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中国石油化工股份有限公司

CHINA PETROLEUM & CHEMICAL CORPORATION

(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 00386)

Overseas Regulatory Announcement
China Petroleum & Chemical Corporation
The First Quarterly Report for 2024

This announcement is made pursuant to Rule 13.09 and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

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

Beijing, the PRC,
28 April 2024

As of the date of this announcement, directors of the Company are: Ma Yongsheng, Zhao Dong#, Li Yonglin#, Lv Lianggong#, Yu Baocai#, Cai Hongbin+, Ng, Kar Ling Johnny+, Shi Dan+ and Bi Mingjian+.*

Executive Director

* *Non-executive Director*

+ *Independent Non-executive Director*

China Petroleum & Chemical Corporation

The First Quarterly Report for 2024

28 April 2024

Beijing, China

Important notice

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

This first quarterly report for 2024 was approved at the 22nd meeting of the Eighth Session of the Board of Directors of Sinopec Corp. All directors attended this meeting.

Mr. Ma Yongsheng, Chairman, Mr. Zhao Dong, President, Ms. Shou Donghua, Chief Financial Officer and Head of the Financial Department of Sinopec Corp. warrant the authenticity, accuracy and completeness of the financial statements contained in this quarterly report.

The financial statements in this quarterly report were not audited.

1. Principal financial data

1.1 Principal financial data and indicators

1.1.1 Principal financial data and indicators prepared in accordance with China Accounting Standards for Business Enterprises (CASs)

RMB million

	Three-month period ended 31 March 2024	Three-month period ended 31 March 2023	Change (%)
Revenue	789,967	791,331	(0.2)
Net profit attributable to equity shareholders of the Company	18,316	20,102	(8.9)
Net profit attributable to equity shareholders of the Company excluding extraordinary gains and losses	18,186	19,716	(7.8)
Net cash flow used in operating activities	(13,755)	(18,397)	-
Basic earnings per share (RMB)	0.153	0.168	(8.9)
Diluted earnings per share (RMB)	0.153	0.168	(8.9)
Weighted average return on net assets (%)	2.23	2.52	(0.29) percentage points

RMB million

Items	As of 31 March 2024	As of 31 December 2023	Change (%)
Total assets	2,094,106	2,026,674	3.3
Total equity attributable to equity shareholders of the Company	834,174	805,794	3.5

1.1.2 Extraordinary items

RMB million

Net gain on disposal of non-current assets	(40)
Donations	19
Government grants	(361)
Gains on holding and disposal of various investments	(129)
Other extraordinary expenses, net	308
	(203)
Tax effect	47
	(156)
Attributable to:	
Equity shareholders of the Company	(130)
Minority interests	(26)

1.1.3 Principal financial data and indicators prepared in accordance with IFRS Accounting Standards

RMB million

	Three-month period ended 31 March 2024	Three-month period ended 31 March 2023	Change (%)
Revenue	789,967	791,331	(0.2)
Operating profit	27,320	31,090	(12.1)
Net profit attributable to equity shareholders of the Company	18,721	20,740	(9.7)
Net cash flow used in operating activities	(13,755)	(18,397)	-
Basic earnings per share (RMB)	0.156	0.173	(9.8)
Diluted earnings per share (RMB)	0.156	0.173	(9.8)
Return on net assets (%)	2.25	2.57	(0.32) percentage points

RMB million

Items	As of 31 March 2024	As of 31 December 2023	Change (%)
Total assets	2,091,935	2,024,696	3.3
Total equity attributable to equity shareholders of the Company	831,188	802,989	3.5

1.2 Significant changes in major items contained in the consolidated financial statements prepared in accordance with CASs.

Items of Consolidated Balance Sheet	As of 31 March 2024	As of 31 December 2023	Increase/(Decrease)		Main reasons for changes
			Amount	Percentage	
	RMB million	RMB million	RMB million	(%)	
Derivative financial assets	5,754	9,721	(3,967)	(40.8)	Impact of changes in fair value of hedging business.
Derivative financial liabilities	4,739	2,752	1,987	72.2	
Accounts receivable	84,622	48,652	35,970	73.9	Increase in the balance of accounts receivable due to increase in prices of crude oil and refined oil products.
Receivables financing	6,588	2,221	4,367	196.6	
Prepayments	9,086	5,067	4,019	79.3	Increase in prepayments of crude oil procurement.
Other receivables	34,353	26,089	8,264	31.7	Increase in margin of hedging business.
Short-term loans	86,823	59,815	27,008	45.2	Increase in short-term loans in the reporting period for supplement of liquidity.
Non-current liabilities due within one year	46,562	30,457	16,105	52.9	Increase in long-term loans due within one year.

