

CHINA PETROLEUM & CHEMICAL CORP
Form 6-K
May 04, 2018

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 2018

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:

A copy of 2018 first quarterly report of China Petroleum & Chemical Corporation (the “Registrant”) filed by the Registrant with The Stock Exchange of Hong Kong Limited on April 26, 2018.

China Petroleum & Chemical Corporation
The First Quarterly Report for 2018

26 April 2018
Beijing, China

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 2018 was approved at the 18th meeting of the Sixth Session of the Board of Directors of Sinopec Corp. All the directors attended this meeting.

1.3 Mr. Dai houliang, Vice Chairman and President, Mr. Wang Dehua, 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 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

| Items | As of 31 March 2018 | As of 31 December 2017 | Changes from the end of the preceding year to the end of the reporting period (%) |
|--|------------------------|---------------------------|--|
| Total assets | 1,572,527 | 1,595,504 | (1.4) |
| Total equity attributable to equity shareholders of the Company | 745,799 | 727,244 | 2.6 |

| Items | Three months | | Changes over the same period of the preceding year (%) |
|---|--------------|---------|---|
| | 2018 | 2017 | |
| Net cash flow from operating activities | 12,052 | 13,276 | (9.2) |
| Operating income | 621,251 | 582,185 | 6.7 |
| Net profit attributable to equity shareholders of the Company | 18,770 | 16,633 | 12.8 |
| Net profit attributable to equity shareholders of the Company excluding extraordinary gains and losses | 17,982 | 16,540 | 8.7 |
| Weighted average return on net assets (%) | 2.55 | 2.31 | 0.24 percentage points |
| Basic earnings per share (RMB) | 0.155 | 0.137 | 13.1 |
| Diluted earnings per share (RMB) | 0.155 | 0.137 | 13.1 |

| Extraordinary gain/loss items | During the reporting period | |
|--|-----------------------------|-------------|
| | (gains)/losses | RMB million |
| Net loss on disposal of non-current assets | 18 | |
| Donations | 2 | |
| Government grants | (692) | |
| Gains on holding and disposal of various investments | (261) | |
| Other extraordinary income and expenses, net | (181) | |
| Subtotal | (1,114) | |
| Tax effect | 278 | |
| Total | (836) | |
| Equity shareholders of the Company | (788) | |

Minority interests

(48)

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

Units: RMB million

| Items | As of 31 March 2018 | As of 31 December 2017 | Changes from the end of the preceding year to the end of the reporting period (%) |
|---|---------------------------|------------------------------|--|
| Total assets | 1,572,527 | 1,595,504 | (1.4) |
| Total equity attributable to owners of the Company | 744,688 | 726,120 | 2.6 |
| Items | Three months | | Changes over the same period of the preceding year (%) |
| | 2018 | 2017 | |
| Net cash generated from operating activities | 12,052 | 13,276 | (9.2) |
| Operating profit | 29,218 | 25,435 | 14.9 |
| Net profit attributable to owners of the Company | 19,306 | 17,199 | 12.3 |
| Basic earnings per share (RMB) | 0.159 | 0.142 | 12.0 |
| Diluted earnings per share (RMB) | 0.159 | 0.142 | 12.0 |
| Return on net assets (%) | 2.59 | 2.36 | 0.23 percentage points |

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

Top ten shareholders

Name of shareholders

China Petrochemical Corporation

HKSCC (Nominees) Limited ¹

－分红－个 分红－005L－FH002&#
全 社 基 一一一组合
长江
交通银行 － 丰晋信双核策
交通银行 － 丰晋信大盘 票&#

Note
1 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 2018, the global economy recovered gradually, and Chinese economy maintained a momentum of steady and sound growth with gross domestic product (GDP) up by 6.8%. International crude oil price fluctuated at a narrow range and increased slightly. Domestic oil products market, with ample supply, witnessed fierce competition. According to statistics, apparent consumption of domestic refined oil products was up by 6.2%, among which, gasoline and kerosene demand was still strong. Domestic demand for chemicals kept growing with consumption of ethylene equivalent up by 3.3%.

We pursued supply-side structural reform as our main task, focused on improving the quality and efficiency of our operations, upheld the policy of Reform, Management, Innovation and Development, and strengthened efforts on cost reduction, market expansion, structural adjustment, reform promotion, management reinforcement, which helped deliver solid operating results.

In accordance with ASBE, net profit attributable to equity shareholders of the Company was RMB 18.770 billion in the first quarter, up by 12.8% over the same period last year. In accordance with IFRS, net profit attributable to equity shareholders of the Company was RMB 19.306 billion, up by 12.3% compared with the same period of last year.

Exploration and Production: The Company constantly strengthened measures on high-efficiency exploration activities and adopted profit-oriented approaches on development. In exploration, we made new progress in northeast Sichuan area in Sichuan Basin and in Shunbei area in Xinjiang Tarim Basin, strengthened efforts in E&P in deep, normal pressure and new strata of shale gas formations, and found new discoveries in Weirong shale gas field. In oil and gas development, we accelerated crude oil reserve evaluation, promoted capacity building in new areas of crude oil and natural gas; constantly advanced progressive exploration and reservoir appraisal of natural gas. In the first quarter, the oil and gas production of the Company was 111.33 million barrels of oil equivalent, among which domestic crude oil increased by 1.3% while natural gas increased by 0.6%, compared with the same period of last year. Exploration and Production Segment had an operating loss of RMB 0.318 billion, realising a significant reduction in loss by RMB 5.446 billion compared with the same period of last year.

| Exploration and Production | Unit | For three-month period ended 31 March | | Changes (%) |
|-------------------------------------|-------------------------|---------------------------------------|--------|-------------|
| | | 2018 | 2017 | |
| Oil and gas production ¹ | million boe | 111.33 | 111.93 | (0.5) |
| Crude oil production | million barrels | 71.35 | 72.08 | (1.0) |
| China | million barrels | 61.43 | 60.67 | 1.3 |
| Overseas | million barrels | 9.92 | 11.41 | (13.1) |
| Natural gas production | billion cubic feet | 239.83 | 238.35 | 0.6 |
| Realised crude oil price | USD/barrel | 59.8 | 49.1 | 21.8 |
| Realised natural gas price | USD/thousand cubic feet | 6.28 | 5.00 | 25.6 |

Note 1 Conversion: for domestic production of crude oil, 1 tonne = 7.10 barrels; for overseas production of crude oil, 1 tonne=7.21 barrels; for production of natural gas, 1 cubic meter = 35.31 cubic feet.

