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中国石化
SINOPEC

中国石油化工股份有限公司

CHINA PETROLEUM & CHEMICAL CORPORATION

(P ' R C)

(Stock Code: 00386)

Overseas Regulatory Announcement
China Petroleum & Chemical Corporation
The First Quarterly Report for 2019

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

By Order of the Board
China Petroleum & Chemical Corporation
Huang Wensheng
V P S B D

Beijing, the PRC,
29 April 2019

*A , D S C . : D H [*], M Y [#], L Y *,Y B *, L Y [#], L Z [#], L Y *, T M [+], F G [+], C H [+], N , K L J [+].*

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China Petroleum & Chemical Corporation

The First Quarterly Report for 2019

29 April 2019

Beijing, China

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1.1 The Board of Directors, the Supervisory Board of China Petroleum & Chemical Corporation 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 2019 was approved at the 6th meeting of the Seventh Session of the Board of Directors of Sinopec Corp. All directors attended this meeting.

1.3 Mr. Dai Houliang, Chairman, Mr. Ma Yongsheng, 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.

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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 (CASs)

RMB million

Items	As of 31 March 2019	As of 31 December 2018	Changes from the end of the preceding year to the end of the reporting period (%)
Total assets			
Total equity attributable to equity shareholders of the Company			

RMB million

Items	R 0. /	1/ a 0. /	Changes over the same period of the preceding year (%)
Net cash flow from operating activities			
Operating income			
Net profit attributable to equity shareholders of the Company			
Net profit attributable to equity shareholders of the Company excluding extraordinary gains and losses			
Weighted average return on net assets (%)			
Basic earnings per share (RMB)			
Diluted earnings per share (RMB)			

RMB million

Extraordinary items	During the reporting period (income)/expenses（RMB million）
Net loss on disposal of non-current assets	
Donations	
Government grants	
Gains on holding and disposal of various investments	
Other extraordinary income and expenses, net	
Subtotal	
Tax effect	
Total	
Attributable to:	
Equity shareholders of the Company	
Minority interests	

Total number of shareholders at the end of the reporting period	Total number of shareholders was 486,896, including 481,107 holders of domestic A shares and 5,789 holders of overseas H shares.			
Top ten shareholders				
Name of shareholder	**Total number of shares held**	**Percentage (%)**	**Number of shares subject to pledge or lock-ups**	**Nature of shareholder**
China Petrochemical Corporation	82,709,227,393	68.31	0	State-owned share
HKSCC (Nominees) Limited [1]	25,392,285,486	20.97	Unknown	H share
中国证券金融股份有限公司	2,609,312,057	2.16	0	A share
国新投资有限公司	1,252,427,354	1.03	0	A share
香港中央结算有限公司	999,101,462	0.83	0	A share
北京诚通金控投资有限公司	947,604,254	0.78	0	A share
中央汇金资产管理有限责任公司	322,037,900	0.27	0	A share
中国人寿保险股份有限公司－传统－普通保险产品－005L－CT001 沪	259,205,354	0.21	0	A share
中国人寿保险股份有限公司－分红－个人分红－005L－FH002 沪	240,956,971	0.20	0	A share
国泰君安证券股份有限公司	143,442,801	0.12	0	A share

Note1 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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Apart from 中国人寿保险股份有限公司－传统－普通保险产品－005L－CT001 沪 and 中国人寿保险股份有限公司－分红－个人分红－005L－FH002 沪 which were both administrated by 中国人寿保险股份有限公司, Sinopec Corp. is not aware of any connected relationship or acting in concert among or between the above-mentioned shareholders.

2.3 Review of operating results

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Exploration and Production	**Unit**	**Three-month period ended 31 March**		**A &**
		2019	**2018**	
Oil and gas production[2]	million boe	113.46	111.33	
Crude oil production	million barrels	70.81	71.35	
China	million barrels	61.55	61.43	
Overseas	million barrels	9.26	9.92	
Natural gas production	billion cubic feet	255.79	239.83	
Realised crude oil price	USD/barrel	57.66	59.8	
Realised natural gas price	USD/thousand cubic feet	7.07	6.28	

Note2 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.