Items of Consolidated Balance Sheet	As of 31 March 2024	As of 31 December 2023	Increase/(Decrease)		Main reasons for changes
			Amount	Percentage	
	RMB million	RMB million	RMB million	(%)	
Other current liabilities	32,442	20,833	11,609	55.7	Mainly due to the issue of super short-term commercial paper during the reporting period.
Other comprehensive income	1,403	3,060	(1,657)	(54.2)	Impact of changes in gains and losses of hedging business.

Items of Consolidated Income Statement	For three-month period ended 31 March		Increase/(Decrease)		Main reasons for changes
	2024	2023	Amount	Percentage	
	RMB Million	RMB Million	RMB Million	(%)	
Investment income	5,472	1,493	3,979	266.5	Impact of the increase in the profit of associates and joint ventures and the changes in gains and losses of hedging business.
Losses from changes in fair value	(4,897)	(244)	(4,653)	-	Impact of floating gains and losses of hedging business.
Impairment reversals/(loss)	42	(414)	456	-	Provision of impairment for some inventories was recognised due to the declining oil prices in the first quarter of previous year, but no such matter in reporting period.

Items of Consolidated Cash Flow Statement	For three-month period ended 31 March		Increase/(Decrease)		Main reasons for changes
	2024	2023	Amount	Percentage	
	RMB million	RMB million	RMB million	(%)	
Cash received from returns on investments	921	407	514	126.3	Increase in cash dividends received from associates and joint ventures year-on-year.
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	621	1,849	(1,228)	(66.4)	Cash received from disposal of Hunan Petrochemical assets in the first quarter of previous year, and decrease in cash received during the reporting period.
Other cash received relating to investing activities	19,681	5,995	13,686	228.3	Increase in withdrawal of time deposits with maturities over three months.
Cash paid for acquisition of investments	(91)	(2,334)	2,243	-	Decreased in external payment for capital injection year-on-year.
Cash received from capital contributions	12,358	88	12,270	13,943.2	Cash received from the issue of shares through private placement.

Items of Consolidated Cash Flow Statement	For three-month period ended 31 March		Increase/(Decrease)		Main reasons for changes
	2024	2023	Amount	Percentage	
	RMB million	RMB million	RMB million	(%)	
Other cash received relating to financing activities	799	20	779	3,895.0	Impact of carrying out the finance lease business during the reporting period.

2. Shareholders information

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 374,014, including 368,614 holders of domestic A shares and 5,400 holders of overseas H shares.
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Top ten shareholders ²							
Name of shareholder	Total number of shares held	Percentage (%)	Number of restricted shares held ³	Number of shares subject to pledge or lock-ups	Nature of share holder	Total number of unreturned shares lent through refinancing business at the beginning of reporting period	Total number of unreturned shares lent through refinancing business at the end of reporting period
China Petrochemical Corporation	83,057,524,296	68.23	2,390,438,247	0	State-owned share	0	0
HKSCC Nominees Limited ¹	24,227,835,469	19.90	0	Unknown	H share	Unknown	Unknown
中国证券金融股份有限公司	2,325,374,407	1.91	0	0	A share	0	0
中国石油天然气集团有限公司	2,165,749,530	1.78	0	0	A share	0	0
香港中央结算有限公司	1,489,475,291	1.22	0	0	A share	0	0
中国人寿保险股份有限公司－传统－普通保险产品－005L－CT001 沪	451,996,853	0.37	0	0	A share	0	0
中国工商银行－上证 50 交易型开放式指数证券投资基金	318,580,334	0.26	0	0	A share	0	0
中央汇金资产管理有限责任公司	315,223,600	0.26	0	0	A share	0	0
国信证券股份有限公司	238,636,420	0.20	0	0	A share	0	0
国新投资有限公司	238,100,589	0.20	0	0	A share	0	0