Refining: The Company comprehensively optimised the operation of production plans. We proactively adjusted product structure, improved production volume of gasoline, jet-fuel and other high value-added products, the ratio of diesel to gasoline decreased to 1.06. At the same time, we actively implemented refined oil product quality upgrading to ensure the supply of high quality

refined oil products, optimised crude oil procurement and resource distribution to realise cost control. In the first quarter, refinery throughput grew by 2.1% and refined oil products production grew by 2.6%, among which gasoline up by 4.7%, kerosene up by 8.6% and diesel down by 1.7% over the same period of last year. Refining Segment realised an operating profit of RMB 19.007 billion.

| Refining ² | Unit | For three-month period ended 31 March | | Changes (%) |
|--|----------------|---------------------------------------|-------|-----------------------------|
| | | 2018 | 2017 | |
| Refinery throughput | million tonnes | 60.16 | 58.95 | 2.1 |
| Gasoline, diesel and kerosene production | million tonnes | 37.98 | 37.03 | 2.6 |
| Gasoline | million tonnes | 14.98 | 14.31 | 4.7 |
| Diesel | million tonnes | 15.93 | 16.21 | (1.7) |
| Kerosene | million tonnes | 7.07 | 6.51 | 8.6 |
| Light chemical feedstock | million tonnes | 9.94 | 9.97 | (0.3) |
| Light product yield | % | 76.22 | 76.30 | (0.08) Percentage points |
| Refining yield | % | 95.23 | 95.29 | (0.06) Percentage points |

Note 2 Including 100% production of domestic joint ventures.

Marketing and Distribution: Faced with intensified competition, the Company took an active part in coping with marketing challenges. We gave full play of our advantages in integrated operation and marketing network by coordinating internal and external resources, optimising resource distribution, and improving capability of service, and realised increase in both total domestic sales and retail volume of refined oil products. We optimised the distribution network, improved environment protection measures for our service stations, and revamped the storage and transportation facilities of refined oil products to improve the marketing network. We further promoted integration of fuel business and non-fuel business, optimised the system for self-owned brand products and accelerated the construction of integrated service stations. Our non-fuel business kept increasing rapidly. In the first quarter, total sales volume of refined oil products was 47.21 million tonnes, among which domestic sales volume recorded 43.35 million tonnes with an increase of 3.4% over the same period of last year. The operating revenues of non-fuel business reached RMB 8.726 billion, up by 21.8% compared with the same period of last year. The Marketing and Distribution Segment realised an operating profit of RMB 8.925 billion.

| Marketing and Distribution | Unit | For three-month period ended 31 March | | Changes (%) |
|--|----------------|---------------------------------------|-------|-------------|
| | | 2018 | 2017 | |
| Total sales volume of refined oil products | million tonnes | 47.21 | 47.44 | (0.5) |
| Total domestic sales of refined oil products | million tonnes | 43.35 | 41.94 | 3.4 |
| Retail | million tonnes | 29.46 | 28.63 | 2.9 |
| Direct sales & Distribution | million tonnes | 13.89 | 13.31 | 4.4 |

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| | | | | |
|---|----------|--------|--------|-----|
| Total number of Sinopec-branded service stations ³ | stations | 30,648 | 30,633 | - |
| Company-operated | stations | 30,642 | 30,627 | - |
| Throughput per station ⁴ | tonnes | 3,846 | 3,725 | 3.2 |

Note 3 The number of service stations in 2017 was the number as of 31 December 2017.

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Note 4 Throughput per station was annualised.

Chemicals: The Company further optimised product slate, produced customer-oriented and high value-added products. We optimised feedstock mix to reduce cost. We intensified efforts on R&D, production and promotion of high-value-added new products, with the differential ratio of synthetic fiber reaching 89.8% and the ratio of new synthetic resin products and performance compound reaching 63.0%. We put more effort into marketing development and promoted fine chemical products marketing and targeted marketing service. In the first quarter, ethylene production reached 2.995 million tonnes, up by 1.8% and chemical sales volume was 20.458 million tonnes, up by 10.0% over the same period of last year. The Chemicals Segment realised an operating profit of RMB 8.452 billion.

| Chemicals ⁵ | Unit | For three-month period ended 31 March | | Changes (%) |
|---|-----------------|---------------------------------------|-------|-------------|
| | | 2018 | 2017 | |
| Ethylene | thousand tonnes | 2,995 | 2,941 | 1.8 |
| Synthetic resin | thousand tonnes | 4,117 | 4,074 | 1.1 |
| Synthetic rubber | thousand tonnes | 199 | 227 | (12.3) |
| Monomers and polymers for synthetic fiber | thousand tonnes | 2,246 | 2,424 | (7.3) |
| Synthetic fiber | thousand tonnes | 296 | 308 | (3.9) |

Note 5 Including 100% production of domestic joint ventures.

Capital expenditure: In the first quarter, the total capital expenditure was RMB 6.414 billion. Capital expenditures for Exploration and Production Segment were RMB 1.597 billion, mainly for capacity construction of shale gas, Hangjinqi natural gas and Shunbei crude oil, as well as for construction of Wen 23 Gas Storage Project, phase#8545;pressure boosting project of Sichuan-to-East China Pipeline, phase#8544;project of Xinqi Pipeline and overseas oil and gas projects. Capital expenditures for Refining Segment were RMB 1.269 billion, mainly for Zhongke integrated refining and chemical project, structure adjustment in Zhenhai, Maoming and Tianjin subsidiaries, and GB VI standard gasoline and diesel quality upgrading. Capital expenditures for Marketing and Distribution Segment were RMB 2.273 billion, mainly for revamping service stations, construction for pipelines from Zhanjiang to Beihai and Jingmen to Xiangyang etc., as well as building depots and storage and rectifying safety and environmental hazards. Capital expenditures for Chemicals Segment were RMB 1.158 billion, mainly for Zhongke integrated refining and chemical project, the high-efficiency and environmental- friendly aromatics project (phase#8545;) in Hainan refinery, and other resources integrated utilisation projects as well as product structure adjustment projects. Capital expenditures for Corporate and Others were RMB 117 million, mainly for R&D facilities and information technology application projects.

