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: 0386)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2013

1 Important Notice

1.1 This announcement is a summary of the 2013 Interim Report of Sinopec Corp.. The entire report is also contained in the website of the 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). The investors should read the 2013 interim report for more details.

1.2 The interim financial statements for the six-month period ended 30 June 2013 of Sinopec Corp. and its subsidiaries ("the Company"), prepared in accordance with the Accounting Standards for Business Enterprises ("ASBE") of the PRC, and International Financial Reporting Standards ("IFRS"), have been audited by PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers Certified Public Accountants respectively, and both firms have issued standard unqualified opinions on the interim financial statements contained in this announcement.

1.3 Basic Information of Sinopec Corp.

Stock name	**SINOPEC CORP**	**SINOPEC CORP**	**SINOPEC CORP**	**中国石化**
Stock code	0386	SNP	SNP	600028
Stock Exchange	Hong Kong Stock Exchange	New York Stock Exchange	London Stock Exchange	Shanghai Stock Exchange
	Authorised Representatives		**Secretary to the Board**	**Representative on Securities Matters**
Name	Mr. Li Chunguang	Mr. Huang Wensheng	Mr. Huang Wensheng	Mr. Zheng Baomin
Address	22 Chaoyanmen North Street, Chaoyang District, Beijing, PRC			
Tel	86-10-59960028	86-10-59960028	86-10-59960028	86-10-59960028
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E-mail	ir@sinopec.com			

2 Principal Financial Data and Indicators

2.1 Principal Financial Data and Indicators Prepared in Accordance with ASBE

2.1.1 Principal financial data and indicators

	As at 30 June 2013 RMB million	**As at 31 December 2012 RMB million**	**Changes from the end of last year %**
Total assets	1,274,233	1,238,522	2.9
Total equity attributable to equity shareholders of the Company	546,386	513,374	6.4

	Six-month periods ended 30 June		**Changes over the same period of the preceding year**
	2013 RMB million	**2012 RMB million**	**%**
Net cash flows from operating activities	32,903	20,554	60.1
Operating income	1,415,244	1,348,072	5.0
Net profit attributable to equity shareholders of the Company	29,417	23,697	24.1
Net profit attributable to equity shareholders of the Company after deducting extraordinary gain/loss items	29,196	23,259	25.5
Weighted average return on net assets (%)	5.49	4.89	0.60 percentage points
Basic earnings per share (RMB)	0.254	0.210	21.0
Diluted earnings per share (RMB)	0.239	0.202	18.3

Note: Total share capital of Sinopec Corp. for the six-month period ended 30 June 2013 has increased as a result of H share issuances, bonus issues of shares and coversion of capital reserves to all shareholders and conversion of the A share Convertible Bonds. The data of 2012 have been retrospectively adjusted in accordance with ASBE.

2.1.2 Extraordinary items and corresponding amounts

	Six-month period ended 30 June 2013 (gain)/loss RMB million
Loss on disposal of non-current assets	95
Donations	103
Gain on holding and disposal of various investments	(24)
Other extraordinary income and expenses, net	(473)
Subtotal	(299)
Tax effect	75
Total	(224)
Attributable to:	
Equity shareholders of the Company	(221)
Minority interests	(3)

2.2 Principal Financial Data and Indicators Prepared in Accordance with IFRS

	Six-month periods ended 30 June 2013 RMB million	2012 RMB million	Changes over the same period of the preceding year %
Operating profit	46,741	40,083	16.6
Net profit attributable to owners of the Company	30,281	24,503	23.6
Basic earnings per share (RMB)	0.262	0.217	20.7
Diluted earnings per share (RMB)	0.246	0.209	17.7
Net cash generated from operating activities	32,903	20,322	61.9

Note: Total share capital of Sinopec Corp. for the six-month period ended 30 June 2013 has increased as a result of H share issuances, bonus issues of shares and coversion of capital reserves to all shareholders and conversion of the A share Convertible Bonds. The data of 2012 have been retrospectively adjusted in accordance with IFRS.

	As at 30 June 2013 RMB million	As at 31 December 2012 RMB million	Changes from the end of last year %
Total assets	1,273,688	1,257,944	1.3
Equity attributable to owners of the Company	543,717	510,914	6.4

3 Number of Shareholders and Shareholdings of Principal Shareholders

As at 30 June 2013, there were a total of 706,422 shareholders of Sinopec Corp., of which 699,868 were holders of A shares and 6,554 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 **Unit: shares**

Name of Shareholders	Nature of shareholders	As a percentage of total shares at the end of the reporting period %	Total shares held at the end of reporting period	Increase/ Decrease at the end of the reporting period	Number of shares with selling restrictions	Number of shares pledged or lock-ups
China Petrochemical Corporation	A share	73.38	85,536,266,000	19,739,138,308	0	0
HKSCC (Nominees) Limited	H share	21.77	25,371,490,385	8,694,245,913	0	Unknown
PICC Life-Dividend-Individual Insurance Dividend	A share	0.13	154,878,484	54,450,011	0	0
China Life-Dividend-Individual Dividend 005L-FH002 Shanghai	A share	0.07	77,262,088	21,649,342	0	0
China Social Security Fund Portfolio106	A share	0.06	74,614,548	44,718,659	0	0
Bank of Communication-E Fund 50 Index Securities Investment Fund	A share	0.06	71,277,521	16,848,659	0	0
China Construction Bank-Yinhua Core Value Selected Stock Type, Investment Fund	A share	0.06	69,029,472	69,029,472	0	0
China Construction Bank-Hua Xia Advantage Stock Type, Securities Inv. Fund	A share	0.06	67,759,150	49,759,241	0	0
Industrial & Commerce Bank of China, South Selected Securities Investment Fund	A share	0.06	65,069,068	26,288,460	0	0
Qatar Holding Company Ltd-Self Owned Fund	A share	0.05	63,096,185	63,096,185	0	0

Note: Sinopec Century Bright Capital Investment Limited, a wholly-owned overseas subsidiary of China Petrochemical Corporation, holds 553,150,000 H shares, which 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:

We are not aware of any connection or acting-in-concert among or between the top ten shareholders.

3.2 Information disclosed by H share shareholders in accordance with the Securities and Futures Ordinance as at 30 June 2013

Name of shareholders	**Status of shareholders**	**Number of shares with interests held or regarded as being held**	**As a percentage of total interests (H share) of Sinopec Corp. (%)**
JPMorgan Chase & Co.	Beneficial owner	275,718,832(L)	1.08
		171,465,171(S)	0.67
	Investment manager	806,312,363(L)	3.16
	Custodian corporation/ Approved lending agent	1,624,081,097(L)	6.37
Blackrock, Inc.	Interests of corporation controlled by the substantial shareholder	1,875,342,244(L)	7.35
		12,129,000(S)	0.05

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 in the reporting period.

4 Directors, Supervisors and Senior Management

4.1 Information on Appointment and Termination of Engagement of Directors, Supervisors and Other Senior Management

On 28 May 2013, in order to further improve the corporate governance and minimise the conflicts of interest, Mr. Wang Tianpu tendered his resignation as the president of Sinopec Corp. since he has served as the general manager of China Petrochemical Corporation. On 29 May 2013, the board of directors of the Sinopec Corp. nominated and appointed Mr. Li Chunguang as the President of the Sinopec Corp..

Mr. Ma Weihua, an independent non-executive director of Sinopec Corp. was no longer a director, Governor and Secretary of the Communist Party of China Leading Group of China Merchants Bank Co., Ltd, the Chairman of CIGNA & CMC Life Insurance Co., Ltd. and the China Merchants Fund Management Co., Ltd..

Mr. Andrew Y. Yan, an independent non-executive director of Sinopec Corp., was no longer the Chairman and independent non-executive director of NVC Lighting Holding Limited, the independent executive director of Mobi Development Co.,Ltd., the director of Eternal Asia Supply Chain Management Ltd.. Mr. Yan was re-designated as the non-executive directors from independent non-executive directors of Digital China Holdings Limited, China Huiyuan Juice Group Limited, Feng Deli Holdings Limited and Guodian Technology & Environment Group Corporation Limited.

Ms. Bao Guoming, an independent non-executive director of Sinopec Corp., has been appointed as the independent non-executive director of Hebei Chengde Lulu Co., Limited since June 2013.