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Refining[3]	Unit	Three-month period ended 31 March		A &
		2019	2018	
Refinery throughput	million tonnes			
Gasoline, diesel and kerosene production	million tonnes			
Gasoline	million tonnes			
Diesel	million tonnes			
Kerosene	million tonnes			
Light chemical feedstock	million tonnes			
Light product yield	%			
Refining yield	%			

Note3 Including 100% production of domestic joint ventures.

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Marketing and Distribution	Unit	Three-month period ended 31 March		Changes (%)
		2019	2018	
Total sales volume of refined oil products	million tonnes			
Total domestic sales of refined oil products	million tonnes			
Retail	million tonnes			
Direct sales & Distribution	million tonnes			
Throughput per station[4]	tonnes			

Unit: stations	As of 31 March 2019	As of 31 December 2018	Changes from the end of last year to the end of the reporting period (%)
Total number of Sinopec-branded service stations	30,671	30,648	0.1
Number of company-operated stations	30,665	30,642	0.1

Note4 Throughput per station was annualised.

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Chemicals[5]	Unit	Three-month period ended 31 March		Changes (%)
		2019	2018	
Ethylene	thousand tonnes	3,049	2,995	1.8
Synthetic resin	thousand tonnes	4,178	4,117	1.5
Synthetic rubber	thousand tonnes	271	199	36.2
Monomers and polymers for synthetic fiber	thousand tonnes	2,575	2,246	14.6
Synthetic fiber	thousand tonnes	322	296	8.8

Note5 Including 100% production of domestic joint ventures.

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1 Significant events

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

Items of Consolidated Balance Sheet	As of 31 March 2019	As of 31 December 2018	Increase/(Decrease)		Main reasons for changes
			Amount	Percentage	
	RMB million	RMB million	RMB million	（%）	
					New Leases Standard
					New Leases Standard
					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
					Cash flow hedging and foreign currency translation differences

Items of Consolidated Income Statement	Three-month period ended 31 March		Increase/(Decrease)		Main reasons for changes
	2019	2018	Amount	Percentage	
	RMB Million	RMB Million	RMB Million	（%）	
Financial Expense					Increase in Financial Expense *New Leases Standard*
					of associates and joint ventures
Asset disposal income/(loss)					Income in 2018 is mainly due to gain from the disposal of land from subsidiary

Items of consolidated cash flow statement	Three-month period ended 31 March		Increase/(Decrease)		Main reasons for changes
	2019	2018	Amount	Percentage	
	RMB million	RMB million	RMB million	（%）	
Other cash received relating to operational activities					
Other cash paid relating to operational activities					
Other cash received relating to investing activities					Decrease in value of certificate of deposit, over three months, expired and recovered
Other cash paid relating to investing activities					Increase in the value of certificate of deposit, over three months

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.

Chairman
Dai Houliang

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Chairman *President* *Chief Financial Officer*

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Chairman *President* *Chief Financial Officer*

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I. Operating income		

Items that may not be reclassified subsequently to profit or loss:		
Items that may be reclassified subsequently to profit or loss:		

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Chairman *President* *Chief Financial Officer*

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Chairman *President* *Chief Financial Officer*

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Items	Three-month periods ended 31 March 2019	Three-month periods ended 31 March 2018
Income from principal operations		
Exploration and production		
External sales	29,367	20,933
Inter segment sales	22,089	20,269
Subtotal	51,456	41,202
Refining		
External sales		

Corporate and others	425	491
Consolidated income from other operations	16,080	15,988
Consolidated operating income	717,579	621,251
Operating profit/(loss)		
By segment		
Exploration and production	1,581	(573)
Refining	11,481	18,549
Marketing and distribution	7,990	8,646
Chemicals	6,827	8,090
Corporate and others	(582)	(1,069)
Elimination	(540)	(6,000)
Total segment operating profit	26,757	27,643
Investment income		
Exploration and production	777	337
Refining	(394)	226
Marketing and distribution	215	646
Chemicals	1,047	1,490
Corporate and others	(360)	656
Total segment investment income	1,285	3,355
Financial expenses	(2,330)	(455)
(Loss)/gain from changes in fair value	(2,226)	126
Loss from asset disposal	(64)	227