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 2018 | As of 31 December 2017 | Increase/(Decrease) | | Main reasons for changes |
|-------------------------------------|---------------------|------------------------|---------------------|------------|---|
| | RMB million | RMB million | RMB million | Percentage | |
| | | | | % | |
| Tax Payable | 45,124 | 71,940 | (26,816) | (37.3) | Due to the time difference of tax payment, part of the unpaid tax from the end of last year had been paid during this reporting period. |
| Specific reserve | 1,411 | 888 | 523 | 58.9 | The provision of safety production fund. |

| Items of Consolidated Income Statement | For three-month period ended 31 March | | Increase/(Decrease) | | Main reasons for changes |
|--|---------------------------------------|-------------|---------------------|------------|---|
| | 2018 | 2017 | Amount | Percentage | |
| | RMB Million | RMB Million | RMB Million | % | |
| Financial Expense | 455 | 827 | (372) | (45.0) | The appreciation of RMB caused the exchange gain during this accounting period. |
| Impairment Losses | (13) | 303 | (316) | - | The impairment losses of fixed assets decreased compared with the first quarter of last year. |
| Asset disposal income/(loss) | 227 | (16) | 243 | - | The Company's gain from the disposal of land. |

| Items of consolidated cash flow statement | For three-month period ended 31 March | | Increase/(Decrease) | | Main reasons for changes |
|---|---------------------------------------|-------------|---------------------|------------|--|
| | 2018 | 2017 | Amount | Percentage | |
| | RMB million | RMB million | RMB million | % | |
| Refund of tax and levies | 593 | 228 | 365 | 160.1 | The amount of tax refund increased compared with the first quarter of last year. |
| | 13,342 | 357 | 12,985 | 3,637.3 | |

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| | | | | | |
|--|----------|---------|--------|---------|---|
| Cash received from disposal of investments | | | | | Part of the structured deposit expired and disposed. |
| Other cash received relating to investing activities | 21,325 | 1,455 | 19,870 | 1,365.6 | Fixed term deposit, over three months, expired and recovered. |
| Cash paid for acquisition of investments | (2,241) | (1,668) | 573 | 34.4 | The amount related to structured deposit increased. |
| Other cash paid relating to investing activities | (13,499) | (6,925) | 6,574 | 94.9 | The amount related to fixed term deposit, over |

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| Items of consolidated cash flow statement | For three-month period ended 31 March | | | | Increase/(Decrease) | Main reasons for changes |
|---|---------------------------------------|-------------|-------------|------------|---------------------|--------------------------|
| | 2018 | 2017 | Amount | Percentage | | |
| | RMB million | RMB million | RMB million | % | | |

three months, increased.

3.2 The impact of the revised financial instruments accounting standards by the Ministry of Finance (MOF) and IFRS No.9 on financial statements

In 2017, MOF amended ASBE No.22 – Financial Instruments: Recognition and Measurement, ASBE No.23 – Transfer of Financial Instruments, ASBE No.24 – Hedging, ASBE No.37 – Presentation of Financial Instruments. Enterprises listed in both domestic and overseas capital markets and enterprises listed overseas adopting IFRS or ASBE, shall apply the above mentioned standards from January 1, 2018. This requirement is consistent with the effective date of “IFRS 9 - Financial Instruments” to avoid discrepancies in the financial statements prepared under ASBE and IFRS. Company adjusted the relevant financial data from 1 January 2018 in accordance with the above standards.

3.3 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
 Vice Chairman, President
 Dai Houliang
 26 April, 2018

4. Appendix

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

Consolidated Balance Sheet

as at 31 March 2018

Prepared by: China Petroleum & Chemical Corporation

Units: million Currency: RMB Type: unaudited

| Items | At 31 March 2018 | At 31 December 2017 |
|---|------------------|---------------------|
| Current assets： | | |
| Cash at bank and on hand | 173,640 | 165,004 |
| Financial assets at fair value through profit and loss | 39,167 | 51,196 |
| Bills receivable | 14,466 | 16,207 |
| Accounts receivable | 58,973 | 68,494 |
| Prepayments | 5,743 | 4,901 |
| Other receivables | 17,669 | 16,467 |
| Inventories | 191,323 | 186,693 |
| Other current assets | 20,249 | 20,087 |
| Total current assets | 521,230 | 529,049 |
| Non-current assets： | | |
| Financial assets at fair value through other comprehensive income | 1,155 | - |
| Available-for-sale financial assets | - | 1,676 |
| Long-term equity investments | 133,967 | 131,087 |
| Fixed assets | 634,081 | 650,774 |
| Construction in progress | 115,816 | 118,645 |
| Intangible assets | 96,446 | 97,126 |
| Goodwill | 8,598 | 8,634 |
| Long-term deferred expenses | 14,637 | 14,720 |
| Deferred tax assets | 16,892 | 15,131 |
| Other non-current assets | 29,705 | 28,662 |
| Total non-current assets | 1,051,297 | 1,066,455 |
| Total assets | 1,572,527 | 1,595,504 |
| Current liabilities： | | |
| Short-term loans | 57,358 | 54,701 |
| Bills payable | 7,398 | 6,462 |

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| | | |
|---|---------|---------|
| Accounts payable | 177,944 | 200,073 |
| Advances from customers | 124,548 | 120,734 |
| Employee benefits payable | 8,425 | 7,162 |
| Taxes payable | 45,124 | 71,940 |
| Dividends Payable | 6,782 | 6,843 |
| Other payables | 75,019 | 84,850 |
| Non-current liabilities due within one year | 27,155 | 26,681 |

