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



As at the date of this announcement, China Petrochemical Corporation is the controlling shareholder of the Company. As Sinopec Asset is a subsidiary of China Petrochemical Corporation, pursuant to Chapter 14A of the Listing Rules, Sinopec Asset is an associate of China Petrochemical Corporation and thus constitutes a connected person of the Company. As the Capital Increase constitutes deemed disposal of the Company under Rule 14.29 of the Listing Rules, accordingly, the Capital Increase constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Capital Increase exceeds 0.1% but is less than 5%, the Capital Increase is subject to the reporting and announcement requirements, but B 03
Listing Rules.

The Board is pleased to announce that on 29 April 2019, the Company entered into the Sinopec-SK Capital Increase Agreement with Sinopec Asset, SKGC and Sinopec-SK, respectively, to agree upon the Capital Increase in Sinopec-SK. Upon Completion of the Capital Increase, B a b 54 48 R b
Asset's shareholding will increase to 6% from 0%, and SKGC's shareholding will remain unchanged at 35%. On the same date, the Company, Sinopec Asset and SKGC also entered into the Sinopec-SK Joint Venture Contract and entered into the Sinopec-SK Articles with Sinopec-SK.

On the same date, the Company entered into the Asset Transfer Agreement with Sinopec-SK, where the Company agreed to dispose the Transferred Assets to Sinopec-SK. The Asset Transfer Agreement is a transaction within the Group and does not constitute a transaction under Chapter 14 or Chapter 14A of the Listing Rules.

In respect of the Capital Increase, Sinopec Asset has made capital contribution to Sinopec-SK and the Company does not exercise the relevant pre-emptive rights, which constitutes a connected transaction between the Company and China Petrochemical Corporation pursuant to the Rules Governing the Listing of Stocks on Shanghai Stock Exchange but does not reach the minimum disclosure threshold pursuant to Chapter X of the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and also there is no need to be submitted to the Company's general meeting for shareholders' approval. In respect of the disposal of Transfer Assets from the Company to Sinopec-SK, as it is a transaction between the Company and its consolidated subsidiary, the transaction is exempted from disclosure procedure pursuant to Chapter IX of the Rules Governing the Listing of Stocks on Shanghai Stock Exchange.

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- 1) On the Asset Handover Date, the Company and Sinopec Asset shall deliver the Capital Increase Assets of Sinopec, the Capital Increase Assets of Sinopec Asset and all relevant materials to Sinopec-SK on a lump-sum basis;
- 2) On the Asset Handover Date, the Company shall deliver the Transferred Assets and all relevant materials to Sinopec-SK on a lump-sum basis in accordance with the provisions of the Asset Transfer Agreement; and
- 3) Sinopec-SK and the Company, Sinopec-SK and Sinopec Asset shall make an inventory of and confirm the Capital Increase Assets of Sinopec, the Transferred Assets and the Capital Increase Assets of Sinopec Asset, respectively. Upon inventory and confirmation, the authorised representatives designated by the Company, Sinopec Asset and Sinopec-SK (the authorised representatives of Sinopec-SK shall include at least one employee appointed by SKGC) shall jointly execute the confirmation letter of Handover of the Capital Increase Assets of Sinopec and the Transferred Assets, and the confirmation letter of Handover of the Capital Increase Assets of Sinopec Asset.

