

CHINA PETROLEUM & CHEMICAL CORP
Form 6-K
May 04, 2015

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 April, 2015

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 X 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 X

(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:

A copy of 2015 first quarterly report of China Petroleum & Chemical Corporation (the “Registrant”), filed by the Registrant with the Hong Kong Stock Exchange on April 29, 2015

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

OVERSEAS REGULATORY ANNOUNCEMENT

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

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

Beijing, the PRC,
29 April 2015

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

Executive Director

* Non-executive Director

+ Independent Non-executive Director

The First Quarterly Report for 2015

China Petroleum & Chemical Corporation
The First Quarterly Report for 2015

29 April, 2015
Beijing, China

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1 Important notice

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

1.2 The first quarterly report for 2015 (the "Quarterly Report") was approved at the 25th meeting of the Fifth Session of the Board of Directors of Sinopec Corp.. All the directors attended this meeting.

1.3 Mr. Fu Chengyu, Chairman of the Board of Directors, Mr. Li Chunguang, Director and President, Mr. Wang Xinhua, Chief Financial Officer and Mr. Wang Dehua, Head of the Corporate Finance Department of Sinopec Corp. warrant the authenticity, accuracy and completeness of the financial statements contained in the Quarterly Report.

1.4 The financial statements in the Quarterly Report were not audited.

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2 Basic information of Sinopec Corp.

2.1 Principal Financial Data And Indicators

2.1.1 Principal Financial Data and Indicators Prepared in Accordance with China Accounting Standards for Business Enterprises ("ASBE")

Units: RMB million

| | As at 31 March 2015 | As at 31 December 2014 | Changes from the end of the preceding year to the end of the reporting period (%) |
|--|------------------------|---|--|
| Total assets | 1,436,051 | 1,451,368 | (1.1) |
| Total equity attributable to equity shareholders of the Company | 671,514 | 594,483 | 13.0 |
| | | From the beginning of the preceding year to the end of the preceding reporting period | Changes over the same period of the preceding year (%) |
| Net cash flow from operating activities | 6,682 | 12,621 | (47.1) |
| Operating income | 478,241 | 641,065 | (25.4) |
| Net profit attributable to equity shareholders of the Company | 1,685 | 13,477 | (87.5) |
| Net profit attributable to equity shareholders of the Company after deducting extraordinary gain/loss items | 1,336 | 13,433 | (90.1) (2.06) percentage points |
| Weighted average return on net assets (%) | 0.27 | 2.33 | |
| Basic earnings per share (RMB) | 0.014 | 0.116 | (87.9) |
| Diluted earnings per share (RMB) | 0.014 | 0.115 | (87.8) |

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| | From the beginning of the year to the end of the reporting period (gains)/losses(RMB million) |
|---|---|
| Extraordinary gain/loss items | |
| Loss on disposal of non-current assets | 23 |
| Donations | 8 |
| Government grants ¹ | (681) |
| Gain on holding and disposal of various investments | (7) |
| Other extraordinary income and expenses, net | 178 |
| Subtotal | (479) |
| Tax effect | 120 |
| Total | (359) |
| Equity shareholders of the Company | (349) |
| Minority interests | (10) |
| Note 1 | Mainly includes the consumption tax rebate from outsourced naphtha for continuous production |

2.1.2 Principal financial data and indicators prepared in accordance with International Financial Reporting standards ("IFRS")

| | As at 31 March 2015 | As at 31 December 2014 | Units: RMB million Changes from the end of the preceding year to the end of the reporting period (%) |
|--|-------------------------------|---|--|
| Total assets | 1,436,051 | 1,451,368 | (1.1) |
| Equity attributable to owners of the Company | 670,097 | 593,041 | 13.0 |
| | In the reporting period | From the beginning of the preceding year to the end of the preceding reporting period | Changes over the same period of the preceding year (%) |
| Net cash generated from operating activities | 6,682 | 12,621 | (47.1) |
| Operating profit | 5,153 | 24,817 | (79.2) |

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| | | | |
|--|-------|--------|----------------------|
| Net profit attributable to owners of the Company | 2,172 | 14,121 | (84.6) |
| Basic earnings per share (RMB) | 0.018 | 0.121 | (85.1) |
| Diluted earnings per share (RMB) | 0.018 | 0.120 | (85.0) |
| | | | (2.10) |
| Return on net assets (%) | 0.32 | 2.42 | percentage points |

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2.2 Total number of shareholders and top ten shareholders at the end of the reporting period

| | |
|---|--|
| | Total number of shares held |
| Total number of shareholders at the end of the reporting period | 823,270 holders of domestic shares and 1,000 holders of overseas listed foreign shares |
| Top ten shareholders (Top ten shareholders holding shares without selling restrictions) | |

| Name of shareholders | Total number of shares held |
|---|-----------------------------|
| China Petrochemical Corporation | 85,720,671,101 |
| HKSCC (Nominees) Limited 1 | 25,435,574,108 |
| - | 156,034,806 |
| - | 89,996,185 |
| - | 68,375,774 |
| China Petrochemical Corporation A50ETF | 52,648,502 |
| China Petrochemical Corporation | 45,917,655 |
| China Petrochemical Corporation 50 | 43,548,422 |
| China Petrochemical Corporation (China Petrochemical Corporation) | 42,997,961 |
| UBS AG | 40,341,942 |

Note Sinopec Century Bright Capital Investment Limited, overseas wholly-owned subsidiary of China Petrochemical Corporation, holds 553,150,000 H shares, which is included in the total number of the shares held by HKSCC Nominees Limited.

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2.3

Review of operating results

In the first quarter of 2015, the international crude oil prices fluctuated at low level after a slide last year. Domestic gasoline and diesel prices were timely adjusted with international crude oil prices. In the first quarter, China's GDP grew by 7.0% with a stable demand for refined oil products and chemical products. Domestic apparent consumption of refined oil products grew by 4.8% over the same period last year.

The Company, focusing on growth quality and profitability, strengthened reform, transformation and management. Faced with the low crude oil prices scenario, we actively adjusted operational strategies to expand markets, enhance fine management and control cost. All of these efforts contributed to stable operations of the Company. In accordance with the ASBE and IFRS, net profit attributable to equity shareholders of the Company was RMB 1.69 billion and RMB 2.17 billion respectively in the first quarter.

Exploration and Production: Focusing on profitability, we strictly controlled investment, strived to reduce operating cost, optimised exploration and development activities and increased commercial yields for oil and gas. In development, we selected projects and set production targets based on oil prices trends. We meticulously developed mature fields and promoted enhanced oil recovery technologies. In natural gas development, we strengthened management of the Puguang gas field and other mature fields and maintained our fast-track momentum in construction of shale gas production capacity in Fuling. Gas development project for Phase II in Yuanba was under progress smoothly. In the first quarter, the oil and gas production of the Company reached 117.8 million barrels of oil equivalent, down by 1.0%, out of which crude oil output down by 2.0% but natural gas up by 2.1%, compared with the same period last year. Impacted by the sustained low crude oil prices, Exploration and Production Segment had an operating loss of RMB 1.23 billion.