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| | | |
|--|-----------|-----------|
| Total current liabilities | 529,753 | 579,446 |
| Non-current liabilities | | |
| Long-term loans | 71,724 | 67,754 |
| Debentures payable | 30,944 | 31,370 |
| Provisions | 40,295 | 39,958 |
| Deferred tax liabilities | 6,322 | 6,466 |
| Other non-current liabilities | 16,173 | 16,440 |
| Total non-current liabilities | 165,458 | 161,988 |
| Total liabilities | 695,211 | 741,434 |
| Shareholders' equity | | |
| Share capital | 121,071 | 121,071 |
| Capital reserve | 119,551 | 119,557 |
| Other comprehensive income | (5,228) | (4,413) |
| Specific reserve | 1,411 | 888 |
| Surplus reserves | 199,682 | 199,682 |
| Retained earnings | 309,312 | 290,459 |
| Total equity attributable to shareholders of the Company | 745,799 | 727,244 |
| Minority interests | 131,517 | 126,826 |
| Total shareholders' equity | 877,316 | 854,070 |
| Total liabilities and shareholders' equity | 1,572,527 | 1,595,504 |

Dai Houliang Wang Dehua
Vice Chairman, President Chief Financial Officer

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Balance Sheet

as at 31 March 2018

Prepared by: China Petroleum & Chemical Corporation

Units: million Currency: RMB Type: unaudited

| Items | At 31 March 2018 | At 31 December 2017 |
|---|------------------|---------------------|
| Current assets： | | |
| Cash at bank and on hand | 91,058 | 92,545 |
| Financial assets at fair value through profit and loss | 35,161 | 48,179 |
| Bills receivable | 1,099 | 157 |
| Accounts receivable | 32,402 | 37,609 |
| Prepayments | 2,950 | 4,429 |
| Dividends receivable | 16,327 | 16,327 |
| Other receivables | 52,750 | 47,493 |
| Inventories | 42,483 | 44,933 |
| Other current assets | 25,609 | 27,189 |
| Total current assets | 299,839 | 318,861 |
| Non-current assets： | | |
| Financial assets at fair value through other comprehensive income | 395 | - |
| Available-for-sale financial assets | - | 395 |
| Long-term equity investments | 276,802 | 275,557 |
| Fixed assets | 319,877 | 329,814 |
| Construction in progress | 47,801 | 50,046 |
| Intangible assets | 8,318 | 8,340 |
| Long-term deferred expenses | 2,010 | 1,958 |
| Deferred tax assets | 8,872 | 6,834 |
| Other non-current assets | 11,005 | 10,690 |
| Total non-current assets | 675,080 | 683,634 |
| Total assets | 974,919 | 1,002,495 |
| Current liabilities： | | |
| Short-term loans | 19,751 | 17,330 |
| Bills payable | 3,152 | 3,155 |
| Accounts payable | 82,059 | 83,449 |
| Advances from customers | 3,471 | 3,413 |

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| | | |
|---|---------|---------|
| Employee benefits payable | 5,390 | 4,854 |
| Taxes payable | 25,441 | 42,549 |
| Other payables | 121,312 | 143,274 |
| Non-current liabilities due within one year | 20,165 | 19,539 |
| Total current liabilities | 280,741 | 317,563 |
| Non-current liabilities： | | |
| Long-term loans | 67,683 | 63,667 |
| Debentures payable | 20,000 | 20,000 |
| Provisions | 31,779 | 31,405 |

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| | | |
|--|---------|-----------|
| Other non-current liabilities | 2,523 | 2,591 |
| Total non-current liabilities | 121,985 | 117,663 |
| Total liabilities | 402,726 | 435,226 |
| Shareholders' equity | | |
| Share capital | 121,071 | 121,071 |
| Capital reserve | 68,789 | 68,789 |
| Other comprehensive income | 128 | 196 |
| Specific reserve | 745 | 482 |
| Surplus reserves | 199,682 | 199,682 |
| Retained earnings | 181,778 | 177,049 |
| Total shareholders' equity | 572,193 | 567,269 |
| Total liabilities and shareholders' equity | 974,919 | 1,002,495 |

Dai Houliang Wang Dehua
 Vice Chairman, President Chief Financial Officer

Consolidated Income Statement
for the three-month periods ended 31 March 2018
Prepared by: China Petroleum & Chemical Corporation
Units: million Currency: RMB Type: unaudited

| Items | Three-month periods ended 31 March 2018 | Three-month periods ended 31 March 2017 |
|---|--|--|
| I. Total operating income | 621,251 | 582,185 |
| II. Total operating costs | 594,063 | 558,233 |
| Including: Operating costs | 501,278 | 466,318 |
| Taxes and surcharges | 57,719 | 58,169 |
| Selling and distribution expenses | 13,688 | 12,429 |
| General and administrative expenses | 18,706 | 17,911 |
| Financial expenses | 455 | 827 |
| Exploration expenses, including dry holes | 2,230 | 2,276 |
| Impairment losses | (13) | 303 |
| Add: Gain from changes in fair value | 126 | - |
| Investment income | 3,355 | 3,944 |
| Asset disposal income/(loss) | 227 | (16) |
| Other income | 594 | - |
| III. Operating profit | 31,490 | 27,880 |
| Add: Non-operating income | 378 | 410 |
| Less: Non-operating expenses | 353 | 310 |
| IV. Profit before taxation | 31,515 | 27,980 |
| Less: Income tax expense | 6,993 | 6,297 |
| V. Net profit | 24,522 | 21,683 |
| Attributable to: | | |
| Equity shareholders of the Company | 18,770 | 16,633 |
| Minority interests | 5,752 | 5,050 |
| VI. Total other comprehensive income | (1,485) | (901) |
| Items that may be reclassified subsequently to profit or loss (net of tax and after reclassification adjustments): | | |
| Cash flow hedges | 785 | (570) |
| Available-for-sale financial assets | - | (9) |

| | | |
|---|---------|----------|
| Share of other comprehensive income of associates and jointly controlled entities | 148 | 4 |
| Foreign currency translation differences | (2,418) | (326) |
| VII. Total comprehensive income | 23,037 | 20,782 |
| Attributable to: | | 　 |
| Equity shareholders of the Company | 17,990 | 15,904 |

