

CHINA PETROLEUM & CHEMICAL CORP
Form 6-K
May 02, 2016

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, 2016

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:

The first quarterly report for 2016 of China Petroleum & Chemical Corporation (the “Registrant”) and the appendix attached thereto, made by the Registrant on April 28, 2016.

The First Quarterly Report for 2016

China Petroleum & Chemical Corporation
The First Quarterly Report for 2016

28 April 2016
Beijing, China

The First Quarterly Report for 2016

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 2016 was approved at the 6th meeting of the Sixth Session of the Board of Directors of Sinopec Corp. All the directors attended this meeting.

1.3 Mr. Wang Yupu, Chairman of the Board of Directors, Mr. Li Chunguang, Director and President, Ms. Wen Dongfen, Chief Financial Officer and Head of the Corporate Finance Department of Sinopec Corp. warrant the authenticity, accuracy and completeness of the financial statements contained in this quarterly report.

1.4 The financial statements in this quarterly report were not audited.

2

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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)

| | As of 31 March 2016 | As of 31 December 2015 | Units: RMB million | |
|--|---------------------|------------------------|---|-------------------|
| | | | Changes from the end of the preceding year to the end of the reporting period (%) | |
| Total assets | 1,397,688 | 1,443,129 | (3.1) | |
| Total equity attributable to equity shareholders of the Company | 686,286 | 675,370 | 1.6 | |
| | Three months | | Changes over the same period of the preceding year (%) | |
| | 2016 | 2015 | | |
| Net cash flow from operating activities | 34,348 | 6,682 | 414.0 | |
| Operating income | 413,790 | 478,241 | (13.5) | |
| Net profit attributable to equity shareholders of the Company | 6,185 | 1,685 | 267.1 | |
| Net profit attributable to equity shareholders of the Company excluding extraordinary gains and losses | 6,404 | 1,336 | 379.3 | |
| Weighted average return on net assets (%) | 0.91 | 0.27 | 0.64 | percentage points |
| Basic earnings per share (RMB) | 0.051 | 0.014 | 264.3 | |
| Diluted earnings per share (RMB) | 0.051 | 0.014 | 264.3 | |

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| | During the reporting period (gains)/losses RMB million |
|---|---|
| Extraordinary gain/loss items | |
| Net loss on disposal of non-current assets | 5 |
| Donations | 6 |
| Government grants | (229) |
| Loss on holding and disposal of various investments | 155 |
| Other extraordinary income and expenses, net | 327 |
| Subtotal | 264 |
| Tax effect | (31) |
| Total | 233 |
| Equity shareholders of the Company | 219 |
| Minority interests | 14 |

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

| | As of 31 March 2016 | As of 31 December 2015 | Units: RMB million Changes from the end of the preceding year to the end of the reporting period (%) |
|---|---------------------|------------------------|--|
| Total assets | 1,397,688 | 1,443,129 | (3.1) |
| Total equity attributable to owners of the Company | 684,972 | 674,029 | 1.6 |
| | Three months | | Changes over the same period of the preceding year (%) |
| | 2016 | 2015 | |
| Net cash generated from operating activities | 34,348 | 6,682 | 414.0 |
| Operating profit | 13,057 | 5,153 | 153.4 |
| Net profit attributable to owners of the Company | 6,663 | 2,172 | 206.8 |
| Basic earnings per share (RMB) | 0.055 | 0.018 | 205.6 |
| Diluted earnings per share (RMB) | 0.055 | 0.018 | 205.6 |

| | | | |
|--------------------------|------|------|---------------------------|
| Return on net assets (%) | 0.97 | 0.32 | 0.65 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 shareholders at the end of the reporting period Total number of shareholders was 721,830, including 715,543 holders of domestic A shares and 6,287 holders of overseas H shares.

| Name of shareholders | Top ten shareholders | | Number of shares subject to pledge or lock-ups | Nature of shareholder |
|---------------------------------|-----------------------------|----------------|--|-----------------------|
| | Total number of shares held | Percentage (%) | | |
| China Petrochemical Corporation | 85,792,671,101 | 70.86 | 0 | State-owned share |
| HKSCC (Nominees) Limited 1 | 25,373,883,969 | 20.96 | Unknown | H share |
| | 1,895,769,371 | 1.57 | 0 | A share |
| | 322,037,900 | 0.27 | 0 | A share |
| | 134,485,406 | 0.11 | 0 | A share |
| | 115,852,295 | 0.16 | 0 | A share |
| | 100,393,717 | 0.08 | 0 | A share |
| | 70,470,080 | 0.07 | 0 | A share |
| | 64,288,824 | 0.05 | 0 | A share |
| | 49,743,625 | 0.04 | 0 | A share |

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 2016, the global economic recovery remained weak, and Chinese economy maintained steady growth with GDP up by 6.7%. International oil prices bottomed in January but remained at low level. Domestic apparent consumption of refined oil products grew by 4.0% over the same period last year, driven by the increase of gasoline and kerosene consumption partly offset by a decline in diesel consumption. Domestic ethylene equivalent consumption was flat compared with a year ago.

Focusing on growth quality and profitability, the Company intensified its evaluation of the macro-economy and market trends and actively responded to these changes. The Company emphasised on reform and innovation, stringent management and tight coordination of all aspects of work. In accordance with the ASBE and IFRS, net profit attributable to equity shareholders of the Company was RMB 6.19 billion and RMB 6.66 billion respectively in the first quarter.

Exploration and Production: Through projects optimization and implementation of a flexible investment decision-making mechanism in respond to oil price fluctuations, we reduced our high-cost oil production. In exploration, we actively carried forward high-efficiency exploration activities, making a number of discoveries in Sichuan Basin, Ordos Basin, and Central Tahe Basin. In development, we achieved steady progress in development of Fuling shale gas field (phase II), optimised development programs in mature oilfields and increased development in frontier acreages. In the first quarter, the oil and gas production of the Company was 114.7 million barrels of oil equivalent, declined by 2.7%, out of which crude oil output down by 9.3% while natural gas up by 16.7%, 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 12.53 billion.

