

HUANENG POWER INTERNATIONAL INC
Form 6-K
August 31, 2011

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 6-K

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16 of
The Securities Exchange Act of 1934

For the month of August, 2011

CHINA PETROLEUM & CHEMICAL CORPORATION
22 Chaoyangmen North Street,
Chaoyang District, Beijing, 100728
People's Republic of China
Tel: (8610) 59960114

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

Form 20-F Form 40-F

(Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

Yes No

(If "Yes" is marked, indicate below the file number assigned to registrant in connection with Rule 12g3-2(b):
82-_____.)

N/A

This Form 6-K consists of:

1. an announcement of 2011 interim results of China Petroleum & Chemical Corporation (the “Registrant”);
2. an announcement on proposal to issue domestic corporate bonds and proposal to issue a share convertible bonds by the Registrant; and
3. a notice of the first extraordinary general meeting for the Year 2011 of the Registrant;

Each made by the Registrant on August 26, 2011.

Document 1

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(a joint stock limited company incorporated in the People's Republic of China with limited liability)
Stock Code 386

Announcement of the 2011 Interim Results

§ 1 Important Notice

1.1 The Board of Directors and the Supervisory Committee of China Petroleum & Chemical Corporation ("Sinopec Corp.") and its directors, supervisors and senior management warrant that there are no material omissions, or misrepresentations or misleading statements contained in this announcement and severally and jointly accept full responsibility for the authenticity, accuracy and completeness of the information contained in this announcement.

This announcement is a summary of the interim report. 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 2011 interim report for more details.

1.2 No director, supervisors and senior management has any doubt as to, or the inability to warrant, the truthfulness, accuracy and completeness of the interim report.

1.3 The financial statements for the six-month period ended 30 June 2011 of Sinopec Corp. and its subsidiaries ("the Company") prepared in accordance with the PRC Accounting Standards for Business Enterprises ("ASBE"), and International Financial Reporting Standards ("IFRS") have been audited by KPMG Huazhen and KPMG, respectively, and both firms have issued standard unqualified opinions on the financial statements.

1.4 There is no occupancy of non-operating funds by the substantial shareholders of Sinopec Corp.

1.5 There is no breach of regulations, decisions or procedures in relation to provisions of external guarantees by Sinopec Corp.

1.6 Mr. Fu Chengyu, Chairman of the Board, Mr. Wang Tianpu, President and vice-Chairman of the Board, Mr. Wang Xinhua, Chief Financial Officer and Head of the Corporate Finance Department warrant the authenticity and completeness of the financial statements contained in this announcement.

§ 2 Basic Information of Sinopec Corp.

2.1 Basic Information of Sinopec Corp.

| | SINOPEC CORP | SINOPEC CORP | SINOPEC CORP | SINOPEC CORP |
|------------------|---|----------------------------|---|--|
| Stock name | | | | |
| Stock code | 386 | SNP | SNP | 600028 |
| Place of listing | Hong Kong Stock Exchange | New York Stock Exchange | London Stock Exchange | Shanghai Stock Exchange |
| | Authorized Representatives | | Secretary to the Board of Directors | Representative on Securities Matters |
| Name | Mr. Wang Tianpu | Mr. Chen Ge | Mr. Chen Ge | Mr. Huang Wensheng |
| Address | 22 Chaoyanmen North Street, Chaoyang District, Beijing, the PRC | | | |
| Tel | 86-10-59960028 | 86-10-59960028 | 86-10-59960028 | 86-10-59960028 |
| Fax | 86-10-59960386 | 86-10-59960386 | 86-10-59960386 | 86-10-59960386 |
| E-mail | ir@sinopec.com/media@sinopec.com | | | |

2.2 Principal financial data and indicators

2.2.1 Financial data and indicators prepared in accordance with the China Accounting Standards for Business Enterprises (“ASBE”)

2.2.1.1 Principal Financial Data and Indicators

| Items | At 30 June 2011 RMB millions | At 31 December 2010 RMB millions | Changes from the end of last year (%) |
|--|------------------------------------|--|---|
| Total assets | 1,071,912 | 985,389 | 8.8 |
| Total equity attributable to shareholders of the Company | 454,883 | 421,127 | 8.0 |
| Net assets per share attributable to shareholders of the Company (RMB) | 5.247 | 4.857 | 8.0 |

| Items | Six-month periods ended 30 June | | Changes over the same period of the preceding year (%) |
|--|------------------------------------|-------------------------|---|
| | 2011 RMB millions | 2010 RMB millions | |
| Operating profit | 56,237 | 53,463 | 5.2 |
| Profit before taxation | 56,755 | 53,812 | 5.5 |
| Net profit attributable to shareholders of the Company | 40,239 | 36,776 | 9.4 |
| Net profit attributable to shareholders of the Company before extraordinary gain and loss | 39,824 | 34,948 | 14.0 |
| Basic earnings per share (RMB) | 0.464 | 0.424 | 9.4 |
| Basic earnings per share (before extraordinary gain and loss) (RMB) | 0.459 | 0.403 | 14.0 |
| Diluted earnings per share (RMB) | 0.452 | 0.418 | 8.1 |
| Net cash flow from operating activities | 30,863 | 55,845 | (44.7) |
| Net cash flow from operating activities per share (RMB) | 0.356 | 0.644 | (44.7) |
| Weighted average return on net assets (%) | 9.10 | 9.26 | (0.16) percentage point |

2.2.1.2 Extraordinary items and corresponding amounts:

√ applicable

∩ inapplicable

| Items | Six-month period ended 30 June 2011 (Income)/expense RMB millions |
|---|---|
| Gain on disposal of non-current assets | (541) |
| Donations | 20 |
| Gain on holding and disposal of various investments | (62) |
| Other non-operating income and expenses, net | 6 |
| Subtotal | (577) |
| Tax effect | 144 |
| Total | (433) |
| Attributable to: | |
| Equity shareholders of the Company | (415) |
| Non-controlling interests | (18) |

2.2.2 Financial information extracted from the financial statements 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 (%) |
|--|---------------------------------|-------------------------|--|
| | 2011 RMB millions | 2010 RMB millions | |
| Operating profit | 58,439 | 55,304 | 5.7 |
| Profit attributable to equity shareholders of the Company | 41,174 | 36,798 | 11.9 |
| Return on capital employed (%) Note | 6.58 | 6.51 | 0.07 percentage points |
| Basic earnings per share (RMB) | 0.475 | 0.424 | 11.9 |
| Diluted earnings per share (RMB) | 0.462 | 0.419 | 10.3 |
| Net cash generated from operating activities | 30,570 | 55,563 | (45.0) |
| Net cash generated from operating activities per share (RMB) | 0.353 | 0.641 | (45.0) |

Note: Return on capital employed = operating profit x (1 - income tax rate)/capital employed

| Items | At 30 June | At 31 | Changes from the end of last year (%) |
|---|----------------------|-------------------------------------|---------------------------------------|
| | 2011 RMB millions | December 2010 RMB millions | |
| Total assets | 1,082,367 | 995,822 | 8.7 |
| Total equity attributable to equity shareholders of the Company | 452,962 | 419,604 | 7.9 |
| Net assets per share (RMB) | 5.224 | 4.840 | 7.9 |

§ 3 Changes in share capital and shareholdings of the principal shareholders

3.1 Statement of changes in share capital

“ applicable

√ inapplicable

3.2 Top ten shareholders and shareholders of shares without selling restrictions

816,457 were holders of A Shares and 6,947 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 (“Hong Kong Listing Rules”).

Top ten shareholders

Unit: 1,000 shares

| Name of Shareholders | Nature of shareholders | As a percentage of total shares at the end of reporting period (%) | Number of shares held at the end of reporting period | Number of shares with selling restrictions | Number of shares pledged or lock-ups |
|---|------------------------|--|--|--|--------------------------------------|
| China Petrochemical Corporation | A share | 75.84 | 65,758,044 | 0 | 0 |
| HKSCC (Nominees) Limited | H share | 19.20 | 16,649,787 | 0 | Unknown |
| Guotai Junan Securities Co., Ltd | A share | 0.30 | 257,479 | 0 | 0 |
| China Life-Dividend-Individual Dividend-005L-FH002 Shanghai | A share | 0.20 | 176,120 | 0 | 0 |
| PICC Life-Dividend-Individual Insurance Dividend | A share | 0.14 | 118,054 | 0 | 0 |
| Yinhua-Dow Jones 88 Selected Securities Inv. Fund | A share | 0.06 | 55,325 | 0 | 0 |
| Harvest Theme New Power Securities Inv. Fund | A share | 0.05 | 46,801 | 0 | 0 |
| SSE 50 ETF Open Index Securities Inv. Fund | A share | 0.04 | 38,181 | 0 | 0 |
| Huaan Hongli Securities Inv. Fund | A share | 0.04 | 37,000 | 0 | 0 |
| EFund 50 Index Securities Inv. Fund | A share | 0.04 | 34,344 | 0 | 0 |

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

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

3.3 Changes in the controlling shareholders and the effective controllers in the reporting

“ period applicable √ inapplicable

§ 4. Information about the directors, supervisors and senior management

4.1 The engagement or dismissal of Directors, Supervisors and Other Members of the Senior Management

√ applicable

∩ inapplicable

Sinopec Corp. held its annual general meeting for 2010 on 13 May 2011, where Mr. Fu Chengyu was elected as the director of the fourth session of the Board of Directors, and was elected as the chairman of the Board of Directors of Sinopec Corp. at the Fourteenth meeting of the fourth session of the Board of Directors held on the same day.

4.2 Information about the changes in the shares held by the directors, supervisors and senior management

∩ applicable

√ inapplicable

As at 30 June 2011, none of the directors, supervisors or senior management of Sinopec Corp. had any interest in any shares of Sinopec Corp.

During the reporting period, none of Sinopec Corp.'s directors, supervisors or senior management or any of their respective associates had any interests or short positions in any shares, debentures or related shares of Sinopec Corp. or its associated corporations (as defined in Part XV of the Securities and Futures Ordinance) which were required to be notified to Sinopec Corp. and the Hong Kong Stock Exchange pursuant to Division 7 and 8 of Part XV of the Securities and Futures Ordinance or which were required pursuant to section 352 of the Securities and Futures Ordinance to be entered in the register referred to therein, or which were required to be notified to Sinopec Corp. and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions Entered by Directors of Listed Companies as specified in the Rules Governing The Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules") (including those interests and short positions that are deemed to be such, or are regarded to be owned in accordance with the relative provisions under the Securities and Futures Ordinance).

§ 5. Business Review and Prospects and Management's Discussion and Analysis

5.1 Business Review

The Chinese government implemented a more active fiscal policy and a tighter monetary policy in the first half of 2011, with an aim to enhancing and improving its management of the macro economy. The Chinese economy has continued its steady and robust growth, with GDP increasing by 9.6% in the first half of the year. Domestic demand for refined oil and chemical products grew steadily, but at a slower rate. According to the Company's statistics, domestic apparent consumption of oil products (including gasoline, diesel and kerosene) increased by 7.2% in the first half of the year, and consumption of ethylene equivalents increased by 1.9%.

Sinopec Corp. achieved outstanding results in the first half of 2011. We took full advantage of the integration of our upstream, midstream and downstream businesses, made great efforts to ensure sufficient supply in the domestic oil products market, actively expanded our petrochemical markets, strengthened our leverage on the synergies among production, sales and research, optimised our product mix, satisfied the needs of our customers and expanded our scale of operations.

5.1.1 Production and Operations

(1) Exploration and Production Segment

The price of international crude oil rose sharply in the first half of 2011. The average Platts Global Brent spot price was US\$111.16 per barrel, a year-over-year increase of 43.9%. The trend in domestic crude oil prices was basically the same as in the international market.

Movement of International Crude Oil Price

Sinopec Corp. has achieved excellent results in applying new technologies for exploration and production, particularly in solving the challenges of seismic study in complex piedmont tectonic belt, in increasing the drilling speed and efficiency in key regions. We have also made significant progress in conducting staged fracturing tests for horizontal wells in tight sandstone reservoirs. We have successfully undertaken staged fracturing of horizontal wells in our Zhenjing oil field and the Daniudi gas field in Ordos Basin, with a significant increase in production.

In oil exploration, we have made discoveries in three new territories - new strata, new types and new areas - in our matured fields in eastern China, the Tuofutai area of the Tahe oil field in western China, and the northern margin of the Junggar Basin. In gas exploration, we made new discoveries in deep marine facies and middle and shallow strata of the Yuanba area in northeastern Sichuan and in the shallow strata of the western Sichuan Basin. In oil-field development and production, we have made advances in improving the reserve development ratio, oil recovery rate and unit well productivity.

Domestically, Sinopec Corp. produced 150 million barrels of crude oil in the first half of 2011, a year-over-year increase of 0.7%, and 253.85 billion cubic feet of natural gas, an increase of 26.6%. Overseas production of crude oil dropped sharply due to the overhaul of offshore production machinery in the Angola oil field.

Exploration and Production: Summary of Operations

| | Six-month periods ended 30 June | | Changes (%) |
|--------------------------------------|------------------------------------|--------|----------------|
| | 2011 | 2010 | |
| Crude oil production (mmbbls) Note 1 | 156.32 | 165.32 | (5.4) |
| China | 150.22 | 149.19 | 0.7 |
| Africa | 6.10 | 16.13 | (62.2) |
| Natural gas production (bcf) Note 2 | 253.88 | 200.55 | 26.6 |
| Oil and gas production (mmboe) | 198.63 | 198.74 | (0.1) |

(2) Refining Segment

Throughout the first half of 2011, Sinopec Corp. maintained its refining operations at high utilization rate. We made great efforts to increase the production of refined oil products and ensured a stable supply to the market, and we implemented plans to revamp and expand our refineries in an effort to upgrade the quality of oil products to the Guo III Specification. By optimising the procurement and transportation of crude oil, we reduced the costs and improved our profitability. We also strengthened the marketing of products such as asphalt, LPG, petroleum coke and solvent oil. Refinery throughput was 109 million tonnes in the first half of the year, representing a year-over-year increase of 5.0%. Light yield and refining yield increased significantly compared with the same period of 2010.

Refining: Summary of Operations

| | Six-month periods ended 30 June | | Changes (%) |
|--|------------------------------------|--------|------------------------------|
| | 2011 (million tonnes) | 2010 | |
| Refinery throughput | 108.53 | 103.40 | 5.0 |
| Gasoline, diesel and kerosene production | 63.40 | 60.52 | 4.8 |
| Gasoline | 18.18 | 17.77 | 2.3 |
| Diesel | 38.44 | 36.72 | 4.7 |
| Kerosene incl. jet fuel | 6.77 | 6.03 | 12.3 |
| Light chemical feedstock production | 18.57 | 17.15 | 8.3 |
| Light yield (%) | 76.26 | 75.60 | 0.66 Percentage points |
| Refining yield (%) | 95.30 | 94.65 | 0.65 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 Segment

In the first half of 2011, Sinopec Corp. strengthened the procurement and logistics of oil products to ensure the supply to the market. We also improved our service quality, strengthened quality management for outsourced oil products, We optimized our marketing structure by increasing our retail ratio. We proactively promote our non- fuel business. Total domestic sales of refined oil were 75.10 million tonnes over the period, an increase of 10.2% from the first half of 2010. Meanwhile, we made greater efforts in expanding our presence in the overseas market, and achieved significant increase in overseas oil product sales volume as compared with the same period of 2010.