4.2 Equity Interests of Directors, Supervisors and Other Senior Management

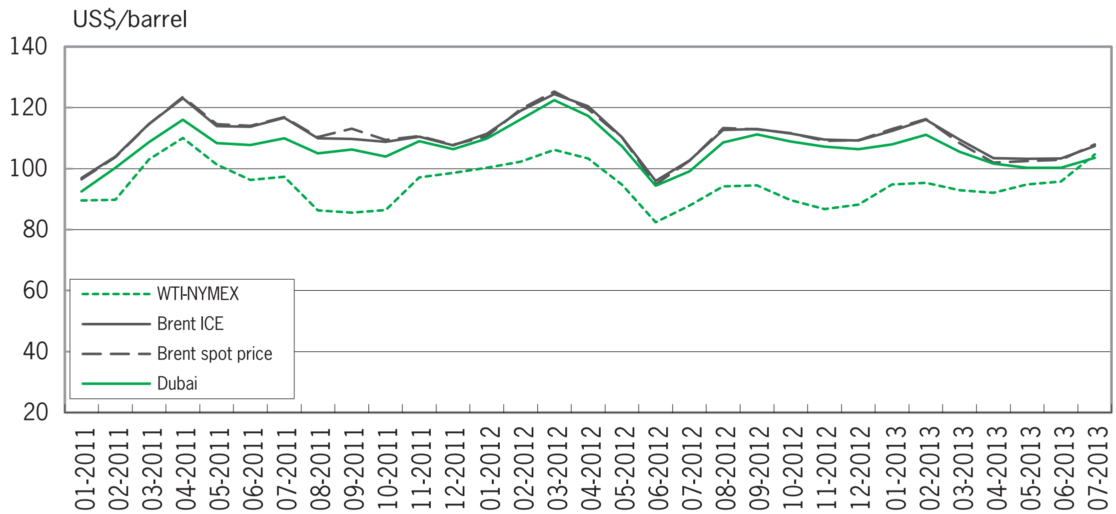
During the reporting period, other than the 13,000 A shares of Sinopec Corp. held by vice president Mr. Ling Yiqun, none of the directors, supervisors and other senior management of Sinopec Corp. has held any shares of Sinopec Corp..

Save as disclosed above, the directors, supervisors and other senior management of Sinopec Corp. and their associates did not hold shares, bonds or any interest or short position (including any interest or short position in shares that is regarded or treated as being held in accordance with the Securities and Futures Ordinance (the "Ordinance")) in the shares of Sinopec Corp. or any associated corporation (Please refer to the Interpretation of Part XV of the Ordinance), which, according to Divisions 7 and 8 of Part XV of the Ordinance, shall be informed to Sinopec Corp. and Hong Kong Stock Exchange, or pursuant to Section 352 of the Ordinance, shall be registered on the designated register as required by the Ordinance, or the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Hong Kong Listing Rules, shall be informed to Sinopec Corp. or Hong Kong Stock Exchange.

5 Business Review and Management's Discussion and Analysis

5.1 Business Review

In the first half of 2013, world economy suffered sluggish recovery, while China's economy grew steadily with GDP up by 7.6% over the same period last year. Domestic demand for oil products and chemical products continued to grow. Prices of chemical products dropped due to an increase in imported products. Domestic consumption of oil products (including gasoline, diesel and kerosene)increased by 3.95% compared with the corresponding period in 2012, among which, gasoline and kerosene increased considerably, and diesel slightly went down over the same period of last year; domestic consumption of ethylene also rose by 4.7% compared with the corresponding period in 2012. The Chinese government further improved the pricing mechanism for oil products and announced an adjustment of natural gas price.



Movement of International Crude Oil Prices

5.1.1 Production and Operations

(1) Exploration and Production

In the first half of 2013, international oil prices hit an early high and then eased, fluctuating in a high range for the period. Brent spot price for crude oil averaged USD107.50 per barrel, down by 5.15% compared with the corresponding period in 2012. Domestic oil prices moved in line with the international market.

The Company achieved excellent results in oil and gas exploration through domestic growth in five key areas. In exploration, the Company made major breakthroughs in new blocks such as the Tarim Basin, and discoveries in new locations, stratas and types. The Company also made progress in exploration evaluation in key areas. In oil and gas development, the Company maintained highly efficient level of production, achieving domestic production of 153.66 million barrels of crude oil, up by 1.1% compared with the corresponding period in 2012, and 324.1 billion cubic feet of natural gas, up by 11.8% compared with the corresponding period in 2012. The Company also made major progress in the Fuling shale gas project and launched development of coal-bed methane in South Yanchuan. In the first half of 2013, the overseas equity oil production of the Company reached 11.78 million barrels, increasing by 5.8% compared with the corresponding period in 2012.

Exploration and Production: Summary of Operations

	Six-month period ended 30 June		**Changes**
	2013	**2012**	**(%)**
Oil and gas production (mmboe)	219.46	211.42	3.80
Crude oil production (mmbbls)[1]	165.44	163.09	1.44
China	153.66	151.96	1.12
Overseas	11.78	11.13	5.84
Natural gas production (bcf)[2]	324.14	289.93	11.80

1: For domestic production of crude oil, 1 tonne = 7.1 barrels; for overseas production, 1 tonne = 7.27 barrels.

2: For production of natural gas, 1 cubic meter = 35.31 cubic feet.

(2) Refining

In the first half of 2013, we adjusted our product mix in response to changes in domestic market demand, producing more gasoline, jet fuel and other high-value-added products that sold well in the market and increasing the export volume of our products. We upgraded fuel quality and considerably increased our production of gasoline and diesel above GB IV standards. We optimised the marketing of LPG, asphalt and paraffin by taking advantage of our strengths in specialisation. In the first half of 2013, refinery throughput was 115 million tonnes, representing a growth of 5.17% over the same period last year. Oil product output rose by 5.76% compared with the corresponding period in 2012.

Refining: Summary of Operations

	Six-month period ended 30 June		Changes
	2013	**2012**	**(%)**
Refinery throughput (million tonnes)	115.44	109.76	5.17
Gasoline, diesel and kerosene production (million tonnes)	69.75	65.95	5.76
Gasoline (million tonnes)	22.75	19.61	16.01
Diesel (million tonnes)	38.64	39.10	(1.18)
Kerosene (million tonnes)	8.36	7.25	15.31
Light chemical feedstock production (million tonnes)	18.82	18.53	1.57
Light yield (%)	76.20	77.20	(1.0) percentage points
Refining yield (%)	94.61	95.41	(0.8) percentage points

Note: 1. Refinery throughput is converted at 1 tonne = 7.35 barrels.
2. 100% production of joint ventures was included.

(3) Marketing and Distribution

In the first half of 2013, in response to changes in supply and demand in the domestic market and the implementation of the newly-announced oil products pricing mechanism, the Company adjusted its marketing strategies by adopting differentiated marketing, thus maximising its profitability. While increasing sales volume, we focused on the retail market and expanded its size by offering distinctive services. We strengthened our quality management to ensure excellent oil products quality. We also vigorously promoted growth in new businesses and in our non-fuel businesses, with the aim of providing one-stop service to our customers. In the first half of 2013, total sales volume of oil products increased to 88.05 million tonnes, up by 6.51% over the same period last year. Total domestic sales volume reached 80.75 million tonnes, an increase of 4.83%, and sales of non-fuel businesses reached RMB 6.58 billion, an increase of 20.5% compared with the corresponding period in 2012.

Marketing and Distribution: Summary of Operations

	Six-month period ended 30 June 2013	2012	Change (%)
Total sales volume of oil products (million tonnes)	88.05	82.67	6.51
Total domestic sales volume of oil products (million tonnes)	80.75	77.03	4.83
Retail (million tonnes)	55.52	53.15	4.46
Direct sales (million tonnes)	16.07	15.68	2.49
Wholesale (million tonnes)	9.16	8.20	11.71
Annualised average throughput per station (tonne/station)	3,620	3,487	3.81

	As of 30 June 2013	As of 31 December 2012	Change from the end of last year (%)
Total number of Sinopec-branded service stations	30,682	30,836	(0.50)
Company-operated	30,669	30,823	(0.50)

(4) Chemicals

In the first half of the year, we further optimised our feedstock structure and cut feedstock costs by using more light feedstock. We sharpened our market analysis; strengthened the integration of R&D, production and marketing; optimised operations and utilisation of facilities; and introduced new products to improve our product mix. We improved our marketing tactics and customer service. We reinforced our supply-chain management and operated with low inventory level. Ethylene production was 4.84 million tonnes, an increase by 0.64% compared with the corresponding period in 2012. Chemicals sales volume reached 28.06 million tonnes, up by 7.30% compared with the corresponding period in 2012.

Major Chemical Products: Summary of Operations **Unit of production: 1,000 tonnes**

	Six-month period ended 30 June		Changes
	2013	2012	(%)
Ethylene	4,841	4,810	0.64
Synthetic resin	6,730	6,701	0.43
Synthetic fiber monomer and polymer	4,539	4,580	(0.90)
Synthetic fiber	699	674	3.71
Synthetic rubber	457	475	(3.79)

Note: 100% of production of joint ventures was included.

5.1.2 Health, Safety and the Environment and Low-Carbon Growth

We strictly implemented an HSE accountability system, promoted OSHA management standards, enhanced operation hazard prevention and maintained safety in production. We increased our emphasis on environmental protection, energy conservation and emission reduction as well as on green and low-carbon growth. We established a dedicated department in the head office to coordinate planning and management of these activities, to promote energy performance contracting and the development of an energy management system. We also launched the Blue Skies, Clean Water initiative. In the first half of 2013, the Company's energy intensity dropped by 3.24% compared with the corresponding period in 2012. Chemical Oxygen Demand (COD) in discharged wastewater fell by 4.15% compared with the corresponding period in 2012, and SO_2 emissions fell by 4.54% as compared with the corresponding period in 2012.