Refining: the Company adjusted the product mix in response to market demand by increasing production of gasoline and kerosene, maintained safe and stable refinery operations and upgraded refined oil products quality as scheduled. We optimised resource allocation, controlled costs and took advantage of our strong economies of scale. By tapping our well-established advantages in specialisation, we improved our profit margins in LPG, etc. In the first quarter, refinery throughput decreased by 2.4% and refined oil products production dropped by 1.4%, among which gasoline up by 4.7%, jet fuel up by 4.5% and diesel down by 8.0% over the same period last year. Benefited by product mix optimisation and the refined oil product pricing mechanism improvement, Refining Segment had an operating profit of RMB 13.44 billion, a reversal from the loss-making situation in the same period last year.

Marketing and Distribution: in response to the changes in supply and demand of refined oil products, we optimised resource allocation and adjusted our marketing strategies and promoted the sales of high-octane gasoline and high-value-added products. In the transformation from a fuel supplier to a comprehensive service provider, we optimised marketing network and reinforced mutual promotion between fuel and non-fuel businesses. As a result, total retail volume and throughput per station sustained growth despite of intense market competition. In the first quarter, total sales volume of refined oil products was 47.21 million tonnes, up by 1.6% over the same period last year. Total domestic sales volume of refined oil products was 43.29 million tonnes, up by 3.0%, of which retail volume reached 29.66 million tonnes, up by 2.6% over the same period

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last year. Transaction of non-fuel business reached RMB 8.91 billion, up by 41.4% compared with the same period last year. The operating profit of Marketing and Distribution Segment was RMB 7.69 billion, up by 45.6% compared with the same period last year.

Chemicals: the Company fine-tuned its feedstock mix to lower costs and enhanced the operations of our production facilities by adjusting utilisation rates based on marginal profitability, while keeping sustained safe and stable operations. We strengthened the links among research and development, production, marketing and sales of new products, and increased production of high-value-added products tailored to market demands. In the first quarter, ethylene production reached 2.823 million tonnes, up by 2.0% and chemical sales volume was 15.621 million tonnes, up by 6.7% over the same period last year. Benefited from feedstock mix and product slate adjustment, decreased feedstock costs and upgraded competitiveness of naphtha-based chemicals, the operating profit of Chemicals Segment was RMB 4.58 billion, up by 49.3% compared with 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 (%) |
|--|-------------------------|---------------------------------------|--------|---------------------------|
| | | 2016 | 2015 | |
| Exploration and production | | | | |
| Oil and gas production ¹ | million boe | 114.68 | 117.82 | (2.67) |
| Crude oil production | million barrels | 79.42 | 87.55 | (9.29) |
| China | million barrels | 66.35 | 74.01 | (10.35) |
| Overseas | million barrels | 13.07 | 13.54 | (3.47) |
| Natural gas production | billion cubic feet | 211.36 | 181.06 | 16.73 |
| Realized crude oil price | USD/barrel | 27.06 | 46.22 | (41.45) |
| Realized natural gas price | USD/thousand cubic feet | 5.47 | 7.94 | (31.11) |
| Refining ² | | | | |
| Refinery throughput | million tonnes | 57.18 | 58.58 | (2.39) |
| Gasoline, diesel and kerosene production | million tonnes | 36.33 | 36.85 | (1.41) |
| Gasoline | million tonnes | 13.92 | 13.29 | 4.74 |
| Diesel | million tonnes | 16.32 | 17.74 | (8.00) |
| Kerosene incl. jet fuel | million tonnes | 6.08 | 5.82 | 4.47 |
| Light chemical feedstock | million tonnes | 9.74 | 9.43 | 3.29 |
| Light product yield | % | 77.05 | 76.68 | 0.37 percentage points |
| Refining yield | % | 94.93 | 94.69 | |

| | | | | 0.24 percentage points |
|--|----------------|-------|-------|---------------------------|
| Marketing and Distribution | | | | |
| Total sales of refined oil products | million tonnes | 47.21 | 46.49 | 1.55 |
| Total domestic sales of refined oil products | million tonnes | 43.29 | 42.05 | 2.95 |
| Retail | million tonnes | 29.66 | 28.90 | 2.63 |

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| Operating data | Unit | For three-month period ended 31 March | | Changes (%) |
|---|-----------------|---------------------------------------|--------|-------------|
| | | 2016 | 2015 | |
| Exploration and production | | | | |
| Direct sales & Distribution | million tonnes | 13.63 | 13.15 | 3.65 |
| Total number of Sinopec-branded service stations ³ | stations | 30,636 | 30,560 | 0.25 |
| Company-operated | stations | 30,623 | 30,547 | 0.25 |
| Throughput per station ⁴ | tonnes | 3,879 | 3,786 | 2.46 |
| Chemicals ² | | | | |
| Ethylene | thousand tonnes | 2,823 | 2,768 | 1.99 |
| Synthetic resin | thousand tonnes | 3,840 | 3,786 | 1.43 |
| Synthetic rubber | thousand tonnes | 205 | 213 | (3.76) |
| Monomers and polymers for synthetic fiber | thousand tonnes | 2,328 | 2,128 | 9.40 |
| Synthetic fiber | thousand tonnes | 311 | 311 | 0 |

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. Including 100% production of joint ventures.
3. The number of service stations in 2015 was the number as of 31 December 2015.
4. Throughput per station was annualized.

Capital expenditure: The Company's capital expenditures were RMB 5.526 billion in the first quarter. Capital expenditures for exploration and production segment were RMB 1.339 billion, mainly for development in Fuling shale gas field, construction of LNG terminals in Guangxi and Tianjin, and construction of long-distance gas pipelines such as the Jinan-Qingdao gas pipeline (phase II), as well as development in overseas projects. Capital expenditures for refining segment were RMB 1.397 billion, mainly for gasoline and diesel quality upgrading projects and refinery revamping. Capital expenditures for marketing and distribution segment were RMB 1.225 billion, mainly for revamping service stations and building refined oil product pipelines, oil depots and storage facilities, as well as for hazard rectification. Capital expenditures for chemicals segment were RMB 1.533 billion, mainly for coal chemical projects, comprehensive utilisation of resources project and auxiliary facilities construction project.