Minority interests 5,047 4,878

VIII. Earnings per share

(i) Basic earnings per share (RMB) 0.155 0.137

(ii) Diluted earnings per share (RMB) 0.155 0.137

Dai Houliang Wang Dehua
Vice Chairman, President Chief Financial Officer

Income Statement

for the three-month periods ended 31 March 2018

Prepared by: China Petroleum & Chemical Corporation

Units: million Currency: RMB Type: unaudited

| Items | Three-month periods ended 31 March 2018 | Three-month periods ended 31 March 2017 |
|---|--|--|
| I.Operating income | 241,136 | 210,822 |
| Less: Operating costs | 184,696 | 158,751 |
| Taxes and surcharges | 40,067 | 38,558 |
| Selling and distribution expenses | 693 | 585 |
| General and administrative expenses | 10,367 | 9,425 |
| Financial expenses | 1,008 | 635 |
| Exploration expenses, including dry holes | 2,213 | 2,190 |
| Impairment losses | 4 | 279 |
| Add: Loss from changes in fair value | (18) | - |
| Investment income | 2,931 | 2,860 |
| Asset disposal income/(loss) | 237 | (20) |
| Other income | 300 | - |
| II.Operating profit | 5,538 | 3,239 |
| Add: Non-operating income | 122 | 146 |
| Less: Non-operating expenses | 155 | 193 |
| III.Profit before taxation | 5,505 | 3,192 |
| Less: Income tax expense | 791 | 784 |
| IV.Net profit | 4,714 | 2,408 |
| V. Total other comprehensive income | (53) | 76 |
| Items that may be reclassified subsequently to profit or loss (net of tax and after reclassification adjustments): | | |
| Cash flow hedges | - | 72 |
| Share of other comprehensive (loss)/ income of associates and jointly controlled entities | (53) | 4 |
| VI.Total comprehensive income | 4,661 | 2,484 |

Dai Houliang

Wang Dehua

Vice Chairman, President Chief Financial Officer

Consolidated Cash Flow Statement
for the three-month periods ended 31 March 2018
Prepared by: China Petroleum & Chemical Corporation
Units: million Currency: RMB Type: unaudited

| Items | Three-month periods ended 31 March 2018 | Three-month periods ended 31 March 2017 |
|---|--|--|
| I.Cash flows from operating activities | | |
| Cash received from sale of goods and rendering of services | 707,017 | 662,996 |
| Refund of taxes and levies | 593 | 228 |
| Other cash received relating to operating activities | 16,695 | 16,280 |
| Sub-total of cash inflows | 724,305 | 679,504 |
| Cash paid for goods and services | (561,416) | (532,989) |
| Cash paid to and for employees | (16,056) | (13,802) |
| Payments of taxes and levies | (109,547) | (95,096) |
| Other cash paid relating to operating activities | (25,234) | (24,341) |
| Sub-total of cash outflows | (712,253) | (666,228) |
| Net cash flow from operating activities | 12,052 | 13,276 |
| II.Cash flows from investing activities | | |
| Cash received from disposal of investments | 13,342 | 357 |
| Cash received from returns on investments | 674 | 285 |
| Net cash received from disposal of fixed assets, intangible assets and other long-term assets | - | 106 |
| Other cash received relating to investing activities | 21,325 | 1,455 |
| Sub-total of cash inflows | 35,341 | 2,203 |
| Cash paid for acquisition of fixed assets, intangible assets and other long-term assets | (17,901) | (15,184) |
| Cash paid for acquisition of investments | (2,241) | (1,668) |
| Net cash paid for the acquisition of subsidiaries and other business entities | (3,188) | - |
| Other cash paid relating to investing activities | (13,499) | (6,925) |

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| | | |
|---|----------|----------|
| Sub-total of cash outflows | (36,829) | (23,777) |
| Net cash flow from investing activities | (1,488) | (21,574) |
| III.Cash flows from financing activities： | | |
| Cash received from capital contributions | 70 | 42 |
| Including: Cash received from minority shareholders’ capital contributions to | 70 | 42 |

subsidiaries

| | | |
|--|-----------|-----------|
| Cash received from borrowings | 126,432 | 139,881 |
| Sub-total of cash inflows | 126,502 | 139,923 |
| Cash repayments of borrowings | (118,865) | (144,028) |
| Cash paid for dividends, profits distribution or interest | (1,173) | (1,026) |
| Including: Subsidiaries' cash payments for distribution of dividends or profits to minority shareholders | (390) | (268) |
| Other cash paid relating to financing activities | (3) | - |
| Sub-total of cash outflows | (120,041) | (145,054) |
| Net cash flow from financing activities | 6,461 | (5,131) |
| IV.Effects of changes in foreign exchange rate | (455) | (55) |
| V.Net increase/(decrease) in cash and cash equivalents | 16,570 | (13,484) |
| Add:Cash and cash equivalents at 1 January | 113,218 | 124,468 |
| VI.Cash and cash equivalents at 31 March | 129,788 | 110,984 |

