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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: 0386)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2015**

1 Important Notice

- 1.1 This announcement is a summary of the 2015 Interim Report of China Petroleum & Chemical Corporation ("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 2015 interim report for more details.
- 1.2 The interim financial statements for the six-month period ended 30 June 2015 (the "reporting period") 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	—	—	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 China Accounting Standards for Business Enterprises (“ASBE”)

2.1.1 Principal financial data and indicators

Items	As at 30 June 2015 RMB million	As at 31 December 2014 RMB million	Changes from the end of last year %
Total assets	1,470,355	1,451,368	1.3
Total equity attributable to equity shareholders of the Company	681,474	594,483	14.6
Items	Six-month periods ended 30 June 2015 RMB million	2014 RMB million	Changes over the same period of the preceding year %
Net cash flow from operating activities	67,442	58,214	15.9
Operating income	1,040,362	1,356,172	(23.3)
Net profit attributable to equity shareholders of the Company	24,427	31,430	(22.3)
Net profit attributable to equity shareholders of the Company after deducting extraordinary gain/loss items	23,431	31,354	(25.3)
Weighted average return on net assets (%)	3.81	5.37	(1.56)
Basic earnings per share (RMB)	0.202	0.269	(24.9)
Diluted earnings per share (RMB)	0.202	0.268	(24.6)

2.2 Principal Financial Data and Indicators Prepared in Accordance with International Financial Reporting Standards (“IFRS”)

Items	Six-month periods ended 30 June		Changes over the same period of the preceding year
	2015	2014	
	RMB million	RMB million	%
Operating profit	40,543	52,268	(22.4)
Net profit attributable to owners of the Company	25,394	32,543	(22.0)
Basic earnings per share (RMB)	0.211	0.279	(24.4)
Diluted earnings per share (RMB)	0.211	0.277	(23.8)
Net cash generated from operating activities	67,442	58,214	15.9

Items	As at 30 June 2015	As at 31 December 2014	Changes from the end of last year
	RMB million	RMB million	%
Total assets	1,470,355	1,451,368	1.3
Total equity attributable to owners of the Company	680,085	593,041	14.7

3 Number of Shareholders and Shareholdings of Principal Shareholders

As at 30 June 2015 there were a total of 915,654 shareholders of Sinopec Corp., of which 909,358 were holders of A shares and 6,296 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	Percentage of shareholdings (%)	Total number of shares held	Changes of shareholdings ¹	Number of shares subject to pledged or lock-ups
China Petrochemical Corporation	State-owned share	70.80	85,720,671,101	0	0
HKSCC (Nominees) Limited ²	H share/A share	21.06	25,491,959,763	89,624,054	Unknown
國泰君安證券股份有限公司	A share	0.11	138,963,306	(153,928,530)	0
中科匯通（深圳）股權投資基金有限公司	A share	0.10	120,572,789	120,572,789	0
中國人民人壽保險股份有限公司—分紅—個險分紅	A share	0.09	108,446,810	108,446,810	0
卡塔爾控股有限責任公司—自有資金	A share	0.07	89,996,185	0	0
中國工商銀行—上證50交易型開放式指數證券投資基金	A share	0.07	86,080,144	48,592,450	0
王戎	A share	0.05	57,872,279	24,837,779	0
中國人民人壽保險股份有限公司—傳統—普通保險產品	A share	0.04	49,999,968	49,999,968	0
中國證券金融股份有限公司	A share	0.04	49,825,774	(218,331,082)	0

Note:

1. As compared with the number of shares as at 31 December 2014.
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. which is 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:

Sinopec Corp. is not aware of any connected relationship or acting in concert among or between the above-mentioned shareholders, except that 中國人民人壽保險股份有限公司—分紅—個險分紅 and 中國人民人壽保險股份有限公司—傳統—普通保險產品 are managed by 中國人民人壽保險股份有限公司.

3.2 Information disclosed by H share shareholders in accordance with the Securities and Futures Ordinance as at 30 June 2015

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	717,517,817(L)	2.81(L)
		310,108,377(S)	1.22(S)
	Investment manager	370,144,100(L)	1.45(L)
	Trustee (other than a bare trustee)	16,600(L)	0.00(L)
	Custodian corporation/Approved lending agent	1,375,606,223(L)	5.39(L)
Blackrock, Inc.	Interests of corporation controlled	1,825,428,399(L)	7.15(L)
	by the substantial shareholder	14,043,700(S)	0.06(S)
Schroders Plc	Investment manager	1,275,857,318(L)	5.00(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 in the reporting period.

4 Directors, Supervisors and Senior Management

Equity Interests of Directors, Supervisors and Other Senior Management

As at 30 June 2015, 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. held any shares of Sinopec Corp.

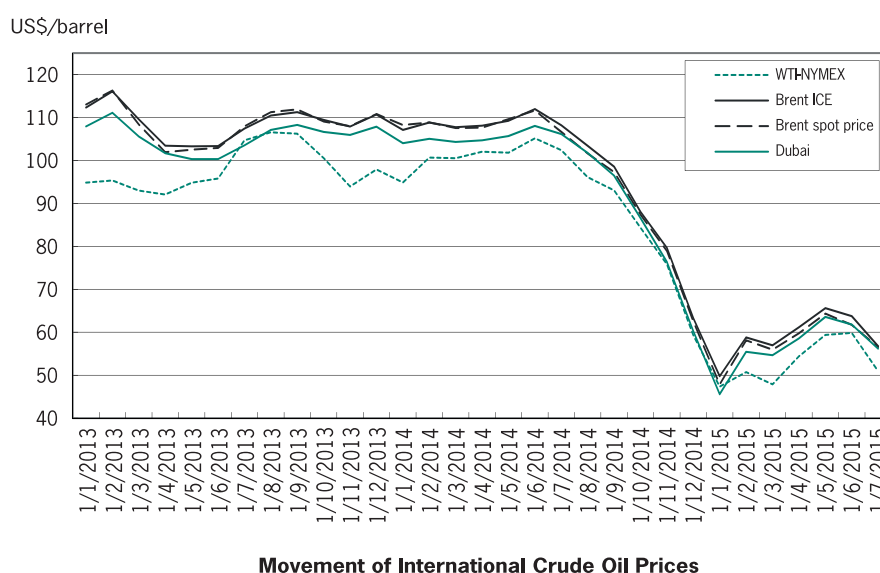
Save as disclosed above, the directors, supervisors and other senior management of Sinopec Corp. and their associates did not hold shares, bonds or any interest or short position (including any interest or short position in shares that is regarded or treated as being held in accordance with the Securities 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 2015, the global economic recovery remained slow. China’s GDP grew by 7.0%. The domestic demand of crude oil maintained a steady growth, increasing 4.8% year on year, and natural gas demand growth slowed down, up 2.1% year on year. Refined oil products demand continue to diversify following last year’s trend with a slower growth rate. Gasoline and kerosene consumption increased substantially while diesel dropped slightly. The total consumption of refined oil products grew by 3% compared with the same period of last year. Quality upgrading of oil products was accelerated. Domestic oil products prices were adjusted timely in line with the international oil price changes. Domestic demand for chemicals maintained a steady growth with the ethylene equivalent consumption up by 2.5% compared with the same period of last year.

The international crude oil prices plunged in the second half of last year and fluctuated at low level in the first half of this year. The average spot price of Platts Brent for the first half of this year was USD 57.84 per barrel, 46.90% lower than the same period of last year.



5.1.1 PRODUCTION AND OPERATIONS

(1) Exploration and Production

The Company took effective measures in low oil price environment in the first half of 2015, including optimising the exploration and production plans, setting up flexible investment decision making mechanism and cutting high-cost crude oil production. In exploration, we attained new discoveries and commercial flows in marine facies gas fields in the west of Sichuan. In development, the Fuling shale gas project progressed steadily.

Oil and gas production in the first half was 232.95 million barrels of oil equivalent, down by 1.7% compared with same period of last year. Domestic and overseas crude oil production amounted to 147.47 million barrels and 26.60 million barrels respectively while natural gas production reached 353.26 billion cubic feet.