Marketing and Distribution: Summary of Operations

| | Six-month periods ended 30 June | | Changes (%) |
|---|------------------------------------|-------|----------------|
| | 2011 (million tonnes) | 2010 | |
| Total sales volume of oil products | 80.42 | 71.59 | 12.3 |
| Total domestic sales volume of oil products | 75.10 | 68.15 | 10.2 |
| Retail | 50.20 | 41.70 | 20.4 |
| Direct sales | 15.89 | 15.70 | 1.2 |
| Wholesales | 9.01 | 10.75 | (16.2) |
| Annualized average throughput per station (tonne/station) | 3,341 | 2,841 | 17.6 |

| | As at 30 June 2011 | As at 31 December 2010 | Increase/ decrease at the end of the reporting period over that of the last year (%) |
|--|--------------------------|---------------------------------|--|
| Total numbers of domestic service stations | 30,399 | 30,116 | 0.9 |
| Company-operated | 30,050 | 29,601 | 1.5 |
| Franchised | 349 | 515 | (32.2) |

(4) Chemicals Segment

In the first half of 2011, we have maintained safe and stable operations in our plants, and actively adjusted our product mix by increasing the proportion of high-end products such as special synthetic resins and differential fibers. We have also improved our service, established a system for high-efficiency production, sales, research and innovation, adjusted plant loads according to supply and demand, fine-tuned our marketing strategies and ensured maximum sales of all products based on market conditions. Production of ethylene was 5.015 million tonnes in the first half of 2011, increased by 19.3% year on year, and the total sales of chemical products were 25.10 million tonnes, increased 6.0% year on year.

Summary of Production of Major Chemical Products

Unit: 1,000 tonne

| | Six-month periods ended 30 June | | Changes |
|-------------------------------------|---------------------------------|-------|---------|
| | 2011 | 2010 | |
| | (Thousand tonnes) | | (%) |
| Ethylene | 5,015 | 4,202 | 19.3 |
| Synthetic resin | 6,834 | 6,088 | 12.3 |
| Synthetic fibre monomer and polymer | 4,744 | 4,275 | 11.0 |
| Synthetic fibre | 705 | 676 | 4.3 |
| Synthetic rubber | 526 | 485 | 8.5 |
| Urea | 413 | 932 | (55.7) |

Note: 100% production of joint ventures was included.

5.1.2 Safety, Energy Conservation and Emission Reduction

The Company had always regarded safety and environment protection as the top task while taking measures to ensure that HSE responsibility mechanism was fully practiced. In the first half of the year, safe and clean production was generally maintained. Over the years, the company has been actively promoting energy conservation and emission reduction, laying great emphasis on a green and low-carbon operation during energy exploration, production, processing and utilisation. Over the first half of this year, energy consumption per RMB10, 000 in output) dropped by 3.8%, and COD in discharged wasted water dropped by 9.2%, while SO₂ emission dropped by 10.0% year on year.

5.1.3 Capital Expenditures

The capital expenditure plan for the year of 2011 is RMB124.1 billion, and capital expenditures for the first half of the year were RMB33.567 billion in accordance with the progress of the projects. The exploration and production segment accounted for RMB17.406 billion, mainly for exploration and development of the Shengli Tanhai oil field, the Northeast Tahe oil field, natural gas exploration and development in northeastern Sichuan and the Shandong LNG project; the refining segment accounted for RMB3.656 billion, mainly for upgrading diesel quality, revamping refineries in the Beihai and Changling and building the Rizhao-Yizheng crude oil pipeline; the chemicals segment accounted for RMB2.12 billion, mainly for an 800,000 tonne ethylene plant in Wuhan and the revamping of production facilities in line with raw material shift in an MTO plant in Zhongyuan; and the marketing and distribution segment accounted for RMB9.523 billion, mainly for the construction of service stations, on highways, in key cities and new areas, oil depots and a refined oil product transfer network with 786 service stations built or acquired over the period. Capital expenditures by the corporate and others were RMB862 million. The whole year capital expenditure plan will not change.

5.2 Principal Operations categorised by business segments

The following table sets out the principal operations categorised by business segments and the details of the connected transactions, including income from principal operations and cost of sales for each business segment, extracted from the Company's financial statements prepared under ASBE:

| Segment | Income from principal operations (RMB millions) | Cost of principal operations (RMB millions) | 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 | 112,633 | 44,290 | 41.7 | 24.4 | 10.5 | (1.4) |
| Refining | 595,676 | 528,720 | (0.5) | 28.4 | 36.1 | (3.3) |
| Marketing and Distribution | 655,002 | 615,459 | 5.9 | 32.9 | 33.3 | (0.3) |
| Chemicals | 209,438 | 183,676 | 11.9 | 36.8 | 34.0 | 1.8 |
| Corporate and others | 572,997 | 570,861 | 0.4 | 36.6 | 36.8 | 0.0 |
| Elimination of inter-segment sales | (912,474) | (913,131) | N/A | N/A | N/A | N/A |
| Total | 1,233,272 | 1,029,875 | 8.9 | 31.5 | 35.0 | (1.7) |

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

5.3 Principal operations in different regions

“ applicable √ inapplicable

5.4 Reasons of material changes in the principal operations and their structure

“ applicable √ inapplicable

5.5 Reasons of changes in the profitability (gross profit) in the principal operations as compared to that in the preceding year

“ applicable √ inapplicable

5.6 Reasons of changes in profit composition as compared to that in the preceding year

applicable

inapplicable

In the first half of 2011, influenced by many factors including geopolitical issues, international crude oil price increased significantly. Chinese economy realised relatively rapid growth. Demand for petroleum and petrochemical products increased steadily, and the price of crude oil, refined oil products and petrochemical products increased compared with the same period of last year. The Company took active measures to adjust the crude oil procurement strategies, optimized the production and operation, adhered to the structural adjustment, constantly improved marketing capabilities, laid great emphasis on the safety of production, energy conservation and took the full advantage of the business scale and synergies, all of which have contributed to good business results. In the first half of 2011, the Company's turnover and other operating revenues were RMB 1,233.3 billion, and the operating profit was RMB 58.4 billion, representing a year-on-year increase of 31.5% and 5.7%, respectively.

5.6.1 Turnover, other operating revenues and other income

In the first half of 2011, the Company's turnover was RMB 1,216.9 billion, representing an increase of 31.7% over the first half of 2010. This was mainly because the Company timely expanded sales volume by taking the advantage of the increase in the prices of crude oil, refined oil products and chemical products as compared with the same period of last year.

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 2011 compared to the first half of 2010:

| | Sales Volume (thousand tonnes) Six-month periods ended 30 June | | | Average realised price* (RMB/tonne, RMB/thousand cubic meters) Six-month periods ended 30 June | | |
|---|---|--------|---------------|---|--------|---------------|
| | 2011 | 2010 | Change (%) | 2011 | 2010 | Change (%) |
| Crude oil | 2,386 | 2,636 | (9.5) | 4,600 | 3,428 | 34.2 |
| Natural gas (million cubic meters) | 5,936 | 4,138 | 43.5 | 1,268 | 1,027 | 23.5 |
| Gasoline | 23,705 | 21,215 | 11.7 | 8,236 | 7,205 | 14.3 |
| Diesel | 48,612 | 43,725 | 11.2 | 6,994 | 5,847 | 19.6 |
| Kerosene | 8,053 | 6,439 | 25.1 | 5,928 | 4,663 | 27.1 |
| Basic chemical feedstock | 9,937 | 8,253 | 20.4 | 6,959 | 5,533 | 25.8 |
| Monomer and polymer for synthetic fibre | 3,141 | 2,751 | 14.2 | 10,370 | 8,142 | 27.4 |
| Synthetic resin | 5,176 | 4,712 | 9.8 | 10,134 | 9,226 | 9.8 |
| Synthetic fibre | 764 | 728 | 4.9 | 13,995 | 11,171 | 25.3 |
| Synthetic rubber | 631 | 606 | 4.1 | 22,028 | 15,687 | 40.4 |
| Chemical fertilizer | 468 | 916 | (48.9) | 2,049 | 1,649 | 24.3 |

* Excluding value added tax.

Most of the crude oil and a small portion of natural gas produced by the Company were internally used for refining and chemical production with the remaining sold to other customers. In the first half of 2011, the turnover from crude oil, natural gas and other upstream products sold externally amounted to RMB 21.7 billion, increased by 44.2% year on year, accounting for 1.8% of the Company's turnover and other operating revenues. The change was mainly due to the increase in the prices of crude oil and natural gas.

Petroleum products (mainly consisting of refined oil products and other refined petroleum products) sold by the refining segment, marketing and distribution segment achieved an external sales revenue of RMB 746.3 billion, representing an increase of 31.6% over the same period of 2010 and accounting for 60.5% of the Company's turnover and other operating revenues. The increase was mainly due to the increase in sales volume and price of refined petroleum products. The sales revenue of gasoline, diesel and kerosene was RMB582.9 billion, representing an increase of 32.9% over the same period in 2010, accounting for 78.1% of the sales revenue of petroleum products. Turnover of other refined petroleum products was RMB 163.4 billion, representing an increase of 27.2% compared with the first half of 2010, accounting for 21.9% of the sales revenue of petroleum products.

The Company's external sales revenue of chemical products was RMB 183.0 billion, representing an increase of 36.5% over the same period of 2010, accounting for 14.8% of its turnover and other operating revenues. The increase was mainly due to the increase in sales volume and price of chemical products.

5.6.2 Operating expenses

In the first half of 2011, the Company's operating expenses were RMB 1,174.8 billion, representing an increase of 33.1% over the first half of 2010. The operating expenses mainly consisted of the following:

Crude oil procurement, products and operating supplies and expenses were RMB1,001.4 billion in the first half of 2011, representing an increase of 36.4% over the same period of 2010, accounting for 85.2% of the total operating expenses, of which:

- Procurement cost of crude oil was RMB 406.0 billion, representing an increase of 38.0% over the same period of 2010. The total processed volume of crude oil purchased externally in the first half of 2011 was 82.45 million tonnes (excluding the volume processed for third parties) increased by 10.4% over the first half of 2010. The average unit processing cost of crude oil purchased externally was RMB 4,924 per tonne, increased by 25.0% over the first half of 2010.
- The Company's other procurement expenses were RMB 595.4 billion, representing an increase of 35.3% over the first half of 2010. This was mainly due to the increase of procurement cost for refined oil products, chemical feedstock and other products.

Selling, general and administrative expenses of the Company totaled RMB 26.3 billion, representing an increase of 14.7% over the first half of 2010. This was mainly due to the increase in sales expenses such as transportation fees, which is related to the expanded sales volume, as well as an increase in operating lease.

Depreciation, depletion and amortization expenses of the Company were RMB 30.5 billion, representing an increase of 4.2% compared with the first half of 2010. This was mainly due to newly accrued depreciation as a result of continuous investment in fixed assets.

Exploration expenses in the first half of 2011 were RMB 5.7 billion, representing a decrease of 1.7% compared with the same period last year.

Personnel expenses were RMB 18.1 billion, increased by RMB 3.1 billion year on year. Without taking account into the effect of more employment caused by business growth, and increasing of insurance payment base, it represents a 9.0% increase year on year.

Taxes other than income tax totaled RMB 93.3 billion, representing an increase of 23.7% compared with the first half of 2010. It was mainly due to an increase of RMB 8.8 billion in oil special income levy caused by the soaring crude oil price. Meanwhile, as a result of increased sales volume, the consumption tax, city construction tax and educational surcharge increased by RMB 8.4 billion on a year-on-year basis. Due to the reform of the resource tax in Xinjiang and 12 western provincial and municipal regions effective on 1 June and 1 December 2010 respectively, resource tax increased by RMB 0.7 billion year on year as a result of the increased crude oil price.

5.6.3 Operating profit

In the first half of 2011, the Company's operating profit was RMB58.4 billion, representing an increase of 5.7% over the same period of 2010.

5.6.4 Net finance costs

In the first half of 2011, the net finance costs is RMB 3.3 billion, representing a year-on- year decrease of 5.8%, mainly attributable to the exchange gains increased by 0.5 billion over the same period of 2010, as a result of increased overseas financing facilities denominated in US dollar at a low cost and the impact of RMB appreciation against US dollar.

5.6.5 Profit before tax

In the first half of 2011, the Company's profit before taxation amounted to RMB 58.0 billion, representing an increase of 7.8% compared with the same period of 2010.

5.6.6 Income tax expense

In the first half of 2011, the income tax expense of the Company totaled RMB 13.9 billion, with an increase of 1.4% over the same period of 2010.

5.6.7 Profit attributable to non-controlling interests

In the first half of 2011, profit attributable to non-controlling shareholders of the Company was RMB 3.0 billion, representing an increase of 1.0% over the same period of 2010.

5.6.8 Profit attributable to equity shareholders of the Company

In the first half of 2011, profit attributable to equity shareholders of the Company was RMB 41.2 billion, representing an increase of 11.9% over the same period of 2009.

5.7 Use of the proceeds from share issue

5.7.1 Use of the proceeds from share issue

√ applicable " inapplicable

RMB million

| | | | |
|----------------|------------|---|--------|
| Total proceeds | 22,889.38* | Total proceed used in this reporting period | 11,531 |
| | | Total cumulative use of proceed | 11,531 |

| Projects promised | Investment amount planned | Any change in projects | Actual proceed used | Returns accrued | Whether on schedule | Compliance with expected return |
|---|---------------------------|------------------------|---------------------|-----------------|---------------------|---------------------------------|
| Wuhan 800,000 tpa ethylene project | 11,289.38 | No | 4,792 | — | Yes | — |
| Anqing refinery revamping project | 3,000 | No | 1,039 | — | Yes | — |
| Shijiazhuang refinery revamping project | 3,200 | No | 729 | — | Yes | — |
| Yulin-Jinan gas pipeline project | 3,300 | No | 3,300 | — | Yes | — |
| Rizhao-Yizheng crude oil pipeline and supporting projects | 2,100 | No | 1,671 | — | Yes | — |

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| | | | | | | |
|---|-----------|---|--------|---|---|----|
| Total | 22,889.38 | — | 11,531 | — | — | — |
| Statements on the failure to realise planned schedule and expected return | | | | | | No |
| Statements on the reasons and procedures of changes | | | | | | No |

* After deducting the issuance cost of RMB 110.62 million (including the commissions for book runners and other costs for the intermediary agencies).

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With respect to marketing and distribution, Sinopec Corp. will further improve and expand its marketing network to increase its sales volume. We will develop more flexible marketing strategies, improve our marketing structure and service quality, strengthen quantity and quality control of refined oil products and intensify our brand marketing. Meanwhile, Sinopec Corp. will continue to develop its non-fuel businesses. We anticipate that the total domestic refined oil product sales volume will be 74.9 million tonnes in the second half of the year.

At the same time, with respect to chemicals, we will accelerate the optimisation of our product mix, increase the proportion of high-value-added products, manage supplies so that we can adjust our product mix and the mix of raw materials in a nimble manner, accelerate the construction of our logistics system, improve our marketing network, strengthen the relationship among production, marketing and research, improve marketing services and increase customer satisfaction. In the second half of the year, we are planning to produce 4.835 million tonnes of ethylene.

Mindful of the goal of building a first-class corporation in the world in the petroleum and petrochemical industry, Sinopec Corp. will spare no efforts in carrying out its strategies relating to resources, marketing, integration of business segments, internationalisation, differentiation and low-carbon development. In response to the developments of the domestic and international economic climate, we will continue to optimise our marketing strategies, reinforce production safety and strive to achieve our operational targets for 2011.