5.1.3 Capital Expenditures

The Company has focused on improving the quality and efficiency of development and has made progress in a number of key projects. The Company's capital expenditures were RMB 51.975 billion in the first half of 2013. Capital expenditures for E&P were RMB 24.996 billion, mainly for tight oil in south Hubei, shallow heavy oil in west Shengli, new blocks in the Tahe Oilfield, Yuanba and the Daniudi gas fields, and the Shandong LNG project. Capital expenditures for the Refining Segment were RMB 7.710 billion, mainly for upgrading oil product quality and revamping project for processing lower-quality crude oil. In the Chemicals segment, RMB 5.283 billion were used for the construction of the Wuhan 800,000-tpa ethylene project, the Hubei syngas-to-MEG project and the Hainan aromatics project. Capital expenditures for Marketing and Distribution segment were RMB 11.612 billion, mainly for building and acquiring service stations along expressways and in major cities and for the construction of refined oil product pipelines and depots. We added 501 new service stations during the period, of which 100 were gas stations. RMB 2.374 billion was used for the Corporate and Others, mainly for R&D facilities and IT projects construction.

5.2 Management's Discussion and Analysis

Parts of the following concerned financial data, unless otherwise stated, were abstracted from the company's audited interim financial statements that have been prepared according to the International Financial Reporting Standards ("IFRS").

In the first half of 2013, under the backdrop of steady economic growth coupled with increased domestic demand for oil and chemical products, the Company actively expanded its sales volume. Turnover and other operating revenues were RMB 1,415.2 billion, representing a year-on-year increase of 5.0%, and the operating profit was RMB 46.7 billion, representing a year-on-year increase of 16.6%.

The following table sets forth major revenue and expense items in the consolidated income statement of the Company for the indicated periods:

	Six-month periods ended 30 June		
	2013 RMB million	2012 RMB million	Change (%)
Turnover and other operating revenues	**1,415,244**	**1,348,072**	**5.0**
Of which: Turnover	1,395,934	1,327,466	5.2
Other operating revenues	19,310	20,606	(6.3)
Operating expenses	**(1,368,503)**	**(1,307,989)**	**4.6**
Of which: Purchased crude oil, products, and operating supplies and expenses	(1,170,856)	(1,119,324)	4.6
Selling, general and administrative expenses	(31,991)	(28,641)	11.7
Depreciation, depletion and amortisation	(38,969)	(34,534)	12.8
Exploration expenses (including dry holes)	(7,644)	(6,882)	11.1
Personnel expenses	(24,843)	(24,020)	3.4
Taxes other than income tax	(94,451)	(95,267)	(0.9)
Other operating income (net)	251	679	(63.0)
Operating profit	**46,741**	**40,083**	**16.6**
Net finance costs	(2,531)	(5,027)	(49.7)
Investment income and share of profit less losses from associates and jointly controlled entities	924	386	139.4
Profit before taxation	**45,134**	**35,442**	**27.3**
Tax expense	(12,727)	(9,643)	32.0
Profit for the period	**32,407**	**25,799**	**25.6**
Attributable to:			
Equity shareholders of the Company	30,281	24,503	23.6
Non-controlling interests	2,126	1,296	64.0

5.2.1 Turnover and other operating revenues

In the first half of 2013, the Company actively expanded the markets, increased the sales volume of products, and the revenue from the Company's trading business. Turnover and other operating revenues were RMB 1,395.9 billion, representing an increase of 5.2% over the first half of 2012.

The following table sets forth the external sales volume, average realised prices and respective change rates of the Company's major products over the first half of 2013 compared with the first half of 2012.

	Sales Volume (1,000 tonnes)			Average realised price (VAT excluded) (RMB/tonne, RMB/thousand cubic meters)		
	Six-month periods ended 30 June		Change	Six-month periods ended 30 June		Change
	2013	2012	(%)	2013	2012	(%)
Crude oil	3,384	2,873	17.8	4,333	4,867	(11.0)
Natural gas (million cubic meters)	7,645	6,881	11.1	1,289	1,282	0.5
Gasoline	29,188	25,540	14.3	8,450	8,740	(3.3)
Diesel	48,698	47,689	2.1	7,031	7,334	(4.1)
Kerosene	9,707	8,914	8.9	6,195	6,550	(5.4)
Basic chemical feedstock	12,261	11,134	10.1	6,981	6,792	2.8
Synthetic fibre monomer and polymer	3,368	3,298	2.1	8,359	8,377	(0.2)
Synthetic resin	5,106	5,237	(2.5)	9,319	9,058	2.9
Synthetic fibre	730	710	2.8	10,592	11,102	(4.6)
Synthetic rubber	642	631	1.7	13,626	19,034	(28.4)
Chemical fertilizer	514	506	1.6	1,826	2,204	(17.2)

Most of the crude oil and a small portion of natural gas produced by the Company were used internally for refining and chemical production with the remainder sold to external customers. In the first half of 2013, the turnover from crude oil, natural gas and other upstream products sold externally amounted to RMB 28.0 billion, increased by 7.8% year on year, accounting for 2.0% of the Company's turnover and other operating revenues. The change was mainly due to the growth in the sales volume of crude oil exceeding the decrease in the price of crude oil, plus the increase in the sales volume and price of natural gas over the same period in 2012.

Petroleum products (mainly consisting of refined oil products and other refined petroleum products) sold by the refining segment and the marketing and distribution segment achieved an external sales revenue of RMB 820.1 billion, representing an increase of 2.8% over the same period of 2012 and accounting for 58.8% of the Company's turnover and other operating revenues. This was mainly due to the increased sales volume of refined oil products. The sales revenue of gasoline, diesel and kerosene was RMB 649.2 billion, representing an increase of 2.8% over the same period in 2012, accounting for 79.2% of the sales revenue of petroleum products. Sales revenue of other refined petroleum products was RMB 170.9 billion, representing an increase of 2.8% compared with the first half of 2012, accounting for 20.8% of the sales revenue of petroleum products.

The Company's external sales revenue of chemical products was RMB 180.3 billion, representing an increase of 3.9% over the same period of 2012, accounting for 12.9% of its turnover and other operating revenues. This was mainly due to the increased sales volume of chemical products, especially of basic chemical feedstocks year on year.

5.2.2 Operating expenses

In the first half of 2013, the Company's operating expenses were RMB 1,368.5 billion, representing an increase of 4.6% over the first half of 2012. The operating expenses mainly consisted of the following:

Crude oil procurement, products and operating supplies and expenses were RMB 1,170.9 billion in the first half of 2013, representing an increase of 4.6% over the same period of 2012, accounting for 85.6% of the total operating expenses, of which:

- Procurement cost of crude oil was RMB 755.2 billion, representing an increase of 2.1% over the same period of 2012. Total processed volume of crude oil purchased externally in the first half of 2013 was 88.0 million tonnes (excluding the volume processed for third parties), increased by 3.8% over the first half of 2012. The average unit processing cost of crude oil purchased externally was RMB 4,962 per tonne, decreased by 8.3% over the first half of 2012.

- Other procurement cost was RMB 415.7 billion, up by 9.4% year on year, mainly due to the expansion of the Company's crude oil and oil products trading business.

Selling, general and administrative expenses of the Company totaled RMB 32.0 billion, representing an increase of 11.7% over the first half of 2012. This was mainly due to the expenses such as lease of land and community service, which increased by RMB 3.4 billion over the first half of 2012.

Depreciation, depletion and amortisation expenses of the Company were RMB 39.0 billion, representing an increase of 12.8% compared with the first half of 2012. This was mainly due to the increase of continuous investment in fixed assets.

Exploration expenses in the first half of 2013 were RMB 7.6 billion, representing an increase of 11.1% compared with the same period in 2012. This was mainly because the Company made intensified efforts in the exploration in areas including the Ordos Basin and the Sichuan Basin.

Personnel expenses were RMB 24.8 billion, representing an increase by 3.4% compared with the corresponding period in 2012. This was mainly an outcome of the change of calculation base for social insurance and etc.

Taxes other than income tax totaled RMB 94.5 billion, representing a decrease of 0.9% compared with the first half of 2012. It was mainly due to a decreases in the oil prices, which led to a decrease in special income levy by RMB 3.5 billion, partly off-set by an increase in consumption tax of RMB 2 billion due to increased sales volume of the oil products.

5.2.3 Operating profit

In the first half of 2013, the Company's operating profit was RMB 46.7 billion, representing an increase of 16.6% over the same period in 2012.

5.2.4 Net finance costs

In the first half of 2013, the Company's net finance costs were RMB 2.5 billion, representing a year-on-year decrease of 49.7%, among which, interest expenses were RMB 5.2 billion, decreased by RMB 0.7 billion as a result of increase in borrowings in US dollars at a low finance cost; exchange gains were RMB 1.3 billion, an increase by RMB 1.5 billion; gains from fair market value of convertible bonds issued by the Company increased by RMB 0.3 billion.