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Consolidated Income Statement

for the three-month periods ended 31 March 2019

Prepared by: China Petroleum & Chemical Corporation

RMB million, unaudited

Items	Three-month periods ended 31 March 2019	Three-month periods ended 31 March 2018
Turnover and other operating revenues		
Turnover	701,499	605,263
Other operating revenues	16,080	15,988
Subtotal	717,579	621,251
Operating expenses		
Purchased crude oil, products and operating supplies and expenses	(572,138)	(474,389)
Selling, general and administrative expenses	(11,575)	(16,708)
Depreciation, depletion and amortization	(25,998)	(25,111)
Exploration expenses, including dry holes	(2,543)	(2,230)
Personnel expenses	(17,361)	(16,861)
Taxes other than income tax	(60,459)	(57,719)
Other operating (expense)/income, net	(2,664)	985
Total operating expenses	(692,738)	(592,033)
Operating profit	24,841	29,218
Finance costs		
Interest expense	(4,301)	(1,989)
Interest income	1,924	1,288
Foreign currency exchange income, net	47	246
Net finance costs	(2,330)	(455)
Investment income	55	217
Share of profits less losses from associates and joint ventures	2,232	3,140
Profit before taxation	24,798	32,120
Income tax expense	(5,539)	(6,993)
Profit for the period	19,259	25,127
Attributable to：		
Owners of the Company	15,468	19,306
Non-controlling interests	3,791	5,821
Profit for the period	19,259	25,127
Earnings per share		
Basic earnings per share (RMB)	0.128	0.159
Diluted earnings per share (RMB)	0.128	0.159

Consolidated Statement of Comprehensive Income

for the three-month periods ended 31 March 2019

Prepared by: China Petroleum & Chemical Corporation

RMB million, unaudited

Items	Three-month periods ended 31 March 2019	Three-month periods ended 31 March 2018
Profit for the period	19,259	25,127
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss (net of tax and after reclassification adjustments):		
Financial assets at fair value through other comprehensive income	1	-
Total items that maynot be reclassifled subsequently to profit or loss	1	-
Items that may be reclassified subsequently to profit or loss:		
Share of other comprehensive income of associates and joint ventures	66	148
Cash flow hedges	4,853	785
Foreign currency translation differences	(1,161)	(2,418)
Total items that may be reclassified subsequently to profit or loss	3,758	(1,485)
Total other comprehensive income	3,759	(1,485)
Total comprehensive income	23,018	23,642
Attributable to:		
Shareholders of the Company	19,734	18,526
Non controlling interests	3,284	5,116
Total comprehensive income	23,018	23,642

Consolidated Balance Sheet

as at 31 March 2019

Prepared by: China Petroleum & Chemical Corporation

RMB million, unaudited

Items	At 31 March 2019	At 31 December 2018
Non-current assets:		
Property, plant and equipment, net	605,380	617,762
Construction in progress	138,584	136,963
Right-of-use assets	206,743	-
Goodwill	8,657	8,676
Interest in associates	90,332	89,537
Interest in joint ventures	57,139	56,184
Financial assets at fair value through other comprehensive income	1,447	1,450
Deferred tax assets	19,451	21,694
Lease prepayments	64,220	64,514
Long-term prepayments and other non-current assets	82,379	91,408
Total non-current assets	1,274,332	1,088,188
Current assets:		
Cash and cash equivalents	100,760	111,922
Time deposits with financial institutions	67,626	55,093
Financial assets at fair value through profit and loss	16,872	25,732
Derivatives financial assets	4,977	7,887
Trade accounts receivable and bills receivable	80,464	64,879
Inventories	219,830	184,584
Prepaid expenses and other current assets	48,584	54,023
Total current assets	539,113	504,120
Current liabilities:		
Short-term debts	50,694	29,462
Loans from Sinopec Group Company and fellow subsidiaries	38,661	31,665
Derivatives financial liabilities	3,078	13,571
Trade accounts payable and bills payable	218,170	192,757
Contract liabilities	129,199	124,793
Other payables	131,929	166,151
Income tax payable	3,873	6,699
Total current liabilities	575,604	565,098
Net current liabilities	36,491	60,978
Total assets less current liabilities	1,237,841	1,027,210
Non-current liabilities:		