5.10 Caution and explanation as to the anticipated loss of accumulated net profits from the beginning of the year to the end of the next reporting period or significant changes over the same period of last year

applicable inapplicable

5.11 Explanation of the management about the auditors' "non-standard opinion" for the reporting period

applicable inapplicable

5.12 Explanation of the management about the subsequent changes and the follow up actions of the matters in connection with the auditors' "non-standard opinion" in the last financial year

applicable inapplicable

§ 6 Significant events

6.1 Acquisition, sale of assets and assets reorganisation

6.1.1 Acquisition and purchase of assets

applicable inapplicable

6.1.2 Disposition and sale of assets

applicable inapplicable

6.1.3 Progress and impact on financial position and operating results of the relevant event after the issue of asset reorganisation report or announcement of acquisition and sale of assets

applicable inapplicable

6.2 Material guarantee contracts and status of implementation

applicable inapplicable

Unit: RMB millions

External guarantees provided by the Company (not including guarantees provided for its controlled subsidiaries)

| Guarantee provider | Relationship with the listed issuer | Name of guaranteed company | Amount | Date of occurrence (date of signing) | Period of guarantee | Type | Whether completed | Whether the guarantee is overdue |
|---|-------------------------------------|---|--------|--------------------------------------|---------------------------------------|-------------------|-------------------|----------------------------------|
| Sinopec Corp | Sinopec Corp. itself | Yueyang SINOPEC Shell Coal Gasification Corporation Ltd. | 302 | December 10, 2003 | December 10, 2003 – December 10, 2017 | joint obligations | No | No |
| Sinopec Corp. | Sinopec Corp. itself | Shanghai Gaoqiao-SK Solvent Co., Ltd. | 21 | September 22, 2006 | September 22, 2006 – April 16, 2012 | joint obligations | No | No |
| Sinopec Corp. | Sinopec Corp. itself | Fujian Refining and Petrochemical Co., Limited | 4,583 | September 6, 2007 | September 6, 2007 – December 31, 2015 | joint obligations | No | No |
| Sinopec Yangzi Petrochemical Co., Ltd. | wholly-owned subsidiary | Sinopec Corp. Yangzi BP Petrochemical Acetyl Co., Ltd | 427 | | | joint obligations | No | No |
| Sinopec Sales Co., Ltd | wholly-owned subsidiary | Balance of Sinopec Corp Sales Company Limited. joint ventures for its associates and | 106 | | | joint obligations | No | No |
| Total amount of guarantees provided during the reporting period Note2 | | | | | | | 0 | |
| Total amount of guarantees outstanding at the end of the reporting period Note2 (A) | | | | | | | 5,439 | |
| Guarantees provided by Sinopec Corp. for its controlled subsidiaries | | | | | | | | |
| Total amount of guarantees for the controlled subsidiaries during the reporting period | | | | | | | N/A | |
| Total amount of guarantees for the controlled subsidiaries outstanding at the end of the reporting period (B) | | | | | | | N/A | |
| Total amount of guarantees by the Company (including those provided for the controlling subsidiaries) | | | | | | | | |
| Total amount of guarantees Note3 (A+B) | | | | | | | 5,439 | |
| The proportion of the total amount of guarantees to Sinopec Corp.'s net assets | | | | | | | 1.2 | |
| Amount of guarantees provided for shareholders, de facto controllers and related parties (C) | | | | | | | N/A | |

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| | |
|---|-----|
| Amount of debt guarantees provided directly or indirectly to the companies with liabilities to asset ratio of over 70%(D) | 21 |
| Amount of guarantees in excess of 50% of the total net assets (E) | N/A |
| Total amount of guarantees of the above three items Note4 (C+D+E) | 21 |
| Statement of guarantee undue that might be involved in any joint and several liabilities | N/A |
| Statement of guarantee status | N/A |

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Note As defined in Article 10.1.3 of the Listing Rules of Shanghai Stock Exchange.

1:

Note Total amount of guarantee provided during the reporting period and total amount of guarantees outstanding at the end of the reporting period include the guarantees provided by the controlled subsidiaries to external parties. The amount of guarantees assumed by Sinopec Corp. is the amount of the external guarantees provided by each controlling subsidiary multiplied by Sinopec Corp.'s respective shareholding in the controlled subsidiary.

Note Total amount of guarantee is the aggregate of the amount of guarantee outstanding at the end of the reporting period (excluding the guarantees provided for controlling subsidiaries) and the amount of guarantees for controlling subsidiaries outstanding at the end of the reporting period.

Note "Total amount of guarantee of three items aforesaid" is the aggregate of "amount of guarantee provided for shareholders, de facto controllers and connected parties", "amount of debt guarantees provided directly or indirectly to companies with liabilities to asset ratio of over 70%" and "the amount of guarantees in excess of 50% of net assets".

6.3 Credit and debt between connected parties

√ applicable " inapplicable

Unit: RMB million

| Connected Parties | Fund to Connected Parties | | Fund from Connected Parties | |
|---------------------------------|---------------------------|---------|-----------------------------|---------|
| | Amount incurred | Balance | Amount incurred | Balance |
| China Petrochemical Corporation | 267 | 787 | (415) | 7,830 |
| Other connected parties | (1,112) | 1,346 | — | — |
| Total | (845) | 2,133 | (415) | 7,830 |

6.4 Material litigation and arbitration

" applicable √ inapplicable

6.5 Explanations of other significant events, their impact and proposed solutions

6.5.1 The shares of other listed companies held by the Company and status of investments in shares and securities

| Stock Code | Abbreviation | Number of shares held at the end of period | Amount of initial investment | Book value at the end of period | Book value at the beginning of period | Accounting items |
|--------------------|-------------------|--|------------------------------|---------------------------------|---------------------------------------|-----------------------------|
| 384 (Hong Kong) | China Gas Holding | 210 million shares | RMB 136,426,500.00 | RMB 136,426,500.00 | RMB 136,426,500.00 | Long-term equity investment |

6.5.2 Status of shares holding of institutions such as commercial banks, securities companies, insurance companies, trust companies or future companies etc.

√ applicable " inapplicable

| Financial institutions | Initial investment (RMB 10,000) | Number of shares holding (RMB 10,000) | Proportion in total shares | in period | Book value at the end of the period (RMB 10,000) | Change of shareholders' Profit/losses | | Accounting items | Shares |
|--|---------------------------------|---------------------------------------|----------------------------|-----------|--|---------------------------------------|---------------|-----------------------------|----------------|
| | | | | | | in the period | in the period | | |
| 1 Beijing International Trust Co., Ltd | 20,000 | 20,000 | 14.29 % | | 20,000 | 0 | 0 | Long-term equity investment | |
| 2 Zhengzhou Commercial Bank Co., Ltd. | 1,000 | 1,000 | 0.5 % | | 1,000 | 0 | 0 | Long-term equity investment | Debt to shares |
| Total | — | — | 21,000 | 0 | 0 | — | — | | |

6.5.3 Entrusted loans

To optimise the internal utilisation of available funds and lower the overall cost of capital, the 12th meeting of the fourth session of the board approved Sinopec Corp. of providing entrusted loan to Zhangjiang Dongxing and Hainan Refineries with no more than RMB 10 billion and loan rate no less than same-period commercial bank deposit rate. The entrusted loan is a connected transaction under chapter 14A of the Hong Kong Listing Rules.

| Loan to | Amount (RMB billion) | Term from | to | Interest rate |
|--------------------------------------|----------------------|---------------|---------------|---------------|
| Zhanjiang Dongxing Petrochemical Co. | 2 | 28 March 2011 | 28 March 2012 | 4.20% |

6.5.4 Wuhan ethylene project

Wuhan ethylene project mainly consists of 800,000 tpa ethylene and downstream auxiliary facilities. Construction commenced in December 2007. It's expected to be completed in 2013.

6.5.5 Shandong LNG project

Shandong LNG project mainly consists of one wharf and one terminal with 3 million tpa capacity and auxiliary transportation pipelines. Construction commenced in September 2010. It's expected to be completed in 2013.

6.5.6 Issuance of RMB 23 billion convertible bonds

On 26 March 2010, the issuance of RMB23 billion A Share convertible bonds was approved at the Fifth Meeting of the Fourth Session of Board of Directors of Sinopec Corp. It's subsequently approved by the Annual General Meeting on 18 May 2010 and approved by China Securities Regulatory Commission on 29 December 2010. The bonds were issued at par value of RMB 100. The bonds were of six-year-term with annual interest rate of 0.5%, 0.7%, 1.0%, 1.3%, 1.8% and 2.0%. The initial conversion price was RMB 9.73 per share. The bonds were issued on 23 February 2011 and listed on Shanghai Stock Exchange on 7 March 2011. For further details, please refer to Sinopec Corp.'s announcements published in China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily in Mainland China on 28 February 2011 and 3 March 2011 respectively. The proceeds will be used in Wuhan ethylene, Anqing refinery revamping, Shijiazhuang, Yulin- Jinan Pipeline and Rizhao-Yizheng pipeline projects.

Replacement at the RMB9.141 billion invested in the above-mentioned projects before the end of February 2011 was approved at the 12th Meeting of the Fourth Session of the Board of Directors of Sinopec Corp. KPMG Huazhen has issued the verification report for the above paid-in capital, and Goldman Sachs Gaohua has issued the review opinions. In order to reduce the idle funds and bring the funds into full play, the idle proceeds from the issuance are approved by the Board of Directors to supplement temporarily the working capital for a period not exceeding 6 months, and with a total amount not exceeding 10% of the total proceeds. For details please refer to resolution announcements of the 12th Meeting of the Fourth Session of the Board of Directors of Sinopec Corp. published in China Securities Journal, Shanghai Securities News, Securities Times on 28 March 2011.

To improve the utilisation efficiency of the proceeds and increase the deposit yield, Sinopec Corp. signed "the three-party supervision supplementary agreement for the proceeds account" with the account bank and the sponsor. For the details, please refer to announcement published in China Securities Journal, Shanghai Securities News, and Securities Times on 20 May 2011.

6.5.7 Dividend distribution for the year ended 31 December 2010

As approved at the 2010 Annual General Meeting of Sinopec Corp., a final cash dividend of RMB 0.13 (inclusive of tax) per share for 2010 was distributed, which amounted to a total cash dividend of RMB 11.27 billion. On 30 June 2011, Sinopec Corp. distributed the final dividend for 2010 to shareholders whose names appeared on the register of members of Sinopec Corp. on 17 June 2011.

For the year of 2010, total cash dividend of RMB 0.21 (inclusive of tax) per share was distributed and the total cash dividend amounted to RMB 18.21 billion.

6.5.8 Interim dividend distribution plan for the six-month period ended 30 June 2011

According to the Articles of Association, the interim dividend distribution plan for the six-month period ended 30 June 2011 was approved at the 15th meeting of the Fourth Session of the Board of Directors. An interim cash dividend of RMB 0.10 (inclusive of tax) per share would be distributed based on the total number of shares as of 16 September 2011. The total cash dividend amounts to RMB 8.67 billion.

The interim dividend will be distributed on or before Wednesday, September 28, 2011 to the shareholders whose names appear on the register of members of Sinopec Corp. on Friday, 16 September 2011. 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, by no later than 4:30pm on Friday, 9 September 2011. The register of members of the H shares of Sinopec Corp. will be closed from Monday, 12 September 2011, to Friday, 16 September 2011 (both dates inclusive). As Sinopec Corp. will hold its extraordinary general meeting on 12 October 2011 (please refer to the notice of extraordinary general meeting dated 26 August 2011 for further details), the register of members of Sinopec Corp. will be closed from Saturday, 10 September 2011 to Wednesday, 12 October 2011 (both dates inclusive), overlapping with the above proposed book closure period. To avoid from any doubts, the register of members of Sinopec Corp. will be closed from Saturday, 10 September 2011 to Wednesday, 12 October 2011 (both dates inclusive).

Dividends for domestic shares will be paid in Renminbi and dividends for foreign shares will be paid in Hong Kong dollars. The exchange rate for dividends to be paid in Hong Kong dollars is the average of the basic exchange rate of Renminbi to Hong Kong dollar published by the People's Bank of China during the week prior to the date of declaration of dividends, being Friday, 26 August 2011.

For Individual H Shareholders who are Hong Kong and Macau residents and those whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of 10%, Sinopec Corp. will withhold and pay individual income tax at the rate of 10% on behalf of the Individual H Shareholders. For Individual H Shareholders whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of less than 10%, Sinopec Corp. will withhold and pay individual income tax at the rate of 10% on behalf of the Individual H Shareholders. If relevant individual H Shareholders would like to apply for a refund of the additional amount of tax withheld and paid, Sinopec Corp. can assist the relevant shareholder to handle the application for the underlying preferential tax benefits pursuant to the tax treaties, provided that the relevant shareholder shall submit to the H share registrar of Sinopec Corp. the information required under the Tax Treaties Notice within the time period as specified below. Upon examination and approval by competent tax authorities, Sinopec Corp. will assist in refunding the additional amount of tax withheld and paid. For Individual H Shareholders whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of more than 10% but less than 20%, the Company will withhold and pay individual income tax at the actual tax rate stipulated in the relevant tax treaty. For Individual H Shareholders whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of 20%, or a country which has not entered into any tax treaties with the PRC, or under any other circumstances, Sinopec Corp. will finally withhold and pay individual income tax at the rate of 20% on behalf of the Individual H shareholders.

The Company will determine the country of domicile of the Individual H Shareholders based on the registered address as recorded in the register of members of Sinopec Corp. (the "Registered Address") after close of business on 9 September 2011. If the domicile of an Individual H Shareholder is not the same as the Registered Address or if the Individual H Shareholder would like to apply for a refund of the additional amount of tax finally withheld and paid, the Individual H Shareholder shall provide relevant supporting documents as required under the Tax Treaties Notice in person to the H share registrar of Sinopec Corp., Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong on or before 4:30p.m., 9 September 2011. Upon examination of the supporting documents by the relevant tax authorities, Sinopec Corp. will follow the guidance given by the tax authorities to implement relevant tax withholding provisions and arrangements. Individual H Shareholders may either personally or appoint a representative to attend to the procedures in accordance with the requirements under the Tax Treaties Notices if they do not provide the relevant supporting documents to Sinopec Corp. within the time period stated above.