5.2.5 Profit before taxation

In the first half of 2013, the Company's profit before taxation amounted to RMB 45.1 billion, representing an increase of 27.3% compared with the same period of 2012.

5.2.6 Tax expense

In the first half of 2013, the income tax expense of the Company totaled RMB 12.7 billion, increasing by 32.0% over the same period of 2012, mainly due to the Company's higher profit for the period and the increased income tax from the overseas upstream business.

5.2.7 Profit attributable to non-controlling interests of the Company

In the first half of 2013, profit attributable to non-controlling shareholders was RMB 2.1 billion, representing an increase of 64.0% over the same period of 2012, mainly due to the increased profit from some controlling subsidiaries.

5.2.8 Profit attributable to equity shareholders of the Company

In the first half of 2013, profit attributable to equity shareholders of the Company was RMB 30.3 billion, representing an increase of 23.6% over the same period of 2012.

5.2.9 Assets, liabilities, equity and cash flows

(1) Assets, liabilities and equity **Units: RMB million**

	At 30 June 2013	**At 31 December 2012**	**Amount of changes**
Total assets	1,273,688	1,257,944	15,744
Current assets	365,130	365,015	115
Non-current assets	908,558	892,929	15,629
Total liabilities	689,079	709,908	(20,829)
Current liabilities	510,354	513,373	(3,019)
Non-current liabilities	178,725	196,535	(17,810)
Total equity attributable to equity shareholders of the company	543,717	510,914	32,803
Share capital	116,565	86,820	29,745
Reserves	427,152	424,094	3,058
Interests attributable to non-controlling shareholders	40,892	37,122	3,770
Total equity	584,609	548,036	36,573

As at 30 June 2013, the Company's total assets were RMB 1,273.7 billion, representing an increase of RMB 15.7 billion compared with that at the end of 2012, of which:

- Current assets increased by RMB 0.1 billion from that at the end of 2012 to RMB 365.1 billion.

- Non-current assets were RMB 908.6 billion, an increase of RMB 15.6 billion over the end of 2012, mainly due to a net increase of RMB 6.8 billion from projects under construction, property, plant and equipment etc. as a result of carrying out various investment as planned, and interests of the associates and joint ventures increased by RMB 4.2 billion; prepaid lease for land of service stations as well as operation rights increased by RMB 4.5 billion.

On 30 June 2013 total liabilities of the Company were RMB 689.1 billion, a decrease by RMB 20.8 billion from that at the end of 2012, of which:

- Current liabilities decreased by RMB 3.0 billion from that at the end of 2012 to RMB 510.4 billion, mainly attributable to a decrease of RMB 53.6 billion resulted from decrease of liabilities such as in accounts payable, and an increase of RMB 51.6 billion in short-term debts and loans from China Petrochemical Corporation and its subsidiaries, among which RMB 43.4 billion was converted to short term debts to be matured within one year.

- Non-current liabilities decreased by RMB 17.8 billion from that at the end of 2012 to RMB 178.7 billion, mainly attributable to the RMB 43.4 billion of corporate bonds converted to short term liabilities due within one year. Non-current liabilities increased by RMB 21.4 billion compared with that at the end of 2012 after the issuance of USD 3.5 billion senior notes.

As at 30 June 2013, total equity attributable to equity shareholders of the Company was RMB 543.7 billion, representing an increase of RMB 32.8 billion compared with that at the end of 2012, mainly attributable to the profit realised over the reporting period, the issuance of H shares, and distribution of the final dividend for the year 2012.

(2) Cash Flow

The following table sets forth the major items on the consolidated cash flow statements for the first half of 2013 and 2012.

Units: RMB million

Major items of cash flows	Six-month periods ended 30 June 2013	2012	Changes in amount
Net cash generated from operating activities	32,903	20,322	12,581
Net cash used in investing activities	(67,022)	(79,659)	12,637
Net cash generated from financing activities	34,654	47,242	(12,588)
Net increase/(decrease) in cash and cash equivalents	535	(12,095)	12,630

In the first half of 2013, net cash generated from operating activities was RMB 32.9 billion, representing an increase of RMB 12.6 billion in cash inflow year on year. This was mainly attributable to the increase in the net profit and the reduction in inventory-related funds of the reporting period .

In the first half of 2013, net cash used in investing activities was RMB 67.0 billion, representing a decrease of RMB 12.6 billion in cash outflow on a year-on-year basis, mainly due to the Company's strict control over payment for investment.

In the first half of 2013, net cash generated from financing activities was RMB 34.7 billion, representing a decrease of RMB 12.6 billion on a year-on-year basis.

As of 30 June 2013, the Company's cash and cash equivalents were RMB 11.2 billion, increased by RMB 0.7 billion as of 31 December 2012.

5.3 The Results of the Principal Operations by Segments

Financial Data were abstrated from the Interim Financial Statement Prepared according to ASBE.

Segment	**Income from principal operations (RMB million)**	**Cost of principal operations (RMB million)**	**Gross profit margin (%) Note**	**Increase of Income from principal operations on a year-on-year basis (%)**	**Increase of cost of principal operations on a year-on-year basis (%)**	**Increase/(decrease) of gross profit margin on a year-on-year basis (%)**
Exploration and Production	117,242	51,783	40.5	(7.0)	3.9	(2.4)
Refining	644,246	560,030	1.4	0.9	(2.0)	2.1
Marketing and Distribution	732,752	691,647	5.5	3.2	3.6	(0.4)
Chemicals	211,521	203,456	3.6	5.4	5.0	0.3
Others	681,911	679,212	0.4	4.2	4.3	(0.1)
Elimination of inter-segment sales	(972,428)	(972,578)	N/A	N/A	N/A	N/A
Total	**1,415,244**	**1,213,550**	**7.6**	**5.0**	**5.3**	**0.2**

Note: Gross profit margin = (Income from principal operations – Cost of principal operations, tax and surcharges)/Income from principal operations

5.4 Use of Proceeds

RMB million

Total proceeds	22,962.38[Note1]	Total proceed used in this reporting period	359.02
		Total cumulative use of proceed	22,962.38

Projects promised	**Proposed investment amount**	**Change in projects**	**Actual proceed used**	**Returns accrued**	**On schedule**	**Compliance with expected return**
Wuhan 800,000 tpa ethylene project	11,289.38	No	11,289.38	No	Yes	—
Anqing sour crude oil processing and oil quality upgrade project	3,000	No	3,000	No	Yes	—
Shijiazhuang refinery revamping project	3,200	No	3,273[Note2]	No	Yes	—
Yulin-Jinan gas pipeline project	3,300	No	3,300	[Note3]	Yes	[Note3]
Rizhao-Yizheng crude oil pipeline and supporting projects	2,100	No	2,100	[Note4]	Yes	[Note4]
Total	22,889.38	—	22,962.38	—	—	—
Explanation on the failure to realise planned schedule and expected return		No				
Reasons for and procedures of changes		No				

Note 1: The total proceeds raised will be the total issue amount of RMB 23 billion reduced by the issuing cost of RMB 110.62 million (including underwriters commissions and other intermediary fees) plus RMB 73 million for interest accrued by the dedicated accounts of proceeds.

Note 2: In the Shijiazhuang Refinery Petrochemical Branch project for upgrading oil product quality and revamping inferior crude oil, the investment amount committed before the raising of funds was RMB 3.2 billion. After the Company allotted the raised capital in 2013, the dedicated accounts of proceeds accrued interest of RMB 73 million, all of which was invested in the project. The investment amount from the proceeds for this project has been adjusted to RMB 3.273 billion.

Note 3: The Company's committed financial benefits are expected after-tax financial internal rate of return. The useful life of Yulin-Jinan gas pipeline project is 20 years. This committed project has been put into operation since the first half of 2012, and the operating period is too short to determine whether this committed project achieved the estimated after-tax financial internal rate of return as committed for the entire operating period of the project. The net cash flow realised during reporting period satisfied the estimated net cash flow in the project budget.

Note 4: The Company's committed financial benefits are expected after-tax internal rate of return. The useful life of Rizhao-Yizheng crude oil pipeline and supporting project is 20 years. This committed project has been put into operation at the end of 2011, and the operating period is too short to determine whether this committed project achieved the estimated after-tax financial internal rate of return as committed for the entire operating period of the project. The net cash flow realised during reporting period did not satisfy the estimated net cash flow in the project budget.

5.5 Business Prospects

In the second half of the year, the global economic recovery will continue to be weak. The Chinese government will accelerate structural adjustments and upgrades to maintain stable economic growth. In the second half of the year, we expect balanced supply and demand fundamentals in global oil market and a steady growth in domestic demand for refined oil products and chemicals.

Given current circumstances, the Company will focus on improving the quality and efficiency of development, always oriented toward the market and centered on profitability, while ensuring safety and protection of the environment. The Company will redouble its efforts to expand its markets, optimise operations, unlock its potential, increase its efficiency, improve the capacity of sustainable development, reinforce safe production practices and achieve sound operating results.