Exploration and Production: Summary of Operations

	Six-month period ended 30 June		Changes (%)
	2015	2014	
Oil and gas production (mmboe)	232.95	237.01	(1.71)
Crude oil production (mmbbls)	174.07	177.88	(2.14)
China	147.47	154.15	(4.33)
Overseas	26.60	23.73	12.09
Natural gas production (bcf)	353.26	354.80	(0.43)

(2) Refining

The Company, while focusing on profitability, optimised the crude oil allocation and processing plans, adjusted the product slate and utilisation rate, and increased the yield of high value-added products, such as high-spec gasoline. We brought our scale advantages into full play to control the unit cost. We actively promoted the quality upgrading of refined oil products and provide high standard fuels to the market. We took advantages of specialised by improving our dedicated marketing network, we optimised the sales of other refining products such as lubricants, LPG, asphalt, etc. In the first half of 2015, we processed 119 million tonnes of crude oil, up by 2.7% compared with the first half of 2014. Refined oil products output rose by 4.4% with jet fuel and high-spec gasoline up by 18.9% and 18.2% respectively.

Refining: Summary of Operations

	Six-month period ended 30 June		Changes
	2015	2014	(%)
Refinery throughput (million tonnes)	118.89	115.81	2.66
Gasoline, diesel and kerosene production			
(million tonnes)	74.75	71.62	4.37
Gasoline (million tonnes)	27.02	24.94	8.34
Diesel (million tonnes)	35.82	36.67	(2.32)
Kerosene (million tonnes)	11.90	10.01	18.88
Light chemical feedstock production	19.07	19.96	(4.46)
(million tonnes)			
Light yield (%)	76.69	76.83	(0.14)
			percentage points
Refining yield (%)	94.98	94.63	0.35
			percentage points

Note: Includes 100% of production of joint ventures.

(3) Marketing and Distribution

In the first half of 2015, in light of the changes in supply and demand, the Company optimised marketing structure to increase retail volume and single station throughput. We accelerated the transformation from an oil products supplier to a comprehensive service provider by complimenting the rapid development of non-fuel business with that of fuel business and achieving volume and profit growth.

In the first half of 2015, the total sales volume of refined oil products grew by 5.3% to 92.97 million tonnes, of which domestic sales were 83.92 million tonnes, up 3.6% from the same period of previous year. Revenue from our non-fuel business reached RMB 13.33 billion, an increase of 85.4% from the same period in 2014.

Marketing and Distribution: Summary of Operations

	Six-month period ended 30 June		Change
	2015	2014	(%)
Total sales volume of refined oil products (million tonnes)	92.97	88.26	5.34
Total domestic sales volume of refined oil products (million tonnes)	83.92	81.04	3.55
Retail (million tonnes)	58.19	56.55	2.90
Direct sales and Wholesale (million tonnes)	25.73	24.49	5.06
Annualised average throughput per station (tonne/station)	3,816	3,712	2.80
			Change
	As of	As of	from the end
	30 June	31 December	of last year
	2015	2014	(%)
Total number of Sinopec-branded service stations	30,514	30,551	(0.12)
Company-operated	30,501	30,538	(0.12)

(4) Chemicals

In the first half of 2015, the Company further optimised feedstock and product mix to achieve better cost efficiency. We put our efforts in R&D, production and marketing of new products, and maintained production volume growth in high value-added products, the ratio of performance compound in synthetic resin and differentiation rate of synthetic fiber rose to 57.7% and 81.0% respectively, up by 1.4 and 2.4 percentage points compared with the same period of last year. The chemical segment achieved better performance by strengthening the coordination between production and marketing.

In the first half of 2015, ethylene production reached 5.457 million tonnes, up 7.3% from the same period of last year, and chemical sales volume was 30.3 million tonnes, up 3.8% compared with the same period of last year.

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

	Six-month period ended 30 June		Changes
	2015	2014	(%)
Ethylene	5,457	5,084	7.34
Synthetic resin	7,476	6,965	7.34
Synthetic fiber monomer and polymer	4,322	4,105	5.29
Synthetic fiber	638	646	(1.24)
Synthetic rubber	453	483	(6.21)

Note: Includes 100% of production of joint ventures.

5.1.2 Health, Safety and the Environment

In the first half of 2015, the Company fully implemented safety responsibilities at all levels, conducted specific safety inspections, and took identification and management on potential hazards. We made optimal adjustments to emergency response system and promoted HSE conformance. Hence we maintained work safety in general.

We pay close attention to environment protection, energy saving, emission reduction as well as green and low-carbon development. We promoted Contract Energy Management and construction of energy management system, and implemented “Clear Water and Blue Sky” program. Comparing to the same period last year, the Company’s energy intensity was down by 2.77%, COD in discharged wastewater was down by 4.09%, SO₂ emission was down by 4.84%, NO_x emission was down by 4.23%, Ammoniacal Nitrogen emission was down by 3.91%.

5.1.3 Capital Expenditures

The Company focused on quality and profitability of business expansions, and optimised its assets portfolio and investment. A number of key projects have been well underway. CAPEX for the first half was RMB 23.508 billion. CAPEX for E&P was RMB 13.418 billion, mainly for exploration and development in Shengli oil field, Tahe oil field and Sichuan Basin, the LNG projects in Guangxi and Tianjin, pipeline-boosting for Sichuan to East China Gas Transmission Project, construction of pipelines exporting gas from Fuling shale gas field, Jinan-to-Qingdao Gas Transmission Pipeline II Project, and overseas projects. CAPEX for Refining was RMB 3.187 billion, mainly for refinery revamping and gasoline and diesel quality upgrading projects in Qilu and Jiujiang refineries. CAPEX for Marketing and Distribution was RMB 3.781 billion, mainly for developing and renovating service stations, building oil products pipelines, oil depots and other storage facilities, and specific projects for safety hazards rectification and vapor recovery. We newly developed 207 service stations in the first half of 2015. CAPEX for Chemicals was RMB 2.519 billion, mainly for the East Ningxia coal chemical project and the Wuhan ethylene project. CAPEX for Corporate and Others was RMB 603 million, mainly for R&D facilities and IT application projects.

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 2015, the Company's turnover and other operating revenues were RMB 1,040.4 billion, decreased by 23.3% with the same period last year, and operating profit was RMB 40.5 billion, representing a decline of 22.4% from the same period last year.

The following table sets forth the main revenue and expenses from the Company's consolidated financial statements for the indicated periods:

	Six-month periods ended 30 June		
	2015	2014	Change
	RMB million	RMB million	(%)
Turnover and other operating revenues	1,040,362	1,356,172	(23.3)
Turnover	1,021,692	1,338,164	(23.6)
Other operating revenues	18,670	18,008	3.7
Operating expenses	(999,819)	(1,303,904)	(23.3)
Purchased crude oil, products, and operating supplies and expenses	(770,431)	(1,099,789)	(29.9)
Selling, general and administrative expenses	(32,161)	(33,735)	(4.7)
Depreciation, depletion and amortisation	(46,249)	(43,233)	7.0
Exploration expenses (including dry holes)	(6,031)	(5,552)	8.6
Personnel expenses	(26,593)	(26,754)	(0.6)
Taxes other than income tax	(119,886)	(93,767)	27.9
Other operating income/(expense) net	1,532	(1,074)	—
Operating profit	40,543	52,268	(22.4)
Net finance costs	(3,404)	(8,761)	(61.1)
Investment income and share of profit from associates and joint ventures	4,143	2,252	84.0
Profit before taxation	41,282	45,759	(9.8)
Tax expense	(9,674)	(11,908)	(18.8)
Profit for the period	31,608	33,851	(6.6)
Attributable to:			
Owners of the Company	25,394	32,543	(22.0)
Non-controlling interests	6,214	1,308	375.1

5.2.1 Turnover and other operating revenues

In the first half of 2015, the Company's turnover was RMB 1,021.7 billion, representing a decrease of 23.6 % over the first half of 2014.

The following table sets forth the external sales volume, average realised prices and respective percentage changes of the Company's major products in the first half of 2015 as compared with the first half of 2014.

	Sales Volume (thousand 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 (%)
	2015	2014		2015	2014	
Crude oil	4,874	4,450	9.5	2,152	4,195	(48.7)
Natural gas (million cubic meters)	8,777	8,288	5.9	1,571	1,515	3.7
Gasoline	34,626	31,583	9.6	6,881	8,583	(19.8)
Diesel	46,714	46,956	(0.5)	5,133	6,979	(26.5)
Kerosene	11,410	9,787	16.6	3,594	6,012	(40.2)
Basic chemical feedstock	13,983	13,083	6.9	4,508	6,418	(29.8)
Synthetic fibre monomer and polymer	2,887	3,249	(11.1)	6,259	7,355	(14.9)
Synthetic resin	5,851	5,501	6.4	8,187	9,854	(16.9)
Synthetic fibre	689	709	(2.8)	8,046	9,508	(15.4)
Synthetic rubber	579	615	(5.9)	8,730	10,485	(16.7)

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 2015, the turnover from crude oil, natural gas and other upstream products sold externally amounted to RMB 29.0 billion, decreased by 16.4% year on year, accounting for 2.8% of the Company's turnover and other operating revenues. The change was mainly due to the sharp decline of crude oil prices.