Refining: We adjusted product slate and refining utilisation rates in response to the market conditions, increasing production of refined oil products and high-value-added products for which demand was strong, such as gasoline, especially high-grade gasoline and jet fuel, further decreasing the diesel to gasoline ratio. We accelerated quality upgrading of refined oil products to increase the supply of clean fuel. We optimised crude oil procurement and resource allocation to reduce costs, including optimising types of crude oil and reinforcing inventory management. We also strengthened the integration of production and sales and improved our sales network. In the first quarter, refinery throughput and refined oil products production increased 2.4% and 5.0% respectively, among which gasoline up by 11.0%, jet fuel up by 19.8% and diesel down by 2.9% over the same period last year. After accounting for high cost crude oil inventories, Refining Segment had an operating loss of RMB 3.36 billion.

Marketing and Distribution: The restructuring and reform of marketing business progressed smoothly. Capital contribution and changes of business registration were completed on schedule. We proactively explored to innovate on operational systems and mechanisms with an aim to transform from an oil products supplier into an integrated services provider. In light of changes of refined oil products demand, we adjusted marketing strategies to enhance marketing efforts on high-grade gasoline, jet fuel and the retail volume while increasing total sales volume. We fortified the advantages of network and brand by promoting integrated services at service stations and

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further developed non-fuel business to provide one-stop services. In the first quarter, total sales volume of refined oil products was 46.49 million tonnes, up by 10.3% over the same period last year. Total domestic sales volume of refined oil products was 42.05 million tonnes, up by 8.7%, of which retail volume reached 28.90 million tonnes, up by 5.9% over the same period last year. Transaction of non-fuel business reached RMB 6.3 billion, up by 75.0% compared with the same period last year. After accounting for high cost oil products inventories, the operating profit of Marketing and Distribution Segment was RMB 5.28 billion, lower than the same period last year.

Chemicals: We further optimised our feedstock mix and increased the light feedstock ratio to reduce cost. We fine tuned facilities operations and utilisation rates dynamically according to the profit margin. We adjusted product slate and intensified efforts in the synergy of R&D, production and sales. We increased the production of high-value-added products which are well received by markets. In the first quarter, ethylene production reached 2.768 million tonnes, up by 7.3% and chemical sales volume was 14.644 million tonnes, up by 3.1% over the same period last year. The operating profit of Chemicals Segment was RMB 3.07 billion, a reversal from the loss making situation in the same period last year.

Summary of Principal Operating Results for the First Quarter

| Operating data | Unit | For three-month period ended 31 March | | Changes (%) |
|--|-------------------------|--|--------|--------------------------------|
| | | 2015 | 2014 | |
| Exploration and production | | | | |
| Oil and gas production ¹ | million boe | 117.82 | 118.96 | (0.96) |
| Crude oil production | million barrels | 87.55 | 89.37 | (2.04) |
| China | million barrels | 74.01 | 76.60 | (3.38) |
| Overseas | million barrels | 13.54 | 12.77 | 6.03 |
| Natural gas production | billion cubic feet | 181.06 | 177.37 | 2.08 |
| Realized crude oil price | USD/barrel | 46.22 | 95.39 | (51.55) |
| Realized natural gas price | USD/thousand cubic feet | 7.94 | 6.97 | 13.92 |
| Refining ⁴ | | | | |
| Refinery throughput | million tonnes | 58.58 | 57.22 | 2.38 |
| Gasoline, diesel and kerosene production | million tonnes | 36.85 | 35.09 | 5.02 |
| Gasoline | million tonnes | 13.29 | 11.97 | 11.03 |
| Diesel | million tonnes | 17.74 | 18.27 | (2.90) |
| Kerosene | million tonnes | 5.82 | 4.86 | 19.75 |
| Light chemical feedstock | million tonnes | 9.43 | 10.13 | (6.91) |
| | | | | (0.30) |
| Light products yield | % | 76.68 | 76.98 | percentage points (0.10) |
| Refining yield | % | 94.69 | 94.79 | percentage points |
| Marketing and Distribution | | | | |

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| Operating data | Unit | For three-month period ended 31 March | | Changes (%) |
|---|-----------------|---------------------------------------|--------|-------------|
| | | 2015 | 2014 | |
| Total sales of refined oil products | million tonnes | 46.49 | 42.15 | 10.30 |
| Total domestic sales volume of refined oil products | million tonnes | 42.05 | 38.67 | 8.74 |
| Retail | million tonnes | 28.90 | 27.29 | 5.90 |
| Direct sales & Wholesale | million tonnes | 13.15 | 11.38 | 15.55 |
| Total number of Sinopec-branded service stations ² | stations | 30,539 | 30,551 | (0.04) |
| Company-operated | stations | 30,526 | 30,538 | (0.04) |
| Annualized average throughput per station ³ | tonnes/station | 3,786 | 3,575 | 5.90 |
| Chemicals ⁴ | | | | |
| Ethylene | thousand tonnes | 2,768 | 2,579 | 7.33 |
| Synthetic resin | thousand tonnes | 3,786 | 3,519 | 7.59 |
| Synthetic rubber | thousand tonnes | 213 | 254 | (16.14) |
| Monomers and polymers for synthetic fiber | thousand tonnes | 2,128 | 2,196 | (3.10) |
| Synthetic fiber | thousand tonnes | 311 | 326 | (4.60) |

Note:

1. Conversion: for domestic production of crude oil, 1 tonne = 7.1 barrels; for overseas production of crude oil, 1 tonne=7.21 barrels; for production of natural gas, 1 cubic meter = 35.31 cubic feet.
2. The number of service stations in 2014 was the number as at 31 December 2014.
3. Throughput per service station data was annualized.
4. Including 100% production of joint ventures.

Capital expenditure: The Company's capital expenditures were RMB 7.116 billion in the first quarter. Capital expenditure for Exploration and Production segment was RMB 2.995 billion, mainly for development in Shengli oilfield, Tahe oilfield, Yuanba gas field and Fuling shale gas project as well as construction of Shandong LNG project, Guangxi LNG project, gas pipelines and overseas development projects. Capital expenditure for Refining segment was RMB 1.061 billion, mainly for refined oil products quality upgrading projects. Capital expenditure for Chemicals segment was RMB 1.299 billion, mainly for feedstock mix optimisation and environmental protection projects. Capital expenditure for Marketing and Distribution segment was RMB 1.580 billion, mainly for revamping service (gas) stations and for construction of refined oil products pipelines and depots, as well as hazards rectification and vapor recovery projects. Capital expenditure for Corporate and Others was RMB 181 million, mainly for R&D facilities and IT projects.

