Corp. in accordance with International Financial Reporting Standards (IFRS).

Payment: a single payment or multiple interconnected payments, whether in money or in kind, for extractives activities.

The payment types included in this Report:

Production Entitlement: host Government's share of production. This payment is generally made in kind.

Taxes: taxes and levies paid on income, production or profits, excluding taxes levied on consumption such as value added tax, personal income taxes and sales taxes. Regarding taxes paid in the People's Republic of China (PRC), the Report includes Income Tax, Special Oil Income Levy and Resource Tax.

Royalties: products or monetary value payment for the mining rights to extract oil and gas resources.

Dividends: dividends paid to host Government, other than dividends paid to Government as an ordinary shareholder unless they are paid in lieu of a production entitlement or royalty. For the financial year of 2020, there were no reportable Dividend payments to Governments.

Signature, Discovery and Production Bonuses: bonuses paid for and in consideration of signature, discovery, production, awards, grants and transfers of extraction rights; bonuses related to achievement or failure to achieve certain production levels or targets, and the discovery of additional mineral reserves or deposits. For the financial year of 2020, there were no reportable Signature, Discovery and Production Bonuses payments to Governments.

Licence and Other Fees: licence fees, rental fees, entry fees and other considerations for licences and/or concessions that are paid for access to the area where the extractive activities will be conducted. Regarding Licence and other fees paid in PRC, the Report includes Exploration License Fee and Production License Fee.

Infrastructure Improvements: payments for local infrastructure development, including the improvement of infrastructure, except where the infrastructure is exclusively used for operational purposes. For the financial year of 2020, there were no reportable Infrastructure Improvement payments to Governments.

Government: any national, regional or local authority of a country or territory, or any department, agency or undertaking controlled by that authority.

Project: operational activities governed by a single contract, licence, lease, concession or similar legal agreement that form the basis for payment liabilities with a Government. If multiple such agreements are substantially interconnected, they are considered as a single Project.

Reporting currency

All amounts presented in the Report are stated in Reminbi (RMB). Payments made to Governments in US Dollars were translated into the equivalent RMB amount using an average exchange rate during the reporting period of 2020.

In-kind payments

Production Entitlement and Royalties paid in kind owed to Governments pursuant to legal or contractual provisions (not booked in the Extractive Companies' accounts pursuant to the accounting standards) are reported in proportion to the interest held in the Project. Payments in kind are estimated at fair value which corresponds to the contractual price of oil and gas, market price (if available) or an appropriate benchmark price. These prices may be calculated on an averaged basis over a given period.

Operatorship

Payments made by the Extractive Companies directly to a Government arising from a Project are reported in the full amount, regardless of whether the Extractive Companies are the Operators. Such payments are reported in the full amount even where the Extractive Companies acting as Operators are proportionally reimbursed by their non-operating venture partners.

3. Summary Report

Unit: RMB million

Country	Total Amount of Payments	Production Entitlement	Taxes	Royalties	Licence and Other Fees
China	6,142	-	5,936	-	206
Angola	2,361	2,193	168	-	-
Kazakhstan	144	-	144	-	-

4. Reporting by Subsidiary/Project

Unit: RMB million

Subsidiary/Project	Total Amount of Payments	Production Entitlement	Taxes	Royalties	Licence and Other Fees
China	6,142	-	5,936	-	206
Sinopec Shengli Oilfield Company	2,193	-	2,143	-	50
Sinopec Zhongyuan Oilfield Company	924	-	903	-	21
Sinopec Henan Oilfield Company	128	-	124	-	4
Sinopec Jiangnan Oilfield Company	959	-	936	-	23
Sinopec Jiangsu Oilfield Company	146	-	125	-	21
Sinopec Shanghai Offshore Petroleum Company	61	-	61	-	0
Sinopec North China Company	234	-	231	-	3
Sinopec Northwest Oilfield Company	627	-	581	-	46
Sinopec East China Company	169	-	160	-	9
Sinopec Northeast Oil and Gas Company	55	-	47	-	8
Sinopec Southwest Oil & Gas Company	645	-	624	-	21
Angola	2,361	2,193	168	-	-
Sonangol Sinopec International Limited	2,361	2,193	168	-	-
Kazakhstan	144	-	144	-	-
Karakudukmunai LLP	117	-	117	-	-
Joint venture Arman LLP	27	-	27	-	-

5. Reporting by Government

Unit: RMB million

Government	Total Amount of Payments	Production Entitlement	Taxes	Royalties	Licence and Other Fees
China	6,142	-	5,936	-	206
Ministry of Finance	48	-	48	-	-
State Administration of Taxation	5,888	-	5,888	-	-
Ministry of Natural Resources	206	-	-	-	206
Angola	2,361	2,193	168	-	-
Ministry of Finance and others	2,361	2,193	168	-	-
Kazakhstan	144	-	144	-	-
State Administration of Taxation	144	-	144	-	-