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 external sales revenues of RMB 619.0 billion, representing a decrease of 23.5% over the same period of 2014 and accounting for 59.5% of the Company's turnover and other operating revenues, this was mainly due to the sharp decline of oil product prices offsetting the effect of increase in sales volumes of gasoline, kerosene and other refined petroleum products. The sales revenue of gasoline, diesel and kerosene was RMB 519.1 billion, representing a decrease of 21.1% over the same period in 2014, accounting for 83.9% of the sales revenue of petroleum products. Sales revenue of other refined petroleum products was RMB 99.9 billion, representing a decline of 34.2% compared with the first half of 2014, accounting for 16.1% of the sales revenue of petroleum products.

The Company's external sales revenue of chemical products was RMB 140.8 billion, representing a decrease of 20.6% over the same period of 2014, accounting for 13.5% of its turnover and other operating revenues. The change was mainly due to the decline of chemical products prices which offset the effect of increase in sales volumes of basic chemical feedstock and synthetic resin.

5.2.2 Operating expenses

In the first half of 2015, the Company's operating expenses were RMB 999.8 billion, representing a decrease of 23.3% over the first half of 2014. The operating expenses mainly consisted of the following:

Purchased crude oil, products and operating supplies and expenses were RMB 770.4 billion in the first half of 2015, representing a decrease of 29.9% over the same period of 2014, accounting for 77.1% of the total operating expenses, of which:

- Crude oil purchasing expenses were RMB 251.6 billion, representing a decrease of 40.8% over the same period of 2014. Total processed volume of crude oil purchased externally in the first half of 2015 was 89.87 million tonnes (excluding the volume processed for third parties), increased by 3.6% over the first half of 2014. The average unit processing cost of crude oil purchased externally was RMB 2,800 per tonne, decreased by 42.8% over the first half of 2014.
- Other purchasing expenses were RMB 518.8 billion, down by 23.1% year on year, mainly due to decline of external raw material purchase prices.

Selling, general and administrative expenses of the Company totaled RMB 32.2 billion, representing a decrease of 4.7% over the first half of 2014.

Depreciation, depletion and amortisation expenses of the Company were RMB 46.2 billion, representing an increase of 7.0% compared with the first half of 2014. This was mainly due to the increase of continuous investments in property, plant and equipment.

Exploration expenses in the first half of 2015 were RMB 6.0 billion, representing an increase of 8.6% compared with the same period in 2014. This was mainly due to the increase of implantation progress of overall exploration workload compared with the same period in 2014.

Personnel expenses were RMB 26.6 billion, representing a decrease of 0.6% over the first half of 2014.

Taxes other than income tax were RMB 119.9 billion, representing an increase of 27.9% compared with the first half of 2014. This was mainly due to the increase of RMB 35.2 billion in consumption tax as a result of increased consumption tax rate, as well as the RMB 4.7 billion increase in city construction tax and educational surcharge; meanwhile the special oil income levy decreased by RMB 12.4 billion as a result of decreased oil price.

5.2.3 Operating profit

In the first half of 2015, the Company's operating profit was RMB 40.5 billion, representing a decrease of 22.4% over the same period in 2014, mainly due to international crude oil prices dropped, the profit of upstream segment decreased.

5.2.4 Net finance costs

In the first half of 2015, the Company's net finance costs were RMB 3.4 billion, representing a year-on-year decrease of 61.1%, of which: because the Company compressed the occupancy of working capital and improved asset-liability structure and reduced the finance costs, the net interest expense was decreased RMB 2.0 billion; losses from changes in fair value of the Sinopec CB issued by the Company was RMB 0.3 billion, compared with a loss of RMB 2.2 billion in the same period of 2014; gains from foreign currency exchange was RMB 0.2 billion due to slight Renminbi appreciation, compared with a loss of 1.3 billion in the same period of 2014.

5.2.5 Profit before taxation

In the first half of 2015, the Company's profit before taxation amounted to RMB 41.3 billion, representing a decrease of 9.8% compared with the first half of 2014.

5.2.6 Tax expense

In the first half of 2015, income tax expense of the Company totaled RMB 9.7 billion, down by 18.8% from the same period of 2014.

5.2.7 Profit attributable to non-controlling interests of the Company

In the first half of 2015, profit attributable to non-controlling shareholders was RMB 6.2 billion, an increase of 375.1% over the same period of 2014, The non-controlling interests of the Company has increased, this was mainly due to the completion of capital injection of Sinopec Marketing Company Limited.

5.2.8 Profit attributable to Owners of the Company

In the first half of 2015, profit attributable to equity shareholders of the Company was RMB 25.4 billion, representing a decrease of 22.0 % over the same period of 2014.

5.2.9 Assets, liabilities, equity and cash flows

(1) Assets, liabilities and equity

Units: RMB million			
	At 30 June 2015	At 31 December 2014	Amount of changes
Total assets	1,470,355	1,451,368	18,987
Current assets	395,555	360,144	35,411
Non-current assets	1,074,800	1,091,224	(16,424)
Total liabilities	683,398	805,791	(122,393)
Current liabilities	506,913	604,257	(97,344)
Non-current liabilities	176,485	201,534	(25,049)
Total equity attributable to equity shareholders of the Company	680,085	593,041	87,044
Share capital	121,071	118,280	2,791
Reserves	559,014	474,761	84,253
Non-controlling Interests	106,872	52,536	54,336
Total equity	786,957	645,577	141,380

As at 30 June 2015, the Company's total assets were RMB 1,470.4 billion, representing an increase of RMB 19.0 billion compared with that at the end of 2014, of which:

- Current assets were RMB 395.6 billion, representing an increase of RMB 35.4 billion with that at the end of 2014. This was mainly increase in cash and cash equivalents of RMB 63.2 billion due to the capital injection made by non-controlling interests to Sinopec Marketing Company Limited, inventories decreased by RMB 13.4 billion; prepayments and other current assets decreased by RMB 15.6 billion.
- Non-current assets were RMB 1,074.8 billion, representing a decrease of RMB 16.4 billion with that at the end of 2014, which was mainly due to the decrease of construction in progress by RMB 12.5 billion.

As at 30 June 2015, the Company's total liabilities were RMB 683.4 billion, representing a decrease of RMB 122.4 billion compared with that at the end of 2014, of which:

- Current liabilities were RMB 506.9 billion, representing a decrease of RMB 97.3 billion with that at the end of 2014, which was mainly due to the decrease of trade accounts payable by RMB 34.4 billion, accrued expenses and other payables by RMB 40.3 billion and short-term debts by RMB 13.8 billion.
- Non-current liabilities were RMB 176.5 billion, representing a decrease of RMB 25.0 billion with that at the end of 2014, which was mainly due to the decrease of long-term debts by RMB 28.6 billion.

As at 30 June 2015, total equity attributable to equity shareholders of the Company was RMB 680.1 billion, representing an increase of RMB 87.0 billion compared with that at the end of 2014, which was mainly due to the capital premium from capital injection to Sinopec Marketing Company Limited by non-controlling interests, conversion of Sinopec CB and increased retained earnings from the net profit for this period.

(2) Cash Flow

The following table sets forth the major items on the consolidated cash flow statements for the first half of 2015 and 2014.

Major items of cash flows	Units: RMB million		
	Six-month periods ended 30 June 2015	2014	Changes in amount
Net cash generated from operating activities	67,442	58,214	9,228
Net cash generated from investing activities	(54,982)	(62,653)	7,671
Net cash generated from financing activities	51,039	2,531	48,508
Net increase/(decrease) in cash and cash equivalents	63,499	(1,908)	65,407

In the first half of 2015, net cash generated from operating activities was RMB 67.4 billion, representing an increase of RMB 9.2 billion in cash inflow over the first half of 2014. This was mainly due to the decrease of occupancy of working capital over the first half of 2014.

In the first half of 2015, net cash generated from investing activities was RMB 55.0 billion, representing a decrease of RMB 7.7 billion in cash outflow compared with the same period last year, which was mainly caused by the reduction of investment scale.

In the first half of 2015, net cash generated from financing activities was RMB 51.0 billion, representing an increase of RMB 48.5 billion in cash inflow from the same period of last year, this was mainly due to cash inflow caused by capital injection to Sinopec Marketing Company Limited from non-controlling interests which amounted to RMB 105.0 billion, and partly offset by the cash outflow caused by repayment of high interest bearing debts.