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3 Significant events

3.1 Significant changes in major items contained in the consolidated financial statements prepared in accordance with the PRC Accounting Standards for Business Enterprises ("ASBE") and the reasons for such changes.

| Items of Consolidated Balance Sheet | 31 March 2015 RMB million | 31 December 2014 RMB million | Increase/(decrease) | | Major reasons for changes |
|--|------------------------------------|--|--------------------------|------------|---|
| | | | Amount RMB million | Percentage | |
| Cash at bank and on hand | 73,946 | 10,100 | 63,846 | 632.1 | Mainly due to the cash received from minority shareholders' capital contributions to Marketing Company |
| Accounts receivable | 63,491 | 90,831 | (27,340) | (30.1) | Mainly due to the decline of the international crude oil prices and decrease of unsettled volume of crude oil in the first quarter |
| Accounts payable | 131,040 | 198,366 | (67,326) | (33.9) | Mainly due to the decrease of unsettled payment of crude oil and refined oil products |
| Other payables | 61,989 | 103,302 | (41,313) | (40.0) | Mainly due to the decrease of unclosed or unsettled payment of derivatives, constructions and equipments |
| Capital reserve | 117,655 | 48,703 | 68,952 | 141.6 | Mainly due to the conversion of A share convertible bonds of the Company and the cash received from minority shareholders' capital contributions to Marketing Company |
| Specific reserve | 953 | 491 | 462 | 94.1 | Mainly due to the impact of safety production fund |
| Other comprehensive income | (4,120) | (7,261) | 3,141 | (43.3) | Mainly due to the impact of cash flow hedges |
| Minority interests | 102,540 | 52,612 | 49,928 | 94.9 | Mainly due to the cash received from minority shareholders' capital contributions to Marketing Company |

| | For three-month period ended 31 March | For three-month period ended 31 March | Increase/(decrease) | |
|--|--|--|---------------------|------------|
| | | | Amount | Percentage |

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| Items of consolidated income statement | 2015 RMB million | 2014 RMB million | RMB million | (%) | Major reasons for changes |
|---|------------------------|------------------------|----------------|---------|---|
| Financial expenses | 2,409 | 4,188 | (1,779) | (42.5) | Mainly due to the decrease of foreign exchange loss resulting from the fluctuation of RMB exchange rate in the first quarter over the same period last year |
| Loss from changes in fair value | 259 | 1,433 | (1,174) | (81.9) | Mainly due to fair value changes of derivatives embedded in A share convertible bonds of the Company |
| Non-operating income | 876 | 445 | 431 | (96.9) | Mainly due to the consumption tax rebate from outsourced naphtha for continuous production |

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| Items of consolidated income statement | For three-month period ended 31 March 2015 RMB million | For three-month period ended 31 March 2014 RMB million | Increase/(decrease) | | Major reasons for changes |
|---|---|---|-----------------------|-------------------|--|
| | | | Amount RMB million | Percentage (%) | |
| Net cash flow from operating activities | 6,682 | 12,621 | (5,939) | (47.1) | Mainly due to the decrease of profit over the same period last year |
| Net cash flow from financing activities | 92,996 | 30,459 | 62,537 | 205.3 | Mainly due to the cash received from minority shareholders' capital contributions to Marketing Company |

3.2 Analysis of the significant event progress, influence and resolution.

Restructuring of Marketing Company

On 12 September 2014, Sinopec Marketing Co., Ltd. (hereinafter refer to as "Marketing Company"), a subsidiary of Sinopec Corp., has entered into the "Capital injection agreement relating to Sinopec Marketing Co., Ltd." with 25 domestic and foreign investors. As of 6 March 2015, the above-mentioned 25 investors had made an aggregate capital contribution of RMB 105.044 billion (including amounts in U.S. dollar equivalent) to Marketing Company and subscribed for a 29.5849% interest in Marketing Company. On 31 March 2015, Marketing Company has obtained the business license approved by Beijing Municipal Administration of Industry and Commerce.

For more details, please refer to the announcements published in the China Securities Journal, the Shanghai Securities News and the Securities Times by Sinopec Corp. on 15 September 2014, 6 January 2015, 7 March 2015 and 2 April 2015.

3.3 Status of fulfilment of commitments undertaken by the Company, shareholder and actual controller.

| Background | Type of Undertaking | Party | Contents | Term for performance | Whether bears deadline or not | Whether strictly performed or not |
|---|-------------------------------|---------------------------------|--|----------------------|-------------------------------|-----------------------------------|
| Undertakings related to Initial Public Offerings (IPOs) | Initial Public Offering (IPO) | China Petrochemical Corporation | 1 Compliance with the connected transaction agreements; 2 Solving the issues regarding the legality of land-use rights certificates and property ownership rights certificates within a specified period of | From June 22, 2001 | No | Yes |

time;
 3 Implementation of the Reorganization Agreement (please refer to the definition of "Reorganization Agreement" in the H share prospectus of Sinopec Corp.);
 4 Granting licenses for intellectual property rights;
 5 Avoiding competition within the same industry; and
 6 Abandonment of business competition and conflicts of interest with Sinopec Corp.

| | | | | | | |
|--------------------|-------|---------------------------------|--|--|-----|-----|
| Other undertakings | Other | China Petrochemical Corporation | Given that the majority of China Petrochemical Corporation's refining business had been injected into Sinopec Corp., China Petrochemical Corporation made a commitment to dispose of its | Within five years, commencing October 27, 2010 | Yes | Yes |
|--------------------|-------|---------------------------------|--|--|-----|-----|

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| Background | Type of Undertaking | Party | Contents | Term for performance | Whether bears deadline or not | Whether strictly performed or not |
|--------------------|---------------------|---------------------------------|--|--|-------------------------------|-----------------------------------|
| | | | minor remaining refining business within five years to eliminate competition with Sinopec Corp. | | | |
| Other undertakings | Other | China Petrochemical Corporation | China Petrochemical Corporation would dispose of its minor remaining chemicals business within five years in order to avoid competition with Sinopec Corp. in the chemicals business. | Within five years, commencing March 15, 2012 | Yes | Yes |
| Other undertakings | Other | China Petrochemical Corporation | Given that China Petrochemical Corporation engages in the same or similar businesses as Sinopec Corp. with regard to the exploration and production of overseas petroleum and natural gas, China Petrochemical Corporation hereby grants a 10-year option to Sinopec Corp. with the following provisions: (i) after a thorough analysis from political, economic and other perspectives, Sinopec Corp. is entitled to require China Petrochemical Corporation to sell its overseas oil and gas assets owned as of the date of the undertaking and still in its possession upon Sinopec Corp.'s exercise of the option to Sinopec Corp.; (ii) in relation to the overseas oil and gas assets acquired by China Petrochemical Corporation after the issuance of the undertaking, within 10 years of the completion of such | 10 years after April 29, 2014 or the date when Sinopec Group acquires the assets | Yes | Yes |

acquisition, after a thorough analysis from political, economic and other perspectives, Sinopec Corp. is entitled to require China Petrochemical Corporation to sell these assets to Sinopec Corp.. China Petrochemical Corporation undertakes to transfer the assets as required by Sinopec Corp. under aforesaid items (i) and (ii) to Sinopec Corp., provided that the exercise of such option complies with applicable laws and regulations, contractual obligations and other procedural requirements.