Top ten non-restricted shareholders ²			
Name of shareholder	Number of non-restricted shares held	Class of shares	Number of shares
China Petrochemical Corporation	80,667,086,049	A share	80,667,086,049
HKSCC Nominees Limited	24,227,835,469	H share	24,227,835,469
中国证券金融股份有限公司	2,325,374,407	A share	2,325,374,407
中国石油天然气集团有限公司	2,165,749,530	A share	2,165,749,530
香港中央结算有限公司	1,489,475,291	A share	1,489,475,291
中国人寿保险股份有限公司－传统－普通保险产品－005L－CT001 沪	451,996,853	A share	451,996,853
中国工商银行－上证 50 交易型开放式指数证券投资基金	318,580,334	A share	318,580,334

中央汇金资产管理有限责任公司	315,223,600	A share	315,223,600
国信证券股份有限公司	238,636,420	A share	238,636,420
国新投资有限公司	238,100,589	A share	238,100,589

Note 1: Sinopec Century Bright Capital Investment Limited, an overseas wholly-owned subsidiary of China Petrochemical Corporation, held 917,624,000 H shares, accounting for 0.75% of the total issued share capital of Sinopec Corp. Those shareholdings were included in the total number of the shares held by HKSCC Nominees Limited.

Note 2: There was no change in the above-mentioned top ten shareholders and the top ten non-restricted shareholders of Sinopec Corp. since the end of 2023.

Note 3: In the reporting period, Sinopec Corp. completed the issuance of 2,390,438,247 A shares to China Petrochemical Corporation (the “Issuance”). New shares of the Issuance have completed trusteeship registration and lock-up procedures in China Securities Registration and Clearing Company Limited Shanghai Branch Company on 18 March 2024. These shares shall not be transferred within 36 months from the completion date of the Issuance. After the completion of the Issuance, the total share capital of Sinopec Corp. changed from 119,349,251,646 shares to 121,739,689,893 shares. For details, please refer to announcements published by Sinopec Corp. on China Securities Journal, Shanghai Securities News, Securities Times and the website of the Shanghai Stock Exchange on 16 March 2024 and 20 March 2024 and on the website of The Stock Exchange of Hong Kong Limited on 19 March 2024, respectively.

Statement on the connected relationship or acting in concert among the aforementioned shareholders:

Sinopec Corp. is not aware of any connected relationship or acting in concert among or between the above-mentioned top ten shareholders.

3. Review of operating results

In the first quarter of 2024, China’s economy continued to pick up, with gross domestic product (GDP) up by 5.3% year on year. The international crude oil prices fluctuated with upward trend and the spot price of Platt’s Brent for the first quarter averaged USD83.2 per barrel, up by 2.4% year on year. The domestic demand for natural gas rapidly increased, demand for refined oil products maintained growth. The growth rate of domestic demand for chemical products increased year on year, and the chemical margin was at a low level affected by continuous newly-released production capacity and rising raw material prices.

The Company closely followed the market demand, carried out in-depth optimisation of both the whole business chain and regions, strengthened the coordination of production and marketing, made great efforts to expand markets and sales, and achieved good performance. In accordance with CASs, net profit attributable to equity shareholders of the Company was RMB18.316 billion in the first quarter of 2024. In accordance with IFRS, net profit attributable to shareholders of the Company was RMB18.721 billion in the first quarter of 2024.

Exploration and Production: The Company intensified efforts in high quality exploration, expanded the scale of profitable production capacity, and made positive progress in increasing reserve, production and profit. In exploration, we strengthened risk exploration, trap pre-exploration and integrated evaluation exploration, and made important breakthrough in such regions as Tarim Basin, Sichuan Basin and Jiangnan Basin. In development, we accelerated the capacity building of Jiyang and West Junggar oilfields, and sped up capacity building of natural gas in West Sichuan and Shunbei. We further improved integrated gas system covering production, supply, storage and sales, optimised

the resources structure of LNG import, and achieved an improvement in the profitability of whole natural gas business chain. In the first quarter, the Company's oil and gas production reached 128.78 million barrels of oil equivalent, up by 3.4% year on year, with natural gas production reaching 350.46 billion cubic feet, up by 6.0% year on year. The exploration and production segment realised earnings before interest and tax (EBIT) of RMB14.823 billion.