In exploration and production, we will focus our exploration efforts on commercial discoveries in key areas. In development, we will strengthen development of mature oilfields, develop tight-oil resources effectively and accelerate development in other key areas. We will increase our activities in geological surveys and evaluation of potential areas for development to achieve capacity replacement. In natural gas, we will accelerate development in Yuanba, the medium and shallow formations of west Sichuan and the Daniudi gas field. In unconventional resources, we will conduct further evaluations of marine-facies shale gas resources in the Sichuan basin and the surrounding areas. We will also increase the pace of activity in the Fuling marine-facies shale gas zone and launch the pilot development program on stream, along with the coal-bed methane project in South Yanchuan. In the second half of the year, we expect to produce 23.29 million tonnes of crude oil and 9.2 billion cubic meters of natural gas.

In refining, with efficiency as our top priority, we will optimise crude procurement and allocation and reduce crude purchasing costs. We will promote oil products upgrading, and supply the market with clean fuels. We will also reinforce coordination between production and marketing, adjust our product mix and utilisation rate, increase domestic output of gasoline, jet fuel and other products with high added value, and expand exported volume. In the second half of the year, we plan to process 120 million tonnes of crude oil.

In marketing and distribution, we will continue to be market based, strengthen resource planning, expand retail and direct sales volume, and enhance operational quality and efficiency. We will promote one-stop service for our customers, develop new product features and accelerate development of our non-fuel businesses. In the second half of the year, we plan to sell 84.25 million tonnes of oil products in the domestic market.

In chemicals, we will continue to adjust facility utilisation and production plans based on demand, modify our product mix through better integration of production, marketing and R&D, optimise the structure of our feedstock to achieve lower costs, maintain operations with low inventory level, implement differentiated marketing, develop new and specialty products, and increase production of high-value-added products. In the second half of the year, we plan to produce 5.05 million tonnes of ethylene.

6 Dividend

6.1 Dividend Distribution for the Year ended 31 December 2012

Upon its approval at the annual general meeting of the Sinopec Corp. for the year 2012, Sinopec Corp. distributed the final dividend for 2012 which comprises of (i) a cash dividend of RMB 2.00 (tax inclusive), and (ii) bonus issue of two shares by way of the capitalisation of the retained earnings for every 10 shares. Sinopec Corp. also issued one share by way of the capitalisation of share premium for every 10 shares. The final dividend for 2012 has been distributed to shareholders on 25 June 2013 who were registered as existing shareholders as of 18 June 2013. The full year cash dividend for year 2012 was RMB 0.30 per share (tax inclusive).

6.2 Interim Dividend Distribution Plan for the Six-month Period ended 30 June 2013

As approved by the Ninth meeting of the Fifth Session of the Board, the interim dividend distribution plan for the six-month period ended 30 June 2013 – an interim cash dividend of RMB 0.09 per share (tax inclusive) would be distributed based on the total number of shares as of 11 September 2013 (the record date).

The Sinopec Corp's 2013 interim profit distribution proposal is in compliance with its articles of association and relevant procedures. The independent non-executive directors have provided independent opinions on it.

The interim dividend will be distributed on or before Tuesday, 17 September 2013 to the shareholders whose names appear on the shareholder register of Sinopec Corp. on Wednesday, 11 September 2013. To be entitled to the interim dividend.Holders of H shares shall lodge their share certificate(s) 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 Friday, 6 September 2013. The register of members of the H shares of Sinopec Corp. will be closed from Saturday, 7 September 2013, to Wednesday, 11 September 2013 (both dates inclusive).

The dividend will be denominated and declared in Renminbi ("RMB"), and distributed to domestic shareholders in RMB and to foreign shareholders in Hong Kong Dollar. The exchange rate for dividends 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 preceding the date of declaration of dividends, being Friday, 23 August 2013.

7 Financial statements

7.1 Auditors' Opinion

Financial statements	☐	Unaudited	√	Audited
Auditors' opinion	√	Unqualified opinion	☐	Not standard opinion

7.2 Financial Statements

7.2.1 Interim financial statements prepared under ASBE

Consolidated and Company Balance Sheets

Unit:RMB million

	At 30 June 2013		At 31 December 2012	
	The Group	**The Company**	**The Group**	**The Company**
Current assets				
Cash at bank and on hand	11,385	5,299	10,864	5,468
Bills receivable	19,008	2,030	20,045	1,333
Accounts receivable	87,386	28,752	81,395	21,041
Other receivables	11,479	55,181	8,807	42,055
Prepayments	4,667	5,851	4,370	5,003
Inventories	216,028	138,912	218,262	148,844
Other current assets	15,177	13,836	1,008	707
Total current assets	365,130	249,861	344,751	224,451
Non-current assets				
Long-term equity investments	56,138	144,027	52,061	111,467
Fixed assets	597,745	472,028	588,969	475,417
Construction in progress	166,956	137,959	168,977	152,199
Intangible assets	53,016	42,540	49,834	43,114
Goodwill	6,257	—	6,257	—
Long-term deferred expenses	10,322	8,157	10,246	8,617
Deferred tax assets	5,089	371	6,381	1,397
Other non-current assets	13,580	6,576	11,046	5,290
Total non-current assets	909,103	811,658	893,771	797,501
Total assets	1,274,233	1,061,519	1,238,522	1,021,952

	At 30 June 2013		At 31 December 2012	
	The Group	**The Company**	**The Group**	**The Company**
Current liabilities				
Short-term loans	101,507	13,512	70,228	1,692
Bills payable	5,700	2,580	6,656	4,000
Accounts payable	187,176	139,906	215,628	121,184
Advances from customers	62,367	58,701	69,299	58,570
Employee benefits payable	3,059	2,424	1,838	1,315
Taxes payable	29,829	24,073	21,985	17,854
Other payables	54,676	107,047	61,721	118,311
Short-term debentures payable	10,000	10,000	30,000	30,000
Non-current liabilities due within one year	56,040	55,188	15,754	15,644
Total current liabilities	510,354	413,431	493,109	368,570
Non-current liabilities				
Long-term loans	41,433	38,474	40,267	38,560
Debentures payable	100,234	78,789	121,849	121,849
Provisions	23,379	20,487	21,591	19,598
Deferred tax liabilities	7,069	—	7,294	—
Other non-current liabilities	4,387	2,516	3,811	1,688
Total non-current liabilities	176,502	140,266	194,812	181,695
Total liabilities	686,856	553,697	687,921	550,265
Shareholders' equity				
Share capital	116,565	116,565	86,820	86,820
Capital reserve	39,504	47,865	30,574	39,146
Specific reserve	4,623	3,771	3,550	3,017
Surplus reserves	187,096	187,096	184,603	184,603
Retained earnings	200,504	152,525	209,446	158,101
Foreign currency translation differences	(1,906)	—	(1,619)	–
Total equity attributable to shareholders of the Company	546,386	507,822	513,374	471,687
Minority interests	40,991	—	37,227	—
Total shareholders' equity	587,377	507,822	550,601	471,687
Total liabilities and shareholders' equity	1,274,233	1,061,519	1,238,522	1,021,952

Consolidated and Company Income Statements

Unit: RMB million

	Six-month periods ended 30 June			
	2013		2012	
	The Group	The Company	The Group	The Company
Operating income	1,415,244	783,594	1,348,072	778,788
Less: Operating costs	1,213,550	630,595	1,152,431	620,503
Sales taxes and surcharges	94,451	73,967	95,267	76,954
Selling and distribution expenses	20,811	16,223	18,922	16,061
General and administrative expenses	33,375	27,434	29,223	24,652
Financial expenses	3,292	3,962	5,533	4,898
Exploration expenses, including dry holes	7,644	7,624	6,882	6,882
Impairment losses	73	(23)	7,048	5,967
Add: Gain from changes in fair value	737	778	510	568
Investment income	908	5,723	232	6,058
Operating profit	43,693	30,313	33,508	29,497
Add: Non-operating income	1,157	969	1,362	1,148
Less: Non-operating expenses	878	771	587	536
Profit before taxation	43,972	30,511	34,283	30,109
Less: Income tax expense	12,468	5,585	9,337	5,912
Net profit	31,504	24,926	24,946	24,197

	Six-month periods ended 30 June			
	2013		2012	
	The Group	The Company	The Group	The Company
Attributable to:				
Equity shareholders of the Company	29,417	24,926	23,697	24,197
Minority interests	2,087	—	1,249	—
Basic earnings per share	0.254	N/A	0.210	N/A
Diluted earnings per share	0.239	N/A	0.202	N/A
Net profit	31,504	24,926	24,946	24,197
Other comprehensive income				
Cash flow hedges	82	—	1	—
Available-for-sale financial assets	890	890	1	—
Share of other comprehensive income of associates	(241)	(241)	26	26
Foreign currency translation differences	(388)	—	89	—
Total other comprehensive income	343	649	117	26
Total comprehensive income	31,847	25,575	25,063	24,223
Attributable to:				
Equity shareholders of the Company	29,861	25,575	23,784	24,223
Minority interests	1,986	—	1,279	—