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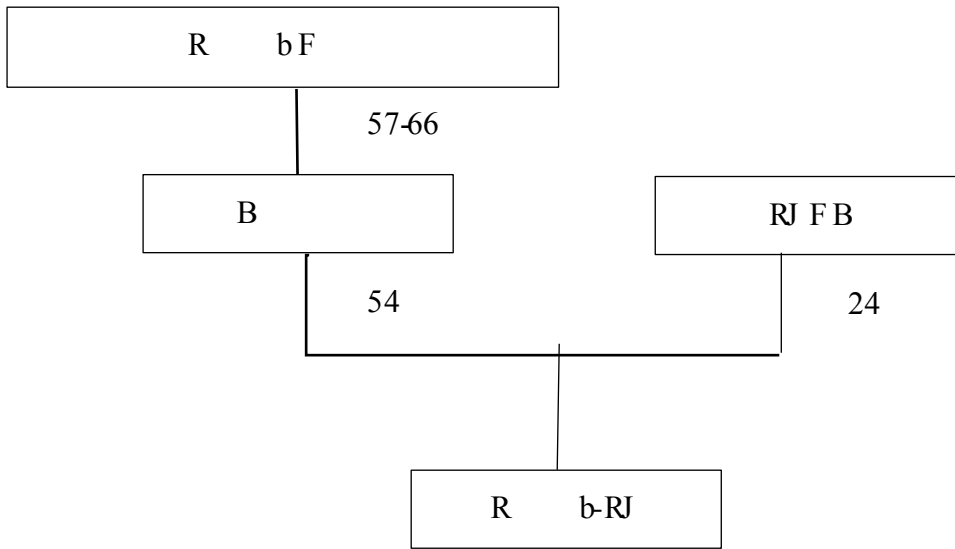
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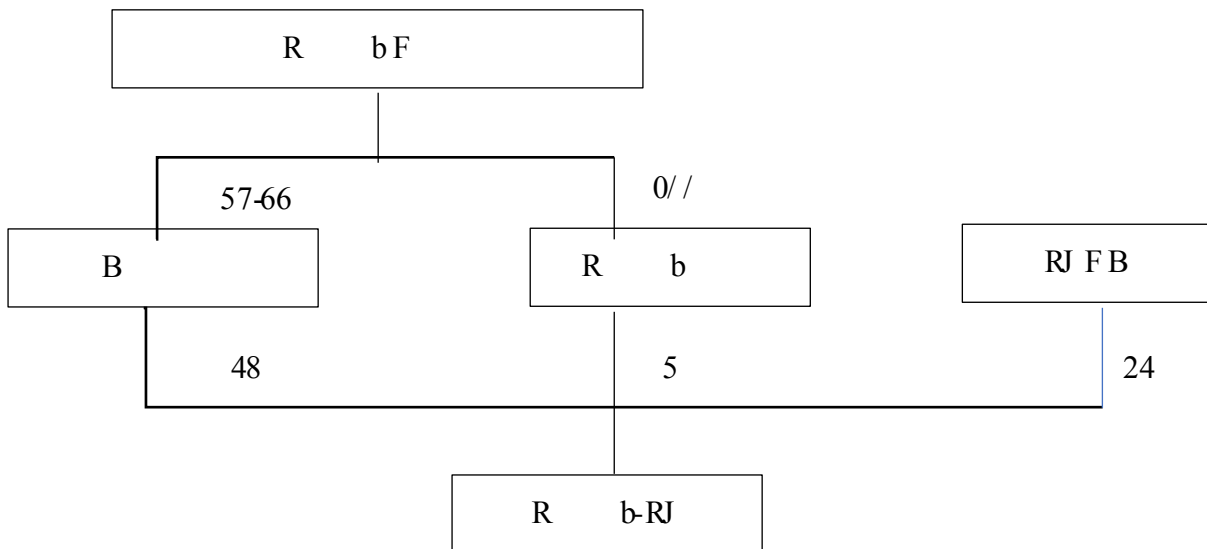
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"Asset Transfer Agreement" the agreement dated 29 April 2019 entered between the Company and Sinopec-SK on the disposal of the Transfer Assets from the Company to Sinopec-SK

"associate" has the meaning ascribed thereto under the Listing Rules

"Board" the board of directors of the Company

"Capital Increase" the capital increase in Sinopec-SK by the Company, Sinopec Asset and SKGC in accordance with the terms and conditions of Sinopec-SK Capital Increase Agreement, upon the completion of which, the Company, Sinopec Asset and SKGC will hold 59%, 6% and 35% of equity interest in Sinopec-SK, respectively

"Capital Increase Amount of SKGC" the contribution of cash in RMB1.1045 billion or equivalent USD by SKGC in relation to the Capital Increase

"Capital Increase Assets"	the Capital Increase Assets of Sinopec and Capital Increase Assets of Sinopec Asset
"Capital Increase Assets of Sinopec"	the real estate assets and liabilities associated with the oil-refining production and operation of the Company's Wuhan Branch and the valuation results of which was RMB549 million using asset-based approach
"Capital Increase Assets of Sinopec Asset"	the assets and liabilities associated with the oil-refining production and operation of Sinopec Asset Wuhan Branch and the valuation results of which was RMB1.502 billion using asset-based approach
"China "or "PRC"	O Q a b B
"China Petrochemical Corporation"	China Petrochemical Corporation
"Company"	China Petroleum & Chemical Corporation
"Completion"	the completion of the Capital Increase in accordance with the Sinopec-SK Capital Increase Agreement
"Conditions"	the conditions precedent to the handover of Capital Increase Assets in accordance with the Sinopec-SK Capital Increase Agreement
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Director(s)"	director(s) of the Company
"Group"	the Company and its subsidiaries
IMDC(s)	the independent non-executive directors of the Company, including Tang Min, Fan Gang, Cai Hongbin and Ng, Kar Ling Johnny
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"New Business License"	the a b R b-RJ