As of the end of the reporting period, Sinopec Corp. had no undertakings in respect of profits, asset injections or asset restructuring that had not been fulfilled, nor did Sinopec Corp. make any profit forecast in relation to any asset or project.

3.4 This quarterly results announcement is published in both Chinese and English languages. In the event of any inconsistency between the two versions, the Chinese version shall prevail.

By Order of the Board

Chairman

Fu Chengyu

29 April 2015

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4. Appendix

4.1 Quarterly financial statements prepared under China Accounting Standards for Business Enterprises

Consolidated Balance Sheet

Prepared by: China Petroleum & Chemical Corporation

| Items | Units: million | Currency: RMB | Type: unaudited |
|-------------------------------------|----------------|---------------------|------------------------|
| | | At 31 March 2015 | At 31 December 2014 |
| Current assets: | | | |
| Cash at bank and on hand | | 73,946 | 10,100 |
| Bills receivable | | 15,060 | 13,963 |
| Accounts receivable | | 63,491 | 90,831 |
| Prepayments | | 3,967 | 3,780 |
| Other receivables | | 22,431 | 29,251 |
| Inventories | | 160,332 | 188,223 |
| Other current assets | | 18,157 | 23,996 |
| Total current assets | | 357,384 | 360,144 |
| Non-current assets: | | | |
| Available-for-sale financial assets | | 1,035 | 868 |
| Long-term equity investments | | 82,656 | 80,593 |
| Fixed assets | | 699,356 | 703,485 |
| Construction in progress | | 166,652 | 177,667 |
| Intangible assets | | 78,331 | 78,681 |
| Goodwill | | 6,281 | 6,281 |
| Long-term deferred expenses | | 14,107 | 14,158 |
| Deferred tax assets | | 7,495 | 6,979 |
| Other non-current assets | | 22,754 | 22,512 |
| Total non-current assets | | 1,078,667 | 1,091,224 |
| Total assets | | 1,436,051 | 1,451,368 |
| Current liabilities: | | | |
| Short-term loans | | 159,184 | 166,688 |
| Bills payable | | 3,877 | 4,577 |
| Accounts payable | | 131,040 | 198,366 |
| Advances from customers | | 82,831 | 89,918 |
| Employee benefits payable | | 2,398 | 839 |
| Taxes payable | | 28,168 | 28,677 |
| Other payables | | 61,989 | 103,302 |

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| | | |
|--|-----------|-----------|
| Non-current liabilities due within one year | 13,157 | 11,890 |
| Total current liabilities | 482,644 | 604,257 |
| Non-current liabilities: | | |
| Long-term loans | 62,897 | 67,426 |
| Debentures payable | 66,926 | 83,506 |
| Provisions | 30,301 | 29,715 |
| Deferred tax liabilities | 7,174 | 7,820 |
| Other non-current liabilities | 12,055 | 11,549 |
| Total non-current liabilities | 179,353 | 200,016 |
| Total liabilities | 661,997 | 804,273 |
| Shareholders' equity: | | |
| Share capital | 121,071 | 118,280 |
| Capital reserve | 117,655 | 48,703 |
| Other comprehensive income | (4,120) | (7,261) |
| Specific reserve | 953 | 491 |
| Surplus reserves | 193,552 | 193,552 |
| Retained earnings | 242,403 | 240,718 |
| Total equity attributable to shareholders of the Company | 671,514 | 594,483 |
| Minority interests | 102,540 | 52,612 |
| Total shareholders' equity | 774,054 | 647,095 |
| Total liabilities and shareholders' equity | 1,436,051 | 1,451,368 |

| | | | |
|------------------------|--------------|-------------------------|-------------------------------|
| Fu Chengyu | Li Chunguang | Wang Xinhua | Wang Dehua |
| Chairman | President | Chief Financial Officer | Head of accounting department |
| (Legal representative) | | | |

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Balance Sheet

Prepared by: China Petroleum & Chemical Corporation

| Items | Units: million | Currency: RMB At 31 March 2015 | Type: unaudited At 31 December 2014 |
|---|----------------|--------------------------------------|---|
| Current assets: | | | |
| Cash at bank and on hand | | 29,905 | 1,805 |
| Bills receivable | | 817 | 176 |
| Accounts receivable | | 25,024 | 25,031 |
| Prepayments | | 1,950 | 1,962 |
| Other receivables | | 147,303 | 201,234 |
| Inventories | | 50,053 | 74,654 |
| Other current assets | | 13,710 | 19,186 |
| Total current assets | | 268,762 | 324,048 |
| Non-current assets: | | | |
| Available-for-sale financial assets | | 70 | 91 |
| Long-term equity investments | | 205,002 | 189,631 |
| Fixed assets | | 429,229 | 452,361 |
| Construction in progress | | 85,705 | 100,543 |
| Intangible assets | | 8,462 | 8,834 |
| Long-term deferred expenses | | 2,572 | 2,547 |
| Deferred tax assets | | 731 | 0 |
| Other non-current assets | | 7,640 | 2,767 |
| Total non-current assets | | 739,411 | 756,774 |
| Total assets | | 1,008,173 | 1,080,822 |
| Current liabilities: | | | |
| Short-term loans | | 17,751 | 57,749 |
| Bills payable | | 2,142 | 2,933 |
| Accounts payable | | 78,727 | 102,399 |
| Advances from customers | | 3,538 | 3,926 |
| Employee benefits payable | | 1,164 | 310 |
| Taxes payable | | 16,284 | 19,883 |
| Other payables | | 195,850 | 198,144 |
| Non-current liabilities due within one year | | 11,978 | 11,084 |
| Total current liabilities | | 327,434 | 396,428 |
| Non-current liabilities: | | | |
| Long-term loans | | 55,154 | 55,202 |

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| | | | |
|--|--|-----------|-----------|
| Debentures payable | | 45,553 | 62,221 |
| Provisions | | 26,390 | 25,830 |
| Deferred tax liabilities | | 0 | 600 |
| Other non-current liabilities | | 1,809 | 1,892 |
| Total non-current liabilities | | 128,906 | 145,745 |
| Total liabilities | | 456,340 | 542,173 |
| Shareholders' equity: | | | |
| Share capital | | 121,071 | 118,280 |
| Capital reserve | | 68,716 | 54,690 |
| Other comprehensive income | | (640) | (206) |
| Specific reserve | | 532 | 232 |
| Surplus reserves | | 193,552 | 193,552 |
| Retained earnings | | 168,602 | 172,101 |
| Total shareholders' equity | | 551,833 | 538,649 |
| Total liabilities and shareholders' equity | | 1,008,173 | 1,080,822 |

| | | | |
|------------------------|--------------|-------------------------|--------------------|
| Fu Chengyu | Li Chunguang | Wang Xinhua | Wang Dehua |
| Chairman | President | Chief Financial Officer | Head of accounting |
| (Legal representative) | | | department |