Long-term debts	52,631	51,011
Loans from Sinopec Group Company and fellow subsidiaries	42,859	42,516
Deferred tax liabilities	6,520	5,948
Provisions	43,256	42,800
Lease liabilities	182,765	-
Other non-current liabilities	28,827	28,400
Total non-current liabilities	356,858	170,675
Total net assets	880,983	856,535
Equity：		
Share capital	121,071	121,071
Reserves	617,507	596,213
Total equity attributable to owners of the Company	738,578	717,284
Non-controlling interests	142,405	139,251
Total equity	880,983	856,535

Consolidated Statement of Cash Flows

for the three-month periods ended 31 March 2019

Prepared by: China Petroleum & Chemical Corporation

RMB million, unaudited

Items	Three-month periods ended 31 March 2019	Three-month periods ended 31 March 2018
Net cash generated from operating activities(a)	(14,609)	12,052
Investing activities		
Capital expenditure	(21,855)	(17,294)
Exploratory wells expenditure	(1,659)	(607)
Purchase of investments, investments in associates and investments in joint ventures	(1,793)	(2,241)
Payment for acquisition of subsidiary, net of cash acquired	-	(3,188)
Proceeds from disposal of investments and investments in associates, net	9,636	13,342
Proceeds from disposal of property, plant, equipment and other non-current assets	24	-
Increase in time deposits with maturities over three months	(24,388)	(13,445)
Decrease in time deposits with maturities over three months	11,855	21,379
Interest received	1,310	(108)
Investment and dividend income received	1,288	674
Net cash used in investing activities	(25,582)	(1,488)
Financing activities		
Proceeds from bank and other loans	149,622	126,432
Repayments of bank and other loans	(118,511)	(118,865)
Contributions to subsidiaries from non-controlling interests	94	70
Distributions by subsidiaries to non-controlling interests	(319)	(390)
Interest paid	(1,077)	(783)
Cash payments for the principal portion of the lease liability	(440)	-
Finance lease payment	-	(3)
Net cash used in financing activities	29,369	6,461
Net (decrease)/increase in cash and cash equivalents	(10,822)	17,025
Cash and cash equivalents at 1 January	111,922	113,218
Effect of foreign currency exchange rate changes	(340)	(455)
Cash and cash equivalents at 31 March	100,760	129,788

Note to consolidated statement of Cash Flows

for the three-month periods ended 31 March 2019

Prepared by: China Petroleum & Chemical Corporation

RMB million, unaudited

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

Items	Three-month periods ended 31 March 2019	Three-month periods ended 31 March 2018
Operating activities		
Profit before taxation	24,798	

Segment Reporting

for the three-month periods ended 31 March 2019

Prepared by: China Petroleum & Chemical Corporation

RMB million, unaudited

Items	Three-month periods ended 31 March 2019	Three-month periods ended 31 March 2018
Turnover		
Exploration and production		
External sales	29,367	20,933
Inter-segment sales	22,089	20,269
Subtotal	51,456	41,202
Refining		
External sales	34,002	33,933
Inter-segment sales	255,752	252,897
Subtotal	289,754	286,830
Marketing and distribution		
External sales	321,636	310,117
Inter-segment sales	965	1,176
Subtotal	322,601	311,293
Chemicals		
External sales	110,990	104,780
Inter-segment sales	17,121	15,980
Subtotal	128,111	120,760
Corporate and others		
External sales	205,504	135,500
Inter-segment sales	154,677	131,516
Subtotal	360,181	267,016
Elimination of inter-segment sales	(450,604)	(421,838)
Turnover	701,499	605,263
Other operating revenues		
Exploration and production	1,821	1,742
Refining	1,251	1,125
Marketing and distribution	8,850	8,892
Chemicals	3,733	3,738
Corporate and others	425	491
Other operating revenues	16,080	15,988
Turnover and other operating revenues	717,579	621,251
Result		
Operating (loss)/profit		
By segment		
Exploration and production	2,143	(318)
Refining	11,963	19,007
Marketing and distribution	7,866	8,925