Exploration and Production	Unit	Three-month period ended 31 March		Changes
		2024	2023	(%)
Oil and gas production	million boe	128.78	124.60	3.4
Crude oil production	million barrels	70.36	69.49	1.3
China	million barrels	63.11	61.86	2.0
Overseas	million barrels	7.25	7.63	(5.0)
Natural gas production	billion cubic feet	350.46	330.47	6.0
Realised crude oil price	USD/barrel	75.43	75.21	0.3
Realised natural gas price	RMB/cubic meter	1.98	2.10	(5.7)

Note: For domestic production of crude oil, 1 tonne = 7.10 barrels. For overseas production of crude oil, 1 tonne = 7.26 barrels. For production of natural gas, 1 cubic meter = 35.31 cubic feet.

Refining: The Company followed up closely with the market change, vigorously optimised production operation to maximise the overall profits along the business chain. We flexibly adjusted the product slate, and increased production of market-oriented products such as gasoline and kerosene. We scaled up export volume and optimised arrangement for exports. We controlled the progress of carrying forward the “oil to specialties” and “oil to chemicals” projects, and the structural adjustment projects and the transformation and upgrading projects were proceeded in an orderly manner. In the first quarter, the Company processed 63.30 million tonnes of crude oil, up by 1.7% year on year, yielding 38.83 million tonnes of refined oil products, up by 4.1% year on year. The refining segment realised EBIT of RMB6.887 billion.

Refining	Unit	Three-month period ended 31 March		Changes
		2024	2023	(%)
Refinery throughput	million tonnes	63.30	62.24	1.7
Gasoline, diesel and kerosene production	million tonnes	38.83	37.30	4.1
Gasoline	million tonnes	16.22	15.16	7.0
Diesel	million tonnes	14.75	15.58	(5.3)
Kerosene	million tonnes	7.86	6.56	19.8
Light chemical feedstock production	million tonnes	10.18	10.61	(4.1)
Light product yield	%	74.26	74.82	(0.56) percentage points
Refining yield	%	94.94	94.88	0.06 percentage points

Note: Including 100% production of domestic joint ventures.

Marketing and Distribution: The Company brought our advantages of integrated business into full play, strengthened the market judgement and the integration of production and sales, and made full

effort to expand the market and improve profit. We carried forward differentiated marketing tactics. The sales volume of gasoline rose by 5.4% and the retail volume of vehicle LNG was up by 119.3%. We actively promoted the development of EV battery charging and swapping business, steadily stepped up efforts in demonstrating application scenarios of hydrogen mobility, and transformed to an integrated energy service provider of fuel, gas, hydrogen, electricity and non-fuel services. We carried out characteristic marketing campaigns to improve the quality and profitability for the non-fuel business. In the first quarter, total sales volume of refined oil products was 59.81 million tonnes, up by 6.5% year on year. The marketing and distribution segment realised EBIT of RMB8.678 billion.

Marketing and Distribution	Unit	Three-month period ended 31 March		Changes (%)
		2024	2023	
Total sales volume of refined oil products	million tonnes	59.81	56.16	6.5
Total domestic sales volume of refined oil products	million tonnes			

chemical segment was RMB2.1 billion, mainly for the construction of ethylene projects in the second phase of Zhenhai and Maoming, etc. The capital expenditure of corporate and others was RMB0.2 billion, mainly for R&D and the construction of IT projects, etc.

4. Other significant events

4.1 Progress of share repurchase during the reporting period

On 30 May 2023, the Annual General Meeting of Sinopec Corp. approved the Resolution to Grant to the Board a Mandate to Repurchase Domestic Shares and/or Overseas-listed Foreign Shares of Sinopec Corp. On 28 August 2023, the Company commenced the repurchase of A shares and H shares. As of 31 December 2023, Sinopec Corp. had repurchased 143.50 million A shares and 403.656 million H shares, and all of the repurchased shares had been cancelled.

The Company continued to implement share repurchase programme as planned. During the reporting period, the Company has repurchased 39.866 million H shares.