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Consolidated Income Statement

Prepared by: China Petroleum & Chemical Corporation

Units: million Currency: RMB Type: unaudited
Three-month periods ended 31 March

| Items | 2015 | 2014 |
|---|---------|----------|
| I. Total operating income | 478,241 | 641,065 |
| II. Total operating costs | 476,589 | 621,163 |
| Including: Operating costs | 385,281 | 540,340 |
| Sales taxes and surcharges | 58,830 | 46,136 |
| Selling and distribution expenses | 10,961 | 10,720 |
| General and administrative expenses | 16,846 | 16,822 |
| Financial expenses | 2,409 | 4,188 |
| Exploration expenses, including dry holes | 2,775 | 3,006 |
| Impairment losses | (513) | (49) |
| Add: Loss from changes in fair value | (259) | (1,433) |
| Investment income | 1,065 | 854 |
| III. Operating profit | 2,458 | 19,323 |
| Add: Non-operating income | 876 | 445 |
| Less: Non-operating expenses | 404 | 468 |
| IV. Profit before taxation | 2,930 | 19,300 |
| Less: Income tax expense | 950 | 4,818 |
| V. Net profit | 1,980 | 14,482 |
| Attributable to: | | |
| Equity shareholders of the Company | 1,685 | 13,477 |
| Minority interests | 295 | 1,005 |
| VI. Other comprehensive income | 2,714 | (299) |
| Items that may be reclassified subsequently to profit or loss (after tax and reclassification adjustments): | | |
| Cash flow hedges | 2,674 | (643) |
| Share of other comprehensive loss of associates and jointly controlled entities | (100) | (43) |
| Foreign currency translation differences | 140 | 387 |
| VII. Total comprehensive income | 4,694 | 14,183 |
| Attributable to: | | |
| Equity shareholders of the Company | 4,826 | 13,012 |

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| | | | |
|--|-------|---|-------|
| Minority interests | (132 |) | 1,171 |
| VIII. Earnings per share: | | | |
| (i) Basic earnings per share (RMB Yuan) | 0.014 | | 0.116 |
| (ii) Diluted earnings per share (RMB Yuan) | 0.014 | | 0.115 |

| | | | |
|------------------------|--------------|-------------------------|--------------------|
| Fu Chengyu | Li Chunguang | Wang Xinhua | Wang Dehua |
| Chairman | President | Chief Financial Officer | Head of accounting |
| (Legal representative) | | | department |

The First Quarterly Report for 2015

Income Statement

Prepared by: China Petroleum & Chemical Corporation

Units: million Currency: RMB Type: unaudited
Three-month periods ended 31 March

| Items | 2015 | 2014 |
|---|----------|----------|
| I. Operating income | 215,140 | 385,927 |
| Less: Operating costs | 164,590 | 309,988 |
| Sales taxes and surcharges | 41,923 | 35,521 |
| Selling and distribution expenses | 607 | 8,431 |
| General and administrative expenses | 9,426 | 13,769 |
| Financial expenses | 2,566 | 2,958 |
| Exploration expenses, including dry holes | 2,765 | 2,999 |
| Impairment losses | 101 | (3) |
| Add: Loss from changes in fair value | (259) | (1,505) |
| Investment income | 1,735 | 3,179 |
| II. Operating profit | (5,362) | 13,938 |
| Add: Non-operating income | 527 | 2,496 |
| Less: Non-operating expenses | 221 | 419 |
| III. Profit before taxation | (5,056) | 16,015 |
| Less: Income tax expense | (1,557) | 3,021 |
| IV. Net profit | (3,499) | 12,994 |
| V. Other comprehensive income | (434) | (43) |
| Items that may be reclassified subsequently to profit or loss (after tax and reclassification adjustments): | | |
| Cash flow hedges | (417) | 0 |
| Share of other comprehensive loss of associates and jointly controlled entities | (17) | (43) |
| VI. Total comprehensive income | (3,933) | 12,951 |

| | | | |
|------------------------|--------------|-------------------------|-------------------------------|
| Fu Chengyu | Li Chunguang | Wang Xinhua | Wang Dehua |
| Chairman | President | Chief Financial Officer | Head of accounting department |
| (Legal representative) | | | |

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Consolidated Cash Flow Statement

Prepared by: China Petroleum & Chemical Corporation

| Items | Units: million | Currency: RMB | Type: unaudited | |
|---|----------------|---------------|---------------------|------------|
| | | | Three-month periods | |
| | | | ended 31 March | |
| | | | 2015 | 2014 |
| I. Cash flows from operating activities: | | | | |
| Cash received from sale of goods and rendering of services | | | 550,150 | 709,912 |
| Refund of taxes and levies | | | 220 | 325 |
| Other cash received relating to operating activities | | | 30,228 | 7,452 |
| Sub-total of cash inflows | | | 580,598 | 717,689 |
| Cash paid for goods and services | | | (444,929) | (604,230) |
| Cash paid to and for employees | | | (12,612) | (12,487) |
| Payments of taxes and levies | | | (78,133) | (72,786) |
| Other cash paid relating to operating activities | | | (38,242) | (15,565) |
| Sub-total of cash outflows | | | (573,916) | (705,068) |
| Net cash flow from operating activities | | | 6,682 | 12,621 |
| II. Cash flows from investing activities: | | | | |
| Cash received from disposal of investments | | | 388 | 474 |
| Cash received from returns on investments | | | 274 | 107 |
| Net cash received from disposal of fixed assets, intangible assets and other long-term assets | | | 57 | 222 |
| Other cash received relating to investing activities | | | 929 | 487 |
| Sub-total of cash inflows | | | 1,648 | 1,290 |
| Cash paid for acquisition of fixed assets, intangible assets and other long-term assets | | | (33,417) | (34,663) |
| Cash paid for acquisition of investments | | | (2,822) | (4,044) |
| Other cash paid relating to investing activities | | | (2,064) | (1,755) |
| Sub-total of cash outflows | | | (38,303) | (40,462) |
| Net cash flow from investing activities | | | (36,655) | (39,172) |
| III. Cash flows from financing activities: | | | | |