As of 30 June 2015, the Company's cash and cash equivalents (exchange rates effects excluded) were RMB 72.5 billion, an increase of RMB 63.5 billion as of 31 December 2014.

5.3 Results of the principal operations by segments

Segment	Operating income (RMB million)	Operating cost (RMB million)	Gross profit margin* (%)	Increase/ (decrease) of operating income on a year-on-year basis (%)	Increase/ (decrease) of operating cost on a year-on-year basis (%)	Increase/ (decrease) of gross profit margin on a year-on-year basis (%)
Exploration and Production	70,401	54,748	17.6	(38.2)	2.5	(20.0)
Refining	485,735	346,809	5.0	(25.5)	(37.9)	2.1
Marketing and Distribution	565,638	524,976	7.0	(22.2)	(23.0)	0.9
Chemicals	166,306	146,249	11.6	(22.1)	(29.6)	9.2
Corporate and Others	415,790	411,441	1.0	(35.6)	(35.9)	0.4
Elimination of inter-segment sales	(663,508)	(664,489)	N/A	N/A	N/A	N/A
Total	1,040,362	819,734	9.7	(23.3)	(28.6)	1.3

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

5.4 Business Prospects

Looking into the second half, the world's economy is expected to recover slowly. China's economy will maintain its steady growth. With a general over supply situation of international crude oil market, the oil price is expected to fluctuate at a low level. Domestic demand for oil and gas is anticipated to grow. The overall demand for oil products and chemicals will grow steadily with the consumption mix to be further adjusted. Given the current state, the Company will undertake initiatives in the following key areas.

In exploration and development, we will step up new technology development and application to promote progressive exploration and reservoir evaluation in oil-rich sag in East China, Tahe oil field and the west rim of Junggar Basin. In natural gas development, we will promote the development and assessment in the gas fields of Erdos, Sichuan basin and Songliao Basin, and push ahead with Fuling shale gas field development so as to deliver the 1st phase capacity building target of 5 billion cubic meters. In the second half of the year, we expect to produce 177 million barrels of crude oil and 537 billion cubic feet of natural gas.

In refining, we will continue to adopt a market-oriented and profitability-driven strategy, optimise production plan and ensure safe and stable operations. We will fine-tune crude oil resources allocation to lower crude cost, and accelerate oil products quality upgrading. The Company will actively expand marketing of lubricants, LPG and asphalt. Meanwhile, we will actively control costs to improve cost competitiveness. We plan to process 122.7 million tonnes of crude oil in the second half.

In marketing and distribution, we will intensify market analysis and forecast to ensure both sales volume growth and profitability, optimise resource structure to consolidate and expand market share, and put customers first by adopting more proactive retail strategies to stabilise direct sales and distribution volume. We will continuously push forward a market-oriented and specialised development in non-fuel business, strengthen key products marketing and procurement management, and promote transformation from an oil products supplier to a comprehensive service provider. In the second half, we plan to sell 87 million tonnes of refined oil products in the domestic market.

In chemicals, we will proactively adjust the product mix, promote new products R&D in line with expanded production and sales. We will fine-tune the operations of facilities at reasonable utilisation rate and continuously to reduce optimise feedstock mix cost. Meanwhile, we will deepen the inter links amongst production, marketing, research and product application, enhance our marketing strategy and improve customer services. In the second half, we plan to produce 5.6 million tonnes of ethylene.

In the second half, we'll fully leverage our advantages across the integrated value chain, arrange production and operation for maximum profitability, spare no efforts in expanding market, and intensely keep the cost and expenses under control. We will ensure HSE performance, strengthen our capability in sustainable development and strive for better operating results. In the meantime, we will adapt to and capture the opportunities of the new normals of Chinese economic growth, and set forth the 13th five-year plan of the company.

6 Dividend

6.1 Dividend distribution for the year ended 31 December 2014

Upon its approval at the annual general meeting of the Sinopec Corp. for the year 2014, Sinopec Corp. distributed the final dividend of RMB 0.11 per share (tax inclusive). The final dividend for 2014 has been distributed to shareholders on and before 30 June 2015 who were registered as existing shareholders as at 18 June 2015. Combined with of the interim dividend of RMB 0.09 per share (tax inclusive), the total cash dividend for the year 2014 amounted to RMB 0.20 per share (tax inclusive).

6.2 Interim dividend distribution plan for the six-month ended 30 June 2015

As approved by the 2nd meeting of the Sixth Session of the Board, the interim dividend for the six-month ended 30 June 2015 will be RMB 0.09 per share (tax inclusive) based on the total number of shares as of 22 September 2015 (the Record Date).

The Sinopec Corp's 2015 interim profit distribution proposal is in compliance with the Articles of Association and relevant procedures. The independent non-executive directors have issued independent opinions on it.

The interim cash dividend will be distributed on or before 30 September 2015 (Wednesday) to all shareholders whose names appear on the register of members of Sinopec Corp. on the record date of 22 September 2015 (Tuesday). 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 Tuesday, 15 September 2015. The register of members of the H shares of Sinopec Corp. will be closed from Wednesday, 16 September 2015, to Tuesday, 22 September 2015 (both dates inclusive).

The dividend will be denominated and declared in Renminbi (RMB), and distributed to domestic and Shanghai-Hong Kong Stock Connect shareholders in RMB and to foreign shareholders in Hong Kong Dollar. 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 preceding the date of declaration of dividends, being Wednesday, 26 August 2015.

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 to them. Any H Shares of the Sinopec Corp. registered not under the name of an individual shareholder, including 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 its 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 and withhold and pay enterprise income tax on behalf of the relevant shareholders based on the register of members for H shares of Sinopec Corp. as at the record date.

If the individual holders of the H shares who are Hong Kong or Macau residents or residents of the countries which had an agreed tax rate of 10% for the cash dividends to them 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 the H Shares are residents of the countries which had an agreed tax rate of less than 10% with China under the 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 the H Shares wish to reclaim the extra amount withheld (the “Extra Amount”) due to the application of 10% tax rate, Sinopec Corp. can 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.. Sinopec Corp. will assist with the tax refund after the approval of the competent tax authority. Should the individual holders of the H Shares are residents of the 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 agreement. In the case that the individual holders of the H Shares are residents of the countries which had an agreed tax rate of 20% with China, or which has 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 investing in the H Shares of Sinopec Corp. through Shanghai-Hong Kong Stock Connect, the company shall withhold and pay income tax at the rate of 20% on behalf of individual investors and securities investment funds. The company 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 of the Hong Kong Stock Exchange (including enterprises and individuals) investing in the A Shares of Sinopec Corp. through Shanghai-Hong Kong Stock Connect, the Company 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 and whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of lower than 10%, those enterprises and individuals may, or may entrust a withholding agent to, apply to the competent tax authorities for the entitlement of the rate under such tax treaty. Upon approval by the tax authorities, the paid amount in excess of the tax payable based on the tax rate according to such tax treaty will be refunded.

7 Financial statements

7.1 Auditors' opinion

Financial statements	☐ Unaudited	☒ Audited
Auditors' opinion	☒ Standard unqualified opinion	☐ Not standard opinion

7.2 Financial Statements

7.2.1 Interim financial statements prepared under ASBE

Consolidated and Parent Balance Sheets

Items	At 30 June 2015		At 31 December 2014	
	Consolidated	Parent	Consolidated	Parent
Assets				
Current assets				
Cash at bank and on hand	74,203	28,312	10,100	1,805
Bills receivable	11,529	1,050	13,963	176
Accounts receivable	93,611	29,128	90,831	25,031
Other receivables	20,047	135,546	29,251	201,234
Prepayments	4,803	1,624	3,780	1,962
Inventories	174,829	52,394	188,223	74,654
Other current assets	<u>16,533</u>	<u>12,306</u>	<u>23,996</u>	<u>19,186</u>
Total current assets	<u>395,555</u>	<u>260,360</u>	<u>360,144</u>	<u>324,048</u>
Non-current assets				
Available-for-sale financial assets	1,075	70	868	91
Long-term equity investments	84,844	214,100	80,593	189,631
Fixed assets	695,624	427,517	703,485	452,361
Construction in progress	165,173	82,851	177,667	100,543
Intangible assets	78,218	8,451	78,681	8,834
Goodwill	6,281	-	6,281	-
Long-term deferred expenses	13,983	2,377	14,158	2,547
Deferred tax assets	6,376	-	6,979	-
Other non-current assets	<u>23,226</u>	<u>11,250</u>	<u>22,512</u>	<u>2,767</u>
Total non-current assets	<u>1,074,800</u>	<u>746,616</u>	<u>1,091,224</u>	<u>756,774</u>
Total assets	<u>1,470,355</u>	<u>1,006,976</u>	<u>1,451,368</u>	<u>1,080,822</u>