4.2 Progress of share increase in the Company by China Petrochemical Corporation

Due to confidence in the Company's development prospects, the controlling shareholder of the Company, China Petrochemical Corporation planned to increase its shareholdings of A shares and H shares of the Company by itself and its wholly-owned subsidiary within 12 months since 11 November 2023 (the "Shareholding Increase Plan"). According to notice from China Petrochemical Corporation, as of 31 March 2024, China Petrochemical Corporation and its wholly-owned subsidiary increased their shareholdings by 244,626,656 shares of the Company. The Shareholding Increase Plan was not complete, and China Petrochemical Corporation will continue to increase its shareholdings in the Company at the proper time in accordance with the Shareholding Increase Plan.

4.3 The second phase plan of the Green Enterprise Campaign

In 2018, the Company released the Green Enterprise Campaign, and has successfully achieved the targets of the first phase plan of Green Enterprise Campaign by the end of 2023. To build a green production system and enhance the green competitiveness, the Company formulated the second phase plan of the Green Enterprise Campaign. Focusing on efforts to cut carbon emissions, reduce pollution, increase efficiency and promote green development, the Company set the following targets through 2028: Emission intensities of carbon dioxide and methane decrease by 5% and 20% respectively compared with 2023, capture and utilise 2.5 million tonnes carbon dioxide per year, construct 600 carbon neutrality demonstration projects, 100% compliance rate of carbon emission trading; over 92% comprehensive utilisation rate of industrial solid waste, 100% compliance disposal rate of hazardous waste; comprehensive energy consumption per RMB10,000 of production output decreases by 5% compared with 2023, over 60% reuse rate of wastewater.

This report 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
Ma Yongsheng
Chairman
28 April 2024

5 Appendix

5.1 Quarterly financial statements prepared under China Accounting Standards for Business Enterprises (CASs)

Consolidated Balance Sheet

As at 31 March 2024

Prepared by: China Petroleum & Chemical Corporation

Units: million Currency: RMB Type: unaudited

Items	At 31 March 2024	At 31 December 2023
Current assets:		
Cash at bank and on hand	168,794	164,960
Financial assets held for trading	3	3
Derivative financial assets	5,754	9,721
Accounts receivable	84,622	48,652
Receivables financing	6,588	2,221
Prepayments	9,086	5,067
Other receivables	34,353	26,089
Inventories	274,638	250,898
Other current assets	24,248	26,824
Total current assets	608,086	534,435
Non-current assets:		
Long-term equity investments	237,279	234,608
Other equity instrument investments	450	450
Fixed assets	687,484	690,957
Construction in progress	179,289	180,250
Right-of-use assets	173,746	174,529
Intangible assets	137,039	138,181
Goodwill	6,472	6,472
Long-term deferred expenses	12,424	13,199

Consolidated Balance Sheet (Continued)

Current liabilities:		
Short-term loans	86,823	59,815
Derivative financial liabilities	4,739	2,752
Bills payable	25,757	29,122
Accounts payable	234,366	229,878
Contract liabilities	130,048	127,239
Employee benefits payable	17,804	13,941
Taxes payable	38,626	40,008
Other payables	79,812	93,031
Non-current liabilities due within one year	46,562	30,457
Other current liabilities	32,442	20,833
Total current liabilities	696,979	647,076
Non-current liabilities:		
Long-term loans	162,714	179,347
Debentures payable	8,520	8,513
Lease liabilities	163,697	163,864
Provisions	48,796	48,269
Deferred tax liabilities	8,204	7,817
Other non-current liabilities	13,556	13,133
Total non-current liabilities	405,487	420,943
Total liabilities	1,102,466	1,068,019
Shareholders' equity:		
Share capital	121,740	119,349
Capital reserve	126,099	117,273
Minus: treasury shares	81	-
Other comprehensive income	1,403	3,060
Specific reserve	3,182	2,597
Surplus reserves	223,134	223,134
Retained earnings	358,697	340,381
Total equity attributable to shareholders of the Company	834,174	805,794
Minority interests	157,466	152,861
Total shareholders' equity	991,640	958,655
Total liabilities and shareholders' equity	2,094,106	2,026,674