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| | | |
|--|------------|------------|
| Cash received from capital contributions | 105,089 | 2,312 |
| Including: Cash received from minority shareholders' capital contributions to subsidiaries | 105,089 | 2,312 |
| Cash received from borrowings | 326,634 | 290,155 |
| Sub-total of cash inflows | 431,723 | 292,467 |
| Cash repayments of borrowings | (337,583) | (260,689) |
| Cash paid for dividends, profits distribution or interest | (1,144) | (1,319) |
| Including: Subsidiaries' cash payments for distribution of dividends or profits to minority shareholders | (134) | (272) |
| Sub-total of cash outflows | (338,727) | (262,008) |
| Net cash flow from financing activities | 92,996 | 30,459 |
| IV. Effects of changes in foreign exchange rate | (271) | 32 |
| V. Net increase in cash and cash equivalents | 62,752 | 3,940 |
| Add: Cash and cash equivalents at 1 January | 9,355 | 15,046 |
| VI. Cash and cash equivalents at 31 March | 72,107 | 18,986 |

| | | | |
|------------------------|--------------|-------------------------|--------------------|
| Fu Chengyu | Li Chunguang | Wang Xinhua | Wang Dehua |
| Chairman | President | Chief Financial Officer | Head of accounting |
| (Legal representative) | | | department |

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Cash Flow Statement

Prepared by: China Petroleum & Chemical Corporation

| Items | Units: million | Currency: RMB | Type: unaudited |
|---|---------------------|---------------|-----------------|
| | Three-month periods | | |
| | ended 31 March | | |
| | | 2015 | 2014 |
| I. Cash flows from operating activities: | | | |
| Cash received from sale of goods and rendering of services | | 243,634 | 443,609 |
| Refund of taxes and levies | | 88 | 201 |
| Other cash received relating to operating activities | | 25,269 | 21,294 |
| Sub-total of cash inflows | | 268,991 | 465,104 |
| Cash paid for goods and services | | (181,025) | (352,723) |
| Cash paid to and for employees | | (8,044) | (9,503) |
| Payments of taxes and levies | | (46,063) | (59,582) |
| Other cash paid relating to operating activities | | (14,413) | (19,762) |
| Sub-total of cash outflows | | (249,545) | (441,570) |
| Net cash flow from operating activities | | 19,446 | 23,534 |
| II. Cash flows from investing activities: | | | |
| Cash received from disposal of investments | | 77,824 | 632 |
| Cash received from returns on investments | | 957 | 2,624 |
| Net cash received from disposal of fixed assets, intangible assets and other long-term assets | | 1,675 | 222 |
| Other cash received relating to investing activities | | 143 | 23 |
| Sub-total of cash inflows | | 80,599 | 3,501 |
| Cash paid for acquisition of fixed assets, intangible assets and other long-term assets | | (20,959) | (23,824) |
| Cash paid for acquisition of investments | | (10,301) | (7,221) |
| Sub-total of cash outflows | | (31,260) | (31,045) |
| Net cash flow from investing activities | | 49,339 | (27,544) |
| III. Cash flows from financing activities: | | | |
| Cash received from borrowings | | 65,385 | 70,255 |
| Sub-total of cash inflows | | 65,385 | 70,255 |
| Cash repayments of borrowings | | (104,649) | (64,122) |
| Cash paid for dividends, profits distribution or interest | | (1,420) | (1,199) |
| Sub-total of cash outflows | | (106,069) | (65,321) |
| Net cash flow from financing activities | | (40,684) | 4,934 |
| IV. Net increase in cash and cash equivalents | | 28,101 | 924 |

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| | | |
|---|--------|-------|
| Add: Cash and cash equivalents at 1 January | 1,804 | 6,731 |
| V. Cash and cash equivalents at 31 March | 29,905 | 7,655 |

| | | | |
|--|---------------------------|--|--|
| Fu Chengyu Chairman (Legal representative) | Li Chunguang President | Wang Xinhua Chief Financial Officer | Wang Dehua Head of accounting department |
|--|---------------------------|--|--|

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Segment Reporting

Prepared by: China Petroleum & Chemical Corporation

| Items | Units: million | Currency: RMB | Type: unaudited |
|---|----------------|---------------|---------------------|
| | | | Three-month periods |
| | | | ended 31 March |
| | | 2015 | 2014 |
| Income from principal operations | | | |
| Exploration and production | | | |
| External sales | | 13,839 | 17,190 |
| Inter-segment sales | | 18,220 | 36,752 |
| Subtotal | | 32,059 | 53,942 |
| Refining | | | |
| External sales | | 29,835 | 44,542 |
| Inter-segment sales | | 200,506 | 276,143 |
| Subtotal | | 230,341 | 320,685 |
| Marketing and distribution | | | |
| External sales | | 268,841 | 348,695 |
| Inter-segment sales | | 836 | 1,166 |
| Subtotal | | 269,677 | 349,861 |
| Chemicals | | | |
| External sales | | 63,340 | 87,370 |
| Inter-segment sales | | 9,864 | 15,703 |
| Subtotal | | 73,204 | 103,073 |
| Corporate and others | | | |
| External sales | | 93,489 | 134,584 |
| Inter-segment sales | | 79,913 | 168,474 |
| Subtotal | | 173,402 | 303,058 |
| Elimination of inter-segment sales | | (309,339) | (498,238) |
| Consolidated income from principal operations | | 469,344 | 632,381 |
| Income from other operations | | | |
| Exploration and production | | 1,594 | 2,650 |
| Refining | | 1,033 | 1,207 |
| Marketing and distribution | | 4,097 | 2,607 |
| Chemicals | | 1,900 | 1,820 |
| Corporate and others | | 273 | 400 |
| Consolidated income from other operations | | 8,897 | 8,684 |
| Consolidated operating income | | 478,241 | 641,065 |
| Operating profit/(loss) | | | |

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| | | | |
|---------------------------------|--------|---|--------|
| By segment | | | |
| Exploration and production | (1,285 |) | 13,045 |
| Refining | (4,080 |) | 3,456 |
| Marketing and distribution | 5,137 | | 8,675 |
| Chemicals | 2,963 | | (1,434 |
| Corporate and others | 344 | | (13 |
| Elimination | 982 | | 361 |
| Total segment operating profit | 4,061 | | 24,090 |
| Investment income/(loss) | | | |
| Exploration and production | (273 |) | 690 |
| Refining | 33 | | (141 |
| Marketing and distribution | 148 | | 241 |
| Chemicals | 571 | | (201 |
| Corporate and others | 586 | | 265 |
| Total segment investment income | 1,065 | | 854 |
| Financial expenses | (2,409 |) | (4,188 |
| Loss from changes in fair value | (259 |) | (1,433 |
| Operating profit | 2,458 | | 19,323 |
| Add: Non-operating income | 876 | | 445 |
| Less: Non-operating expenses | 404 | | 468 |
| Profit before taxation | 2,930 | | 19,300 |