Dai Houliang Wang Dehua
Vice Chairman, President Chief Financial Officer

Cash Flow Statement

for the three-month periods ended 31 March 2018

Prepared by: China Petroleum & Chemical Corporation

Units: million Currency: RMB Type: unaudited

| Items | Three-month periods ended 31 March 2018 | Three-month periods ended 31 March 2017 |
|---|--|--|
| I.Cash flows from operating activities | | |
| Cash received from sale of goods and rendering of services | 285,228 | 249,135 |
| Refund of taxes and levies | 445 | 38 |
| Other cash received relating to operating activities | 6,926 | 5,170 |
| Sub-total of cash inflows | 292,599 | 254,343 |
| Cash paid for goods and services | (192,802) | (166,951) |
| Cash paid to and for employees | (8,515) | (7,290) |
| Payments of taxes and levies | (75,254) | (58,535) |
| Other cash paid relating to operating activities | (31,161) | (13,745) |
| Sub-total of cash outflows | (307,732) | (246,521) |
| Net cash flow from operating activities | (15,133) | 7,822 |
| II.Cash flows from investing activities | | |
| Cash received from disposal of investments | 15,319 | 3,961 |
| Cash received from returns on investments | 2,116 | 1,497 |
| Net cash received from disposal of fixed assets, intangible assets and other long-term assets | 289 | 490 |
| Other cash received relating to investing activities | 12,428 | 543 |
| Sub-total of cash inflows | 30,152 | 6,491 |
| Cash paid for acquisition of fixed assets, intangible assets and other long-term assets | (8,098) | (7,028) |
| Cash paid for acquisition of investments | (2,316) | (4,390) |
| Other cash paid relating to investing activities | - | (2,730) |
| Sub-total of cash outflows | (10,414) | (14,148) |
| Net cash flow from investing activities | 19,738 | (7,657) |
| III.Cash flows from financing activities | | |
| Cash received from borrowings | 25,723 | 50,244 |
| Sub-total of cash inflows | 25,723 | 50,244 |

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| | | |
|-------------------------------------|----------|----------|
| Cash repayments of borrowings | (18,654) | (55,946) |
| Cash paid for dividends or interest | (1,161) | (246) |
| Sub-total of cash outflows | (19,815) | (56,192) |

20

| | | |
|---|--------|---------|
| Net cash flow from financing activities | 5,908 | (5,948) |
| IV.Net increase/(decrease) in cash and cash equivalents | 10,513 | (5,783) |
| Add: Cash and cash equivalents at 1 January | 72,309 | 98,250 |
| V.Cash and cash equivalents at 31 March | 82,822 | 92,467 |

Dai Houliang Wang Dehua
Vice Chairman, President Chief Financial Officer

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Segment Reporting

for the three-month periods ended 31 March 2018

Prepared by: China Petroleum & Chemical Corporation

Units: million Currency: RMB Type: unaudited

| Items | Three-month periods ended 31 March 2018 | Three-month periods ended 31 March 2017 |
|---|--|--|
| Income from principal operations | | |
| Exploration and production | | |
| External sales | 20,933 | 17,119 |
| Inter-segment sales | 20,269 | 19,104 |
| Subtotal | 41,202 | 36,223 |
| Refining | | |
| External sales | 33,933 | 32,676 |
| Inter-segment sales | 252,897 | 214,908 |
| Subtotal | 286,830 | 247,584 |
| Marketing and distribution | | |
| External sales | 310,117 | 290,119 |
| Inter-segment sales | 1,176 | 891 |
| Subtotal | 311,293 | 291,010 |
| Chemicals | | |
| External sales | 104,780 | 93,725 |
| Inter-segment sales | 15,980 | 13,084 |
| Subtotal | 120,760 | 106,809 |
| Corporate and others | | |
| External sales | 135,500 | 134,245 |
| Inter-segment sales | 131,516 | 99,064 |
| Subtotal | 267,016 | 233,309 |
| Elimination of inter-segment sales | (421,838) | (347,051) |
| Consolidated income from principal operations | 605,263 | 567,884 |
| Income from other operations | | |
| Exploration and production | 1,742 | 1,797 |
| Refining | 1,125 | 1,125 |

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| | | |
|---|---------|---------|
| Marketing and distribution | 8,892 | 7,333 |
| Chemicals | 3,738 | 3,793 |
| Corporate and others | 491 | 253 |
| Consolidated income from other operations | 15,988 | 14,301 |
| Consolidated operating income | 621,251 | 582,185 |
| Operating (loss) / profit | | |
| By segment | | |
| Exploration and production | (573) | (5,717) |
| Refining | 18,549 | 16,292 |
| Marketing and distribution | 8,646 | 9,007 |
| Chemicals | 8,090 | 8,449 |

| | | |
|---------------------------------|---------|---------|
| Corporate and others | (1,069) | 1,048 |
| Elimination | (6,000) | (4,300) |
| Total segment operating profit | 27,643 | 24,779 |
| Investment income | | |
| Exploration and production | 337 | 413 |
| Refining | 226 | 179 |
| Marketing and distribution | 646 | 547 |
| Chemicals | 1,490 | 2,400 |
| Corporate and others | 656 | 405 |
| Total segment investment income | 3,355 | 3,944 |
| Financial expenses | (455) | (827) |
| Gain from changes in fair value | 126 | - |
| Asset disposal income/(loss) | 227 | (16) |
| Other income | 594 | - |
| Operating profit | 31,490 | 27,880 |
| Add: Non-operating income | 378 | 410 |
| Less: Non-operating expenses | 353 | 310 |
| Profit before taxation | 31,515 | 27,980 |

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

Consolidated Income Statement
for the three-month periods ended 31 March 2018
Prepared by: China Petroleum & Chemical Corporation
Units: million Currency: RMB Type: unaudited

| Items | Three-month periods ended 31 March 2018 | Three-month periods ended 31 March 2017 |
|---|--|--|
| Turnover and other operating revenues | | |
| Turnover | 605,263 | 567,884 |
| Other operating revenues | 15,988 | 14,301 |
| Subtotal | 621,251 | 582,185 |
| Operating expenses | | |
| Purchased crude oil, products and operating supplies and expenses | (474,389) | (438,807) |
| Selling, general and administrative expenses | (16,708) | (14,614) |
| Depreciation, depletion and amortization | (25,111) | (27,256) |
| Exploration expenses, including dry holes | (2,230) | (2,276) |
| Personnel expenses | (16,861) | (15,431) |
| Taxes other than income tax | (57,719) | (58,169) |
| Other operating income/(expense), net | 985 | (197) |
| Total operating expenses | (592,033) | (556,750) |
| Operating profit | 29,218 | 25,435 |
| Finance costs | | |
| Interest expense | (1,989) | (2,084) |
| Interest income | 1,288 | 1,163 |
| Foreign currency exchange income, net | 246 | 94 |
| Net finance costs | (455) | (827) |
| Investment income | 217 | 52 |
| Share of profits less losses from associates and joint ventures | 3,140 | 3,892 |
| Profit before taxation | 32,120 | 28,552 |
| Tax expense | (6,993) | (6,297) |
| Profit for the period | 25,127 | 22,255 |