7 Financial statements

7.1.1 Auditor's opinion

| | | |
|----------------------|--------------------------------|------------------------|
| Financial statements | “ Unaudited | √ Audited |
| Auditor's opinion | √ Standard unqualified opinion | “ Not standard opinion |

7.2 Financial statements

7.2.1 Financial statements prepared under ASBE

The Group and the Company's balance sheets

Units: RMB millions

| Items | 30 June 2011 | | 31 December 2010 | |
|---------------------------------|------------------|----------------|------------------|----------------|
| | The Group | The Company | The Group | The Company |
| Currents assets: | | | | |
| Cash at bank and on hand | 14,186 | 7,787 | 18,140 | 11,882 |
| Bills receivable | 25,113 | 15,828 | 15,950 | 11,093 |
| Accounts receivable | 65,414 | 18,724 | 43,093 | 16,660 |
| Other receivables | 8,177 | 33,401 | 9,880 | 27,433 |
| Prepayments | 8,896 | 9,883 | 5,247 | 6,394 |
| Inventories | 207,962 | 137,969 | 156,546 | 103,170 |
| Other current assets | 1,783 | 351 | 594 | 507 |
| Total current assets | 331,531 | 223,943 | 249,450 | 177,139 |
| Non-current assets: | | | | |
| Long-term equity investments | 45,706 | 99,904 | 45,037 | 111,354 |
| Fixed assets | 531,953 | 437,650 | 540,700 | 436,870 |
| Construction in progress | 101,299 | 93,129 | 89,599 | 76,830 |
| Intangible assets | 28,634 | 22,297 | 27,440 | 20,080 |
| Goodwill | 8,775 | — | 8,298 | — |
| Long-term deferred expenses | 7,764 | 6,928 | 7,560 | 6,058 |
| Deferred tax assets | 14,748 | 11,326 | 15,578 | 11,832 |
| Other non-current assets | 1,502 | 71 | 1,727 | 173 |
| Total non-current assets | 740,381 | 671,305 | 735,939 | 663,197 |
| Total assets | 1,071,912 | 895,248 | 985,389 | 840,336 |

| Items | 30 June 2011 | | 31 December 2010 | |
|---|------------------|----------------|------------------|----------------|
| | The Group | The Company | The Group | The Company |
| Current liabilities: | | | | |
| Short-term loans | 35,426 | 434 | 29,298 | 7,229 |
| Bills payable | 4,301 | 2,816 | 3,818 | 2,670 |
| Accounts payable | 171,059 | 108,940 | 132,528 | 87,244 |
| Advances from customers | 44,977 | 40,979 | 57,324 | 51,190 |
| Employee benefits payable | 11,238 | 10,279 | 7,444 | 7,037 |
| Taxes payable | 24,205 | 19,357 | 33,814 | 24,598 |
| Other payables | 55,426 | 74,018 | 54,871 | 73,825 |
| Short-term debentures payable | 5,000 | 5,000 | 1,000 | — |
| Non-current liabilities due within one year | 33,994 | 33,786 | 5,530 | 4,109 |
| Total current liabilities | 385,626 | 295,609 | 325,627 | 257,902 |
| Non-current liabilities: | | | | |
| Long-term loans | 58,351 | 57,774 | 58,895 | 58,377 |
| Debentures payable | 105,096 | 105,096 | 115,180 | 115,180 |
| Provisions | 16,339 | 15,164 | 15,573 | 14,462 |
| Deferred tax liabilities | 15,266 | 7,806 | 15,017 | 7,951 |
| Other non-current liabilities | 2,619 | 848 | 2,415 | 1,045 |
| Total non-current liabilities | 197,671 | 186,688 | 207,080 | 197,015 |
| Total liabilities | 583,297 | 482,297 | 532,707 | 454,917 |
| Shareholders' equity: | | | | |
| Share capital | 86,702 | 86,702 | 86,702 | 86,702 |
| Capital reserve | 33,203 | 41,577 | 29,414 | 37,922 |
| Specific reserve | 2,540 | 2,041 | 1,325 | 1,025 |
| Surplus reserves | 145,124 | 145,124 | 141,711 | 141,711 |
| Retained profits | 188,687 | 137,507 | 163,132 | 118,059 |
| Foreign currency translation differences | (1,373) | — | (1,157) | — |
| Total equity attributable to shareholders of the Company | 454,883 | — | 421,127 | — |
| Minority interests | 33,732 | — | 31,555 | — |
| Total shareholders' equity | 488,615 | 412,951 | 452,682 | 385,41- |
| Total liabilities and shareholders' equity | 1,071,912 | 895,248 | 985,389 | 840,336 |

The Group and the Company's income statements

Units: RMB millions

| | For the Six-Month Periods Ended 30 June | | | |
|--|---|-------------|-----------|-------------|
| | 2011 | 2011 | 2010 | 2010 |
| | The Group | The Company | The Group | The Company |
| Operating income | 1,233,272 | 757,588 | 937,736 | 570,689 |
| Less: Operating costs | 1,029,875 | 601,876 | 762,661 | 437,872 |
| Sales taxes and surcharges | 93,285 | 74,333 | 75,410 | 60,162 |
| Selling and distribution expenses | 16,650 | 14,311 | 14,184 | 11,476 |
| General and administrative expenses | 28,502 | 23,943 | 24,348 | 20,332 |
| Financial expenses | 3,486 | 3,481 | 3,716 | 2,951 |
| Exploration expenses, including dry holes | 5,652 | 5,652 | 5,747 | 5,747 |
| Impairment losses | 2,712 | 2,197 | 741 | 713 |
| Add: Gain from changes in fair value | 305 | 245 | 540 | 221 |
| Investment income | 2,822 | 9,124 | 1,994 | 1,347 |
| Operating profit | 56,237 | 41,164 | 53,463 | 33,004 |
| Add: Non-operating income | 1,108 | 1,007 | 666 | 561 |
| Less: Non-operating expenses | 590 | 560 | 317 | 319 |
| Profit before taxation | 56,755 | 41,611 | 53,812 | 33,246 |
| Less: Income tax expense | 13,543 | 7,479 | 14,052 | 7,882 |
| Net profit | 43,212 | 34,132 | 39,760 | 25,364 |
| Including: Net profit of acquiree before the consolidation | — | | 2,449 | |
| Attributable to: | | | | |
| Equity shareholders of the Company | 40,239 | | 36,776 | |
| Minority interests | 2,973 | | 2,984 | |
| Basic earnings per share | 0.464 | | 0.424 | |
| Diluted earnings per share | 0.452 | | 0.418 | |
| Net profit | 43,212 | | 39,760 | |
| Other comprehensive income: | | | | |
| Cash flow hedges | 139 | — | (20) | — |
| Available-for-sale financial assets | 1 | — | — | — |
| Share of other comprehensive income of associates | (63) | (63) | (481) | (481) |
| Foreign currency translation difference | (234) | — | (45) | — |
| Total other comprehensive income | (157) | (63) | (546) | (481) |

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| | | | | |
|------------------------------------|--------|--------|--------|--------|
| Total comprehensive income | 43,055 | 34,069 | 39,214 | 24,883 |
| Attributable to: | | | | |
| Equity shareholders of the Company | 40,100 | | 36,250 | |
| Minority interests | 2,955 | | 2,964 | |

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| Items | For the Six-Month Periods Ended 30 June | | | |
|--|---|-------------|-------------|-------------|
| | 2011 | 2010 | 2011 | 2010 |
| | The Group | The Company | The Group | The Company |
| Cash flows from operating activities: | | | | |
| Cash received from sale of goods and rendering of services | 1,393,347 | 863,953 | 1,066,647 | 653,029 |
| Rentals received | 202 | 202 | 162 | 70 |
| Other cash received relating to operating activities | 4,206 | 5,127 | 2,838 | 5,388 |
| Sub-total of cash inflows | 1,397,755 | 869,282 | 1,069,647 | 658,487 |
| Cash paid for goods and services | (1,187,767) | (703,351) | (871,041) | (510,250) |
| Cash paid for operating leases | (6,341) | (5,339) | (6,027) | (4,927) |
| Cash paid to and for employees | (12,800) | (9,853) | (10,849) | (8,636) |
| Value added tax paid | (36,810) | (30,117) | (29,105) | (22,384) |
| Income tax paid | (20,000) | (12,680) | (10,535) | (6,066) |
| Taxes paid other than value added tax and income tax | (94,874) | (73,800) | (78,487) | (62,394) |
| Other cash paid relating to operating activities | (8,300) | (7,947) | (7,758) | (10,650) |
| Sub-total of cash outflows | (1,366,892) | (843,087) | (1,013,802) | (625,307) |
| Net cash flow from operating activities | | 30,863 | 26,195 | 55,845 |
| Cash flows from investing activities: | | | | |
| Cash received from disposal of investments | | 2,482 | 1,754 | 733 |
| Dividends received | | 1,997 | 1,285 | 874 |
| Net cash received from disposal of fixed assets and intangible assets | | 168 | 130 | 13,082 |
| Cash received on maturity of time deposits with financial institutions | | 707 | — | 1,356 |
| Cash received from derivative financial instruments | | 3,329 | — | 1,140 |
| Other cash received relating to investing activities | | 541 | 195 | 162 |
| Sub-total of cash inflows | | 9,224 | 3,364 | 17,347 |
| | | | | 13,812 |

| Items | Units: RMB millions | | | |
|--|--|-------------|-----------|-------------|
| | For the Six-Month Periods Ended 30 June 2011 | | 2010 | |
| | The Group | The Company | The Group | The Company |
| Cash paid for acquisition of fixed assets and intangible assets | (53,782) | (37,846) | (49,625) | (42,604) |
| Cash paid for acquisition of investments | (2,692) | (1,813) | (4,300) | (6,712) |
| Cash paid for acquisition of time deposits with financial institutions | (5,045) | (3,830) | (1,603) | — |
| Cash paid for derivative financial instruments | (3,028) | — | (1,611) | — |
| Sub-total of cash outflows | (64,547) | (43,489) | (57,139) | (49,316) |
| Net cash flow from investing activities | | (55,323) | (40,125) | (39,792) |
| Cash flows from financing activities: | | | | |
| Cash received from borrowings | | 277,196 | 38,904 | 411,657 |
| Proceeds of issuance of 2011 Convertible Bonds, net of issuing expenses | | 22,889 | 22,889 | — |
| Cash received from issuance of corporate bonds | | 5,000 | 5,000 | 21,000 |
| Cash received from issuance of shares | | — | — | 2 |
| Cash received from contribution from minority shareholders of subsidiaries | | 22 | — | 47 |
| Sub-total of cash inflows | | 305,107 | 66,793 | 432,706 |
| Cash repayments of borrowings | | (272,658) | (46,659) | (427,944) |
| Cash repayments of corporate bonds | | (1,036) | (36) | (1,000) |
| Cash paid for dividends, profits distribution or interest | | (14,848) | (14,093) | (12,940) |
| Dividends paid to minority shareholders of subsidiaries | | (420) | — | (379) |
| Cash paid for acquisition of minority interests from subsidiaries, net | | (15) | — | — |
| Sub-total of cash outflows | | (288,977) | (60,788) | (442,263) |
| Net cash flow from financing activities | | 16,130 | 6,005 | (9,557) |
| Effects of changes in foreign exchange rate | | 38 | — | (34) |
| Net (decrease)/increase in cash and cash equivalents | | (8,292) | (7,925) | 6,462 |

The Group and the Company's statements of changes in equity

The Group

| | Share capital RMB millions | Capital reserve RMB millions | Specific reserves RMB millions | Surplus reserves RMB millions | Foreign currency Retained profits RMB millions | Total shareholders' equity attributable to equity shareholders of the Company RMB millions | Minority interests RMB millions | Total shareholders' equity RMB millions | |
|--|----------------------------------|------------------------------------|--------------------------------------|-------------------------------------|--|--|---------------------------------------|---|----------|
| Balance at 1 January 2010 | 86,702 | 38,202 | — | 115,031 | 140,596 | (70) | 380,461 | 26,087 | 406,548 |
| Change for the period | | | | | | | | | |
| 1. Net profit | — | — | — | — | 36,776 | — | 36,776 | 2,984 | 39,760 |
| 2. Other comprehensive income: | | | | | | | | | |
| - Cash flow hedges | — | (20) | — | — | — | — | (20) | — | (20) |
| - Share of other comprehensive income of associates | — | (481) | — | — | — | — | (481) | — | (481) |
| - Foreign currency translation differences | — | — | — | — | — | (25) | (25) | (20) | (45) |
| Total other comprehensive income | — | (501) | — | — | — | (25) | (526) | (20) | (546) |
| Total comprehensive income | — | (501) | — | — | 36,776 | (25) | 36,250 | 2,964 | 39,214 |
| Transactions with owners, recorded directly in shareholders' equity: | | | | | | | | | |
| 3. Appropriations of profits: | | | | | | | | | |
| - Distributions to shareholders | — | — | — | — | (9,537) | — | (9,537) | — | (9,537) |
| 4. Warrants exercised | — | 2 | — | — | — | — | 2 | — | 2 |
| 5. Distributions to minority interests, net of contributions | — | — | — | — | — | — | — | (332) | (332) |
| 6. Distribution to Sinopec Group Company | — | (18) | — | — | — | — | (18) | — | (18) |

| | | | | | | | | | |
|--|--------|--------|-----|---------|----------|-------|----------|--------|----------|
| 7. Net increase in specific reserve for the period | — | — | 373 | — | — | — | 373 | — | 373 |
| Total transactions with owners | — | (16) | 373 | — | (9,537) | — | (9,180) | (332) | (9,512) |
| Balance at 30 June 2010 | 86,702 | 37,685 | 373 | 115,031 | 167,835 | (95) | 407,531 | 28,719 | 436,250 |

| | Share capital RMB millions | Capital reserve RMB millions | Specific reserve RMB millions | Surplus reserves RMB millions | Foreign Retained profits RMB millions | Total shareholders' equity attributable to shareholders of the Company RMB millions | Minority interests RMB millions | Total shareholders' equity RMB millions | |
|--|-------------------------------------|---------------------------------------|--|--|---|---|--|--|---------|
| Balance at 1 January 2011 | 86,702 | 29,414 | 1,325 | 141,711 | 163,132 | (1,157) | 421,127 | 31,555 | 452,682 |
| Change for the period | — | — | — | — | 40,239 | — | 40,239 | 2,973 | 43,212 |
| 1. Net profit | | | | | | | | | |
| 2. Other comprehensive income: | | | | | | | | | |
| - Cash flow hedges | — | 139 | — | — | — | — | 139 | — | 139 |
| - Available-for-sale financial assets | — | 1 | — | — | — | — | 1 | — | 1 |
| - Share of other comprehensive income of associates | — | (63) | — | — | — | — | (63) | — | (63) |
| - Foreign currency translation differences | — | — | — | — | — | (216) | (216) | (18) | (234) |
| Total other comprehensive income | — | 77 | — | — | — | (216) | (139) | (18) | (157) |
| Total comprehensive income | — | 77 | — | — | 40,239 | (216) | 40,100 | 2,955 | 43,055 |
| Transactions with owners, recorded directly in shareholders' equity: | | | | | | | | | |
| 3. Appropriations of profits: | | | | | | | | | |
| - Appropriation for surplus Reserves | — | — | — | 3,413 | (3,413) | — | — | — | — |

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| | | | | | | | | | |
|---|--------|--------|-------|---------|-----------|---------|----------|--------|----------|
| - Distributions to shareholders | — | — | — | — | (11,271) | — | (11,271) | — | (11,271) |
| 4. Issuance of the 2011 Convertible Bonds | — | 3,610 | — | — | — | — | 3,610 | — | 3,610 |
| 5. Acquisition of minority interests | — | (16) | — | — | — | — | (16) | (4) | (20) |
| 6. Distributions to minority interests net of contributions | — | — | — | — | — | — | — | (814) | (814) |
| 7. Net increase in specific reserve for the period | — | — | 1,215 | — | — | — | 1,215 | 40 | 1,255 |
| 8. Government grants | — | 118 | — | — | — | — | 118 | — | 118 |
| Total transactions with owners | — | 3,712 | 1,215 | 3,413 | (14,684) | — | (6,344) | (778) | (7,122) |
| Balance at 30 June 2011 | 86,702 | 33,203 | 2,540 | 145,124 | 188,687 | (1,373) | 454,883 | 33,732 | 488,615 |