Ma Yongsheng

Zhao Dong

Shou Donghua

Balance Sheet

As at 31 March 2024

Prepared by: China Petroleum & Chemical Corporation

Units: million Currency: RMB Type: unaudited

Items	At 31 March 2024	At 31 December 2023
Current assets:		
Cash at bank and on hand	58,182	65,753
Financial assets held for trading	3	3
Derivative financial assets	1,359	482
Accounts receivable	30,173	27,878
Receivables financing	3,120	367
Prepayments	3,000	1,760
Other receivables	57,245	50,940
Inventories	66,830	67,922
Other current assets	30,520	33,852
Total current assets	250,432	248,957
Non-current assets:		
Long-term equity investments	425,287	413,572
Other equity instrument investments	14	14
Fixed assets	298,051	305,494
Construction in progress	71,334	70,306
Right-of-use assets	83,879	84,589
Intangible assets	8,154	8,312
Long-term deferred expenses	4,258	4,652
Deferred tax assets	5,981	6,567
Other non-current assets	47,519	47,004
Total non-current assets	944,477	940,510
Total assets	1,194,909	1,189,467
Current liabilities:		
Short-term loans	60,781	39,413
Derivative financial liabilities	434	251
Bills payable	4,887	5,014
Accounts payable	79,625	81,628
Contract liabilities	6,477	9,079
Employee benefits payable	10,706	8,366
Taxes payable	21,635	22,103
Other payables	214,182	250,472
Non-current liabilities due within one year	27,207	16,100
Other current liabilities	14,595	912
Total current liabilities	440,529	433,338

Balance Sheet (Continued)

Non-current liabilities:		
Long-term loans	90,620	108,427
Debentures payable	4,993	4,993
Lease liabilities	85,578	86,399
Provisions	40,606	40,077
Other non-current liabilities	1,619	1,684
Total non-current liabilities	223,416	241,580
Total liabilities	663,945	674,918
Shareholders' equity:		
Share capital	121,740	119,349
Capital reserve	70,833	61,814
Minus: treasury shares	81	-
Other comprehensive income	960	700
Specific reserve	1,912	1,673
Surplus reserves	223,134	223,134
Retained earnings	112,466	107,879
Total shareholders' equity	530,964	514,549
Total liabilities and shareholders' equity	1,194,909	1,189,467

Ma Yongsheng**Zhao Dong****Shou Donghua**

Consolidated Income Statement

For the three-month period ended 31 March 2024

Prepared by: China Petroleum & Chemical Corporation

Units: million Currency: RMB Type: unaudited

Items	Three-month period ended 31 March 2024	Three-month period ended 31 March 2023
I. Total operating income	789,967	791,331
II. Total operating costs	765,196	764,763
Including: Operating costs	663,278	666,004
Taxes and surcharges	65,869	62,707
Selling and distribution expenses	14,166	14,372
General and administrative expenses	13,719	13,172
Research and development expenses	2,948	2,841
Financial expenses	2,704	2,539
Including: Interest expenses	4,660	5,604
Interest income	1,629	2,670
Exploration expenses, including dry holes	2,512	3,128
Add: Other income	1,878	1,977
Investment income	5,472	1,493
Including: Income from investment in associates and joint ventures	2,991	1,223
Losses from changes in fair value	(4,897)	(244)
Credit impairment losses	(40)	(54)
Impairment reversals/(losses)	42	(414)
Asset disposal gains	99	78
III. Operating profit	27,325	29,404
Add: Non-operating income	281	244
Less: Non-operating expenses	525	456
IV. Profit before taxation	27,081	29,192
Less: Income tax expense	5,721	6,328
V. Net profit	21,360	22,864
Classification by going concern:		
(i) Continuous operating net profit	21,360	22,864
(ii) Termination of net profit	-	-
Classification by ownership:		
(i) Equity shareholders of the Company	18,316	20,102
(ii) Minority interests	3,044	2,762

Consolidated Income Statement (Continued)

VI. Total other comprehensive income	(808)	(1,219)
	(860)	(1,086)
Items that may not be reclassified subsequently to profit or loss:		
Changes in fair value of other equity instrument investments	-	1
Items that may be reclassified subsequently to profit or loss:		
Other comprehensive income that can be converted into profit or loss under the equity method	(297)	(373)
Cash flow hedges	(681)	445
Foreign currency translation differences	118	(1,159)
	52	(133)
VII. Total comprehensive income	20,552	21,645
Equity shareholders of the Company	17,456	19,016
Minority interests	3,096	2,629