Attributable to：

| | | |
|----------------------------------|--------|--------|
| Owners of the Company | 19,306 | 17,199 |
| Non-controlling interests | 5,821 | 5,056 |
| Profit for the period | 25,127 | 22,255 |
| Earnings per share | | |
| Basic earnings per share (RMB) | 0.159 | 0.142 |
| Diluted earnings per share (RMB) | 0.159 | 0.142 |

Consolidated Statement of Comprehensive Income
for the three-month periods ended 31 March 2018
Prepared by: China Petroleum & Chemical Corporation
Units: million Currency: RMB Type: unaudited

| Items | Three-month periods ended 31 March 2018 | Three-month periods ended 31 March 2017 |
|---|--|--|
| Profit for the period | 25,127 | 22,255 |
| Total other comprehensive income | (1,485) | (901) |
| Items that may be reclassified subsequently to profit or loss (net of tax and after reclassification adjustments): | | |
| Cash flow hedges | 785 | (570) |
| Available-for-sale securities | - | (9) |
| Foreign currency translation differences | (2,418) | (326) |
| Share of other comprehensive income of associates and joint ventures | 148 | 4 |
| Total comprehensive income | 23,642 | 21,354 |
| Attributable to: | | |
| Owners of the Company | 18,526 | 16,470 |
| Non-controlling interests | 5,116 | 4,884 |

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Consolidated Balance Sheet

as at 31 March 2018

Prepared by: China Petroleum & Chemical Corporation

Units: million Currency: RMB Type: unaudited

| Items | At 31 March 2018 | At 31 December 2017 |
|---|------------------|---------------------|
| Non-current assets | | |
| Property, plant and equipment, net | 634,081 | 650,774 |
| Construction in progress | 115,816 | 118,645 |
| Goodwill | 8,598 | 8,634 |
| Interest in associates | 80,976 | 79,726 |
| Interest in joint ventures | 52,991 | 51,361 |
| Financial assets at fair value through other comprehensive income | 1,155 | - |
| Available-for-sale financial assets | - | 1,676 |
| Deferred tax assets | 16,892 | 15,131 |
| Lease prepayments | 58,368 | 58,526 |
| Long-term prepayments and other non-current assets | 82,420 | 81,982 |
| Total non-current assets | 1,051,297 | 1,066,455 |
| Current assets: | | |
| Cash and cash equivalents | 129,788 | 113,218 |
| Time deposits with financial institutions | 43,852 | 51,786 |
| Financial assets at fair value through profit and loss | 39,167 | 51,196 |
| Trade accounts receivable | 58,973 | 68,494 |
| Bills receivable | 14,466 | 16,207 |
| Inventories | 191,323 | 186,693 |
| Prepaid expenses and other current assets | 43,661 | 41,455 |
| Total current assets | 521,230 | 529,049 |
| Current liabilities | | |
| Short-term debts | 58,679 | 55,338 |
| Loans from Sinopec Group Company and fellow subsidiaries | 25,834 | 25,311 |
| Trade accounts payable | 177,944 | 200,073 |
| Bills payable | 7,398 | 6,462 |
| Accrued expenses and other payables | 247,032 | 279,247 |
| Income tax payable | 12,866 | 13,015 |

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| | | |
|--|-----------|-----------|
| Total current liabilities | 529,753 | 579,446 |
| Net current liabilities | (8,523) | (50,397) |
| Total assets less current liabilities | 1,042,774 | 1,016,058 |
| Non-current liabilities | | |
| Long-term debts | 59,348 | 55,804 |
| Loans from Sinopec Group Company and fellow subsidiaries | 43,320 | 43,320 |

| | | |
|--|---------|---------|
| Deferred tax liabilities | 6,322 | 6,466 |
| Provisions | 40,295 | 39,958 |
| Other non-current liabilities | 17,339 | 17,620 |
| Total non-current liabilities | 166,624 | 163,168 |
| Total net assets | 876,150 | 852,890 |
| Equity | | |
| Share capital | 121,071 | 121,071 |
| Reserves | 623,617 | 605,049 |
| Total equity attributable to owners of the Company | 744,688 | 726,120 |
| Non-controlling interests | 131,462 | 126,770 |
| Total equity | 876,150 | 852,890 |

Consolidated Statement of Cash Flows
for the three-month periods ended 31 March 2018
Prepared by: China Petroleum & Chemical Corporation
Units: million Currency: RMB Type: unaudited

| Items | Three-month periods ended 31 March 2018 | Three-month periods ended 31 March 2017 |
|---|--|--|
| Net cash generated from operating activities(a) | 12,052 | 13,276 |
| Investing activities | | |
| Capital expenditure | (17,294) | (14,278) |
| Exploratory wells expenditure | (607) | (906) |
| Purchase of investments, investments in associates and investments in joint ventures | (2,241) | (1,668) |
| Payment for acquisition of subsidiary, net of cash acquired | (3,188) | - |
| Proceeds from disposal of investments and investments in associates, net | 13,342 | 357 |
| Proceeds from disposal of property, plant, equipment and other non-current assets | - | 106 |
| Increase in time deposits with maturities over three months | (13,445) | (6,857) |
| Decrease in time deposits with maturities over three months | 21,379 | 790 |
| Interest received | (108) | 597 |
| Investment and dividend income received | 674 | 285 |
| Net cash used in investing activities | (1,488) | (21,574) |
| Financing activities | | |
| Proceeds from bank and other loans | 126,432 | 139,881 |
| Repayments of bank and other loans | (118,865) | (144,028) |
| Distributions by subsidiaries to non-controlling interests | (390) | (268) |
| Contributions to subsidiaries from non-controlling interests | 70 | 42 |
| Interest paid | (783) | (758) |
| Finance lease payment | (3) | - |
| Net cash used in financing activities | 6,461 | (5,131) |
| Net increase/(decrease) in cash and cash equivalents | 17,025 | (13,429) |