The Group and the Company's statements of changes in equity

| The Company | Share capital RMB millions | Capital reserve RMB millions | Specific reserve RMB millions | Surplus reserves RMB millions | Retained profits RMB millions | Total shareholders' equity RMB millions |
|---|----------------------------------|------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|---|
| Balance at 1 January 2010 | 86,702 | 38,234 | — | 115,031 | 94,414 | 334,381 |
| Change for the period | | | | | | |
| 1. Net profit | — | — | — | — | 25,364 | 25,364 |
| 2. Other comprehensive income | | | | | | |
| - Share of other comprehensive income of associates | — | (481) | — | — | — | (481) |
| Total other comprehensive income | — | (481) | — | — | — | (481) |
| Total comprehensive income | — | (481) | — | — | 25,364 | 24,883 |
| Transactions with owners, recorded | | | | | | |
| 3. Appropriations of profits: | | | | | | |
| - Distributions to shareholders | — | — | — | — | (9,537) | (9,537) |
| 4. Warrants exercised | — | 2 | — | — | — | 2 |
| 5. Distributions to Sinopec Group Company | — | (18) | — | — | — | (18) |
| 66. Net increase in specific reserve for the period | — | — | 234 | — | — | 234 |
| Total transactions with owners | — | (16) | 234 | — | (9,537) | (9,319) |
| Balance at 30 June 2010 | 86,702 | 37,737 | 234 | 115,031 | 110,241 | 349,945 |

| | Share capital RMB millions | Capital reserve RMB millions | Specific reserve RMB millions | Surplus reserves RMB millions | Retained profits RMB millions | Total shareholders' equity RMB millions |
|--|-------------------------------------|---------------------------------------|--|--|--|---|
| Balance at 1 January 2011 | 86,702 | 37,922 | 1,025 | 141,711 | 118,059 | 385,419 |
| Change for the period | | | | | | |
| 1. Net profit | — | — | — | — | 34,132 | 34,132 |
| 2. Other comprehensive income | | | | | | |
| - Share of other comprehensive income of associates | — | (63) | — | — | — | (63) |
| Total other comprehensive income | — | (63) | — | — | — | (63) |
| Total comprehensive income | — | (63) | — | — | 34,132 | 34,069 |
| Transactions with owners, recorded directly in shareholders' equity: | | | | | | |
| 3. Appropriations of profits: | | | | | | |
| - Appropriation for surplus reserves | — | — | — | 3,413 | (3,413) | — |
| - Distributions to shareholders | — | — | — | — | (11,271) | (11,271) |
| 4. Issuance of the 2011 Convertible Bonds | — | 3,610 | — | — | — | 3,610 |
| 5. Net increase in specific reserve for the period | — | — | 1,016 | — | — | 1,016 |
| 6. Government grants | — | 108 | — | — | — | 108 |
| Total transactions with owners | — | 3,718 | 1,016 | 3,413 | (14,684) | (6,537) |
| Balance at 30 June 2011 | 86,702 | 41,577 | 2,041 | 145,124 | 137,507 | 412,951 |

7.2.2 Financial statements prepared under IFRS

CONSOLIDATED INCOME STATEMENT

Units: RMB millions. except for per share data

| Items | Six-month periods ended 30 | |
|--|-------------------------------|-----------|
| | June 2011 | 2010 |
| Turnover and other operating revenues | | |
| Turnover | 1,216,941 | 924,336 |
| Other operating revenues | 16,331 | 13,400 |
| | 1,233,272 | 937,736 |
| Operating expenses | | |
| Purchases crude oil, products and operating supplies and expenses | (1,001,431) | (734,277) |
| Selling, general and administrative expenses | (26,281) | (22,907) |
| Depreciation, depletion and amortisation | (30,510) | (29,288) |
| Exploration expenses, including dry holes | (5,652) | (5,747) |
| Personnel expenses | (18,094) | (15,037) |
| Taxes other than income tax | (93,285) | (75,410) |
| Other operating income, net | 420 | 234 |
| Total operating expenses | (1,174,833) | (882,432) |
| Operating profit | 58,439 | 55,304 |
| Finance costs | | |
| Interest expense | (4,587) | (3,983) |
| Interest income | 541 | 162 |
| Unrealised gain on embedded derivative component of the Convertible Bonds | 190 | 218 |
| Foreign currency exchange losses | (207) | (198) |
| Foreign currency exchange gains | 767 | 303 |
| Net finance costs | (3,296) | (3,498) |
| Investment income | 102 | 93 |
| Share of profits less losses from associates and jointly controlled entities | 2,804 | 1,940 |

| Items | Six-month periods ended 30 June | |
|------------------------------------|------------------------------------|-----------|
| | 2011 | 2010 |
| Profit before taxation | 58,049 | 53,839 |
| Tax expense | (13,857) | (14,052) |
| Profit for the period | 44,192 | 39,787 |
| Attributable to: | | |
| Equity shareholders of the Company | 41,174 | 36,798 |
| Non-controlling interests | 3,018 | 2,989 |
| Profit for the period | 44,192 | 39,787 |
| Earnings per share | | |
| Basic | 0.475 | 0.424 |
| Diluted | 0.462 | 0.419 |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Unit: RMB millions

| Items | Six-month periods ended 30 June | |
|--|------------------------------------|--------|
| | 2011 | 2010 |
| Profit for the period | 44,192 | 39,787 |
| Other comprehensive income for the period (after tax and reclassification adjustments) | | |
| Cash flow hedge | 139 | (20) |
| Available-for-sale securities | 1 | — |
| Share of other comprehensive income of associates | (63) | (481) |
| Foreign currency translation differences | (234) | (45) |
| Total other comprehensive income | (157) | (546) |
| Total comprehensive income for the period | 44,035 | 39,241 |
| Attributable to: | | |
| Equity shareholders of the Company | 41,035 | 36,272 |
| Non-controlling interests | 3,000 | 2,969 |
| Total comprehensive income for the period | 44,035 | 39,241 |

CONSOLIDATED BALANCE SHEET

Units: RMB millions

| Items | 30 June 2011 | 31 December 2010 |
|---|-----------------|---------------------|
| Non-current assets | | |
| Property, plant and equipment, net | 531,953 | 540,700 |
| Construction in progress | 101,299 | 89,599 |
| Goodwill | 8,775 | 8,298 |
| Interest in associates | 23,592 | 22,815 |
| Interest in jointly controlled entities | 20,368 | 20,199 |
| Investments | 2,299 | 2,075 |
| Deferred tax assets | 14,088 | 15,232 |
| Lease prepayments | 21,523 | 20,325 |
| Long-term prepayments and other assets | 15,824 | 16,350 |
| Total non-current assets | 739,721 | 735,593 |
| Current assets | | |
| Cash and cash equivalents | 8,716 | 17,008 |
| Time deposits with financial institutions | 5,470 | 1,132 |
| Trade accounts receivable, net | 65,414 | 43,093 |
| Bills receivable | 25,113 | 15,950 |
| Inventories | 207,962 | 156,546 |
| Prepaid expenses and other current assets | 29,971 | 26,500 |
| Total current assets | 342,646 | 260,229 |

| Items | 30 June 2011 | 31 December 2010 |
|---|-----------------|---------------------|
| Current liabilities | | |
| Short-term debts | 56,642 | 17,019 |
| Loans from Sinopec Group Company and fellow subsidiaries | 17,778 | 18,809 |
| Trade accounts payable | 171,059 | 132,528 |
| Bills payable | 4,301 | 3,818 |
| Accrued expenses and other payables | 143,719 | 153,478 |
| Income tax payable | 3,242 | 10,754 |
| Total current liabilities | 396,741 | 336,406 |
| Net current liabilities | (54,095) | (76,177) |
| Total assets less current liabilities | 685,626 | 659,416 |
| Non-current liabilities | | |
| Long-term debts | 125,220 | 136,465 |
| Loans from Sinopec Group Company and fellow subsidiaries | 38,227 | 37,610 |
| Deferred tax liabilities | 15,266 | 15,017 |
| Provisions | 16,339 | 15,573 |
| Other liabilities | 3,998 | 3,715 |
| Total non-current liabilities | 199,050 | 208,380 |
| Equity | | |
| Share capital | 86,702 | 86,702 |
| Reserves | 366,260 | 332,902 |
| Total equity attributable to equity shareholders of the Company | 452,962 | 419,604 |
| Non-controlling interests | 33,614 | 31,432 |
| Total equity | 486,576 | 451,036 |

7.2.3 Differences between financial statements prepared in accordance with the accounting policies complying with ASBE and IFRS

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

| | Six-month periods ended 30 June | |
|----------------------------------|---------------------------------|-------------------------|
| | 2011 RMB millions | 2010 RMB millions |
| Net profit under ASBE | 43,212 | 39,760 |
| Adjustments: | | |
| Government grants | 39 | 27 |
| Safety production fund | 941 | |
| Profit for the period under IFRS | 44,192 | 39,787 |

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

| | At 30 June 2011 RMB millions | At 31 December 2010 RMB millions |
|-------------------------|--|--|
| | Shareholders' equity under ASBE | 488,615 |
| Adjustments: | | |
| Government grants | (1,379) | (1,300) |
| Safety production fund | (660) | (346) |
| Total equity under IFRS | 486,576 | 451,036 |

7.3 Changes in accounting policies

√ Applicable

o Not applicable

The IASB has issued a number of amendments to International IFRS and one new Interpretation that are first effective for the current accounting period of the Group. Of these, the following development is relevant to the Group's financial statements:

1AS 24 (revised 2009), Related party disclosures

Improvements to IFRS (2010)

1AS 24 (revised 2009) "Related party disclosures" simplifies the definition of "related party" and removes inconsistencies, which emphasises a symmetrical view of related party transactions. The revised standard also provides limited relief from disclosure of information by government-related entities in respect of transactions with the government to which the Group is related, or transactions with other entities related to the same government. The amendments to 1AS 24 have had no material impact on the Group's interim financial statements.

In the Improvements to IFRS (2010) omnibus standard, the IASB extended the scope of paragraph D8 of 1FRS 1, First time adoption of IFRS, for the use of the deemed cost exemption for an event-driven fair value. Under the amended standard, an entity is permitted to take as deemed cost the fair value of some or all of its assets and liabilities, when these fair values were determined under previous GAAP at one particular date because of a specific event which occurred during the period covered by its first financial statements prepared under 1FRS. Previously, IFRS 1 only permitted such valuations to be used as deemed cost if the event occurred before the date of the entity's transition to IFRS (being the start of the earliest comparative period included in the first set of 1FRS financial statements).

The Group's first financial statements prepared under IFRS were for the three year ended 31 December 1999 and for the six-month period ended 30 June 2000, with the start of the earliest comparative period being 1 January 1997. During that period and pursuant to applicable laws and regulations of the PRC, the Group's financial statements prepared under Accounting Standards for Business Enterprises and other relevant rules and regulations (collectively "PRC accounting standards") included leasehold land-use rights at deemed cost based on the valuation performed by independent valuers as at 30 September 1999. As these valuations were performed as of a date later than the date of transition to IFRS, the Group was not permitted to adopt these valuations as deemed cost for the purposes of its 1FRS financial statements and instead adopted the 1FRS policy that leasehold land use rights were measured at historical cost and therefore, the related revaluation gains arising from the revaluation in 1999 as mentioned above were not recognised. The Group has chosen to

adopt the amendments to IFRS I by making retrospective adjustments in order to eliminate the aforementioned differences between the Group's financial statements under IFRS and those under PRC GAAP. Specifically, the Group has retrospectively adjusted the amounts reported for previous periods in its IFRS financial statements to reflect the recognition of the leasehold land use rights at their deemed cost based on the valuation performed by the independent valuers as at 30 September 1999, with consequential adjustments for amortisation charged in subsequent periods.

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

7.5 Notes on the financial statements prepared under IFRS

7.5.1 Turnover

Turnover represents revenue from the sales of crude oil, natural gas, petroleum and chemical products, net of value-added tax.

7.5.2 Tax expense

Tax expense in the consolidated income statement represents:

| | Six-month periods ended 30 June | |
|----------------------------------|------------------------------------|-------------------------|
| | 2011 RMB millions | 2010 RMB millions |
| Current tax | | |
| - Provision for the period | 11,922 | 9,698 |
| - Under-provision in prior years | 405 | 544 |
| Deferred taxation | 1,530 | 3,810 |
| | 13,857 | 14,052 |

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 | |
|---|------------------------------------|----------|
| | 2011 | 2010 |
| | RMB | RMB |
| | Millions | millions |
| Profit before taxation | 58,049 | 53,839 |
| Expected PRC income tax expense at a statutory tax rate of 25% | 14,512 | 13,460 |
| Tax effect of preferential tax rate (i) | (791) | (906) |
| Effect of income taxes from foreign operations in excess of taxes at the PRC statutory tax rate (i) | 796 | 1,658 |
| Tax effect of non-deductible expenses | 105 | 89 |
| Tax effect of non-taxable income | (937) | (599) |
| Tax effect of previously unrecognised tax losses and temporary differences | (327) | (285) |
| Tax effect of tax losses not recognised | 94 | 91 |
| Under-provision in prior years | 405 | 544 |
| Actual income tax expense | 13,857 | 14,052 |

Note:

- (1) 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 the PRC that are taxed at preferential rates, 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.

7.5.3 Basic and diluted earnings per share

The calculation of basic earnings per share for the six-month period ended 30 June 2011 is based on the profit attributable to ordinary equity shareholders of the Company of RMB 41,174 million (2010: RMB 36,798 million) and the weighted average number of shares of 86,702,527,774 (2010: 86,702,497,689) during the period.

The calculation of diluted earnings per share for the six-month period ended 30 June 2011 is based on the profit attributable to ordinary equity shareholders of the Company of RMB 41,315 million (2010: RMB 36,758 million) and the weighted average number of shares of 89,377,634,787 (2010: 87,789,858,284) calculated as follows:

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

| | Six-month periods ended 30 June | |
|--|------------------------------------|-------------------------|
| | 2011 RMB millions | 2010 RMB millions |
| Profit attributable to ordinary equity shareholders of the Company After tax effect of interest expense (net of exchange gain) of the 2007 Convertible Bonds and the 2011 Convertible Bonds | 41,174 | 36,798 |
| After tax effect of unrealised gain on embedded derivative component of the 2007 Convertible Bonds | (142) | (163) |
| Profit attributable to ordinary equity shareholders of the Company (diluted) | 41,315 | 36,758 |

(ii) Weighted average number of shares (diluted)

| | Six-month periods ended 30 June | |
|--|------------------------------------|-----------------------------|
| | 2011 Number of shares | 2010 Number of shares |
| Weighted average number of shares at 30 June | 86,702,527,774 | 86,702,497,689 |
| Effect of conversion of the 2007 Convertible Bonds | 1,083,780,669 | 1,087,360,595 |
| Effect of conversion of the 2011 Convertible Bonds | 1,591,326,344 | - |
| Weighted average number of shares (diluted) at 30 June | 89,377,634,787 | 87,789,858,284 |

7.5.4 Dividends

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

| | Six-month periods ended 30 June | |
|--|------------------------------------|-------------------------|
| | 2011 RMB millions | 2010 RMB millions |
| Interim dividends declared after the balance sheet date of RMB 0.10 per share (2010: RMB 0.08 per share) | 8,670 | 6,936 |

Pursuant to the Company's Articles of Association and a resolution passed at the Directors' meeting on 26 August 2011, the directors authorised to declare the interim dividends for the year ending 31 December 2011 of RMB 0.10 (2010: RMB 0.08) per share totalling RMB 8,670 million (2010: RMB 6.936 million). Dividends declared after the balance sheet date are not recognised as a liability at the balance sheet date.

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

| | Six-month periods ended 30 June | |
|---|------------------------------------|-------------------------|
| | 2011 RMB millions | 2010 RMB millions |
| Final dividends in respect of the previous financial year, approved and paid during the period of RMB 0.13 per share (2010: RMB 0.11 per share) | 11,271 | 9,537 |

Pursuant to the shareholders' approval at the Annual General Meeting on 13 May 2011, a final dividend of RMB 0.13 per share totalling RMB 11,271 million in respect of the year ended 31 December 2010 was declared.

Pursuant to the shareholders' approval at the Annual General Meeting on 18 May 2010, a final dividend of RMB 0.11 per share totalling RMB 9,537 million in respect of the year ended 31 December 2009 was declared.

7.5.5 Trade accounts receivable, net and bills receivable

| | At 30 June 2011 RMB millions | At 31 December 2010 RMB millions |
|--|--|--|
| Amounts due from third parties | 53,192 | 33,681 |
| Amounts due from Sinopec Group Company and fellow subsidiaries | 6,331 | 1,848 |
| Amounts due from associates and jointly controlled entities | 7,168 | 8,886 |
| | 66,691 | 44,415 |
| Less: Impairment losses for bad and doubtful debts | (1,277) | (1,322) |
| Trade accounts receivable, net | 65,414 | 43,093 |
| Bills receivable | 25,113 | 15,950 |
| | 90,527 | 59,043 |

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

| | At 30 June 2011 RMB millions | At 31 December 2010 RMB millions |
|-----------------------------|--|--|
| Within one year | 90,434 | 58,987 |
| Between one and two years | 62 | 36 |
| Between two and three years | 23 | 11 |
| Over three years | 8 | 9 |
| | 90,527 | 59,043 |

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

| | 2011 RMB millions | 2010 RMB millions |
|---|-------------------------|-------------------------|
| Balance at 1 January | 1,322 | 1,921 |
| Impairment losses recognised for the period | 3 | 15 |
| Reversal of impairment losses | (25) | (26) |
| Written off | (23) | (3) |
| Balance at 30 June | 1,277 | 1,907 |

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.