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3 Significant events

3.1 Significant changes in major items contained in the consolidated financial statements prepared in accordance with ASBE and the reasons for such changes.

| Items of Consolidated Balance Sheet | As of 31 March 2016 | As of 31 December 2015 | Increase/(decrease) | | Main reasons for changes |
|-------------------------------------|---------------------|------------------------|---------------------|----------------|--|
| | RMB million | RMB million | Amount RMB million | Percentage (%) | |
| Prepayments | 3,880 | 2,919 | 961 | 32.9 | Mainly due to the increase of prepayments on raw materials |
| Specific reserve | 1,063 | 612 | 451 | 73.7 | Mainly due to the provision of safety production fund |

| Items of consolidated income statement | For three-month period ended 31 March | | Increase/(decrease) | | Main reasons for changes |
|--|---------------------------------------|-------|---------------------|----------------|--|
| | 2016 | 2015 | Amount RMB million | Percentage (%) | |
| Loss from changes in fair value | (2) | (259) | 257 | (99.2) | Mainly due to fair value changes of derivatives embedded in A share convertible bonds of Sinopec Corp. in the same period last year, which has no impact in the current reporting period |
| Profit before taxation | 12,206 | 2,930 | 9,276 | 316.6 | Mainly due to the profit decrease from the up-stream segment offset by profit increase from mid- and down-stream segments |
| Income tax expense | 3,181 | 950 | 2,231 | 234.8 | Mainly due to the increase of the Company's profit |

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| Items of consolidated cash flow statement | For three-month period ended 31 March | | Increase/(decrease) | | Main reasons for changes |
|---|---------------------------------------|-------------|---------------------|------------|---|
| | 2016 | 2015 | Amount | Percentage | |
| | RMB million | RMB million | RMB million | (%) | |
| Net cash flow from operating activities | 34,348 | 6,682 | 27,666 | 414.0 | Mainly as a result of the profit increase as well as the Company's control on net occupation of working capital |
| Cash received from returns on investments | 3,120 | 388 | 2,732 | 704.1 | Due to the recovery of entrusted loans within one year during the reporting period |
| Net cash received from the disposal of subsidiaries and other business entities | 2,027 | 0 | 2,027 | - | Mainly due to the cash received from disposal of Jingtian Co. |
| Cash paid for acquisition of fixed assets, intangible assets and other long-term assets | (18,961) | (33,417) | 14,456 | (43.3) | Due to the strict control of investments and the decrease in payments on prior year's investments |
| Cash paid for acquisition of investments | (11,934) | (2,822) | (9,112) | 322.9 | Due to the increase of financial assets measured at fair value |

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| Items of consolidated cash flow statement | For three-month period ended 31 March | | Increase/(decrease) | | Main reasons for changes |
|---|---------------------------------------|-------------|---------------------|------------|---|
| | 2016 | 2015 | Amount | Percentage | |
| | RMB million | RMB million | RMB million | (%) | |
| Cash received from capital contributions | 72 | 105,089 | (105,017) | (99.9) | Mainly due to the capital injection of RMB 105 billion to Sinopec Marketing Co. last year |
| Cash paid for dividends, profits distribution or interest | (3,379) | (1,144) | (2,235) | 195.4 | Mainly due to the paid dividends to minority shareholders of Sinopec Marketing Co. |

3.2 Status of fulfilment of commitments undertaken by Sinopec Corp., shareholder and actual controller.

| Background | Type of Undertaking | Party | Contents | Term for performance | Whether bears deadline or not | Whether strictly performed or not |
|---|-------------------------------|---------------------------------|---|----------------------|-------------------------------|-----------------------------------|
| | | | 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 time; | | | |
| Undertakings related to Initial Public Offerings (IPOs) | Initial Public Offering (IPO) | China Petrochemical Corporation | 3 Implementation of the Reorganization Agreement (please refer to the definition of "Reorganization Agreement" in the H share prospectus of Sinopec Corp.); | From 22 June 2001 | No | Yes |
| | | | 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 | 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 15 March 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 | 10 years after 29 April 2014 or the date when Sinopec Group acquires the assets | 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 |
|------------|---------------------|-------|---|----------------------|-------------------------------|-----------------------------------|
| | | | <p>completion of such 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.</p> | | | |

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.

3.3 On 13 January 2016, the National Development and Reform Commission announced the Notice on Further Improving the Pricing Mechanism of Refined Oil Products, stating that when benchmark international crude oil price for domestic refined oil product price is lower than USD 40 per barrel, the domestic refined oil product price will not be adjusted downward further. The unadjusted amount will be put into a risk reserve fund. The fund will mainly be used for energy conservation, emission reduction, oil product quality upgrading and oil supply security upon approval by the government. As of the date of this quarterly report, the specific management measures have not been announced yet, and the Company has not withdrawn any risk reserve.

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

Wang Yupu

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4. Appendix

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

Consolidated Balance Sheet
as at 31 March 2016

Prepared by: China Petroleum & Chemical Corporation

| Items | At 31 March 2016 | Units: million | Currency: RMB | Type: unaudited |
|-------------------------------------|------------------|---------------------|---------------|-----------------|
| | | At 31 December 2015 | | |
| Current assets: | | | | |
| Cash at bank and on hand | 63,889 | | 68,557 | |
| Bills receivable | 12,085 | | 10,949 | |
| Accounts receivable | 39,959 | | 56,126 | |
| Prepayments | 3,880 | | 2,919 | |
| Other receivables | 16,899 | | 21,452 | |
| Inventories | 138,540 | | 145,498 | |
| Other current assets | 32,297 | | 26,904 | |
| Total current assets | 307,549 | | 332,405 | |
| Non-current assets: | | | 　 | |
| Available-for-sale financial assets | 10,281 | | 10,326 | |
| Long-term equity investments | 85,256 | | 82,970 | |
| Fixed assets | 717,052 | | 732,577 | |
| Construction in progress | 145,745 | | 152,276 | |
| Intangible assets | 81,151 | | 81,081 | |
| Goodwill | 6,300 | | 6,271 | |
| Long-term deferred expenses | 13,321 | | 13,919 | |
| Deferred tax assets | 7,687 | | 7,469 | |
| Other non-current assets | 23,346 | | 23,835 | |
| Total non-current assets | 1,090,139 | | 1,110,724 | |
| Total assets | 1,397,688 | | 1,443,129 | |
| Current liabilities: | | | 　 | |
| Short-term loans | 65,404 | | 74,729 | |
| Bills payable | 4,570 | | 3,566 | |

| | | |
|---------------------------|---------|---------|
| Accounts payable | 117,975 | 130,446 |
| Advances from customers | 88,080 | 92,649 |
| Employee benefits payable | 2,736 | 1,185 |
| Taxes payable | 26,632 | 32,473 |
| Other payables | 60,901 | 86,317 |