Consolidated and Company Cash Flow Statements

Unit: RMB million

	Six-month periods ended 30 June			
	2013		2012	
	The Group	The Company	The Group	The Company
Cash flows from operating activities:				
Cash received from sale of goods and rendering of services	1,558,641	896,968	1,542,904	902,674
Refund of taxes and levies	860	618	460	166
Other cash received relating to operating activities	9,153	11,472	6,662	27,443
Sub-total of cash inflows	1,568,654	909,058	1,550,026	930,283
Cash paid for goods and services	(1,333,780)	(688,908)	(1,335,797)	(723,765)
Cash paid to and for employees	(23,996)	(18,777)	(19,830)	(16,295)
Payments of taxes and levies	(153,343)	(120,599)	(159,122)	(127,924)
Other cash paid relating to operating activities	(24,632)	(27,731)	(14,723)	(12,748)
Sub-total of cash outflows	(1,535,751)	(856,015)	(1,529,472)	(880,732)
Net cash flow from operating activities	32,903	53,043	20,554	49,551
Cash flows from investing activities:				
Cash received from disposal of investments	156	1,503	1,315	307
Cash received from returns on investments	447	5,661	1,250	5,324
Net cash received from disposal of fixed assets, oil and gas properties, intangible assets and other long-term assets	902	1,265	166	152
Other cash received relating to investing activities	2,343	46	2,478	1,484
Sub-total of cash inflows	3,848	8,475	5,209	7,267
Cash paid to acquire fixed assets, oil and gas properties, intangible assets and other long-term assets	(62,870)	(46,141)	(77,126)	(63,165)
Cash paid for acquisition of investments	(6,450)	(9,082)	(4,825)	(6,955)
Other cash paid relating to investing activities	(1,550)	—	(3,149)	—
Sub-total of cash outflows	(70,870)	(55,223)	(85,100)	(70,120)
Net cash flow from investing activities	(67,022)	(46,748)	(79,891)	(62,853)

	Six-month periods ended 30 June			
	2013		2012	
	The Group	The Company	The Group	The Company
Cash flows from financing activities:				
Cash received from borrowings	550,958	113,471	438,230	128,151
Cash received from capital contributions	22,259	19,406	936	—
Including: Cash received from minority shareholders' capital contributions to subsidiaries	2,853	—	936	—
Sub-total of cash inflows	573,217	132,877	439,166	128,151
Cash repayments of borrowings	(519,985)	(122,790)	(369,421)	(109,528)
Cash paid for dividends, profits distribution or interest	(18,556)	(16,551)	(22,432)	(21,177)
Including: Subsidiaries' cash payments for distribution of dividends or profits to minority shareholders	(785)	—	(578)	—
Other cash paid relating to financing activities	(22)	—	(71)	—
Sub-total of cash outflows	(538,563)	(139,341)	(391,924)	(130,705)
Net cash flow from financing activities	34,654	(6,464)	47,242	(2,554)
Effects of changes in foreign exchange rate	199	—	7	—
Net increase/(decrease) in cash and cash equivalents	734	(169)	(12,088)	(15,856)

Consolidated Statement of Changes in Equity

	Share capital RMB million	Capital reserve RMB million	Specific reserve RMB million	Surplus reserves RMB million	Retained earnings RMB million	Translation difference in foreign currency statements RMB million	Total shareholders' equity attributable to equity shareholders of the Company RMB million	Minority interests RMB million	Total shareholders' equity RMB million
Balance at 1 January 2012	86,702	29,583	3,115	178,263	178,336	(1,600)	474,399	35,126	509,525
Change for the period									
1. Net profit	—	—	—	—	23,697	—	23,697	1,249	24,946
2. Other comprehensive income	—	28	—	—	—	59	87	30	117
Total comprehensive income	—	28	—	—	23,697	59	23,784	1,279	25,063
Transactions with owners, recorded directly in shareholders' equity:									
3. Appropriations of profits:									
- Appropriation for surplus reserves	—	—	—	2,420	(2,420)	—	—	—	—
- Distributions to shareholders	—	—	—	—	(17,364)	—	(17,364)	—	(17,364)
4. Exercise of conversion of the 2011 Convertible Bonds	118	799	—	—	—	—	917	—	917
5. Rights issue of shares by a subsidiary	—	(18)	—	—	—	—	(18)	781	763
6. Acquisition of minority interests	—	(55)	—	—	—	—	(55)	(16)	(71)
7. Distributions to minority interests, (net of contributions)	—	—	—	—	—	—	—	(720)	(720)
8. Net increase in specific reserve for the period	—	—	1,067	—	—	—	1,067	41	1,108
	118	726	1,067	2,420	(19,784)	—	(15,453)	86	(15,367)
Balance at 30 June 2012	86,820	30,337	4,182	180,683	182,249	(1,541)	482,730	36,491	519,221

	Share capital RMB million	Capital reserve RMB million	Specific reserve RMB million	Surplus reserves RMB million	Retained earnings RMB million	Translation difference in foreign currency statements RMB million	Total shareholders' equity attributable to equity shareholders of the Company RMB million	Minority interests RMB million	Total shareholders' equity RMB million
Balance at 1 January 2013	86,820	30,574	3,550	184,603	209,446	(1,619)	513,374	37,227	550,601
Change for the period									
1. Net profit	—	—	—	—	29,417	—	29,417	2,087	31,504
2. Other comprehensive income	—	731	—	—	—	(287)	444	(101)	343
Total comprehensive income	—	731	—	—	29,417	(287)	29,861	1,986	31,847
Transactions with owners, recorded directly in shareholders' equity:									
3. Appropriations of profits:									
– Appropriation for surplus reserves	—	—	—	2,493	(2,493)	—	—	—	—
– Distribution to shareholders	—	—	—	—	(17,933)	—	(17,933)	—	(17,933)
– Bonus issues	17,933	—	—	—	(17,933)	—	—	—	—
4. Capitalisation	8,967	(8,967)	—	—	—	—	—	—	—
5. Rights issue of H shares, (net of issuance cost)	2,845	16,561	—	—	—	—	19,406	—	19,406
6. Acquisition of minority interests	—	(13)	—	—	—	—	(13)	(27)	(40)
7. Contributions by subsidiaries from non-controlling interests	—	618	—	—	—	—	618	2,235	2,853
8. Distribution to non-controlling interests	—	—	—	—	—	—	—	(463)	(463)
9. Net increase in specific reserve for the period	—	—	1,073	—	—	—	1,073	33	1,106
	29,745	8,199	1,073	2,493	(38,359)	—	3,151	1,778	4,929
Balance at 30 June 2013	116,565	39,504	4,623	187,096	200,504	(1,906)	546,386	40,991	587,377

Company Statement of Changes in Equity

	Share capital RMB million	Capital reserve RMB million	Specific reserve RMB million	Surplus reserves RMB million	Retained earnings RMB million	Total shareholders' equity RMB million
Balance at 1 January 2012	86,702	37,983	2,571	178,263	127,087	432,606
Change for the period						
1. Net profit	—	—	—	—	24,197	24,197
2. Other comprehensive income	—	26	—	—	—	26
Total comprehensive income	—	26	—	—	24,197	24,223
Transactions with owners, recorded directly in shareholders' equity:						
3. Appropriations of profits:						
– Appropriation for surplus reserves	—	—	—	2,420	(2,420)	—
– Distributions to shareholders	—	—	—	—	(17,364)	(17,364)
4. Exercise of conversion of the 2011 Convertible Bonds	118	799	—	—	—	917
5. Net increase in specific reserve for the period	—	—	881	—	—	881
	118	799	881	2,420	(19,784)	(15,566)
Balance at 30 June 2012	86,820	38,808	3,452	180,683	131,500	441,263

	Share capital RMB million	Capital reserve RMB million	Specific reserve RMB million	Surplus reserves RMB million	Retained earnings RMB million	Total shareholders' equity RMB million
Balance at 1 January 2013	86,820	39,146	3,017	184,603	158,101	471,687
Change for the period						
1. Net profit	—	—	—	—	24,926	24,926
2. Other comprehensive income	—	649	—	—	—	649
Total comprehensive income	—	649	—	—	24,926	25,575
Transactions with owners, recorded directly in shareholders' equity:						
3. Appropriations of profits:						
– Appropriation for surplus reserves	—	—	—	2,493	(2,493)	—
– Distributions to shareholders	—	—	—	—	(17,933)	(17,933)
– Bonus issues	17,933	—	—	—	(17,933)	—
4. Capitalisation	8,967	(8,967)	—	—	—	—
5. Rights issue of H shares, (net of issuance cost)	2,845	16,561	—	—	—	19,406
6. Net increase in specific reserve for the period	—	—	767	—	—	767
Total transactions with owners, recorded directly in shareholders' equity:	29,745	7,594	767	2,493	(38,359)	2,240
7. Other movement	—	476	(13)	—	7,857	8,320
Balance at 30 June 2013	116,565	47,865	3,771	187,096	152,525	507,822

7.2.2 Interim financial statements prepared under IFRS

Consolidated Income Statement

(Amount in RMB million, except for per share data)