7.5.6 Trade accounts and bills payables

| | At 30 June 2011 RMB millions | At 31 December 2010 RMB millions |
|--|--|--|
| Amounts due to third parties | 157,478 | 120,224 |
| Amounts due to Sinopec Group Company and fellow subsidiaries | 9,418 | 6,613 |
| Amounts due to associates and jointly controlled entities | 4,163 | 5,691 |
| | 171,059 | 132,528 |
| Bills payable | 4,301 | 3,818 |
| Trade account and bills payables measured at amortised cost | 175,360 | 136,346 |

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

| | At 30 June 2011 RMB millions | At 31 December 2010 RMB millions |
|---------------------------------------|--|--|
| Due within 1 month or on demand | 140,432 | 97,358 |
| Due after 1 month but within 6 months | 34,734 | 38,864 |
| Due after 6 months | 194 | 124 |
| | 175,360 | 136,346 |

7.5.7 Segment reporting

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

| | Six-month periods ended 30 June 2011 RMB millions | 2010 RMB millions |
|----------------------------|---|-------------------------|
| Turnover | | |
| Exploration and production | | |
| External sales | 21,667 | 15,030 |
| Inter-segment sales | 84,281 | 69,500 |
| | 105,948 | 84,530 |
| Refining | | |
| External sales | 96,314 | 77,530 |
| inter-segment sales | 496,319 | 383,925 |
| | 592,633 | 461,455 |
| Marketing-and distribution | | |
| External sales | 649,997 | 489,432 |
| Inter-segment sales | 2,058 | 1,483 |
| | 652,055 | 490,915 |

| | 2011 RMB millions | 2010 RMB millions |
|---------------------------------------|-------------------------|-------------------------|
| Chemicals | | |
| External sales | 182,994 | 134,083 |
| Inter-segment sales | 23,315 | 16,375 |
| | 206,309 | 150,458 |
| Corporate and others | | |
| External sales | 265,969 | 208,261 |
| Inter-segment sales | 306,501 | 210,767 |
| | 572,470 | 419,028 |
| Elimination of inter-segment sales | (912,474) | (682,050) |
| Turnover | 1,216,941 | 924,336 |
| Other operating revenues | | |
| Exploration and production | 6,685 | 5,995 |
| Refining | 3,043 | 2,408 |
| Marketing and distribution | 2,947 | 1,871 |
| Chemicals | 3,129 | 2,599 |
| Corporate and others | 527 | 527 |
| Other operating revenues | 16,331 | 13,400 |
| Turnover and other operating revenues | 1,233,272 | 937,736 |

| | 2011 RMB millions | 2010 RMB millions |
|--|-------------------------|-------------------------|
| Result | | |
| Operating profit / (loss) | | |
| By segment | | |
| - Exploration and production | 34,651 | 27,533 |
| - Refining | (12,169) | 5,743 |
| - Marketing and distribution | 19,598 | 14,450 |
| - Chemicals | 16,344 | 8,339 |
| - Corporate and others | (642) | (694) |
| - Elimination | 657 | (67) |
| Total segment operating profit | 58,439 | 55,304 |
| Share of profits less losses from associates and jointly controlled entities | | |
| - Exploration and production | 128 | 82 |
| - Refining | (194) | (92) |
| - Marketing and distribution | 640 | 354 |
| - Chemicals | 1,869 | 1,317 |
| - Corporate and others | 361 | 279 |
| Aggregate share of profits less losses from associates and jointly controlled entities | 2,804 | 1,940 |
| Investment income/(loss) | | |
| - Refining | 3 | 17 |
| - Marketing and distribution | 90 | (21) |
| - Chemicals | 10 | 13 |
| - Corporate and others | (1) | 84 |
| Aggregate investment income | 102 | 93 |
| Net finance costs | (3,296) | (3,498) |
| Profit before taxation | 58,049 | 53,839 |

| | At 30 June 2011 RMB millions | At 31 December 2010 RMB millions |
|---|--|--|
| Assets | | |
| Segment assets | | |
| - Exploration and production | 306,681 | 305,413 |
| - Refining | 259,996 | 231,106 |
| - Marketing and distribution | 212,716 | 190,368 |
| - Chemicals | 133,679 | 126,356 |
| - Corporate and others | 94,257 | 60,897 |
| Total segment assets | 1,007,329 | 914,140 |
| Interest in associates and jointly controlled entities | 43,960 | 43,014 |
| Investments | 2,299 | 2,075 |
| Deferred tax assets | 14,088 | 15,232 |
| Cash and cash equivalents and time deposits with financial institutions | 14,186 | 18,140 |
| Other unallocated assets | 505 | 3,221 |
| Total assets | 1,082,367 | 995,822 |
| Liabilities | | |
| Segment liabilities | | |
| - Exploration and production | 68,046 | 65,067 |
| - Refining | 51,882 | 51,554 |
| - Marketing and distribution | 67,185 | 76,981 |
| - Chemicals | 27,221 | 33,836 |
| - Corporate and others | 119,201 | 75,832 |
| Total segment liabilities | 333,535 | 303,270 |
| Shortmterm_deb | 6,642 | 12,019 |
| Income tax payable | 3,242 | 10,754 |
| Long-term debts | 125,220 | 136,465 |
| Loans from Sinopec Group Company and fellow subsidiaries | 56,005 | 56,419 |
| Deferred tax liabilities | 15,266 | 15,017 |
| Other unallocated liabilities | 5,881 | 5,842 |
| Total liabilities | 595,791 | 544,786 |

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 | |
|--|------------------------------------|----------------------|
| | 2011 RMB millions | 2010 RMB millions |
| Capital expenditure | | |
| Exploration and production | 17,406 | 16,734 |
| Refining | 3,656 | 4,875 |
| Marketing and distribution | 9,523 | 7,659 |
| Chemicals | 2,120 | 6,543 |
| Corporate and others | 862 | 371 |
| | 33,567 | 36,182 |
| Depreciation, depletion and amortisation | | |
| Exploration and production | 16,399 | 15,847 |
| Refining | 5,733 | 5,604 |
| Marketing and distribution | 3,498 | 3,106 |
| Chemicals | 4,286 | 4,259 |
| Corporate and others | 594 | 472 |
| | 30,510 | 29,288 |
| Impairment losses on long-lived assets | | |
| Exploration and production | | 131 |
| Refining | 43 | 115 |
| Marketing and distribution | 32 | 35 |
| Chemicals | 89 | 138 |
| | 164 | 419 |

7.6 In the reporting period, there was no significant change to the scope of consolidation of the financial statements.

§8 Repurchase, Sales and Redemption of Shares

Save as the disclosures above, Sinopec Corp. or any of its subsidiaries had not repurchased, sold or redeemed any listed securities of Sinopec Corp. or its subsidiaries during the reporting period.

§9 Application of the Model Code

In this reporting period, no director has infringed the requirements set out under the Model Code for Securities Transactions by Directors of Listed Issuers, Appendix 10 to the Hong Kong Listing Rules.

§10 Corporate Governance Practices

Sinopec Corp. has complied with the code provisions of the Code on Corporate Governance Practice contained in Appendix 14 to the Hong Kong Listing Rules.

§11 Review of Financial Results

The financial results for the six months ended 30 June 2011 have been reviewed with no disagreement by the Audit Committee of Sinopec Corp.

§ 12 The interim report containing all the information required by paragraphs 46(1) to (9) of Appendix 16 to the Hong Kong Listing Rules will be published on the website of the Hong Kong Stock Exchange in due course.

This announcement is published in both English and Chinese languages. The Chinese version shall prevail.

By Order of the Board
Fu Chengyu
Chairman

Beijing, the PRC, 26 August 2011

As of the date of this announcement, directors of Sinopec Corp. are: Fu Chengyu*, Wang Tianpu', Zhaug Yaocang*, Zhang Jianhiiia`, Wang Zhigang , Cal Xiyon , Cao Yaofeug*, Li Chunguang*, Dui Houliane, Liu Yun*, Ma Weihiiia', Wit Xiaogen , Li Deshui , .lie Zhougyn and Chen Xiaojin'.

Executive Director

* Non-executive Director

Independent Non-executive Director

Document 2

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(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 0386)

**ANNOUNCEMENT ON PROPOSAL TO ISSUE DOMESTIC CORPORATE BONDS
AND PROPOSAL TO ISSUE A SHARE CONVERTIBLE BONDS**

On 26 August 2011, the Board resolved, among other things, to seek the Shareholders' approval for the proposed issuance of the Domestic Corporate Bonds and the Convertible Bonds.

The proposed issuance of the Domestic Corporate Bonds and the Convertible Bonds are subject to the Shareholders' approval at the EGM.

A circular containing, among other things, details of the proposed issuance of the Domestic Corporate Bonds and the Convertible Bonds, together with notice of the EGM, will be despatched to the H Shareholders as soon as practicable.

I PROPOSAL IN RELATION TO THE ISSUANCE OF DOMESTIC CORPORATE BONDS

(I) Background

To satisfy the demand for working capital of Sinopec Corp. and reduce the financing costs, the Board announces that on 26 August 2011, it resolved to submit to shareholders for consideration and approval the proposed issuance of Domestic Corporate Bonds with an aggregate principal amount of not more than RMB20 billion at the EGM to be held on 12 October 2011.

According to the Company Law of the PRC and the Articles of Association, the Domestic Corporate Bond Issue is subject to the approval of shareholders (including holders of H shares and domestic shares).

After approval of shareholders is obtained, the Domestic Corporate Bond Issue will still be subject to approval from the CSRC. The timing of the issuance will depend on the timing of the approval and the condition of the bond market of the PRC.

(II) Proposed issue of Domestic Corporate Bonds

The proposed arrangements for the Domestic Corporate Bond Issue are as follows (such arrangements are subject to the approval of the CSRC and the condition of the PRC bond market):

- 1 Issuer : Sinopec Corp.
- 2 Place of issuance : PRC
- 3 Size of Domestic Corporate Bond Issue : The aggregate principal amount of the Domestic Corporate Bonds shall not be more than RMB20 billion.
- 4 Arrangement for issuance of Domestic Corporate Bonds to the holders of domestic shares of Sinopec Corp. : The Domestic Corporate Bonds will be issued or placed to the existing holders of domestic shares of Sinopec Corp.. Subject to the authorisation to the Board by the shareholders of Sinopec Corp. at the EGM, the specific terms and conditions for the Domestic Corporate Bonds Issue (including whether such issuance will be made by way of placing and the proportion of placing) will be determined by the Board after taking into account of the market conditions prior to the issuance.
- 5 Duration : 3-10 years since the date of issuance of the Bonds. The Domestic Corporate Bonds may be issued under single category or mixed categories with different maturity. Subject to the granting of authorisation by shareholders of Sinopec Corp. to the Board at the EGM, the maturity and the issuance size of each category of the Domestic Corporate Bonds will be determined by the Board according to the relevant requirements and the market conditions prior to the issuance.

- 6 Coupon rate : The final rate will not exceed 90% of the rate for RMB loans as announced by the People's Bank of China for the same tenure at the time of the issue. (Subject to the granting of authorisation by the shareholders of Sinopec Corp. to the Board (or any person authorised by the Board) at the EGM, according to which, the final rate will be determined by the Board (or any person authorised by the Board) by reference to the market conditions prior to the issuance.)
- 7 Guarantor : It is tentatively decided that China Petrochemical Corporation will provide guarantee for the Domestic Corporate Bonds Issue. Subject to the granting of authorisation by the shareholders of Sinopec Corp. to the Board at the EGM, the arrangement for provision of guarantee will be determined by the Board according to the market conditions prior to the issuance and the relevant regulatory requirements.
- 8 Use of Proceeds : Proceeds from the issuance will be used to supplement working capital and repay mature debts. The company will, in consideration of the availability of such proceeds, the changes in the company's debt structure and interest rate and its actual needs and for the purpose of reducing financing costs, optimizing debt structure and fulfilling business operations, determine the amounts to be used towards supplementation of working capital and repayment of mature debts.
- 9 Listing of Domestic Corporate Bonds : Subject to the satisfaction of the relevant listing requirements, application for listing of the Domestic Corporate Bonds on the qualified stock exchange will be made.
- 10 Validity of the resolution in respect of Domestic Corporate Bond Issue : The authority granted to the Board by way of special resolutions passed at the EGM with regard to the proposed Domestic Corporate Bonds Issue will expire 24 months after the date of such resolutions are considered and passed at the aforesaid EGM.

(III) Granting of authorisation to the Board (or any person authorised by the Board) to deal with matters relating to the Domestic Corporate Bonds Issue

To ensure a smooth issue of the proposed Domestic Corporate Bonds and in accordance with the relevant regulations promulgated by the CSRC, it is proposed that the Board will be authorised by shareholders at the EGM to deal with matters relating to the Domestic Corporate Bonds Issue, including but not limited to the following:

- (1) to formulate the specific issuance plan with respect to the Domestic Corporate Bond Issue and to make amendments and adjustments to the terms of the issue to the extent permitted by laws and regulations based on the specific circumstances of Sinopec Corp. and the prevailing market conditions, including but not limited to: the terms relating to the issuance size, maturity, coupon rate and its method of determination, timing of issuance, provision of security, duration and method of repayment of the principal and the interests, the specific placing arrangements and the place of listing, and any other matters relating to the proposed issuance such as whether the Domestic Corporate Bonds will be issued in instalments or whether any term of repurchase and redemption will be adopted for such issuance, etc.
- (2) to appoint intermediaries to deal with the Domestic Corporate Bonds Issue and to deal with matters relating to the application for the listing of the Domestic Corporate Bonds;
- (3) to select entrusted manager, to execute the agreement for management of entrusted bonds and to establish the rules on meetings of the holders of Domestic Corporate Bonds;
- (4) to enter into contracts, agreements and to execute documents with respect to the proposed issuance and the listing of Domestic Corporate Bonds and to disclose relevant information as appropriate;
- (5) to deal with matters relating to the listing of the Domestic Corporate Bonds upon completion of the issuance;
- (6) to authorise the Board to decide not to distribute dividends to Shareholders in the circumstances where Sinopec Corp. expects that it may fail or is unable to repay the principal and the interests of the Domestic Corporate Bonds on schedule;

- (7) to authorise the Board to make corresponding changes based on the opinions of the regulatory authorities on the specific plan of the Domestic Corporate Bonds Issue where there is any change to the policies on the issuance of corporate bonds or the market conditions, save for the matters which are subject to the re-voting by shareholders at the general meeting of shareholders as required under the relevant laws, regulations and the Articles of Association;
- (8) to deal with any other matters relating to the proposed Domestic Corporate Bond Issue and the listing of the Domestic Corporate Bonds.

II. PROPOSAL IN RELATION TO THE ISSUANCE OF THE CONVERTIBLE BONDS

(I) Background and the proposed issuance of Convertible Bonds

The Board announced that, at the meeting of the Board held on 26 August 2011, the proposal in relation to the issuance of the Convertible Bonds was duly passed. The proposed issuance of the Convertible Bonds is further subject to (i) approval by the Shareholders at the EGM by way of special resolution; and (ii) approvals of the CSRC and other relevant PRC regulatory authorities.