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| | | |
|--|-----------|-----------|
| Short-term debentures payable | 30,000 | 30,000 |
| Non-current liabilities due within one year | 12,344 | 11,277 |
| Total current liabilities | 408,642 | 462,642 |
| Non-current liabilities: | | 　 |
| Long-term loans | 54,499 | 56,493 |
| Debentures payable | 83,169 | 83,253 |
| Provisions | 33,646 | 33,186 |
| Deferred tax liabilities | 7,962 | 8,259 |
| Other non-current liabilities | 13,265 | 13,673 |
| Total non-current liabilities | 192,541 | 194,864 |
| Total liabilities | 601,183 | 657,506 |
| Shareholders’ equity: | | |
| Share capital | 121,071 | 121,071 |
| Capital reserve | 119,410 | 119,408 |
| Other comprehensive income | (3,706) | (7,984) |
| Specific reserve | 1,063 | 612 |
| Surplus reserves | 196,640 | 196,640 |
| Retained earnings | 251,808 | 245,623 |
| Total equity attributable to shareholders of the Company | 686,286 | 675,370 |
| Minority interests | 110,219 | 110,253 |
| Total shareholders’ equity | 796,505 | 785,623 |
| Total liabilities and shareholders’ equity | 1,397,688 | 1,443,129 |

Wang Yupu
Chairman
(Legal representative)

Li Chunguang
President

Wen Dongfen
Chief Financial Officer

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Balance Sheet
as at 31 March 2016

Prepared by: China Petroleum & Chemical Corporation

Units: million Currency: RMB Type: unaudited

| Items | At 31 March 2016 | At 31 December 2015 |
|-------------------------------------|------------------|---------------------|
| Current assets: | | |
| Cash at bank and on hand | 35,847 | 46,453 |
| Bills receivable | 547 | 540 |
| Accounts receivable | 26,525 | 29,512 |
| Prepayments | 1,768 | 1,296 |
| Other receivables | 53,603 | 64,620 |
| Inventories | 40,958 | 46,029 |
| Other current assets | 47,159 | 36,559 |
| Total current assets | 206,407 | 225,009 |
| Non-current assets: | | |
| Available-for-sale financial assets | 297 | 297 |
| Long-term equity investments | 220,554 | 219,230 |
| Fixed assets | 429,946 | 439,477 |
| Construction in progress | 66,348 | 72,763 |
| Intangible assets | 8,289 | 8,397 |
| Long-term deferred expenses | 1,861 | 2,154 |
| Deferred tax assets | 498 | 0 |
| Other non-current assets | 12,179 | 11,959 |
| Total non-current assets | 739,972 | 754,277 |
| Total assets | 946,379 | 979,286 |
| Current liabilities: | | |
| Short-term loans | 31,273 | 32,517 |
| Bills payable | 2,003 | 1,852 |
| Accounts payable | 79,163 | 85,182 |
| Advances from customers | 2,589 | 3,151 |
| Employee benefits payable | 1,155 | 290 |
| Taxes payable | 14,447 | 20,832 |

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| | | |
|---|---------|----------|
| Other payables | 68,210 | 86,427 |
| Short-term debentures payable | 30,000 | 30,000 |
| Non-current liabilities due within one year | 6,351 | 5,352 |
| Total current liabilities | 235,191 | 265,603 |
| Non-current liabilities: | | 　 |
| Long-term loans | 52,545 | 54,526 |

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| | | |
|--|---------|-----------|
| Debentures payable | 65,500 | 65,500 |
| Provisions | 29,418 | 28,968 |
| Deferred tax liabilities | 0 | 177 |
| Other non-current liabilities | 2,182 | 2,238 |
| Total non-current liabilities | 149,645 | 151,409 |
| Total liabilities | 384,836 | 417,012 |
| Shareholders' equity: | | 1,228,800 |
| Share capital | 121,071 | 121,071 |
| Capital reserve | 68,716 | 68,716 |
| Other comprehensive income | 694 | (145) |
| Specific reserve | 548 | 313 |
| Surplus reserves | 196,640 | 196,640 |
| Retained earnings | 173,874 | 175,679 |
| Total shareholders' equity | 561,543 | 562,274 |
| Total liabilities and shareholders' equity | 946,379 | 979,286 |

Wang Yupu

Chairman
(Legal representative)

Li Chunguang

President

Wen Dongfen

Chief Financial Officer

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Consolidated Income Statement
for the three-month periods ended 31 March 2016

Prepared by: China Petroleum & Chemical Corporation

Units: million Currency: RMB Type: unaudited

| Items | Three-month periods ended 31 March 2016 | Three-month periods ended 31 March 2015 |
|--|--|---|
| I. Total operating income | 413,790 | 478,241 |
| II. Total operating costs | 402,810 | 476,589 |
| Including: Operating costs | 313,289 | 385,281 |
| Sales taxes and surcharges | 55,099 | 58,830 |
| Selling and distribution expenses | 11,858 | 10,961 |
| General and administrative expenses | 18,539 | 16,846 |
| Financial expenses | 1,826 | 2,409 |
| Exploration expenses, including dry holes | 2,152 | 2,775 |
| Impairment losses | 47 | (513) |
| Add: Loss from changes in fair value | (2) | (259) |
| Investment income | 1,336 | 1,065 |
| III. Operating profit | 12,314 | 2,458 |
| Add: Non-operating income | 371 | 876 |
| Less: Non-operating expenses | 479 | 404 |
| IV. Profit before taxation | 12,206 | 2,930 |
| Less: Income tax expense | 3,181 | 950 |
| V. Net profit | 9,025 | 1,980 |
| Attributable to: | | 　 |
| Equity shareholders of the Company | 6,185 | 1,685 |
| Minority interests | 2,840 | 295 |
| VI. Total other comprehensive income | 1,424 | 2,714 |
| Items that may be reclassified subsequently to profit or loss (net of tax and after reclassification adjustments): | | 　 |
| Cash flow hedges | 954 | 2,674 |
| Available-for-sale financial assets | 1 | 0 |

| | | |
|--|--------|----------|
| Share of other comprehensive income/(loss) of associates and jointly controlled entities | 22 | (100) |
| Foreign currency translation differences | 447 | 140 |
| VII. Total comprehensive income | 10,449 | 4,694 |
| Attributable to: | | 　 |