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| | | |
|--|---------|---------|
| Cash and cash equivalents at 1 January | 113,218 | 124,468 |
| Effect of foreign currency exchange rate changes | (455) | (55) |
| Cash and cash equivalents at 31 March | 129,788 | 110,984 |

Note to consolidated statement of Cash Flows
for the three-month periods ended 31 March 2018
Prepared by: China Petroleum & Chemical Corporation
Units: million Currency: RMB Type: unaudited

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

| Items | Three-month periods ended 31 March 2018 | Three-month periods ended 31 March 2017 |
|--|--|--|
| Operating activities | | |
| Profit before taxation | 32,120 | 28,552 |
| Adjustments for: | | |
| Depreciation, depletion and amortization | 26,336 | 27,256 |
| Dry hole costs written off | 1,974 | 2,085 |
| Share of profits from associates and joint ventures | (3,140) | (3,892) |
| Investment income | (217) | (52) |
| Interest income | (1,288) | (1,163) |
| Interest expense | 1,989 | 2,084 |
| (Gain)/loss on foreign currency exchange rate changes and derivative financial instruments | (604) | 414 |
| Loss on disposal of property, plant, equipment and other non-current assets, net | - | 16 |
| Impairment losses on assets | (13) | 303 |
| Operating profit before change of operating capital | 57,157 | 55,603 |
| Accounts receivable and other current assets | 7,815 | (5,336) |
| Increase of inventories | (4,630) | (3,423) |
| Accounts payable and other current liabilities | (39,182) | (30,717) |
| Subtotal | 21,160 | 16,127 |
| Income tax paid | (9,108) | (2,851) |
| Net cash generated from operating activities | 12,052 | 13,276 |

Segment Reporting

for the three-month periods ended 31 March 2018

Prepared by: China Petroleum & Chemical Corporation

Units: million Currency: RMB Type: unaudited

Information of the company and its subsidiaries (the "Group") reportable segments is as follows:

| Items | Three-month periods ended 31 March 2018 | Three-month periods ended 31 March 2017 |
|------------------------------------|--|--|
| Turnover | | |
| Exploration and production | | |
| External sales | 20,933 | 17,119 |
| Inter-segment sales | 20,269 | 19,104 |
| Subtotal | 41,202 | 36,223 |
| Refining | | |
| External sales | 33,933 | 32,676 |
| Inter-segment sales | 252,897 | 214,908 |
| Subtotal | 286,830 | 247,584 |
| Marketing and distribution | | |
| External sales | 310,117 | 290,119 |
| Inter-segment sales | 1,176 | 891 |
| Subtotal | 311,293 | 291,010 |
| Chemicals | | |
| External sales | 104,780 | 93,725 |
| Inter-segment sales | 15,980 | 13,084 |
| Subtotal | 120,760 | 106,809 |
| Corporate and others | | |
| External sales | 135,500 | 134,245 |
| Inter-segment sales | 131,516 | 99,064 |
| Subtotal | 267,016 | 233,309 |
| Elimination of inter-segment sales | (421,838) | (347,051) |
| Turnover | 605,263 | 567,884 |
| Other operating revenues | | |
| Exploration and production | 1,742 | 1,797 |
| Refining | 1,125 | 1,125 |

| | | |
|---------------------------------------|---------|---------|
| Marketing and distribution | 8,892 | 7,333 |
| Chemicals | 3,738 | 3,793 |
| Corporate and others | 491 | 253 |
| Other operating revenues | 15,988 | 14,301 |
| Turnover and other operating revenues | 621,251 | 582,185 |
| Result | | |
| Operating (loss)/profit | | |
| By segment | | |
| Exploration and production | (318) | (5,764) |
| Refining | 19,007 | 16,754 |
| Marketing and distribution | 8,925 | 9,161 |

| | | |
|---|---------|---------|
| Chemicals | 8,452 | 8,509 |
| Corporate and others | (848) | 1,075 |
| Elimination | (6,000) | (4,300) |
| Total segment operating profit | 29,218 | 25,435 |
| Share of profits from associates and joint ventures | | |
| Exploration and production | 276 | 413 |
| Refining | 223 | 182 |
| Marketing and distribution | 641 | 532 |
| Chemicals | 1,495 | 2,397 |
| Corporate and others | 505 | 368 |
| Aggregate share of profits from associates and joint ventures | 3,140 | 3,892 |
| Investment income/(losses) | | |
| Exploration and production | 61 | - |
| Refining | 3 | (3) |
| Marketing and distribution | 8 | 15 |
| Chemicals | (6) | 3 |
| Corporate and others | 151 | 37 |
| Aggregate investment income | 217 | 52 |
| Net finance costs | (455) | (827) |
| Profit before taxation | 32,120 | 28,552 |

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

Units: million Currency: RMB Type: unaudited

| Items | Three-month periods ended 31 March 2018 | Three-month periods ended 31 March 2017 |
|----------------------------------|---|---|
| Net profit under ASBE | 24,522 | 21,683 |
| Adjustments: | | |
| Government grants (i) | 14 | 28 |
| Safety production fund (ii) | 591 | 544 |
| Profit for the period under IFRS | 25,127 | 22,255 |

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

Units: million Currency: RMB Type: unaudited

| Items | At 31 March 2018 | At 31 December 2017 |
|---------------------------------|------------------|---------------------|
| Shareholders' equity under ASBE | 877,316 | 854,070 |
| Adjustments: | | |
| Government grants(i) | (1,166) | (1,180) |
| Total equity under IFRS | 876,150 | 852,890 |

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: Vice President and Secretary to the Board of Directors

Date: April 27, 2018