In accordance with the relevant provisions of the Company Law of the PRC, the Securities Law of the PRC, the Administrative Measures for the Issuance of Securities by Listed Companies, and any other relevant law, regulations and regulatory documents, Sinopec Corp. has satisfied the criteria for the issuance of convertible bonds in the PRC. The Board therefore considered and approved the proposal for the issuance of the Convertible Bonds with details as follows:

(1) Type of securities to be issued

The type of the securities to be issued by Sinopec Corp. is convertible corporate bonds which can be converted into A Shares of Sinopec Corp..

(2) Issuance size

The issuance of the Convertible Bonds will be in an amount of not more than RMB30 billion. The actual size of the issuance will be determined by the Board within such scope subject to authorisation by the Shareholders at the EGM.

(3) Nominal value and issuance price

The Convertible Bonds will be issued at par with a nominal value of RMB100 each.

(4) Term

The term of the Convertible Bonds will be six years from the date of issuance.

(5) Interest rate

The interest rate of the Convertible Bonds will be not more than 3.0%. Subject to authorisation by the Shareholders at the EGM, the actual annual interest rate will be determined by the Board (or any person authorised by the Board) with reference to the PRC government policies, market conditions and the actual conditions of Sinopec Corp., prior to the issuance of the Convertible Bonds and in consultation with the sponsor (the lead underwriter) for the issuance.

(6) Timing and method of interest payment

(i) Calculation of annual interest

Annual interest means the interest to be paid to the CB Holders on each anniversary of the date of issuance of the Convertible Bonds based on the aggregate nominal value of the Convertible Bonds, accrued from the date of issuance.

The formula for calculating annual interest: $I=B i$

I: means annual interest;

B: means total nominal value of the Convertible Bonds held by the CB Holders; and

i: means annual interest rate of the Convertible Bonds.

(ii) Method of interest payment

A Interest of the Convertible Bonds will be accrued from the date of issuance and paid once a year.

B Interest payment date: Interest will be paid on each anniversary of the date of issuance of the Convertible Bonds. For the purpose of interest payment, a year means each period between two successive interest payment dates.

C Interest record date: An interest record date is the trading day immediately prior to the interest payment date each year and Sinopec Corp. will pay interest within five trading days following the interest payment date each year. Sinopec Corp. will not pay interest for such Convertible Bonds which have been applied to be converted into A Shares on or before the relevant interest record dates.

D CB Holders shall bear the taxes payable on interest income.

The vesting of interest and dividend for the year of conversion shall be determined by the Board in accordance with relevant laws and regulations and the provisions of the Shanghai Stock Exchange.

(7) Conversion period

The conversion period starts from the trading day immediately following the expiry of six months after the date of issuance of the Convertible Bonds until the maturity date.

(8) Determination and adjustment of conversion price

(i) The basis of determining the initial conversion price

The initial conversion price of the Convertible Bonds shall not be lower than (1) the average trading price of the A Shares of Sinopec Corp. within 20 trading days preceding the date of publication of the Offering Document (in the event that during such 20 trading days, the share price has been adjusted due to ex-rights or ex-dividend, the closing price of each of such trading days shall be determined after taking account into the ex-rights or ex-dividend), and (2) the average trading price of the A Shares of Sinopec Corp. on the trading day immediately preceding the date of the Offering Document. It will be proposed at the EGM for the Shareholders to authorise the Board (or any person authorised by the Board) to determine the actual initial conversion price with reference to the market conditions prior to the issuance of the Convertible Bonds and in consultation with the sponsor (the lead underwriter) for the issuance.

(ii) Adjustments to initial conversion price and applicable formula thereto

The conversion price is subject to adjustment, upon the occurrence of certain prescribed events which affect the share capital of Sinopec Corp., including but not limited to scrip dividend, capitalization issuance, issue of new shares, rights issue or cash dividend payment (excluding share issuance resulted from conversion(s) of the Convertible Bonds). The initial conversion price will be adjusted based on the following formulas (the numerical figures are rounded to two decimal place):

Scrip dividend or capitalization issue: $P1 = P0 / (1 + n)$;

Issuance of new Shares or rights issue: $P1 = (P0 + A k) / (1 + k)$;

The two above occurring concurrently: $P1 = (P0 + A k) / (1 + n + k)$;

Distribution of cash dividend: $P1=P0-D$;

The three above occurring concurrently: $P1= (P0-D - A k)/(1+n+k)$.

P0: means initial conversion price

n: means scrip dividend rate

k: means new share issue rate or rights issue rate

A: means price of new share issue or rights issue

D: means cash dividend per share

P1: means conversion price after adjustment

Where the abovementioned changes in shareholding and/or shareholder's interests occur, the conversion price will be adjusted accordingly. The adjustment to the conversion price, having been resolved by the Board, will be published in the form of an announcement on the media designated by the CSRC for information disclosure of listed companies. The announcement will indicate the date of adjustment to the conversion price, adjustment method and suspension period of share conversion (if required). An announcement will also be published (if required) on the website of the Hong Kong Stock Exchange if it is required by the Hong Kong Listing Rules and the Articles of Association. If the conversion price adjustment date is on or after the CB Holder's application for conversion, and before the share registration date, then such conversion will be based on the adjusted conversion price.

In the event that the rights and benefits of the CB Holders derived from share conversion rights are affected by the change in the Company's share class, quantity and/or shareholders' interest due to the possible share repurchase, consolidation, separation or any other action which may be taken by Sinopec Corp., Sinopec Corp. will adjust the conversion price based on the principles of fairness, justice, equality and protection of the CB Holders' rights. The conversion price will be adjusted based on relevant PRC laws and regulations and relevant provisions of the PRC securities regulatory authorities.

(9) Downward adjustment to conversion price

(i) Permitted adjustment magnitude

The conversion price may be subject to downward adjustments if, during the term of the Convertible Bonds, the closing prices of the A Shares in any 15

trading days out of any 30 consecutive trading days are lower than 80% of the prevailing conversion price. The Board may propose any such adjustments for the Shareholders to consider and seek their approval at a general meeting.

The above-mentioned proposal is subject to approval of two-thirds of the participating Shareholders with voting rights. Shareholders who are also CB Holders shall abstain from voting. The adjusted conversion price shall be not less than (a) the average trading price of the A Shares of Sinopec Corp. within 20 trading days preceding the general meeting of shareholders, (b) the average trading price of the A Shares of Sinopec Corp. on the day immediately before the general meeting of shareholders, (c) the net asset value per Share based on the latest audited financial statement, and (d) the nominal value per Share.

In the event that another adjustment of conversion price has been implemented in the aforementioned 30 trading days, the conversion price will be calculated based on the date prior to and after the adjustment, in accordance with the adjusted conversion price and closing price.

(ii) Procedures of adjustment to conversion price

If Sinopec Corp. decides to make a downward adjustment to the conversion price, Sinopec Corp. will publish an announcement in the print media and the website designated by the CSRC for information disclosure. The information disclosed will include the resolutions of general meeting of shareholders and the information disclosure will cover the magnitude of the adjustment, the adjustment date and the suspension period of share conversion. An announcement will also be published (if required) on the website of the Hong Kong Stock Exchange if it is required by the Hong Kong Listing Rules and the Articles of Association of Sinopec Corp..

(10) Conversion method of fractional share

The number of shares to be requested by the CB Holders for conversion shall be in whole number. The remaining balance of the fractional share will be paid by Sinopec Corp. to the CB Holders at par with accrued interest in cash within the five trading days after the date of conversion in accordance to the relevant regulations of Shanghai Stock Exchange and other regulatory authorities.

(11) Terms of redemption

(i) Terms of redemption at maturity

Within five trading days after the maturity of the Convertible Bonds, Sinopec Corp. will redeem all the Convertible Bonds which have not been converted into

A Shares of Sinopec Corp. at a certain ascent ratio of the nominal value (including the final term of interest). The Board (or any person authorised by the Board) shall determine the specific ascent ratio with reference to market conditions and in consultation with the sponsor (the lead underwriter) for the issuance subject to authorisation by the Shareholders.

(ii) Terms of conditional redemption

During the term of the Convertible Bonds, if the closing price of the A Shares of Sinopec Corp. is not lower than 130% of the conversion price in at least 15 trading days out of any 30 consecutive trading days, Sinopec Corp. has the right to redeem all or part of the Convertible Bonds based on the nominal value plus the accrued interest. For any year in which interest is accrued, Sinopec Corp. may redeem the Convertible Bonds upon first time when the conditions for redemption are satisfied. If the redemption right is not exercised when first time the conditions for redemption are satisfied, such redemption right shall not be exercised in such year.

Formula for calculating current accrued interest: $IA = B \cdot i \cdot t / 365$

IA: Accrued interest for the current period;

B: Aggregate nominal value of the Convertible Bonds held by the CB Holders;

i: Coupon interest rate of the Convertible Bonds; and

t: Number of days of interest accrued, i.e. actual calendar days from the last interest payment date to the redemption date (excluding the redemption date).

In the event that any adjustment of share conversion price has been implemented in the aforementioned trading days, the conversion price will be calculated based on the date prior to and after the adjustment, in accordance with the adjusted conversion price and closing price.

In addition, when the outstanding balance of unconverted Convertible Bonds is below RMB30 million, the Board can decide whether to redeem all the outstanding Convertible Bonds based on the nominal value plus the accrued interest.

(12) Terms of sale back

During the term of the Convertible Bonds, if the use of the proceeds from the issuance of Convertible Bonds is substantially different from the application of proceeds disclosed in the Offering Document, and the change may be regarded as a change of use of proceeds according to relevant regulations of the CSRC or regarded by the CSRC as a change of use of proceeds, then the CB Holders are entitled to sell back all or part of the Convertible Bonds he holds to Sinopec Corp. at 103% of its nominal value (plus accrued interest). Under the aforesaid circumstances, the CB Holders may sell back during the sale back declaration period after the announcement of Sinopec Corp.. The aforesaid sale back right shall be only valid during the sale back declaration period. Holders who have not applied for sale back during the sale back declaration period shall not exercise the sale back right. Save for the aforesaid, the CB Holders shall not sell back any Convertible Bonds.

(13) Dividend rights of the year of conversion

The new shares of Sinopec Corp. to be issued upon the conversion of the Convertible Bonds shall rank pari passu with all existing shares. Shareholders whose names appear on the register on the registration date of dividend rights are entitled to dividend.

(14) Method of issuance and target subscribers

The method of the issuance of the Convertible Bonds will be determined by the Board (or any person authorised by the Board) under the mandate approved at the EGM and in consultation with the Sponsor (the lead underwriter). The target subscribers are individual and corporate investors, securities investment funds, and other investors permitted by the law (other than those prohibited by laws and regulations) who have maintained securities accounts with the Shanghai branch of China Securities Depository and Clearing Corporation Limited.

(15) Subscription arrangement for existing shareholders

Existing shareholders have the pre-emptive rights to subscribe for the Convertible Bonds on the basis that shall be determined by the Board (or any person authorised by the Board) under the mandate issued at the EGM and disclosed in the Offering Document. The Convertible Bonds not subject to the pre-emptive rights and the pre-emptive rights for which has not been exercised will be offered to institutional investors or be issued through the trading system of Shanghai Stock Exchange, and the remaining balance shall be underwritten by the underwriters.

(16) CB Holders and CB Holders' meetings

(i) Rights and obligations of CB Holders

A Rights of CB Holders

- (a) right to receive interest accrued on the Convertible Bonds he holds;
- (b) right to convert the Convertible Bonds he holds to the shares of Sinopec Corp. on the terms of the Convertible Bonds;
- (c) right to exercise his sale back rights on the terms of the Convertible Bonds;
- (d) right to transfer, bestow or pledge the convertible bonds he holds in accordance with laws, regulations and the Articles of Association;
- (e) right to receive relevant information in accordance with laws and the Articles of Association.
- (f) right to demand the repayment of the principal and interest of the convertible bonds by Sinopec Corp. in the period and method set out in the terms of Convertible Bonds;
- (g) right to attend in person or by proxy the meeting of CB Holders and vote;
- (h) other rights in the capacity of the Company's creditor under laws, regulations and the Articles of Association.

B Obligations of CB Holders

- (a) obligation to comply with the requirements of the terms of the Convertible Bonds set out in the Offering Document;
- (b) obligation to make due payment of subscription fee and related expenses, if any, in relation to the Convertible Bonds he subscribed;
- (c) obligation not to demand early payment of the principal and interests of the Convertible Bonds by Sinopec Corp. other than in accordance with laws, regulations and the Offering Document;
- (d) obligation to comply with the resolution approved at the meeting of CB Holders;

- (e) obligation to bear their own travelling, accommodation and any expenses incurred in relation to attending the bondholders' meetings by themselves or their proxies;
- (f) other obligations of CB Holders under laws, regulations and the Articles of Association.

(ii) Meetings of CB Holders

A Convening the meetings of CB Holders

The Board of Sinopec Corp. shall convene a meeting of CB Holders within 15 days after becoming aware of the following circumstances:

- (a) proposal for changes of terms of the Offering Document;
- (b) the Company's default in paying principal and interests of the Convertible Bonds on time;
- (c) reduction of the Company's capital, merger, separation, dissolution or filing for bankruptcy of Sinopec Corp.;
- (d) material changes to the guarantor (if any) of the Convertible Bonds;
- (e) other matters which may significantly affect the material interests of the CB Holders.

The following institutions or individuals may propose the convening of the CB Holders' meeting:

- (a) the Board of Sinopec Corp.;
- (b) the CB Holders who hold 10% or more of the total nominal value of the outstanding Convertible Bonds by written proposal;
- (c) the guarantor (if any) of the Convertible Bonds;
- (d) other institutions or persons designated by the CSRC.

B Convening of the meeting of CB Holders

- (a) CB Holders' meeting shall be convened and hosted by the Board; and
- (b) The meeting of CB Holders shall be convened by the Board within 30 days after the proposal of the meeting has been raised or received by the Board. The Board shall publish a notice in at least one designated newspaper and

a website 15 days prior to the meeting of the CB Holders, which specifies the time and date, place, contents, methods, matters to be considered, registration date of bonds for determining the entitlement, and contact as confirmed by the Board.

C Participants of the CB Holders' meetings

Unless otherwise provided by the laws and regulations, the CB Holders and their representatives have the right to attend the CB Holders' meeting and to exercise their voting rights.

The following institutions or persons may participate in the CB Holders' meeting and submit proposal for consideration, but do not have voting rights:

- (a) the issuer of the Convertible Bonds (i.e. Sinopec Corp.);
- (b) the guarantor (if any) of the Convertible Bonds; and
- (c) other key parties.

The Board shall appoint lawyers to attend the CB Holders' meeting, and issue legal opinion in relation to the calling of the meeting, the convening of the meeting, voting procedure, and the qualifications of the participants.

D Procedures of the CB Holders' meetings

- (a) The meeting shall be held on site. The Chairman of the meeting will announce the meeting agenda and important notice, confirm and announce the scrutineer, and present the proposals. Voting will be commenced after discussion of the proposals, the resolution will be effective upon witness by a lawyer;
- (b) CB Holders' meetings will be chaired by the Chairman of the Board. If the Chairman is unable to attend the meeting, the Chairman shall authorise a director to host the meeting. If both are not able to host the meeting, a representative elected by the CB Holders representing more than 50% of the total nominal value of the Convertible Bonds in attendance shall host the meeting; and
- (c) The convener shall record the attendees of the meeting. The record shall list out the participants' name (or company name), identity card number, residential address, the total nominal value of the Convertible Bonds held or represented by the participant, the appointing CB Holder's name (or company name) etc.