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| | | |
|---------------------------------------|--------|-------|
| Equity shareholders of the Company | 10,463 | 4,826 |
| Minority interests | (14) | (132) |
| VIII. Earnings per share: | | |
| (i) Basic earnings per share (RMB) | 0.051 | 0.014 |
| (ii) Diluted earnings per share (RMB) | 0.051 | 0.014 |

| | | |
|------------------------------------|--------------|-------------------------|
| Wang Yupu | Li Chunguang | Wen Dongfen |
| Chairman (Legal representative) | President | Chief Financial Officer |

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Income Statement
for the three-month periods ended 31 March 2016

Prepared by: China Petroleum & Chemical Corporation

Units: million Currency: RMB Type: unaudited

| Items | Three-month periods ended 31 March 2016 | Three-month periods ended 31 March 2015 |
|--|---|---|
| I. Operating income | 168,063 | 215,140 |
| Less: Operating costs | 117,829 | 164,590 |
| Sales taxes and surcharges | 39,828 | 41,923 |
| Selling and distribution expenses | 731 | 607 |
| General and administrative expenses | 10,202 | 9,426 |
| Financial expenses | 1,210 | 2,566 |
| Exploration expenses, including dry holes | 2,152 | 2,765 |
| Impairment losses | 20 | 101 |
| Add: Loss from changes in fair value | 0 | (259) |
| Investment income | 1,637 | 1,735 |
| II. Operating profit | (2,272) | (5,362) |
| Add: Non-operating income | 174 | 527 |
| Less: Non-operating expenses | 264 | 221 |
| III. Profit before taxation | (2,362) | (5,056) |
| Less: Income tax expense | (557) | (1,557) |
| IV. Net profit | (1,805) | (3,499) |
| V. Total other comprehensive income | 839 | (434) |
| Items that may be reclassified subsequently to profit or loss (net of tax and after reclassification adjustments): | | 　 |
| Cash flow hedges | 847 | (417) |
| Share of other comprehensive loss of associates and jointly controlled entities | (8) | (17) |
| VI. Total comprehensive income | (966) | (3,933) |

Wang Yupu
Chairman
(Legal representative)

Li Chunguang
President

Wen Dongfen
Chief Financial Officer

The First Quarterly Report for 2016

Consolidated Cash Flow Statement
for the three-month periods ended 31 March 2016

Prepared by: China Petroleum & Chemical Corporation

Units: million Currency: RMB Type: unaudited

| Items | Three-month periods ended 31 March 2016 | Three-month periods ended 31 March 2015 |
|---|---|---|
| I. Cash flows from operating activities: | | |
| Cash received from sale of goods and rendering of services | 493,549 | 550,150 |
| Refund of taxes and levies | 403 | 220 |
| Other cash received relating to operating activities | 17,858 | 30,228 |
| Sub-total of cash inflows | 511,810 | 580,598 |
| Cash paid for goods and services | (355,115) | (444,929) |
| Cash paid to and for employees | (13,296) | (12,612) |
| Payments of taxes and levies | (84,447) | (78,133) |
| Other cash paid relating to operating activities | (24,604) | (38,242) |
| Sub-total of cash outflows | (477,462) | (573,916) |
| Net cash flow from operating activities | 34,348 | 6,682 |
| II. Cash flows from investing activities: | | |
| Cash received from disposal of investments | 3,120 | 388 |
| Cash received from returns on investments | 360 | 274 |
| Net cash received from disposal of fixed assets, intangible assets and other long-term assets | 63 | 57 |
| Other cash received relating to investing activities | 487 | 929 |
| Net cash received from the disposal of subsidiaries and other business entities | 2,027 | 0 |
| Sub-total of cash inflows | 6,057 | 1,648 |
| Cash paid for acquisition of fixed assets, intangible assets and other long-term | (18,961) | (33,417) |

assets

| | | |
|--|----------|----------|
| Cash paid for acquisition of investments | (11,934) | (2,822) |
| Other cash paid relating to investing activities | (5) | (2,064) |
| Sub-total of cash outflows | (30,900) | (38,303) |

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| | | |
|--|-----------|-----------|
| Net cash flow from investing activities | (24,843) | (36,655) |
| III. Cash flows from financing activities: | | |
| Cash received from capital contributions | 72 | 105,089 |
| Including: Cash received from minority shareholders; capital contributions to subsidiaries | 2 | 105,089 |
| Cash received from borrowings | 147,150 | 326,634 |
| Sub-total of cash inflows | 147,222 | 431,723 |
| Cash repayments of borrowings | (157,930) | (337,583) |
| Cash paid for dividends, profits distribution or interest | (3,379) | (1,144) |
| Including: Subsidiaries; cash payments for distribution of dividends or profits to minority shareholders | (2,253) | (134) |
| Sub-total of cash outflows | (161,309) | (338,727) |
| Net cash flow from financing activities | (14,087) | 92,996 |
| IV. Effects of changes in foreign exchange rate | (88) | (271) |
| V. Net (decrease)/increase in cash and cash equivalents | (4,670) | 62,752 |
| Add: Cash and cash equivalents at 1 January | 67,824 | 9,355 |
| VI. Cash and cash equivalents at 31 March | 63,154 | 72,107 |

Wang Yupu
Chairman
(Legal representative)