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"RMB"	Renminbi, the lawful currency of the PRC
"Sinopec Asset"	Sinopec Group Asset Management Co., Ltd., a limited liability company established under the Laws of the PRC
"Sinopec Group"	China Petrochemical Corporation and its subsidiaries
"SKGC"	SK Global Chemical Co., Ltd. (D) SK Global, a limited liability company established under the laws of the Republic of Korea
"Sinopec-SK"	Sinopec-SK (Wuhan) Petrochemical Co., Ltd., a Sino-foreign equity joint venture company duly established under the laws of the PRC with limited liability
"Sinopec-SK Capital Increase Agreement"	the capital increase agreement dated 29 April 2019 in relation to the capital increase in Sinopec-SK entered into among the Company, Sinopec Asset, SKGC and Sinopec-SK
"Sinopec-SK Joint Venture Contract"	Sinopec-SK (Wuhan) Petrochemical Co., Ltd. Equity Joint Venture Contract dated 29 April 2019 entered into among the Company, Sinopec Asset and SKGC
"Sinopec-SK Articles"	the articles of association of Sinopec-SK entered into on 29 April 2019 among the Company, Sinopec Asset, SKGC and Sinopec-SK
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Transaction Agreements"	the Sinopec-SK Capital Increase Agreement, Sinopec-SK Joint Venture Contract, Sinopec-SK Articles and the Asset Transfer Agreement and any amendments and supplements thereto (if any)
"Transferred Assets"	the oil-refining production equipment and the relevant rights, liabilities and employees of the Company's Wuhan Branch

"Valuer" B T F B - K -
"Valuation Date" 30 April 2018
"USD" United States dollars, the lawful currency of the United States of America

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Vice President, Secretary to the Board

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

Executive Director

** Non-executive Director*

+ Independent Non-executive Director

APPENDIX I LETTER FROM PRICEWATERHOUSECOOPERS

The following is the text of the letter dated 29 April 2019 from PricewaterhouseCoopers, the Certified Public Accountants, which was prepared for inclusion in this announcement.

INDEPENDENT ASSURANCE REPORT ON THE CALCULATIONS OF DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION WITH THE BUSINESS VALUATION OF SINOPEC-SK (WUHAN) PETROCHEMICAL CO., LTD.

TO THE BOARD OF DIRECTORS OF CHINA PETROLEUM & CHEMICAL CORPORATION

We have completed our assurance engagement to report on the calculations of the discounted future estimated cash flows in connection with the proposed capital increase in the Target Company with assets and deemed disposal by the Company. The Valuation based on the discounted future estimated cash flows is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities of the Hong Kong Stock Exchange.

The directors of the Company are responsible for the preparation of the discounted future estimated cash flows in accordance with the bases and assumptions determined by the directors and as set out in the Announcement. This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future estimated cash flows for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants and the HKICPA's professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Control 1 issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies

and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

It is our responsibility to report, as required by paragraph 14.62(2) of the Listing Rules, on the calculations of the discounted future estimated cash flows on which the Valuation is based. We are not reporting on the appropriateness and validity of the bases and assumptions on which the discounted future estimated cash flows are based and our work does not constitute any valuation of the Target Company.

We conducted our work in accordance with the Hong Kong Standard on Assurance Engagements 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the HKICPA. This standard requires that we plan and perform the assurance engagement to obtain reasonable assurance on whether the discounted future estimated cash flows, so far as the calculations are concerned, has been properly compiled in accordance with the bases and assumptions made by the directors of the Company. We reviewed the arithmetical calculations and the compilation of the discounted future estimated cash flows in accordance with the bases and assumptions.

The discounted cash flows do not involve the adoption of accounting policies. The discounted cash flows depend on future events and on a number of assumptions which cannot be confirmed and verified in the same way as past results and not all of which may remain valid throughout the period. Our work has been undertaken for the purpose of reporting solely to you under paragraph 14.62(2) of the Listing Rules and for no other purpose. We accept no responsibility to any other person in respect of our work, or arising out of or in connection with our work.

Opinion

In our opinion, based on the foregoing, so far as the calculations are concerned, the discounted future estimated cash flows, has been properly compiled in all material respects in accordance with the bases and assumptions made by the directors of the Company as set out in the Announcement.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, 29 April 2019

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The following is the text of the letter dated 29 April 2019 from the Board, which was prepared for inclusion in this announcement.

To: Listing Division
The Stock Exchange of Hong Kong Limited
12/F, Two Exchange Square,
8 Connaught Place, Central,
Hong Kong

Dear Sir/Madam,

Company: China Petroleum & Chemical Corporation Limited (

Re: Profit forecast Confirmation letter under the requirements of Rule 14.62(3) of the Rules of the Exchange of Hong Kong Limited under the Listing Rules of the Exchange of Hong Kong Limited (

Reference is made to the announcement of the Company dated 29 April 2019 in relation to, among other things, the valuation reports dated 26 April 2019 of Sinopec-SK (Wuhan) Petrochemical Co., Ltd., which were prepared by China United Asset Appraisal Group Co., Ltd. (UAG) (using the revenue-based method (the "Valuation Report").

The board of directors of the Company has reviewed and discussed with the Valuer on the basis and assumptions of the valuation. The board of directors of the Company has also considered the report from PricewaterhouseCoopers, the auditor of the Company, dated 29 April 2019 in relation to the calculations of the discounted future estimated cash flows in the Valuation Report.

Pursuant to the requirements of Rule 14.62(3) of the Listing Rules, the board of directors of the Company confirmed that the profit forecast used in the Valuation Report has been made after due and careful enquiry.

The Board of Directors of China Petroleum & Chemical Corporation

29 April 2019