The First Quarterly Report for 2015

4.2 Quarterly financial statements prepared under International Financial Reporting Standards

Consolidated Income Statement

Prepared by: China Petroleum & Chemical Corporation

| Items | Units: million | Currency: RMB | Type: unaudited |
|---|----------------|---------------|---------------------|
| | | | Three-month periods |
| | | | ended 31 March |
| | | 2015 | 2014 |
| Turnover and other operating revenues | | | |
| Turnover | | 469,344 | 632,381 |
| Other operating revenues | | 8,897 | 8,684 |
| Subtotal | | 478,241 | 641,065 |
| Operating expenses | | | |
| Purchased crude oil, products and operating supplies and expenses | | (358,898) | (516,641) |
| Selling, general and administrative expenses | | (15,550) | (16,122) |
| Depreciation, depletion and amortization | | (23,753) | (21,170) |
| Exploration expenses, including dry holes | | (2,775) | (3,006) |
| Personnel expenses | | (13,684) | (13,249) |
| Taxes other than income tax | | (58,830) | (46,136) |
| Other operating income, net | | 402 | 76 |
| Total operating expenses | | (473,088) | (616,248) |
| Operating profit | | 5,153 | 24,817 |
| Finance costs | | | |
| Interest expense | | (2,379) | (3,129) |
| Interest income | | 421 | 462 |
| Loss on embedded derivative component of the convertible bonds | | (259) | (1,505) |
| Foreign currency exchange loss, net | | (451) | (1,521) |
| Net finance costs | | (2,668) | (5,693) |
| Investment income | | 12 | 49 |
| Share of profits less losses from associates and joint ventures | | 1,053 | 805 |
| Profit before taxation | | 3,550 | 19,978 |
| Tax expense | | (950) | (4,818) |
| Profit for the period | | 2,600 | 15,160 |
| Attributable to: | | | |
| Owners of the Company | | 2,172 | 14,121 |

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| | | |
|---|--------|--------|
| Non-controlling interests | 428 | 1,039 |
| Profit for the period | 2,600 | 15,160 |
| Earnings per share | | |
| Basic earnings per share (RMB Yuan) | 0.018 | 0.121 |
| Diluted earnings per share (RMB Yuan) | 0.018 | 0.120 |
| Other comprehensive income | 2,714 | (299) |
| Items that may be reclassified subsequently to profit or loss (after tax and reclassification adjustments): | | |
| Cash flow hedges | 2,674 | (643) |
| Share of other comprehensive loss of associates and joint ventures | (100) | (43) |
| Foreign currency translation differences | 140 | 387 |
| Total comprehensive income | 5,314 | 14,861 |
| Attributable to: | | |
| Owners of the Company | 5,313 | 13,656 |
| Non-controlling interests | 1 | 1,205 |

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Consolidated Balance Sheet

Prepared by: China Petroleum & Chemical Corporation

| Items | Units: million | Currency: RMB | Type: unaudited | |
|--|----------------|---------------|-----------------|---------------|
| | | | At 31 | |
| | | | At 31 | |
| | | | March 2015 | December 2014 |
| Non-current assets: | | | | |
| Property, plant and equipment, net | | | 699,356 | 703,485 |
| Construction in progress | | | 166,652 | 177,667 |
| Goodwill | | | 6,281 | 6,281 |
| Interest in associates | | | 33,438 | 32,119 |
| Interest in joint ventures | | | 49,218 | 48,474 |
| Available-for-sale financial assets | | | 1,035 | 868 |
| Deferred tax assets | | | 7,495 | 6,979 |
| Lease prepayments | | | 48,969 | 49,136 |
| Long-term prepayments and other assets | | | 66,223 | 66,215 |
| Total non-current assets | | | 1,078,667 | 1,091,224 |
| Current assets: | | | | |
| Cash and cash equivalents | | | 72,107 | 9,355 |
| Time deposits with financial institutions | | | 1,839 | 745 |
| Trade accounts receivable | | | 63,491 | 90,831 |
| Bills receivable | | | 15,060 | 13,963 |
| Inventories | | | 160,332 | 188,223 |
| Prepaid expenses and other current assets | | | 44,555 | 57,027 |
| Total current assets | | | 357,384 | 360,144 |
| Current liabilities: | | | | |
| Short-term debts | | | 72,390 | 75,183 |
| Loans from Sinopec Group Company and fellow subsidiaries | | | 99,952 | 102,965 |
| Trade accounts payable | | | 131,040 | 198,366 |
| Bills payable | | | 3,877 | 4,577 |
| Accrued expenses and other payables | | | 174,262 | 222,075 |
| Income tax payable | | | 1,123 | 1,091 |
| Total current liabilities | | | 482,644 | 604,257 |
| Net current liabilities | | | (125,260) | (244,113) |
| Total assets less current liabilities | | | 953,407 | 847,111 |
| Non-current liabilities: | | | | |
| Long-term debts | | | 87,478 | 107,787 |

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| | | |
|--|---------|---------|
| Loans from Sinopec Group Company and fellow subsidiaries | 42,345 | 43,145 |
| Deferred tax liabilities | 7,174 | 7,820 |
| Provisions | 30,301 | 29,715 |
| Other long-term liabilities | 13,546 | 13,067 |
| Total non-current liabilities | 180,844 | 201,534 |
| Total net assets | 772,563 | 645,577 |
| Equity: | | |
| Share capital | 121,071 | 118,280 |
| Reserves | 549,026 | 474,761 |
| Total equity attributable to owners of the Company | 670,097 | 593,041 |
| Non-controlling interests | 102,466 | 52,536 |
| Total equity | 772,563 | 645,577 |

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Consolidated Statement of Cash Flows

Prepared by: China Petroleum & Chemical Corporation

| Items | Units: million | Currency: RMB | Type: unaudited |
|--|---------------------|---------------|-----------------|
| | Three-month periods | | |
| | ended 31 March | | |
| | 2015 | 2014 | |
| Net cash generated from operating activities(a) | 6,682 | 12,621 | |
| Investing activities | | | |
| Capital expenditure | (31,772) | (31,613) | |
| Exploratory wells expenditure | (1,645) | (3,050) | |
| Purchase of investments, investments in associates and investments in joint ventures | (2,822) | (4,044) | |
| Proceeds from disposal of investments and investments in associates, net | 41 | 474 | |
| Proceeds from disposal of property, plant, equipment and other non-current assets | 57 | 222 | |
| Increase in time deposits with maturities over three months | (1,094) | (1,730) | |
| Interest received | 306 | 462 | |
| Investment and dividend income received | 274 | 107 | |
| Net cash used in investing activities | (36,655) | (39,172) | |
| Financing activities | | | |
| Proceeds from bank and other loans | 326,634 | 290,155 | |
| Repayments of bank and other loans | (337,583) | (260,689) | |
| Distributions by subsidiaries to non-controlling interests | (134) | (272) | |
| Contributions to subsidiaries from non-controlling interests | 105,089 | 2,312 | |
| Interest paid | (1,010) | (1,047) | |
| Net cash generated from financing activities | 92,996 | 30,459 | |
| Net increase in cash and cash equivalents | 63,023 | 3,908 | |
| Cash and cash equivalents at 1 January | 9,355 | 15,046 | |
| Effect of foreign currency exchange rate changes | (271) | 32 | |
| Cash and cash equivalents at 31 March | 72,107 | 18,986 | |