	Six-month periods ended 30 June	
	2013	**2012**
Turnover and other operating revenues		
Turnover	1,395,934	1,327,466
Other operating revenues	19,310	20,606
	1,415,244	1,348,072
Operating expenses		
Purchased crude oil, products and operating supplies and expenses	(1,170,856)	(1,119,324)
Selling, general and administrative expenses	(31,991)	(28,641)
Depreciation, depletion and amortisation	(38,969)	(34,534)
Exploration expenses, including dry holes	(7,644)	(6,882)
Personnel expenses	(24,843)	(24,020)
Taxes other than income tax	(94,451)	(95,267)
Other operating income, net	251	679
Total operating expenses	(1,368,503)	(1,307,989)
Operating profit	46,741	40,083
Finance costs		
Interest expense	(5,201)	(5,946)
Interest income	592	563
Unrealised gain on embedded derivative component of the convertible bonds	761	506
Foreign currency exchange gains/(losses), net	1,317	(150)

(Amount in RMB million, except for per share data)

	Six-month periods ended 30 June	
	2013	**2012**
Net finance costs	(2,531)	(5,027)
Investment income	50	63
Share of profits from associates and joint ventures	874	323
Profit before taxation	45,134	35,442
Tax expense	(12,727)	(9,643)
Profit for the period	32,407	25,799
Attributable to:		
Owners of the Company	30,281	24,503
Non-controlling interests	2,126	1,296
Profit for the period	32,407	25,799
Earnings per share:		
Basic	0.262	0.217
Diluted	0.246	0.209

Consolidated Statement of Comprehensive Income

Unit: RMB million

	Six-month periods ended 30 June	
	2013	**2012**
Profit for the period	32,407	25,799
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss (after tax and reclassification adjustments):		
Cash flow hedges	82	1
Available-for-sale securities	890	1
Share of other comprehensive income of associates	(241)	26
Foreign currency translation differences	(388)	89
Total items that may be reclassified subsequently to profit or loss	343	117
Total comprehensive income	343	117
Total comprehensive income for the period	32,750	25,916
Attributable to:		
Owners of the Company	30,725	24,590
Non-controlling interests	2,025	1,326
Total comprehensive income for the period	32,750	25,916

Consolidated Balance Sheet

Unit: RMB million

	2013 30 June	2012 31 December
Non-current assets		
Property, plant and equipment, net	597,745	588,969
Construction in progress	166,956	168,977
Goodwill	6,257	6,257
Interest in associates	28,275	28,812
Interest in joint ventures	26,166	21,388
Investments	3,105	2,001
Deferred tax assets	4,544	5,539
Lease prepayments	37,953	36,240
Long-term prepayments and other assets	37,557	34,746
Total non-current assets	908,558	892,929
Current assets		
Cash and cash equivalents	11,190	10,456
Time deposits with financial institutions	195	408
Trade accounts receivable	87,386	81,395
Bills receivable	19,008	20,045
Inventories	216,028	218,262
Prepaid expenses and other current assets	31,323	34,449
Total current assets	365,130	365,015

	2013 30 June	2012 31 December
Current liabilities		
Short-term debts	110,546	73,063
Loans from Sinopec Group Company and fellow subsidiaries	57,001	42,919
Trade accounts payable	187,176	215,628
Bills payable	5,700	6,656
Accrued expenses and other payables	146,568	169,062
Income tax payable	3,363	6,045
Total current liabilities	510,354	513,373
Net current liabilities	(145,224)	(148,358)
Total assets less current liabilities	763,334	744,571
Non-current liabilities		
Long-term debts	104,712	124,518
Loans from Sinopec Group Company and fellow subsidiaries	36,955	37,598
Deferred tax liabilities	7,625	7,294
Provisions	23,379	21,591
Other long-term liabilities	6,054	5,534
Total non-current liabilities	178,725	196,535
	584,609	548,036
Equity		
Share capital	116,565	86,820
Reserves	427,152	424,094
Total equity attributable to owners of the Company	543,717	510,914
Non-controlling interests	40,892	37,122
Total equity	584,609	548,036

7.2.3 Difference between financial statement prepared in accordance with the accounting policies complying with ASBE and IFRS (unaudited)

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

	For six-month periods ended 30 June	
	2013	**2012**
	RMB million	**RMB million**
Net profit under ASBE	31,504	24,946
Adjustments:		
Government grants	56	51
Safety production fund	847	802
Profit for the period under IFRS*	32,407	25,799

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

	2013	**2013**
	30 June	**31 December**
	RMB million	**RMB million**
Shareholder's equity under ASBE	587,377	550,601
Adjustments:		
Government grants	(1,667)	(1,723)
Safety production fund	(1,101)	(842)
Total equity under IFRS*	584,609	548,036

* The figures are extracted from the consolidated financial statements prepared in accordance with the accounting policies complying with IFRS during the year ended 31 December 2012 and the six-month period ended 30 June 2013 which have been audited by KPMG and PricewaterhouseCoopers, respectively.

7.3 Changes in accounting polices

☐ Applicable √ Not applicable

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

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

☐ Applicable √ Not applicable

7.6 Notes on the financial statements prepared under IFRS

7.6.1 Turnover

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

7.6.2 Tax expense

Tax expense in the consolidated income statement represents:

	Six-month periods ended 30 June 2013 RMB million	2012 RMB million
Current tax		
– Provision for the period	11,151	10,418
– Adjustment of prior years	453	473
Deferred taxation	1,123	(1,248)
	12,727	9,643

Reconciliation between actual tax expense and the expected income tax expense at applicable statutory tax rates is as follows:

	Six-month periods ended 30 June 2013 RMB million	2012 RMB million
Profit before taxation	45,134	35,442
Expected PRC income tax expense at a statutory tax rate of 25%	11,284	8,861
Tax effect of non-deductible expenses	133	220
Tax effect of non-taxable income	(365)	(137)
Tax effect of preferential tax rate (Note)	(1,028)	(916)
Effect of income taxes from foreign operations in excess of taxes at the PRC statutory tax rate (Note)	1,276	101
Tax effect of utilisation of previously unrecognised tax losses and temporary differences	(95)	(109)
Tax effect of tax losses not recognised	296	538
Write-down of deferred tax assets	773	612
Adjustment of prior years	453	473
Actual income tax expense	12,727	9,643

Note:

The provision for PRC current income tax is based on a statutory income tax rate of 25% of the assessable income of the Group as determined in accordance with the relevant income tax rules and regulations of the PRC, except for certain entities of the Group in western regions in the PRC are taxed at preferential income tax rate of 15% through the year 2020, and the foreign operation in the Republic of Angola ("Angola") that is taxed at 50% of the assessable income as determined in accordance with the relevant income tax rules and regulations of Angola.

7.6.3 Basic and Diluted Earnings per Share

The calculation of basic earnings per share for the six-month period ended 30 June 2013 is based on the profit attributable to ordinary owners of the Company of RMB 30,281 million (2012: RMB 24,503 million) and the weighted average number of shares of 115,639,886,505 (2012: 112,840,871,514) during the period. The weighted average number of shares for the six-month period ended 30 June 2012 has been retrospectively adjusted as a result of bonus issues and capitalization during the period, basic earnings and diluted earnings per share has been adjusted retrospectively.

The calculation of diluted earnings per share for the six-month period ended 30 June 2013 is based on the profit attributable to ordinary owners of the Company of RMB 29,851 million (2012: RMB 24,731 million) and the weighted average number of shares of 121,321,406,189 (2012: 118,252,214,431) calculated as follows:

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

	Six-month periods ended 30 June	
	2013	**2012**
	RMB million	**RMB million**
Profit attributable to ordinary owners of the Company	30,281	24,503
After tax effect of interest expenses (net of exchange gain) of the 2007 Convertible Bonds and the 2011 Convertible Bonds	141	608
After tax effect of unrealised gain (net of unrealised loss) on embedded derivative components of the 2007 Convertible Bonds and the 2011 Convertible Bonds	(571)	(380)
Profit attributable to ordinary owners of the Company (diluted)	29,851	24,731

(ii) Weighted average number of shares (diluted)

	Six-month periods ended 30 June	
	2013	**2012**
	Number of shares	**Number of shares**
Weighted average number of shares at 30 June	115,639,886,505	112,840,871,514
Effect of conversion of the 2007 Convertible Bonds	1,439,688,889	1,413,144,699
Effect of conversion of the 2011 Convertible Bonds	4,241,830,795	3,998,198,218
Weighted average number of shares (diluted) at 30 June	121,321,406,189	118,252,214,431

7.6.4 Dividends

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

	Six-month periods ended 30 June	
	2013	**2012**
	RMB million	**RMB million**
Interim dividends declared after the balance sheet date of RMB 0.09 per share (2012: RMB 0.10 per share)	10,491	8,682

Pursuant to the Company's Articles of Association and a resolution passed at the Directors' meeting on 23 August 2013, the directors authorised to declare the interim dividends for the year ending 31 December 2013 of RMB 0.09 (2012: RMB 0.10) per share totalling RMB10,491 million (2012: RMB 8,682 million). Dividends declared after the balance sheet date are not recognised as a liability at the balance sheet date.