Li Chunguang
President

Wen Dongfen
Chief Financial Officer

The First Quarterly Report for 2016

Cash Flow Statement
for the three-month periods ended 31 March 2016

Prepared by: China Petroleum & Chemical Corporation

Units: million Currency: RMB Type: unaudited

| Items | Three-month periods ended 31 March 2016 | Three-month periods ended 31 March 2015 |
|---|---|---|
| I. Cash flows from operating activities: | | |
| Cash received from sale of goods and rendering of services | 200,810 | 243,634 |
| Refund of taxes and levies | 281 | 88 |
| Other cash received relating to operating activities | 6,597 | 25,269 |
| Sub-total of cash inflows | 207,688 | 268,991 |
| Cash paid for goods and services | (120,444) | (181,025) |
| Cash paid to and for employees | (7,913) | (8,044) |
| Payments of taxes and levies | (53,848) | (46,063) |
| Other cash paid relating to operating activities | (18,126) | (14,413) |
| Sub-total of cash outflows | (200,331) | (249,545) |
| Net cash flow from operating activities | 7,357 | 19,446 |
| II. Cash flows from investing activities: | | |
| Cash received from disposal of investments | 1,704 | 77,824 |
| Cash received from returns on investments | 6,243 | 957 |
| Net cash received from disposal of fixed assets, intangible assets and other long-term assets | 507 | 1,675 |
| Net cash received from the disposal of subsidiaries and other business entities | 2,027 | 0 |
| Other cash received relating to investing activities | 219 | 143 |
| Sub-total of cash inflows | 10,700 | 80,599 |
| Cash paid for acquisition of fixed assets, intangible assets and other long-term assets | (11,065) | (20,959) |
| Cash paid for acquisition of investments | (14,899) | (10,301) |

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| | | |
|--|----------|----------|
| Sub-total of cash outflows | (25,964) | (31,260) |
| Net cash flow from investing activities | (15,264) | 49,339 |
| III. Cash flows from financing activities: | | |
| Cash received from borrowings | 64,441 | 65,385 |
| Sub-total of cash inflows | 64,441 | 65,385 |

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| | | |
|--|----------|-----------|
| Cash repayments of borrowings | (66,683) | (104,649) |
| Cash paid for dividends or interest | (457) | (1,420) |
| Sub-total of cash outflows | (67,140) | (106,069) |
| Net cash flow from financing activities | (2,699) | (40,684) |
| IV. Net (decrease)/increase in cash and cash equivalents | (10,606) | 28,101 |
| Add:Cash and cash equivalents at 1 January | 46,453 | 1,804 |
| V. Cash and cash equivalents at 31 March | 35,847 | 29,905 |

Wang Yupu

Chairman
(Legal representative)

Li Chunguang

President

Wen Dongfen

Chief Financial Officer

The First Quarterly Report for 2016

Segment Reporting
for the three-month periods ended 31 March 2016

Prepared by: China Petroleum & Chemical Corporation

Units: million Currency: RMB Type: unaudited

| Items | Three-month periods ended 31 March 2016 | Three-month periods ended 31 March 2015 |
|---|---|---|
| Income from principal operations | | |
| Exploration and production | | |
| External sales | 11,542 | 13,839 |
| Inter-segment sales | 10,413 | 18,220 |
| Subtotal | 21,955 | 32,059 |
| Refining | | |
| External sales | 22,592 | 29,835 |
| Inter-segment sales | 164,400 | 200,506 |
| Subtotal | 186,992 | 230,341 |
| Marketing and distribution | | |
| External sales | 237,058 | 268,841 |
| Inter-segment sales | 708 | 836 |
| Subtotal | 237,766 | 269,677 |
| Chemicals | | |
| External sales | 57,988 | 63,340 |
| Inter-segment sales | 8,612 | 9,864 |
| Subtotal | 66,600 | 73,204 |
| Corporate and others | | |
| External sales | 74,389 | 93,489 |
| Inter-segment sales | 59,029 | 79,913 |
| Subtotal | 133,418 | 173,402 |
| Elimination of inter-segment sales | (243,162) | (309,339) |
| Consolidated income from principal operations | 403,569 | 469,344 |
| Income from other operations | | |
| Exploration and production | 1,409 | 1,594 |

| | | |
|---|---------|---------|
| Refining | 1,016 | 1,033 |
| Marketing and distribution | 4,745 | 4,097 |
| Chemicals | 2,704 | 1,900 |
| Corporate and others | 347 | 273 |
| Consolidated income from other operations | 10,221 | 8,897 |
| Consolidated operating income | 413,790 | 478,241 |

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| | | |
|---------------------------------|----------|---------|
| Operating profit/(loss) | | |
| By segment | | |
| Exploration and production | (12,458) | (1,285) |
| Refining | 13,115 | (4,080) |
| Marketing and distribution | 7,653 | 5,137 |
| Chemicals | 4,514 | 2,963 |
| Corporate and others | 1,152 | 344 |
| Elimination | (1,170) | 982 |
| Total segment operating profit | 12,806 | 4,061 |
| Investment income/(loss) | | |
| Exploration and production | (397) | (273) |
| Refining | 271 | 33 |
| Marketing and distribution | 232 | 148 |
| Chemicals | 1,076 | 571 |
| Corporate and others | 154 | 586 |
| Total segment investment income | 1,336 | 1,065 |
| Financial expenses | (1,826) | (2,409) |
| Loss from changes in fair value | (2) | (259) |
| Operating profit | 12,314 | 2,458 |
| Add: Non-operating income | 371 | 876 |
| Less: Non-operating expenses | 479 | 404 |
| Profit before taxation | 12,206 | 2,930 |