Income Statement

For the three-month period ended 31 March 2024

Prepared by: China Petroleum & Chemical Corporation

Units: million Currency: RMB Type: unaudited

Items	Three-month period ended 31 March 2024	Three-month period ended 31 March 2023
I. Operating income	275,924	303,400
Less: Operating costs	222,962	245,360
Taxes and surcharges	36,969	38,018
Selling and distribution expenses	391	374
General and administrative expenses	5,041	5,718
Research and development costs	2,736	2,568
Financial expenses	3,034	2,924
Including: Interest expenses	3,353	4,461
Interest income	323	1,561
Exploration expenses, including dry holes	2,168	2,755
Add: Other income	1,517	1,543
Investment income	1,611	4,314
Including: Income from investment in associates and joint ventures	1,176	1,012
Gains from changes in fair value	27	227
Credit impairment losses	(6)	(4)
Impairment reversals	-	85
Asset disposal gains	6	1
II. Operating profit	5,778	11,849
Add: Non-operating income	63	91
Less: Non-operating expenses	283	261
III. Profit before taxation	5,558	11,679
Less: Income tax expense	971	1,863
IV. Net profit	4,587	9,816
(i) Continuous operating net profit	4,587	9,816
(ii) Termination of net profit	-	-
V. Total other comprehensive income	585	(1,592)
Other comprehensive income that can be converted into profit or loss under the equity method	45	(56)
Cash flow hedges reserve	540	(1,536)
VI. Total comprehensive income	5,172	8,224

Ma Yongsheng

Zhao Dong

Shou Donghua

Consolidated Cash Flow Statement

For the three-month period ended 31 March 2024

Prepared by: China Petroleum & Chemical Corporation

Units: million Currency: RMB Type: unaudited

Items	Three-month period ended 31 March 2024	Three-month period ended 31 March 2023
I. Cash flows used in operating activities:		
Cash received from sale of goods and rendering of services	836,253	834,060
Refund of taxes and levies	2,503	2,220
Other cash received relating to operating activities	29,942	41,972
Sub-total of cash inflows	868,698	878,252
Cash paid for goods and services	(719,724)	(738,348)
Cash paid to and for employees	(22,363)	(21,340)
Payments of taxes and levies	(81,945)	(73,344)
Other cash paid relating to operating activities	(58,421)	(63,617)
Sub-total of cash outflows	(882,453)	(896,649)
Net cash flow used in operating activities	(13,755)	(18,397)
II. Cash flows used in investing activities:		
Cash received from disposal of investments	15	36
Cash received from returns on investments	921	407
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	621	1,849
Other cash received relating to investing activities	19,681	5,995
Sub-total of cash inflows	21,238	8,287
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	(31,749)	(32,418)
Cash paid for acquisition of investments	(91)	(2,334)
Other cash paid relating to investing activities	(32,480)	(27,824)
Sub-total of cash outflows	(64,320)	(62,576)
Net cash flow used in investing activities	(43,082)	(54,289)

Consolidated Cash Flow Statement (Continued)

III. Cash flows from financing activities:		
Cash received from capital contributions	12,358	88
Including: Cash received from minority shareholders' capital contributions to subsidiaries	363	88
Cash received from borrowings	183,538	228,360
Other cash received relating to financing activities	799	20
Sub-total of cash inflows	196,695	228,468
Cash repayments of borrowings	(144,509)	(139,146)
Cash paid for dividends, profits distribution or interest	(2,237)	(3,150)
Including: Subsidiaries' cash payments for distribution of dividends or profits to minority shareholders	(402)	(1,554)
Other cash paid relating to financing activities	(4,018)	(3,887)
Sub-total of cash outflows	(150,764)	(146,183)
Net cash flows from financing activities	45,931	82,285
IV. Effects of changes in foreign exchange rate	111	(1,102)
V. Net (decrease)/increase in cash and cash equivalents	(10,795)	8,497
Add: Cash and cash equivalents at the beginning of the period	121,759	93,438
VI. Cash and cash equivalents at the end of the period	110,964	101,935