E Voting and resolution of the CB Holders' meeting

- (a) The voting method is one vote per note of the Convertible Bonds;
- (b) Voting will be processed by open ballot;
- (c) Effective resolution shall be passed by attendees holding more than half of the total nominal value of the Convertible Bonds;
- (d) All the items contained in the proposals shall be discussed and voted separately;
- (e) A resolution will be valid after it has been resolved by the CB Holders at the CB Holders' meeting and subject to approval by the CSRC or other regulatory authorities, the resolution will be effective from the date of approval;
- (f) Unless otherwise prescribed by applicable laws or agreed by way of resolution, the resolutions are binding to all CB Holders whose names appear on the register on the effective date of the resolution; and
- (g) After the resolutions are passed by the CB Holders at the meeting of the CB Holders, the Board will publish an announcement to inform the CB Holders of the resolutions and execute such resolutions.

(17) Use of proceeds from the issuance of the Convertible Bonds

The proceeds from the issuance of the Convertible Bonds is proposed to be applied on the Shandong LNG Project, Jinling oil quality upgrade project, Maoming oil quality upgrade and production reform and expansion project, Yangzi oil quality upgrade and low quality crude oil reform project, Changling oil quality upgrade and reform project, Jiujiang oil quality upgrade and reform project, the flexibility reform and oil quality upgrade project of sour crude oil processing of Anqing Branch, the oil quality upgrade and bad crude oil reform project of Shijiazhuang Refining Branch.

In the event that the proceeds raised from this issuance are not sufficient to finance these projects, or the availability of the proceeds is not consistent with the progress of these projects, Sinopec Corp. will complete the investment in the projects with its own resources, bank borrowings or by other ways of debt financing. Once the proceeds are sufficient, Sinopec Corp. will prioritise their use according to the needs of the projects stated above. Any surplus from the proceeds raised will be applied to repay bank borrowings and supplement working capital.

Sinopec Corp. will maintain a separate account for the proceeds as determined by the Board so as to administer the proceeds under a separate deposit system.

(18) Guarantee

A resolution will be put forward to the EGM to authorise the Board (or any person authorised by the Board) to determine whether or not a guarantee for the issuance of the Convertible Bonds is required, and to handle the related matters.

(19) Validity period of the resolutions in relation to the issuance of the Convertible Bonds

The resolution in relation to the issuance of the Convertible Bonds will be valid for 12 months from the date of the passing of the relevant resolutions at the EGM.

(20) Matters relating to authorisation in relation to the issuance of the Convertible Bonds

To ensure smooth implementation of the issuance of the Convertible Bonds by Sinopec Corp., it will be proposed at the EGM to authorise the Board (or any person authorised by the Board) to handle matters regarding the issuance of the Convertible Bonds, including but not limited to:

- (i) Subject to the laws, regulations and other regulatory document promulgated by CSRC and to the extent of the scope as permitted by the Articles of Association, the Board will be authorised to determine the specific terms and proposal prior to the proposed issuance in accordance with the requirements of the regulatory authorities and in view of the actual conditions of Sinopec Corp., to formulate and implement the final proposal for the Convertible Bonds and to decide on the timing of such issuance and other related materials;
- (ii) The Board of Directors will be authorised to determine the specific arrangements on the use of proceeds as stated above, for instance, if the Chinese government announces new regulations in relation to the issue of convertible bonds, or the regulatory agencies have issued new requirements, or there are changes in market conditions, the Board will, subject to the applicable laws in Mainland China at that time, adjust the issuance proposal and use of proceeds accordingly. Before the implementation of this issue of Convertible Bonds, if adjustment is made to RMB benchmark deposit interest rate, corresponding adjustment can be made to the cap of the coupon rate of Convertible Bonds;

- (iii) The Board of Directors will be authorised to produce, amend, file the application materials of the proposed issuance according to the requirements of the securities regulatory agencies;
- (iv) The Board of Directors will be authorised to amend, supplement, execute and implement the agreements, contracts and documents (including but not limited to underwriting and sponsorship agreements) during the course of the proposed issuance;
- (v) After the conversion of the Convertible Bonds, the Board will be authorised to amend the relevant provisions of the Articles of Association, and to complete the filing and change of registration based on the conversion status;
- (vi) The Board of Directors will be authorised to determine the sponsors (lead underwriters) and other intermediaries of the proposed issuance;
- (vii) The Board of Directors will be authorised to complete matters relating to the listing of the Convertible Bonds; and
- (viii) The Board of Directors will be authorised to complete other matters relating to the proposed issuance.

The Shareholders and potential investors should be aware that the proposed issuance of the Convertible Bonds is subject to the approvals set out above being obtained and various factors including the market conditions, and therefore the proposed issuance of the Convertible Bonds may or may not proceed. Accordingly, they are advised to exercise caution when dealing in the Shares.

(21) Feasibility Analysis Report on the use of proceeds from the issuance of the Convertible Bonds

Full texts of the “Feasibility Analysis Report on the use of proceeds from the issuance of the Convertible Bonds” are included in the circular to be dispatched separately to the holders of H shares of Sinopec Corp..

(22) Report on the use of proceeds from last issuance of securities

Full texts of the “Report on the use of proceeds from last issuance of securities” are included in the circular to be dispatched separately to the holders of H shares of Sinopec Corp..

(II) Implications of issuance of Convertible Bonds under the PRC regulatory requirements

The proposed issuance of the Convertible Bonds by Sinopec Corp. may lead to issuance of new A Shares upon conversion of the Convertible Bonds. The exact

number of A Shares to be issued as a result of the conversion of Convertible Bonds is subject to various factors, including the conversion price of the Convertible Bonds. The Board recognizes that conversion of the Convertible Bonds into new A Shares will result in dilution of the interests of the existing Shareholders in the share capital of Sinopec Corp..

Under the relevant PRC laws and regulations, the proposed issuance of the Convertible Bonds is subject to the approval of the Shareholders at the EGM and the obtaining of the approvals from the relevant PRC regulatory authorities.

(III) Implications of issuance of Convertible Bonds under Hong Kong regulatory requirements

All the subscribers of the Convertible Bonds will be third parties independent of Sinopec Corp. and its connected persons (as defined under the Hong Kong Listing Rules).

Sinopec Corp. will at all times maintain sufficient public float in compliance with the Hong Kong Listing Rules.

III RECOMMENDATION

The Directors believe that the proposed issue of the Domestic Corporate Bonds and the Convertible Bonds are in the best interests of Sinopec Corp. and its shareholders and accordingly recommend the shareholders to vote in favour of the resolutions at the EGM.

IV EGM

The proposed issuance of the Domestic Corporate Bonds and the Convertible Bonds are subject to approval of the Shareholders at the EGM.

A circular containing, among other things, details of the proposed issuance of the Domestic Corporate Bonds and the Convertible Bonds, together with notice of the EGM, will be despatched to the H Shareholders as soon as practicable.

V DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

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| “A Shares” | domestic shares with nominal value of RMB1.00 each in the share capital of Sinopec Corp. which are listed on the Shanghai Stock Exchange |
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|---------------------------------|--|
| “A Shareholder(s)” | holder(s) of A Shares |
| “Articles of Association” | the articles of association of Sinopec Corp. as amended from time to time |
| “Board” or “Board of Directors” | the board of directors of Sinopec Corp. |
| “CB Holder(s)” | holder(s) of the Convertible Bonds |
| “Sinopec Corp.” or “Company” | China Petroleum & Chemical Corporation, a joint stock limited company incorporated in the PRC with limited liability, the H Shares and A Shares of which are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange respectively |
| “Convertible Bonds” | convertible corporate bonds in the total amount of not more than RMB30 billion which are convertible into new A Shares, proposed to be issued by Sinopec Corp. in the PRC |
| “CSRC” | the China Securities Regulatory Commission of the PRC |
| “Director(s)” | the director(s) of Sinopec Corp. |
| “Domestic Corporate Bond Issue” | the proposed issue of Domestic Corporate Bonds by Sinopec Corp. |
| “Domestic Corporate Bonds” | domestic corporate bonds of not more than RMB20 billion in principal amount proposed to be issued by Sinopec Corp. |
| “EGM” | the extraordinary general meeting to be convened by Sinopec Corp. for all the Shareholders to consider, and if thought fit, to approve, among other things, the proposed issuance of the Domestic Corporate Bonds and the Convertible Bonds |
| “H Shares” | overseas listed foreign shares with nominal value of RMB1.00 each in the share capital of Sinopec Corp. which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars |
| “H Shareholder(s)” | holder(s) of H Shares |

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|----------------------------|--|
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Hong Kong Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, as amended from time to time |
| “Hong Kong Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Mainland China” | the PRC, excluding the Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan |
| “Offering Document” | the offering document in relation to the issuance of the Convertible Bonds |
| “PRC” | The People’s Republic of China, which for the purpose of this announcement only, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Share(s)” | ordinary shares in the capital of Sinopec Corp. with a nominal value of RMB1.00 each, comprising the A Shares and the H Shares |
| “Shareholders” | holders of the Shares |

By Order of the Board
China Petroleum & Chemical Corporation
Chen Ge
Secretary to the Board of Directors

Beijing, PRC, 26 August 2011

As of the date of this announcement, directors of Sinopec Corp. are: Fu Chengyu*, Wang Tianpu#, Zhang Yaocang*, Zhang Jianhua#, Wang Zhigang#, Cai Xiyu#, Cao Yaofeng*, Li Chunguang*, Dai Houliang#, Liu Yun*, Ma Weihua+, Wu Xiaogen+, Li Deshui+, Xie Zhongyu+ and Chen Xiaojin+.

Executive Director

* Non-executive Director

+ Independent Non-executive Director

Document 3

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(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 0386) Notice of the First Extraordinary General Meeting for the Year 2011

NOTICE IS HEREBY GIVEN that the on-site first extraordinary general meeting ("Extraordinary General Meeting") of China Petroleum & Chemical Corporation ("Sinopec Corp." or the "Company") for the year 2011 will be held at Kempinski Hotel, 50 Liangmaqiao Road, Chaoyang District, Beijing, China on Wednesday, 12 October 2011 at 9:00 a.m. Holders of domestic shares are provided with internet voting to participate at the Extraordinary General Meeting.

I. Resolutions to be considered and approved at the Extraordinary General Meeting

By Way of Special Resolutions:

1. To review and approve the resolution on the issuance of domestic corporate bonds and other related matters.
 - (1) Review and approve the resolution on the issuance of domestic corporate bonds. (Please refer to the circular to be dispatched separately to the holders of H shares of Sinopec Corp. for details)
 - (2) To authorise the Board (or any person authorised by the Board) to deal with matters in relation to the issue of domestic corporate bonds. (Please refer to the circular to be dispatched separately to the holders of H shares of Sinopec Corp. for details)
2. To review and approve the resolution on the issuance of A shares convertible corporate bonds and other related matters term by term.
 - (1) Type of securities to be issued
 - (2) Issuance size
 - (3) Nominal value and issuance price
 - (4) Term
 - (5) Interest rate
 - (6) Method and timing of interest payment
 - (7) Conversion period

- (8) Determination and adjustment of conversion price
- (9) Downward adjustment to conversion price
- (10) Conversion method of fractional share
- (11) Terms of redemption
- (12) Terms of sale back
- (13) Dividend rights of the year of conversion

- (14) Method of issuance and target subscribers
- (15) Subscription arrangement for existing shareholders
- (16) CB Holders and CB Holders' meetings
- (17) Use of proceeds from the issuance of the Convertible Bonds
- (18) Guarantee
- (19) Validity period of the resolutions in relation to the issuance of the Convertible Bonds
- (20) Matters relating to authorisation in relation to the issuance of the Convertible Bonds
- (21) Feasibility Analysis Report on the use of proceeds from the issuance of the Convertible Bonds
- (22) Report on the use of proceeds from last issuance of securities

Details regarding the abovementioned resolution 2 are available in the relevant announcements posted on China Securities Journal, Shanghai Securities News and Securities Times on 29 August 2011, and are also available at the website of the Shanghai Stock Exchange, <http://www.sse.com.cn>, as well as included in the circular to be dispatched separately to the holders of H shares of Sinopec Corp..

II. Attendee of Extraordinary General Meeting

(I) Eligibility for attending the Extraordinary General Meeting

Holders of domestic shares of Sinopec Corp. whose names appear on the domestic shares register maintained by China Securities Depository & Clearing Corporation Limited Shanghai Branch and holders of Sinopec Corp.'s H Shares whose names appear on the register of members maintained by Hong Kong Registrars Limited at the close of business on Friday, 9 September 2011 are eligible to attend the Extraordinary General Meeting. To be entitled to attend the Extraordinary General Meeting, holders of H shares shall lodge their share certificates and transfer documents with Hong Kong Registrars Limited at 1712-1716, 17th Floor, Hopewell Centre, No. 183 Queen's Road East, Wanchi, Hong Kong for registration of transfer, by no later than 4:30 pm on Friday, 9 September 2011.

(II) Proxy

1. A member eligible to attend and vote at the on-site Extraordinary General Meeting is entitled to appoint, in written form, one or more proxies to attend and vote on its behalf. A proxy need not be a shareholder of Sinopec Corp.

2.

A proxy should be appointed by a written instrument signed by the appointor or its attorney duly authorised in writing. If the form of proxy is signed by the attorney of the appointor, the power of attorney authorising that attorney to sign or other authorisation document(s) must be notarised.

3. To be valid, the power of attorney or other authorisation document(s) which have been notarised together with the completed form of proxy must be delivered, in the case of holders of domestic shares, to the registered address of Sinopec Corp. and, in the case of holder of H Shares, to Hong Kong Registrars Limited, not less than 24 hours before the time designated for holding of the Extraordinary General Meeting.
4. A proxy may exercise the right to vote by poll.

III. Registration procedures for attending the on-site Extraordinary General Meeting

- (I) A shareholder or his proxy shall produce proof of identity when attending the meeting. If a shareholder is a legal person, its legal representative or other persons authorised by the board of directors or other governing body of such shareholder may attend the Extraordinary General Meeting by producing a copy of the resolution of the board of directors or other governing body of such shareholder appointing such persons to attend the meeting.

- (II) Holders of H Shares and domestic shares intending to attend the Extraordinary General Meeting should return the reply slip for attending the Extraordinary General Meeting to Sinopec Corp. on or before Wednesday, 21 September 2011.
- (III) Shareholder may send the above reply slip to Sinopec Corp. in person, by post or by fax.
- (IV) Closure of Register of Members. The H Share register of members of Sinopec Corp. will be closed from Saturday, 10 September 2011 to Wednesday, 12 October 2011 (both days inclusive).

IV. Miscellaneous

- (I) The Extraordinary General Meeting will not last for more than one working day. Shareholders who attend shall bear their own travelling and accommodation expenses.
- (II) The address of the Share Registrar for A Shares of Sinopec Corp., China Securities Registration and Clearing Company Limited Shanghai Branch Company is at: 166 Lujiazuidong Road, Pudong District, Shanghai
- (III) The address of the Share Registrar of H Shares of Sinopec Corp., Hong Kong Registrars Limited is at: 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong
- (IV) The registered address of Sinopec Corp. is at:

22 Chaoyangmen North Street
Chaoyang District
Beijing
Post Code: 100728
The People's Republic of China
Telephone No.: (+86) 10 5996 0028
Facsimile No.: (+86) 10 5996 0386

By Order of the Board
Chen Ge
Secretary to the Board of Directors

Beijing, PRC, 26 August 2011

As of the date of this notice, directors of Sinopec Corp. are: Fu Chengyu*, Wang Tianpu#, Zhang Yaocang*, Zhang Jianhua#, Wang Zhigang#, Cai Xiyoun#, Cao Yaofeng*, Li Chunguang*, Dai Houliang#, Liu Yun*, Liu Zhongli+, Ye Qing+, Li Deshui+, Xie Zhongyu+ and Chen Xiaojin+.

Executive Director

* Non-executive Director

+ Independent Non-executive Director

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

China Petroleum & Chemical Corporation

By: /s/ Chen Ge

Name: Chen Ge

Title: Secretary to the Board of Directors

Date: August 29, 2011