The First Quarterly Report for 2016

4.2 Quarterly financial statements prepared under International Financial Reporting Standards (IFRS)

Consolidated Income Statement
for the three-month periods ended 31 March 2016

Prepared by: China Petroleum & Chemical Corporation

Units: million Currency: RMB Type: unaudited

| Items | Three-month periods ended 31 March 2016 | Three-month periods ended 31 March 2015 |
|--|---|---|
| Turnover and other operating revenues | | |
| Turnover | 403,569 | 469,344 |
| Other operating revenues | 10,221 | 8,897 |
| Subtotal | 413,790 | 478,241 |
| Operating expenses | | |
| Purchased crude oil, products and operating supplies and expenses | (287,625) | (358,898) |
| Selling, general and administrative expenses | (16,368) | (15,550) |
| Depreciation, depletion and amortization | (25,284) | (23,753) |
| Exploration expenses, including dry holes | (2,152) | (2,775) |
| Personnel expenses | (13,885) | (13,684) |
| Taxes other than income tax | (55,099) | (58,830) |
| Other operating (expense)/income, net | (320) | 402 |
| Total operating expenses | (400,733) | (473,088) |
| Operating profit | 13,057 | 5,153 |
| Finance costs | | |
| Interest expense | (2,509) | (2,379) |
| Interest income | 667 | 421 |
| Loss on embedded derivative component of the convertible bonds | 0 | (259) |
| Foreign currency exchange income/(loss), net | 16 | (451) |
| Net finance costs | (1,826) | (2,668) |
| Investment income | 35 | 12 |
| | 1,476 | 1,053 |

Share of profits less losses from associates
and joint ventures

| | | |
|------------------------|---------|-------|
| Profit before taxation | 12,742 | 3,550 |
| Tax expense | (3,181) | (950) |
| Profit for the period | 9,561 | 2,600 |

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| | | |
|----------------------------------|-------|-------|
| Attributable to | | |
| Owners of the Company | 6,663 | 2,172 |
| Non-controlling interests | 2,898 | 428 |
| Profit for the period | 9,561 | 2,600 |
| Earnings per share | | |
| Basic earnings per share (RMB) | 0.055 | 0.018 |
| Diluted earnings per share (RMB) | 0.055 | 0.018 |

The First Quarterly Report for 2016

Consolidated Statement of Comprehensive Income
for the three-month periods ended 31 March 2016

Prepared by: China Petroleum & Chemical Corporation

Units: million Currency: RMB Type: unaudited

| Items | Three-month periods ended 31 March 2016 | Three-month periods ended 31 March 2015 |
|--|---|---|
| Profit for the period | 9,561 | 2,600 |
| Total other comprehensive income | 1,424 | 2,714 |
| Items that may be reclassified subsequently to profit or loss (net of tax and after reclassification adjustments): | | |
| Cash flow hedges | 954 | 2,674 |
| Available-for-sale securities | 1 | 0 |
| Foreign currency translation differences | 447 | 140 |
| Share of other comprehensive income/(loss) of associates and joint ventures | 22 | (100) |
| Total comprehensive income | 10,985 | 5,314 |
| Attributable to: | | |
| Owners of the Company | 10,941 | 5,313 |
| Non-controlling interests | 44 | 1 |

The First Quarterly Report for 2016

Consolidated Balance Sheet
as at 31 March 2016

Prepared by: China Petroleum & Chemical Corporation

Units: million Currency: RMB Type: unaudited

| Items | At 31 March 2016 | At 31 December 2015 |
|--|------------------|---------------------|
| Non-current assets: | | |
| Property, plant and equipment, net | 717,052 | 732,577 |
| Construction in progress | 145,745 | 152,276 |
| Goodwill | 6,300 | 6,271 |
| Interest in associates | 40,186 | 39,652 |
| Interest in joint ventures | 45,070 | 43,318 |
| Available-for-sale financial assets | 10,281 | 10,326 |
| Deferred tax assets | 7,687 | 7,469 |
| Lease prepayments | 51,539 | 51,044 |
| Long-term prepayments and other non-current assets | 66,279 | 67,791 |
| Total non-current assets | 1,090,139 | 1,110,724 |
| Current assets: | | 　 |
| Cash and cash equivalents | 63,154 | 67,824 |
| Time deposits with financial institutions | 735 | 733 |
| Trade accounts receivable | 39,959 | 56,126 |
| Bills receivable | 12,085 | 10,949 |
| Inventories | 138,540 | 145,498 |
| Prepaid expenses and other current assets | 53,076 | 51,275 |
| Total current assets | 307,549 | 332,405 |
| Current liabilities: | | 　 |
| Short-term debts | 74,845 | 71,517 |
| Loans from Sinopec Group Company and fellow subsidiaries | 32,324 | 43,929 |
| Trade accounts payable | 117,975 | 130,446 |
| Bills payable | 4,570 | 3,566 |
| Accrued expenses and other payables | 178,808 | 212,136 |

| | | |
|---------------------------------------|---------|----------|
| Income tax payable | 120 | 1,048 |
| Total current liabilities | 408,642 | 462,642 |
| Net current liabilities | 101,093 | 130,237 |
| Total assets less current liabilities | 989,046 | 980,487 |
| Non-current liabilities: | | 　 |
| Long-term debts | 93,428 | 95,446 |

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| | | |
|--|---------|----------|
| Loans from Sinopec Group Company and fellow subsidiaries | 44,240 | 44,300 |
| Deferred tax liabilities | 7,962 | 8,259 |
| Provisions | 33,646 | 33,186 |
| Other long-term liabilities | 14,652 | 15,077 |
| Total non-current liabilities | 193,928 | 196,268 |
| Total net assets | 795,118 | 784,219 |
| Equity: | | 　 |
| Share capital | 121,071 | 121,071 |
| Reserves | 563,901 | 552,958 |
| Total equity attributable to owners of the Company | 684,972 | 674,029 |
| Non-controlling interests | 110,146 | 110,190 |
| Total equity | 795,118 | 784,219 |

The First Quarterly Report for 2016

Consolidated Statement of Cash Flows
for the three-month periods ended 31 March 2016