Items	Unit: RMB million			
	At 30 June 2015		At 31 December 2014	
	Consolidated	Parent	Consolidated	Parent
Liabilities and shareholders' equity				
Current liabilities				
Short-term loans	147,376	24,570	166,688	57,749
Bills payable	3,912	1,834	4,577	2,933
Accounts payable	163,967	82,041	198,366	102,399
Advances from customers	82,573	3,027	89,918	3,926
Employee benefits payable	3,366	1,733	839	310
Taxes payable	30,585	19,588	28,677	19,883
Other payables	67,280	188,705	103,302	198,144
Non-current liabilities due within one year	<u>7,854</u>	<u>1,028</u>	<u>11,890</u>	<u>11,084</u>
Total current liabilities	<u>506,913</u>	<u>322,526</u>	<u>604,257</u>	<u>396,428</u>
Non-current liabilities				
Long-term loans	59,232	56,145	67,426	55,202
Debentures payable	62,205	45,500	83,506	62,221
Provisions	31,165	27,125	29,715	25,830
Deferred tax liabilities	10,071	2,504	7,820	600
Other non-current liabilities	<u>12,351</u>	<u>1,829</u>	<u>11,549</u>	<u>1,892</u>
Total non-current liabilities	<u>175,024</u>	<u>133,103</u>	<u>200,016</u>	<u>145,745</u>
Total liabilities	<u>681,937</u>	<u>455,629</u>	<u>804,273</u>	<u>542,173</u>
Shareholders' equity				
Share capital	121,071	121,071	118,280	118,280
Capital reserve	119,073	68,716	48,703	54,690
Other comprehensive income	(5,454)	284	(7,261)	(206)
Specific reserve	1,405	728	491	232
Surplus reserves	193,552	193,552	193,552	193,552
Retained earnings	<u>251,827</u>	<u>166,996</u>	<u>240,718</u>	<u>172,101</u>
Total equity attributable to shareholders of the Company	<u>681,474</u>	<u>551,347</u>	<u>594,483</u>	<u>538,649</u>
Minority interests	<u>106,944</u>	<u>-</u>	<u>52,612</u>	<u>-</u>
Total shareholders' equity	<u>788,418</u>	<u>551,347</u>	<u>647,095</u>	<u>538,649</u>
Total liabilities and shareholders' equity	<u>1,470,355</u>	<u>1,006,976</u>	<u>1,451,368</u>	<u>1,080,822</u>

Consolidated and Parent Income Statement

Unit: RMB million

Six-month periods ended 30 June

Items	2015		2014	
	Consolidated	Parent	Consolidated	Parent
Operating income	1,040,362	438,319	1,356,172	669,993
Less: Operating costs	819,733	317,844	1,148,049	531,774
Sales taxes and surcharges	119,886	86,020	93,767	70,860
Selling and distribution expenses	22,379	1,241	22,060	9,442
General and administrative expenses	34,271	19,321	34,439	24,456
Financial expenses	3,145	3,500	6,539	5,170
Exploration expenses, including dry holes	6,031	6,010	5,552	5,532
Impairment losses	205	98	1,112	(5)
Add: Gain/(Loss) from changes in fair value	111	(272)	(2,074)	(2,216)
Investment income	<u>4,461</u>	<u>4,979</u>	<u>2,252</u>	<u>4,821</u>
Operating profit	<u>39,284</u>	<u>8,992</u>	<u>44,832</u>	<u>25,369</u>
Add: Non-operating income	1,865	1,101	1,371	2,930
Less: Non-operating expenses	<u>933</u>	<u>471</u>	<u>1,601</u>	<u>617</u>
Profit before taxation	<u>40,216</u>	<u>9,622</u>	<u>44,602</u>	<u>27,682</u>
Less: Income tax expense	<u>9,674</u>	<u>1,409</u>	<u>11,908</u>	<u>5,839</u>
Net profit	<u>30,542</u>	<u>8,213</u>	<u>32,694</u>	<u>21,843</u>
Attributable to:				
Equity shareholders of the Company	24,427	8,213	31,430	21,843
Minority interests	6,115	-	1,264	-
Basic earnings per share (RMB)	0.202	N/A	0.269	N/A
Diluted earnings per share (RMB)	<u>0.202</u>	<u>N/A</u>	<u>0.268</u>	<u>N/A</u>
Net profit	<u>30,542</u>	<u>8,213</u>	<u>32,694</u>	<u>21,843</u>
Other comprehensive income				
<i>Items that may be reclassified subsequently to profit or loss (after tax and reclassification adjustments):</i>				
Cash flow hedges	1,480	491	136	-
Available-for-sale financial assets	36	-	627	599
Share of other comprehensive (loss)/income of associates and jointly controlled entities	(118)	(1)	36	35
Foreign currency translation differences	<u>(43)</u>	<u>-</u>	<u>391</u>	<u>-</u>
Total other comprehensive income	<u>1,355</u>	<u>490</u>	<u>1,190</u>	<u>634</u>
Total comprehensive income	<u>31,897</u>	<u>8,703</u>	<u>33,884</u>	<u>22,477</u>
Attributable to:				
Equity shareholders of the Company	26,234	8,703	32,452	22,477
Minority interest	<u>5,663</u>	<u>-</u>	<u>1,432</u>	<u>-</u>

Consolidated and Parent Cash Flow Statement

Unit: RMB million

Six-month periods ended 30 June

Items	2015		2014	
	Consolidated	Parent	Consolidated	Parent
Cash flows from operating activities:				
Cash received from sale of goods and rendering of services	1,152,775	502,027	1,474,655	778,379
Refund of taxes and levies	1,814	1,526	581	405
Other cash received relating to operating activities	<u>54,228</u>	<u>51,022</u>	<u>15,829</u>	<u>32,036</u>
Sub-total of cash inflows	<u>1,208,817</u>	<u>554,575</u>	<u>1,491,065</u>	<u>810,820</u>
Cash paid for goods and services	(873,396)	(358,624)	(1,227,836)	(585,784)
Cash paid to and for employees	(24,976)	(13,091)	(25,294)	(10,929)
Payments of taxes and levies	(165,686)	(107,334)	(145,928)	(116,436)
Other cash paid relating to operating activities	<u>(77,317)</u>	<u>(28,122)</u>	<u>(33,793)</u>	<u>(40,163)</u>
Sub-total of cash outflows	<u>(1,141,375)</u>	<u>(507,171)</u>	<u>(1,432,851)</u>	<u>(753,312)</u>
Net cash flow from operating activities	<u>67,442</u>	<u>47,404</u>	<u>58,214</u>	<u>57,508</u>
Cash flows from investing activities:				
Cash received from disposal of investments	493	79,475	435	6,211
Cash received from returns on investments	1,242	3,465	979	3,380
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	222	2,303	494	843
Other cash received relating to investing activities	<u>2,156</u>	<u>361</u>	<u>872</u>	<u>30</u>
Sub-total of cash inflows	<u>4,113</u>	<u>85,604</u>	<u>2,780</u>	<u>10,464</u>
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	(52,911)	(29,925)	(59,266)	(40,537)
Cash paid for acquisition of investments	(3,556)	(15,869)	(5,030)	(16,072)
Other cash paid relating to investing activities	<u>(2,628)</u>	<u>-</u>	<u>(1,137)</u>	<u>-</u>
Sub-total of cash outflows	<u>(59,095)</u>	<u>(45,794)</u>	<u>(65,433)</u>	<u>(56,609)</u>
Net cash flow from investing activities	<u>(54,982)</u>	<u>39,810</u>	<u>(62,653)</u>	<u>(46,145)</u>