Chemicals	6,953	8,452
Corporate and others	(3,544)	(848)
Elimination	(540)	(6,000)
Total segment operating profit	24,841	29,218
Share of profits from associates and joint ventures		
Exploration and production	777	276
Refining	(404)	223
Marketing and distribution	247	641
Chemicals	1,061	1,495
Corporate and others	551	505
Aggregate share of profits from associates and joint ventures	2,232	3,140
Investment income/(losses)		
Exploration and production	(1)	61
Refining	10	3
Marketing and distribution	45	8
Chemicals	1	(6)
Corporate and others	-	151
Aggregate investment income	55	217
Net finance costs	(2,330)	(455)
Profit before taxation	24,798	32,120

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RMB million, unaudited

Items	Three-month periods ended 31 March 2019	Three-month periods ended 31 March 2018
Net profit under CASs	18,471	24,522
Adjustments:		
Government grants (i)	13	14
Safety production fund (ii)	775	591
Profit for the period under IFRS	19,259	25,127

RMB million, unaudited

Items	At 31 March 2019	At 31 December 2018
CASs	882,094	857,659
Adjustments:		
Government grants(i)	(1,111)	(1,124)
Total equity under IFRS	880,983	856,535

4.4 Adjustments to financial statements related items due to initial implementation of the New Financial Instruments Standards, New Income Standards, New Lease Standards at the beginning of the year is as below:

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	167,015		
	25,732		
	7,887		
	64,879		
	5,937		
	25,312		
	184,584		

	1,088,188		
R	1,592,308		
A 8			
	44,692	44,692	
	13,571	13,571	
	192,757	192,757	
	124,793	124,793	
	7,312	7,312	
	87,060	87,060	
	77,463	77,463	
	17,450	31,344	13,894
	565,098	578,992	13,894
L a 8			
	61,576		
	31,951		
	-		
	42,800		
	5,948		
	27,276		
	169,551		
	734,649		
Q 8			
	121,071	121,071	
	119,192	119,192	
	(6,774)	(6,774)	
	1,706	1,706	
	203,678	203,678	
	279,482	279,482	
	718,355	718,355	
	139,304	139,304	
	857,659	857,659	
	1,592,308		

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A :			
	82,879	82,879	
	22,500	22,500	
	30,145	30,145	
	2,488	2,488	
	57,432	57,432	
	45,825	45,825	
	15,835	15,835	
	257,104	257,104	
L a :			
	289,207	289,207	
	395	395	
	302,082	302,082	
	51,598	51,598	
	-	119,776	119,776
	8,571	8,571	
	2,480	2,480	
	11,021	11,021	
	9,145	9,145	
	674,499	794,275	119,776
	931,603	1,051,379	119,776
A :			
	3,961	3,961	
	967	967	
	84,418	84,418	
	4,230	4,230	
	4,294	4,294	
	54,764	54,764	
	119,514	119,514	
	16,729	24,183	7,454
	288,877	296,331	7,454
L a :			
	48,104	48,104	
	20,000	20,000	
	-	112,322	112,322
	33,094	33,094	

	4,332	4,332	
	105,530	217,852	112,322
	394,407	514,183	119,776
Q :			
	121,071	121,071	
	68,795	68,795	
	(485)	(485)	
	989	989	
	203,678	203,678	
	143,148	143,148	
	537,196	537,196	
	931,603	1,051,379	119,776