Prepared by: China Petroleum & Chemical Corporation

Units: million Currency: RMB Type: unaudited

| Items | Three-month periods ended 31 March 2016 | Three-month periods ended 31 March 2015 |
|---|--|--|
| Net cash generated from operating activities(a) | 34,348 | 6,682 |
| Investing activities | | |
| Capital expenditure | (17,482) | (31,772) |
| Exploratory wells expenditure | (1,479) | (1,645) |
| Purchase of investments, investments in associates and investments in joint ventures | (11,934) | (2,822) |
| Proceeds from disposal of investments and investments in associates, net | 5,147 | 41 |
| Proceeds from disposal of property, plant, equipment and other non-current assets | 63 | 57 |
| Increase in time deposits with maturities over three months | (2) | (1,094) |
| Interest received | 484 | 306 |
| Investment and dividend income received | 360 | 274 |
| Net cash used in investing activities | (24,843) | (36,655) |
| Financing activities | | |
| Proceeds from bank and other loans | 147,150 | 326,634 |
| Repayments of bank and other loans | (157,930) | (337,583) |
| Distributions by subsidiaries to non-controlling interests | (2,253) | (134) |
| Contributions to subsidiaries from non-controlling interests | 72 | 105,089 |
| Interest paid | (1,126) | (1,010) |
| Net cash (used in)/generated from financing activities | (14,087) | 92,996 |
| Net (decrease)/increase in cash and cash equivalents | (4,582) | 63,023 |
| Cash and cash equivalents at 1 January | 67,824 | 9,355 |

| | | |
|--|--------|--------|
| Effect of foreign currency exchange rate changes | (88) | (271) |
| Cash and cash equivalents at 31 March | 63,154 | 72,107 |

The First Quarterly Report for 2016

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 2016 | Three-month periods ended 31 March 2015 |
|---|--|--|
| Operating activities | | |
| Profit before taxation | 12,742 | 3,550 |
| Adjustments for: | | |
| Depreciation, depletion and amortisation | 25,284 | 23,753 |
| Dry hole costs written off | 1,636 | 1,889 |
| Share of profits from associates and joint ventures | (1,476) | (1,053) |
| Investment income | (35) | (12) |
| Interest income | (667) | (421) |
| Interest expense | 2,509 | 2,379 |
| Loss on foreign currency exchange rate changes and derivative financial instruments | 118 | 539 |
| Loss on disposal of property, plant, equipment and other non-current assets, net | 5 | 23 |
| Impairment losses /(reversal) on assets | 47 | (513) |
| Loss on embedded derivative component of the convertible bonds | 0 | 259 |
| Operating profit before change of operating capital | 40,163 | 30,393 |
| Accounts receivable and other current assets | 16,637 | 30,550 |
| Decrease of inventories | 6,937 | 28,508 |
| Accounts payable and other current liabilities | (24,748) | (79,856) |
| Subtotal | 38,989 | 9,595 |
| Income tax paid | (4,641) | (2,913) |
| Net cash generated from operating activities | 34,348 | 6,682 |

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Segment Reporting
for the three-month periods ended 31 March 2016

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 2016 | Three-month periods ended 31 March 2015 |
|------------------------------------|---|---|
| Turnover | | |
| Exploration and production | | |
| External sales | 11,542 | 13,839 |
| Inter-segment sales | 10,413 | 18,220 |
| Subtotal | 21,955 | 32,059 |
| Refining | | |
| External sales | 22,592 | 29,835 |
| Inter-segment sales | 164,400 | 200,506 |
| Subtotal | 186,992 | 230,341 |
| Marketing and distribution | | |
| External sales | 237,058 | 268,841 |
| Inter-segment sales | 708 | 836 |
| Subtotal | 237,766 | 269,677 |
| Chemicals | | |
| External sales | 57,988 | 63,340 |
| Inter-segment sales | 8,612 | 9,864 |
| Subtotal | 66,600 | 73,204 |
| Corporate and others | | |
| External sales | 74,389 | 93,489 |
| Inter-segment sales | 59,029 | 79,913 |
| Subtotal | 133,418 | 173,402 |
| Elimination of inter-segment sales | (243,162) | (309,339) |
| Turnover | 403,569 | 469,344 |
| Other operating revenues | | |
| Exploration and production | 1,409 | 1,594 |

| | | |
|---------------------------------------|---------|---------|
| Refining | 1,016 | 1,033 |
| Marketing and distribution | 4,745 | 4,097 |
| Chemicals | 2,704 | 1,900 |
| Corporate and others | 347 | 273 |
| Other operating revenues | 10,221 | 8,897 |
| Turnover and other operating revenues | 413,790 | 478,241 |

The First Quarterly Report for 2016

Result

Operating profit/(loss)

By segment

| | | |
|--|----------|---------|
| Exploration and production | (12,526) | (1,232) |
| Refining | 13,443 | (3,355) |
| Marketing and distribution | 7,690 | 5,281 |
| Chemicals | 4,581 | 3,069 |
| Corporate and others | 1,039 | 408 |
| Elimination | (1,170) | 982 |
| Total segment operating profit | 13,057 | 5,153 |
| Share of profits / (losses) from associates and joint ventures | | |
| Exploration and production | (406) | (270) |
| Refining | 275 | 33 |
| Marketing and distribution | 219 | 136 |
| Chemicals | 1,072 | 571 |
| Corporate and others | 316 | 583 |
| Aggregate share of profits from associates and joint ventures | 1,476 | 1,053 |
| Investment income | | |
| Exploration and production | 9 | (3) |
| Refining | (4) | 0 |
| Marketing and distribution | 13 | 12 |
| Chemicals | 4 | 0 |
| Corporate and others | 13 | 3 |
| Aggregate investment income | 35 | 12 |
| Net finance costs | (1,826) | (2,668) |
| Profit before taxation | 12,742 | 3,550 |

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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 the 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

| Items | Units: million Currency: RMB Type: unaudited | |
|----------------------------------|--|---|
| | Three-month periods ended 31 March 2016 | Three-month periods ended 31 March 2015 |
| Net profit under ASBE | 9,025 | 1,980 |
| Adjustments: | | |
| Government grants (i) | 30 | 27 |
| Safety production fund (ii) | 506 | 593 |
| Profit for the period under IFRS | 9,561 | 2,600 |

The First Quarterly Report for 2016

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

| Items | At 31 March 2016 | At 31 December 2015 |
|---------------------------------|------------------|---------------------|
| Shareholders' equity under ASBE | 796,505 | 785,623 |
| Adjustments: | | |
| Government grants(i) | (1,387) | (1,404) |
| Safety production fund (ii) | 0 | 0 |
| Total equity under IFRS | 795,118 | 784,219 |

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 29, 2016