Items	Unit: RMB million			
	Six-month periods ended 30 June			
	2015		2014	
	Consolidated	Parent	Consolidated	Parent
Cash flows from financing activities:				
Cash received from capital contributions	105,144	-	2,441	-
Including: Cash received from minority shareholders' capital contributions to subsidiaries	105,144	-	2,441	-
Cash received from borrowings	<u>613,159</u>	<u>119,633</u>	<u>551,031</u>	<u>114,492</u>
Sub-total of cash inflows	<u>718,303</u>	<u>119,633</u>	<u>553,472</u>	<u>114,492</u>
Cash repayments of borrowings	(648,938)	(162,683)	(527,717)	(108,404)
Cash paid for dividends, profits distribution or interest	(18,326)	(17,656)	(23,206)	(22,461)
Including: Subsidiaries' cash payments for distribution of dividends or profits to minority shareholders	(327)	-	(582)	-
Other cash paid relating to financing activities	<u>-</u>	<u>-</u>	<u>(18)</u>	<u>-</u>
Sub-total of cash outflows	<u>(667,264)</u>	<u>(180,339)</u>	<u>(550,941)</u>	<u>(130,865)</u>
Net cash flow from financing activities	<u>51,039</u>	<u>(60,706)</u>	<u>2,531</u>	<u>(16,373)</u>
Effects of changes in foreign exchange rate	<u>(329)</u>	<u>-</u>	<u>82</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	<u>63,170</u>	<u>26,508</u>	<u>(1,826)</u>	<u>(5,010)</u>

Consolidated Statement of Changes in Equity

	Share capital RMB million	Capital reserve RMB million	Other comprehensive income RMB million	Specific reserve RMB million	Surplus reserves RMB million	Retained earnings RMB million	Total shareholders' equity attributable to equity shareholders of the Company RMB million	Minority interests RMB million	Total share- holders' equity RMB million
Balance at 1 January 2014	<u>116,565</u>	<u>36,947</u>	<u>407</u>	<u>1,556</u>	<u>190,337</u>	<u>224,534</u>	<u>570,346</u>	<u>52,914</u>	<u>623,260</u>
Change for the period									
1. Net profit	-	-	-	-	-	31,430	31,430	1,264	32,694
2. Other comprehensive income	<u>-</u>	<u>-</u>	<u>1,022</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,022</u>	<u>168</u>	<u>1,190</u>
Total comprehensive income	<u>-</u>	<u>-</u>	<u>1,022</u>	<u>-</u>	<u>-</u>	<u>31,430</u>	<u>32,452</u>	<u>1,432</u>	<u>33,884</u>
Transactions with owners, recorded directly in shareholders' equity:									
3. Appropriations of profits:									
-Distributions to shareholders	-	-	-	-	-	(17,519)	(17,519)	-	(17,519)
4. Conversion of the 2011 Convertible Bonds	230	1,021	-	-	-	-	1,251	-	1,251
5. Acquisition of minority interests in subsidiaries	-	(8)	-	-	-	-	(8)	(10)	(18)
6. Contributions to subsidiaries from minority interests	-	-	-	-	-	-	-	2,456	2,456
7. Distribution to minority interests	-	-	-	-	-	-	-	(1,312)	(1,312)
Total transactions with owners, recorded directly in shareholders' equity	230	1,013	-	-	-	(17,519)	(16,276)	1,134	(15,142)
8. Net increase in specific reserve for the period	-	-	-	1,064	-	-	1,064	37	1,101
9. Other movement	<u>-</u>	<u>18</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18</u>	<u>-</u>	<u>18</u>
Balance at 30 June 2014	<u>116,795</u>	<u>37,978</u>	<u>1,429</u>	<u>2,620</u>	<u>190,337</u>	<u>238,445</u>	<u>587,604</u>	<u>55,517</u>	<u>643,121</u>

Consolidated Statement of Changes in Equity (continued)

	Share capital RMB million	Capital reserve RMB million	Other comprehensive income RMB million	Specific reserve RMB million	Surplus reserves RMB million	Retained earnings RMB million	Total shareholders' equity attributable to equity shareholders of the Company RMB million	Minority interests RMB million	Total share- holders' equity RMB million
Balance at 1 January 2015	<u>118,280</u>	<u>48,703</u>	<u>(7,261)</u>	<u>491</u>	<u>193,552</u>	<u>240,718</u>	<u>594,483</u>	<u>52,612</u>	<u>647,095</u>
Change for the period									
1. Net profit	-	-	-	-	-	24,427	24,427	6,115	30,542
2. Other comprehensive income	<u>-</u>	<u>-</u>	<u>1,361</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,361</u>	<u>(6)</u>	<u>1,355</u>
Total comprehensive income	<u>-</u>	<u>-</u>	<u>1,361</u>	<u>-</u>	<u>-</u>	<u>24,427</u>	<u>25,788</u>	<u>6,109</u>	<u>31,897</u>
Transactions with owners, recorded directly in shareholders' equity:									
3. Appropriations of profits:									
-Distributions to shareholders	-	-	-	-	-	(13,318)	(13,318)	-	(13,318)
4. Conversion of the 2011 Convertible Bonds	2,791	14,026	-	-	-	-	16,817	-	16,817
5. Contributions to subsidiaries from minority interests	-	56,224	446	-	-	-	56,670	48,474	105,144
6. Distributions to minority interests	-	-	-	-	-	-	-	(364)	(364)
Total transactions with owners, recorded directly in shareholders' equity	2,791	70,250	446	-	-	(13,318)	60,169	48,110	108,279
7. Net increase in specific reserve for the period	-	-	-	914	-	-	914	95	1,009
8. Other movement	<u>-</u>	<u>120</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>120</u>	<u>18</u>	<u>138</u>
Balance at 30 June 2015	<u>121,071</u>	<u>119,073</u>	<u>(5,454)</u>	<u>1,405</u>	<u>193,552</u>	<u>251,827</u>	<u>681,474</u>	<u>106,944</u>	<u>788,418</u>

Statement of Changes in Equity

	Share capital RMB million	Capital reserve RMB million	Other comprehensive income RMB million	Specific reserve RMB million	Surplus reserves RMB million	Retained earnings RMB million	Total share- holders' equity RMB million
Balance at 1 January 2014	<u>116,565</u>	<u>46,121</u>	<u>2,123</u>	<u>1,226</u>	<u>190,337</u>	<u>171,202</u>	<u>527,574</u>
Change for the period							
1. Net profit	-	-	-	-	-	21,843	21,843
2. Other comprehensive income	<u>-</u>	<u>-</u>	<u>634</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>634</u>
Total comprehensive income	<u>-</u>	<u>-</u>	<u>634</u>	<u>-</u>	<u>-</u>	<u>21,843</u>	<u>22,477</u>
Transactions with owners, recorded directly in shareholders' equity:							
3. Appropriations of profits:							
-Distributions to shareholders	-	-	-	-	-	(17,519)	(17,519)
4. Conversion of the 2011 Convertible Bonds	230	1,021	-	-	-	-	1,251
Total transactions with owners, recorded directly in shareholders' equity	230	1,021	-	-	-	(17,519)	(16,268)
5. Net increase in specific reserve for the period	-	-	-	74	-	-	74
6. Other movement	<u>-</u>	<u>5</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5</u>
Balance at 30 June 2014	<u>116,795</u>	<u>47,147</u>	<u>2,757</u>	<u>1,300</u>	<u>190,337</u>	<u>175,526</u>	<u>533,862</u>

Statement of Changes in Equity (Continued)

	Share capital RMB million	Capital reserve RMB million	Other comprehensive income RMB million	Specific reserve RMB million	Surplus reserves RMB million	Retained earnings RMB million	Total share- holders' equity RMB million
Balance at 1 January 2015	<u>118,280</u>	<u>54,690</u>	<u>(206)</u>	<u>232</u>	<u>193,552</u>	<u>172,101</u>	<u>538,649</u>
Change for the period							
1. Net profit	-	-	-	-	-	8,213	8,213
2. Other comprehensive income	-	-	<u>490</u>	-	-	-	<u>490</u>
Total comprehensive income	-	-	<u>490</u>	-	-	<u>8,213</u>	<u>8,703</u>
Transactions with owners, recorded directly in shareholders' equity:							
3. Appropriations of profits:							
-Distributions to shareholders	-	-	-	-	-	(13,318)	(13,318)
4. Conversion of the 2011 Convertible Bonds	2,791	14,026	-	-	-	-	16,817
Total transactions with owners, recorded directly in shareholders' equity	2,791	14,026	-	-	-	(13,318)	3,499
5. Net increase in specific reserve for the period	-	-	-	496	-	-	496
Balance at 30 June 2015	<u>121,071</u>	<u>68,716</u>	<u>284</u>	<u>728</u>	<u>193,552</u>	<u>166,996</u>	<u>551,347</u>