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Note to consolidated statement of Cash Flows

(a) Reconciliation of profit before taxation to net cash generated from operating activities

| Items | Three-month periods ended 31 March | |
|---|---------------------------------------|-----------|
| | 2015 | 2014 |
| Operating activities | | |
| Profit before taxation | 3,550 | 19,978 |
| Adjustments for: | | |
| Depreciation, depletion and amortisation | 23,753 | 21,170 |
| Dry hole costs written off | 1,889 | 1,809 |
| Share of profits less losses from associates and joint ventures | (1,053) | (805) |
| Investment income | (12) | (49) |
| Interest income | (421) | (462) |
| Interest expense | 2,379 | 3,129 |
| Loss on foreign currency exchange rate changes and derivative financial instruments | 539 | 643 |
| Loss on disposal of property, plant, equipment and other non-current assets, net | 23 | 48 |
| Reversals of impairment losses on assets | (513) | (49) |
| Loss on embedded derivative component of the convertible bonds | 259 | 1,505 |
| Operating profit before change of operating capital | 30,393 | 46,917 |
| Accounts receivable and other current assets | 30,550 | (2,893) |
| Decrease/(increase) of inventories | 28,508 | (22,158) |
| Accounts payable and other current liabilities | (79,856) | (4,221) |
| Subtotal | 9,595 | 17,645 |
| Income tax paid | (2,913) | (5,024) |
| Net cash generated from operating activities | 6,682 | 12,621 |

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Segment Reporting

Prepared by: China Petroleum & Chemical Corporation

Units: million Currency: RMB Type: unaudited

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

| Items | Three-month periods ended 31 March | |
|---------------------------------------|---------------------------------------|------------|
| | 2015 | 2014 |
| Turnover | | |
| Exploration and production | | |
| External sales | 13,839 | 17,190 |
| Inter-segment sales | 18,220 | 36,752 |
| Subtotal | 32,059 | 53,942 |
| Refining | | |
| External sales | 29,835 | 44,542 |
| Inter-segment sales | 200,506 | 276,143 |
| Subtotal | 230,341 | 320,685 |
| Marketing and distribution | | |
| External sales | 268,841 | 348,695 |
| Inter-segment sales | 836 | 1,166 |
| Subtotal | 269,677 | 349,861 |
| Chemicals | | |
| External sales | 63,340 | 87,370 |
| Inter-segment sales | 9,864 | 15,703 |
| Subtotal | 73,204 | 103,073 |
| Corporate and others | | |
| External sales | 93,489 | 134,584 |
| Inter-segment sales | 79,913 | 168,474 |
| Subtotal | 173,402 | 303,058 |
| Elimination of inter-segment sales | (309,339) | (498,238) |
| Turnover | 469,344 | 632,381 |
| Other operating revenues | | |
| Exploration and production | 1,594 | 2,650 |
| Refining | 1,033 | 1,207 |
| Marketing and distribution | 4,097 | 2,607 |
| Chemicals | 1,900 | 1,820 |
| Corporate and others | 273 | 400 |
| Other operating revenues | 8,897 | 8,684 |
| Turnover and other operating revenues | 478,241 | 641,065 |

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| | | | |
|--|--------|---|--------|
| Result | | | |
| Operating profit/(loss) | | | |
| By segment | | | |
| Exploration and production | (1,232 |) | 13,206 |
| Refining | (3,355 |) | 3,739 |
| Marketing and distribution | 5,281 | | 8,832 |
| Chemicals | 3,069 | | (1,342 |
| Corporate and others | 408 | | 21 |
| Elimination | 982 | | 361 |
| Total segment operating profit | 5,153 | | 24,817 |
| Share of profits / (losses) from associates and joint ventures | | | |
| Exploration and production | (270 |) | 690 |
| Refining | 33 | | (142 |
| Marketing and distribution | 136 | | 194 |
| Chemicals | 571 | | (201 |
| Corporate and others | 583 | | 264 |
| Aggregate share of profits from associates and joint ventures | 1,053 | | 805 |
| Investment income | | | |
| Exploration and production | (3 |) | 0 |
| Refining | 0 | | 1 |
| Marketing and distribution | 12 | | 47 |
| Chemicals | 0 | | 0 |
| Corporate and others | 3 | | 1 |
| Aggregate investment income | 12 | | 49 |
| Net finance costs | (2,668 |) | (5,693 |
| Profit before taxation | 3,550 | | 19,978 |

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4.3 Differences between Consolidated Financial Statements prepared in accordance with the accounting policies complying with ASBE and IFRS (unaudited)

Other than the differences in the classifications of certain financial statements captions and the accounting for the items described below, there are no material differences between the Group's consolidated financial statements prepared in accordance with accounting policies complying with ASBE and IFRS. The reconciliation presented below is included as supplemental information, is not required as part of the basic financial statements and does not include differences related to classification, presentation or disclosures. Such information has not been subject to independent audit or review. The major differences are:

(i) Government Grants

Under ASBE, grants from the government are credited to capital reserve if required by relevant governmental regulations. Under IFRS, government grants relating to the purchase of fixed assets are recognized as deferred income and are transferred to the income statement over the useful life of these assets.

(ii) Safety Production Fund

Under ASBE, safety production fund should be recognized in profit or loss with a corresponding increase in reserve according to PRC regulations. Such reserve is reduced for expenses incurred for safety production purposes or, when safety production related fixed assets are purchased, is reduced by the purchased cost with a corresponding increase in the accumulated depreciation. Such fixed assets are not depreciated thereafter. Under IFRS, payments are expensed as incurred, or capitalised as fixed assets and depreciated according to applicable depreciation methods.

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

Prepared by: China Petroleum & Chemical Corporation

Units: million Currency: RMB Type: unaudited

| | Three-month periods ended 31 March | |
|----------------------------------|---------------------------------------|--------|
| | 2015 | 2014 |
| Net profit under ASBE | 1,980 | 14,482 |
| Adjustments: | | |
| Government grants (i) | 27 | 26 |
| Safety production fund (ii) | 593 | 652 |
| Profit for the period under IFRS | 2,600 | 15,160 |

The First Quarterly Report for 2015

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

| | At 31 March 2015 | At 31 December 2014 |
|---------------------------------|------------------------|---------------------------|
| Shareholders' equity under ASBE | 774,054 | 647,095 |
| Adjustments: | | |
| Government grants(i) | (1,491) | (1,518) |
| Safety production fund (ii) | 0 | 0 |
| Total equity under IFRS | 772,563 | 645,577 |

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/ Huang Wensheng
Name: Huang Wensheng
Title: Secretary to the Board of Directors

Date: April 30, 2015