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

	Six-month periods ended 30 June	
	2013	**2012**
	RMB million	**RMB million**
Final cash dividends in respect of the previous financial year, approved during the period of RMB 0.20 per share (2012: RMB 0.20 per share)	17,933	17,364

Pursuant to the shareholders' approval at the Annual General Meeting on 29 May 2013, a final dividend of RMB 0.20 per share, and with bonus issues of 2 shares converted from the retained earnings for every 10 existing shares in respect of the year ended 31 December 2012 was declared. Dividends paid in the six-month period ended 30 June 2013 RMB 12,552 million.

Pursuant to the shareholders' approval at the Annual General Meeting on 11 May 2012, a final dividend of RMB 0.20 per share totaling RMB 17,364 million in respect of the year ended 31 December 2011 was declared.

7.6.5 Trade Accounts Receivable and Bills Receivable

	30 June 2013	**31 December 2012**
	RMB million	**RMB million**
Amounts due from third parties	71,750	63,311
Amounts due from Sinopec Group Company and fellow subsidiaries	7,042	7,207
Amounts due from associates and joint ventures	9,289	11,576
	88,081	82,094
Less: Impairment losses for bad and doubtful debts	(695)	(699)
Trade accounts receivable, net	87,386	81,395
Bills receivable	19,008	20,045
	106,394	101,440

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

	30 June 2013 RMB million	**31 December 2012 RMB million**
Within one year	106,259	101,295
Between one and two years	109	85
Between two and three years	21	52
Over three years	5	8
	106,394	101,440

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

	2013 RMB million	**2012 RMB million**
Balance at 1 January	699	1,012
Impairment losses recognised for the period	5	2
Reversal of impairment losses	(6)	(119)
Written off	(4)	(10)
Others	1	—
Balance at 30 June	695	885

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 and bills receivables (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.

7.6.6 Trade Accounts and Bills Payables

	30 June 2013 RMB million	**31 December 2012 RMB million**
Amounts due to third parties	174,733	204,535
Amounts due to Sinopec Group Company and fellow subsidiaries	8,799	6,870
Amounts due to associates and joint ventures	3,644	4,223
	187,176	215,628
Bills payable	5,700	6,656
Trade accounts and bills payables measured at amortised cost	192,876	222,284

The maturities of trade accounts and bills payables are as follows:

	30 June 2013 RMB million	**31 December 2012 RMB million**
Due within 1 month or on demand	170,930	188,822
Due after 1 month but within 6 months	18,960	33,315
Due after 6 months	2,986	147
	192,876	222,284

7.6.7 Segment Reporting

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

	Six-month periods ended 30 June 2013 RMB million	2012 RMB million
Turnover		
Exploration and production		
External sales	27,992	25,956
Inter-segment sales	81,651	90,728
	109,643	116,684
Refining		
External sales	95,953	95,805
Inter-segment sales	545,502	540,088
	641,455	635,893
Marketing and distribution		
External sales	724,184	701,769
Inter-segment sales	3,507	4,003
	727,691	705,772
Chemicals		
External sales	180,264	173,576
Inter-segment sales	27,854	23,457
	208,118	197,033

	Six-month periods ended 30 June	
	2013	**2012**
	RMB	**RMB**
	million	**million**
Corporate and others		
External sales	367,541	330,360
Inter-segment sales	313,914	323,343
	681,455	653,703
Elimination of inter-segment sales	(972,428)	(981,619)
Turnover	1,395,934	1,327,466
Other operating revenues		
Exploration and production	7,599	9,433
Refining	2,791	2,680
Marketing and distribution	5,061	4,181
Chemicals	3,403	3,736
Corporate and others	456	576
Other operating revenues	19,310	20,606
Turnover and other operating revenues	1,415,244	1,348,072

	Six-month periods ended 30 June	
	2013	**2012**
	RMB million	**RMB million**
Result		
Operating profit/(loss)		
By segment		
– Exploration and production	30,949	40,463
– Refining	213	(18,501)
– Marketing and distribution	16,852	20,252
– Chemicals	(409)	(1,251)
– Corporate and others	(1,014)	(356)
– Elimination	150	(524)
Total segment operating profit	46,741	40,083
Share of profits from associates and joint ventures		
– Exploration and production	109	123
– Refining	(266)	(741)
– Marketing and distribution	195	553
– Chemicals	286	(86)
– Corporate and others	550	474
Aggregate share of profits from associates and joint ventures	874	323
Investment income		
– Refining	3	8
– Marketing and distribution	33	40
– Chemicals	—	15
– Corporate and others	14	—
Aggregate investment income	50	63
Net finance costs	(2,531)	(5,027)
Profit before taxation	45,134	35,442

	30 June 2013 RMB million	31 December 2012 RMB million
Assets		
Segment assets		
– Exploration and production	375,600	368,587
– Refining	303,743	309,204
– Marketing and distribution	266,107	261,724
– Chemicals	146,545	145,867
– Corporate and others	104,139	100,517
Total segment assets	1,196,134	1,185,899
Interest in associates and joint ventures	54,441	50,200
Investments	3,105	2,001
Deferred tax assets	4,544	5,539
Cash and cash equivalents and time deposits with financial institutions	11,385	10,864
Other unallocated assets	4,079	3,441
Total assets	1,273,688	1,257,944
Liabilities		
Segment liabilities		
– Exploration and production	77,163	90,430
– Refining	51,080	62,271
– Marketing and distribution	86,692	87,785
– Chemicals	26,037	30,100
– Corporate and others	115,796	139,811
Total segment liabilities	356,768	410,397
Short-term debts	113,558	73,063
Income tax payable	3,363	6,045
Long-term debts	104,712	124,518
Loans from Sinopec Group Company and fellow subsidiaries	90,944	80,517
Deferred tax liabilities	7,625	7,294
Other unallocated liabilities	12,109	8,074
Total liabilities	689,079	709,908

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one year.

	Six-month periods ended 30 June	
	2013	**2012**
	RMB	**RMB**
	million	**million**
Capital expenditure		
Exploration and production	24,996	21,839
Refining	7,710	10,427
Marketing and distribution	11,612	12,390
Chemicals	5,283	6,341
Corporate and others	2,374	507
	51,975	51,504
Depreciation, depletion and amortisation		
Exploration and production	21,186	19,328
Refining	6,661	6,062
Marketing and distribution	5,353	4,091
Chemicals	5,113	4,450
Corporate and others	656	603
	38,969	34,534
Impairment losses on long-lived assets		
Refining	44	—
	44	—

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 periods ended 30 June	
	2013	**2012**
	RMB	**RMB**
	million	**million**
External sales		
Mainland China	1,034,044	1,016,324
Others	381,200	331,748
	1,415,244	1,348,072

	30 June	**31 December**
	2013	**2012**
	RMB	**RMB**
	million	**million**
Non-current assets		
Mainland China	876,669	862,044
Others	21,857	22,123
	898,526	884,167

8 Repurchase, Sale and Redemption of Shares

None of Sinopec Corp. or any of its subsidiaries repurchased, sold or redeemed any listed securities of Sinopec Corp. or its subsidiaries during the reporting period (excluding the placing of new H shares as mentioned in item 4 of the section "Significant Events" in the 2013 interim report of Sinopec Corp.).

9 Compliance with the Model Code

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

10 Compliance with the Corporate Governance Code

Based on its actual situations, Sinopec Corp. did not establish a nomination committee under the Board in accordance with the code provisions set out in the Corporate Governance Code and Corporate Governance Report ("Corporate Governance Code") contained in Appendix 14 of the Hong Kong Listing Rules. Sinopec Corp. is of the view that the nomination of the candidates for directorship by all the members of the Board will better serve the operation needs of Sinopec Corp., as such, the duties of the nomination committee set out in the Corporate Governance Code will be performed by the Board.

Due to other work-related duties, each of chairman and the members of the Audit Committee of Sinopec Corp. was absent from the annual general meeting of Sinopec Corp. for the year 2012. None of the shareholders at the meeting raised enquiries to the Audit Committee.

Save as disclosed above, during the reporting period, Sinopec Corp. have complied with the code provisions set out in the Corporate Governance Code.

11 Review of the Interim Report and the Interim Results

The Audit Committee of Sinopec Corp. has reviewed and agreed with the 2013 interim report and interim results of Sinopec Corp..

12 The 2013 interim report of Sinopec Corp. containing all the information required by 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 on both English and Chinese languages. The Chinese version shall prevail.

By Order of the Board
Fu Chengyu
Chairman

Beijing, the PRC, 23 August 2013

As of the date of this announcement, directors of Sinopec Corp. are: Fu Chengyu, Wang Tianpu*, Zhang Yaocang*, Li Chunguang#, Zhang Jianhua#, Wang Zhigang#, Cai Xiyou#, Cao Yaofeng*, Dai Houliang#, Liu Yun*, Chen Xiaojin+, Ma Weihua+, Jiang Xiaoming+, Andrew Y. Yan+, Bao Guoming+.*

\# *Executive Director*
* *Non-executive Director*
\+ *Independent Non-executive Director*