7.2.2 Interim financial statements prepared under International Financial Reporting Standards

Consolidated Income Statement

	Unit: RMB million	
	Six-month periods ended 30 June	
	2015	2014
Turnover and other operating revenues		
Turnover	1,021,692	1,338,164
Other operating revenues	18,670	18,008
	1,040,362	1,356,172
Operating expenses		
Purchased crude oil, products and operating supplies and expenses	(770,431)	(1,099,789)
Selling, general and administrative expenses	(32,161)	(33,735)
Depreciation, depletion and amortisation	(46,249)	(43,233)
Exploration expenses, including dry holes	(6,031)	(5,552)
Personnel expenses	(26,593)	(26,754)
Taxes other than income tax	(119,886)	(93,767)
Other operating income/(expense), net	1,532	(1,074)
Total operating expenses	(999,819)	(1,303,904)
Operating profit	40,543	52,268
Finance costs		
Interest expense	(4,384)	(6,140)
Interest income	1,078	876
Loss on embedded derivative component of the convertible bonds	(259)	(2,222)
Foreign currency exchange gains/(losses), net	161	(1,275)
Net finance costs	(3,404)	(8,761)
Investment income	70	276
Share of profits less losses from associates and joint ventures	4,073	1,976
Profit before taxation	41,282	45,759
Tax expense	(9,674)	(11,908)
Profit for the period	31,608	33,851
Attributable to:		
Owners of the Company	25,394	32,543
Non-controlling interests	6,214	1,308
Profit for the period	31,608	33,851
Earnings per share:		
Basic (RMB)	0.211	0.279
Diluted (RMB)	0.211	0.277

Consolidated Statement of Comprehensive Income

Unit: RMB million
Six-month periods ended 30 June
2015 2014

Profit for the period	<u>31,608</u>	<u>33,851</u>
Other comprehensive income:		
<i>Items that may be reclassified subsequently to profit or loss (after tax and reclassification adjustments):</i>		
Cash flow hedges	1,480	136
Available-for-sale securities	36	627
Share of other comprehensive (losses)/income of associates and joint ventures	(118)	36
Foreign currency translation differences	<u>(43)</u>	<u>391</u>
Total items that may be reclassified subsequently to profit or loss	<u>1,355</u>	<u>1,190</u>
Total other comprehensive income	<u>1,355</u>	<u>1,190</u>
Total comprehensive income for the period	<u>32,963</u>	<u>35,041</u>
Attributable to:		
Owners of the Company	27,201	33,565
Non-controlling interests	<u>5,762</u>	<u>1,476</u>
Total comprehensive income for the period	<u>32,963</u>	<u>35,041</u>

Consolidated Balance Sheet

Unit: RMB million

	2015 30 June	2014 31 December
Non-current assets		
Property, plant and equipment, net	695,624	703,485
Construction in progress	165,173	177,667
Goodwill	6,281	6,281
Interest in associates	34,337	32,119
Interest in joint ventures	50,507	48,474
Available-for-sale financial assets	1,075	868
Deferred tax assets	6,376	6,979
Lease prepayments	48,993	49,136
Long-term prepayments and other assets	66,434	66,215
Total non-current assets	1,074,800	1,091,224
Current assets		
Cash and cash equivalents	72,525	9,355
Time deposits with financial institutions	1,678	745
Trade accounts receivable	93,611	90,831
Bills receivable	11,529	13,963
Inventories	174,829	188,223
Prepaid expenses and other current assets	41,383	57,027
Total current assets	395,555	360,144
Current liabilities		
Short-term debts	61,399	75,183
Loans from Sinopec Group Company and fellow subsidiaries	93,277	102,965
Trade accounts payable	163,967	198,366
Bills payable	3,912	4,577
Accrued expenses and other payables	181,735	222,075
Income tax payable	2,623	1,091
Total current liabilities	506,913	604,257
Net current liabilities	111,358	244,113
Total assets less current liabilities	963,442	847,111
Non-current liabilities		
Long-term debts	79,237	107,787
Loans from Sinopec Group Company and fellow subsidiaries	42,200	43,145
Deferred tax liabilities	10,071	7,820
Provisions	31,165	29,715
Other long-term liabilities	13,812	13,067
Total non-current liabilities	176,485	201,534
	786,957	645,577
Equity		
Share capital	121,071	118,280
Reserves	559,014	474,761
Total equity attributable to owners of the Company	680,085	593,041
Non-controlling interests	106,872	52,536
Total equity	786,957	645,577

7.2.3 Differences between consolidated financial statements 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:

Items	Six-month periods ended 30 June	
	2015	2014
	RMB million	RMB million
Net profit under ASBE	30,542	32,694
Adjustments:		
Government grants	57	56
Safety production fund	1,009	1,101
Profit for the period under IFRS*	31,608	33,851

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

Items	30 June 2015	31 December 2014
	RMB million	RMB million
Shareholders' equity under ASBE	788,418	647,095
Adjustments:		
Government grants	(1,461)	(1,518)
Safety production fund	-	-
Total equity under IFRS*	786,957	645,577

* The figures are extracted from the consolidated financial statements prepared in accordance with the accounting policies complying with IFRS which have been audited by PricewaterhouseCoopers.

7.3 Changes in accounting policies

☐ 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 primarily 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	
	2015 RMB million	2014 RMB million
Current tax		
– Provision for the period	7,118	11,762
– Adjustment of prior years	320	581
Deferred taxation	2,236	(435)
	9,674	11,908

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

	Six-month periods ended 30 June	
	2015	2014
	RMB	RMB
	million	million
Profit before taxation	41,282	45,759
Expected PRC income tax expense at a statutory tax rate of 25%	10,321	11,440
Tax effect of non-deductible expenses	158	262
Tax effect of non-taxable income	(1,233)	(785)
Tax effect of preferential tax rate (i)	(542)	(970)
Effect of difference between income taxes at foreign operations tax rate and the PRC statutory tax rate (ii)	333	482
Tax effect of utilisation of previously unrecognised tax losses and temporary differences	(146)	(21)
Tax effect of tax losses not recognised	435	889
Write-down of deferred tax assets	28	30
Adjustment of prior years	320	581
Actual income tax expense	9,674	11,908

Note:

- (i) 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.
- (ii) It is mainly due to 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 2015 is based on the profit attributable to ordinary owners of the Company of RMB 25,394 million (2014: RMB 32,543 million) and the weighted average number of shares of 120,629,864,875 (2014: 116,725,537,824) during the period.

The calculation of diluted earnings per share for the six-month period ended 30 June 2015 is based on the profit attributable to ordinary owners of the Company (diluted) of RMB 25,393 million (2014: RMB 32,677 million) and the weighted average number of shares (diluted) of 120,629,864,875 (2014: 117,805,304,491) calculated as follows:

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

	Six-month periods ended 30 June	
	2015	2014
	RMB	RMB
	million	million
Profit attributable to ordinary owners of the Company	25,394	32,543
After tax effect of interest expenses (net of exchange gain) of the 2007 Convertible Bonds	-	133
After tax effect of net loss on embedded derivative components of the 2007 Convertible Bonds	-	1
After tax effect of equity incentive of Shanghai Petrochemical	(1)	-
Profit attributable to ordinary owners of the Company (diluted)	25,393	32,677

(ii) Weighted average number of shares (diluted)

	Six-month periods ended 30 June	
	2015	2014
	Number of	Number of
	shares	shares
Weighted average number of shares at 30 June	120,629,864,875	116,725,537,824
Effect of conversion of the 2007 Convertible Bonds	-	1,079,766,667
Weighted average number of shares (diluted) at 30 June	120,629,864,875	117,805,304,491

7.6.4 Dividends

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

	Six-month periods ended 30 June	
	2015	2014
	RMB	RMB
	million	million
Interim dividends declared after the balance sheet date of RMB 0.09 per share (2014: RMB 0.09 per share)	10,896	10,512

Pursuant to the Articles of Association of the Company and a resolution passed at the Directors' meeting on 26 August 2015, the directors authorised to declare the interim dividends for the year ending 31 December 2015 of RMB 0.09 (2014: RMB 0.09) per share totaling RMB 10,896 million (2014: RMB 10,512 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

	2015	2014
	RMB	RMB
	million	million
Final cash dividends in respect of the previous financial year, approved during the period of RMB 0.11 per share (2014: RMB 0.15 per share)	13,318	17,519

Pursuant to the shareholders' approval at the Annual General Meeting on 27 May 2015, a final dividend of RMB 0.11 per share totaling RMB 13,318 million according to total shares of 18 June 2015 was approved. All dividends have been paid in the six-month period ended 30 June 2015 (2014: RMB 17,519 million).

Pursuant to the shareholders' approval at the Annual General Meeting on 9 May 2014, a final dividend of RMB 0.15 per share totaling RMB 17,519 million in respect of the year ended 31 December 2013 was declared. Cash dividends have been paid on 19 June 2014.

7.6.5 Trade Accounts Receivable and Bills Receivable

	30 June	31 December
	2015	2014
	RMB	RMB
	million	million
Amounts due from third parties	72,729	65,883
Amounts due from Sinopec Group Company and fellow subsidiaries	15,731	20,188
Amounts due from associates and joint ventures	5,677	5,290
	94,137	91,361
Less: Impairment losses for bad and doubtful debts	(526)	(530)
Trade accounts receivable, net	93,611	90,831
Bills receivable	11,529	13,963
	105,140	104,794

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

	30 June	31 December
	2015	2014
	RMB	RMB
	million	million
Within one year	104,418	104,019
Between one and two years	675	720
Between two and three years	43	53
Over three years	4	2
	105,140	104,794

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

	2015	2014
	RMB	RMB
	million	million
Balance at 1 January	530	574
Provision for the period	4	—
Written back for the period	(8)	(10)
Written off for the period	—	(8)
Balance at 30 June	526	556

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

	2015 30 June RMB million	2014 31 December RMB million
Amounts due to third parties	150,914	181,519
Amounts due to Sinopec Group Company and fellow subsidiaries	8,763	13,575
Amounts due to associates and joint ventures	<u>4,290</u>	<u>3,272</u>
	<u>163,967</u>	<u>198,366</u>
 Bills payable	 <u>3,912</u>	 <u>4,577</u>
Trade accounts and bills payables measured at amortised cost	<u>167,879</u>	<u>202,943</u>

The aging analysis of trade accounts and bills payables are as follows:

	30 June 2015 RMB Million	31 December 2015 RMB million
Within 1 month or on demand	146,919	184,697
Between 1 month and 6 months	12,639	13,138
Over 6 months	<u>8,321</u>	<u>5,108</u>
	<u>167,879</u>	<u>202,943</u>

7.6.7 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 periods ended 30 June	
	2015	2014
	RMB	RMB
	million	million
Turnover		
Exploration and production		
External sales	29,041	34,744
Inter-segment sales	<u>37,982</u>	<u>73,381</u>
	67,023	108,125
Refining		
External sales	63,478	90,486
Inter-segment sales	<u>419,928</u>	<u>559,040</u>
	483,406	649,526
Marketing and distribution		
External sales	555,472	718,961
Inter-segment sales	<u>1,639</u>	<u>2,377</u>
	557,111	721,338
Chemicals		
External sales	140,752	177,223
Inter-segment sales	<u>21,840</u>	<u>32,541</u>
	162,592	209,764
Corporate and Others		
External sales	232,949	316,750
Inter-segment sales	<u>182,119</u>	<u>328,294</u>
	415,068	645,044
Elimination of inter-segment sales	(663,508)	(995,633)
Turnover	<u>1,021,692</u>	<u>1,338,164</u>
Other operating revenues		
Exploration and production	3,378	5,702
Refining	2,329	2,443
Marketing and distribution	8,527	5,589
Chemicals	3,714	3,628
Corporate and Others	<u>722</u>	<u>646</u>
Other operating revenues	<u>18,670</u>	<u>18,008</u>
Turnover and other operating revenues	<u>1,040,362</u>	<u>1,356,172</u>

	Six-month periods ended 30 June	
	2015	2014
	RMB	RMB
	million	million
Result		
Operating profit/(loss)		
By segment		
– Exploration and production	(1,826)	28,263
– Refining	15,320	9,755
– Marketing and distribution	15,188	18,794
– Chemicals	10,103	(3,968)
– Corporate and Others	776	(261)
– Elimination	<u>982</u>	<u>(315)</u>
Total segment operating profit	<u>40,543</u>	<u>52,268</u>
Share of profits from associates and joint ventures		
– Exploration and production	(274)	1,513
– Refining	875	(66)
– Marketing and distribution	698	447
– Chemicals	1,702	(484)
– Corporate and Others	<u>1,072</u>	<u>566</u>
Aggregate share of profits from associates and joint ventures	<u>4,073</u>	<u>1,976</u>
Investment income		
– Exploration and production	(3)	1
– Refining	(7)	3
– Marketing and distribution	62	98
– Chemicals	7	-
– Corporate and Others	<u>11</u>	<u>174</u>
Aggregate investment income	<u>70</u>	<u>276</u>
Net finance costs	<u>(3,404)</u>	<u>(8,761)</u>
Profit before taxation	<u>41,282</u>	<u>45,759</u>

	30 June 2015 RMB million	31 December 2014 RMB million
Assets		
Segment assets		
– Exploration and production	440,216	453,060
– Refining	273,824	297,884
– Marketing and distribution	274,938	276,298
– Chemicals	152,559	162,685
– Corporate and Others	<u>144,908</u>	<u>147,015</u>
Total segment assets	<u>1,286,445</u>	<u>1,336,942</u>
Interest in associates and joint ventures	84,844	80,593
Available-for-sale financial assets	1,075	868
Deferred tax assets	6,376	6,979
Cash and cash equivalents and time deposits with financial institutions	74,203	10,100
Other unallocated assets	<u>17,412</u>	<u>15,886</u>
Total assets	<u>1,470,355</u>	<u>1,451,368</u>
Liabilities		
Segment liabilities		
– Exploration and production	81,328	100,552
– Refining	54,480	67,327
– Marketing and distribution	105,367	118,493
– Chemicals	23,068	27,532
– Corporate and Others	115,374	138,930
Total segment liabilities	<u>379,617</u>	<u>452,834</u>
Short-term debts	61,399	75,183
Income tax payable	2,623	1,091
Long-term debts	79,237	107,787
Loans from Sinopec Group Company and fellow subsidiaries	135,477	146,110
Deferred tax liabilities	10,071	7,820
Other unallocated liabilities	<u>14,974</u>	<u>14,966</u>
Total liabilities	<u>683,398</u>	<u>805,791</u>

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	
	2015	2014
	RMB	RMB
	million	million
Capital expenditure		
Exploration and production	13,418	20,743
Refining	3,187	6,592
Marketing and distribution	3,781	5,830
Chemicals	2,519	4,670
Corporate and Others	<u>603</u>	<u>1,351</u>
	<u>23,508</u>	<u>39,186</u>
Depreciation, depletion and amortisation		
Exploration and production	23,806	23,164
Refining	8,168	7,333
Marketing and distribution	7,345	6,007
Chemicals	6,131	5,970
Corporate and Others	<u>799</u>	<u>759</u>
	<u>46,249</u>	<u>43,233</u>
Impairment losses on long-lived assets		
Refining	-	8
Marketing and Distribution	5	39
Chemicals	<u>140</u>	<u>1,025</u>
	<u>145</u>	<u>1,072</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 periods ended 30 June	
		2015	2014
		RMB	RMB
		million	million
External sales			
Mainland China		813,136	1,023,133
Others		<u>227,226</u>	<u>333,039</u>
		<u>1,040,362</u>	<u>1,356,172</u>
		30 June	31 December
		2015	2014
		RMB	RMB
		million	million
Non-current assets			
Mainland China		993,010	1,003,521
Others		<u>57,590</u>	<u>64,589</u>
		<u>1,050,600</u>	<u>1,068,110</u>

8 Repurchase, Sale and Redemption of Shares

The Company did not repurchase, sell or redeem any listed securities of Sinopec Corp. or its subsidiaries during the reporting period.

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 during the reporting period.

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 A.5 of 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., such as, the duties of the nomination committee set out in the Corporate Governance Code performed by the Board.

Besides, the chairman and members of the Audit Committee and Remuneration and Appraisal Committee, due to other business duties, did not attend the annual general meeting of shareholders for the year 2014 as required under E1.2 of the Corporate Governance Code. None of the shareholders raised questions to the Audit Committee and the Remuneration and Appraisal Committee at such meeting.

Save as disclosed above, during the reporting period, Sinopec Corp. has 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 2015 interim report and interim results of Sinopec Corp.

12 The 2015 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
China Petroleum & Chemical Corporation
Wang Yupu
Chairman

Beijing, the PRC, 26 August 2015

As at the date of this announcement, directors of Sinopec Corp. are: Wang Yupu^{}, Li Chunguang[#], Zhang Jianhua[#], Wang Zhigang[#], Dai Houliang[#], Zhang Haichao[#], Jiao Fangzheng[#], Jiang Xiaoming⁺, Andrew Y. Yan⁺, Tang Min⁺ and Fan Gang⁺.*

[#] *Executive Director*

^{*} *Non-executive Director*

⁺ *Independent Non-executive Director*