Ma Yongsheng

Zhao Dong

Shou Donghua

Cash Flow Statement

For the three-month period ended 31 March 2024

Prepared by: China Petroleum & Chemical Corporation

Units: million Currency: RMB Type: unaudited

Items	Three-month period ended 31 March 2024	Three-month period ended 31 March 2023
I. Cash flows from operating activities:		
Cash received from sale of goods and rendering of services	295,544	339,803
Refund of taxes and levies	1,115	1,379
Other cash received relating to operating activities	11,305	10,193
Sub-total of cash inflows	307,964	351,375
Cash paid for goods and services	(220,151)	(260,527)
Cash paid to and for employees	(10,415)	(10,659)
Payments of taxes and levies	(42,205)	(37,586)
Other cash paid relating to operating activities	(20,472)	(18,722)
Sub-total of cash outflows	(293,243)	(327,494)
Net cash flow received from operating activities	14,721	23,881
II. Cash flows used in investing activities:		
Cash received from disposal of investments	3,170	2,249
Cash received from returns on investments	578	3,666
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	151	39
Other cash received relating to investing activities	30	2,460
Sub-total of cash inflows	3,929	8,414
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	(12,077)	(15,947)
Cash paid for acquisition of investments	(1,771)	(1,899)
Other cash paid relating to investing activities	(55,119)	(35,232)
Sub-total of cash outflows	(68,967)	(53,078)
Net cash flow used in investing activities	(65,038)	(44,664)
III. Cash flows from financing activities:		
Absorb cash received from investments	11,995	-
Cash received from borrowings	70,119	101,758
Other cash received relating to financing activities	52,412	56,691
Sub-total of cash inflows	134,526	158,449
Cash repayments of borrowings	(41,975)	(28,083)
Cash paid for dividends or interest	(1,847)	(1,779)
Other cash paid relating to financing activities	(54,954)	(89,729)
Sub-total of cash outflows	(98,776)	(119,591)
Net cash flow from financing activities	35,750	38,858
IV. Effects of changes in foreign exchange rate	(3)	(32)
IV. Net increase in cash and cash equivalents	(14,570)	18,043

Cash Flow Statement (Continued)

Add: Cash and cash equivalents at the beginning of the period	64,471	23,228
V. Cash and cash equivalents at the end of the period	49,901	41,271

Ma Yongsheng

Zhao Dong

Shou Donghua

Segment Reporting

For the three-month period ended 31 March 2024

Prepared by: China Petroleum & Chemical Corporation

Units: million Currency: RMB Type: unaudited

Items	Three-month period ended 31 March 2024	Three-month period ended 31 March 2023
Income from principal operations		
Exploration and production		
External sales	52,182	52,585
Inter-segment sales	27,630	26,175
Subtotal	79,812	78,760
Refining		
External sales	41,422	45,216
Inter-segment sales	332,790	322,166
Subtotal	374,212	367,382
Marketing and distribution		
External sales	408,420	412,676
Inter-segment sales	1,735	3,850
Subtotal	410,155	416,526
Chemicals		
External sales	98,333	96,966
Inter-segment sales	24,655	21,999
Subtotal	122,988	118,965
Corporate and others		
External sales	173,299	165,532
Inter-segment sales	226,744	213,426
Subtotal	400,043	378,958
Elimination of inter-segment sales	(613,554)	(587,616)
Consolidated income from principal operations	773,656	772,975
Income from other operations		
Exploration and production	803	2,165
Refining	863	911
Marketing and distribution	11,545	12,418
Chemicals	2,372	2,330
Corporate and others	728	532
Consolidated income from other operations	16,311	18,356
Consolidated operating income	789,967	791,331

Segment Reporting (Continued)

Operating profit/(loss)		
By segment		
Exploration and production	12,706	11,447
Refining	6,412	9,836
Marketing and distribution	7,947	8,062
Chemicals	(1,828)	(2,144)
Corporate and others	4,060	1,978
Elimination	(1,820)	(540)
Total segment operating profit	27,477	28,639
Investment income/(loss)		
Exploration and production	800	64
Refining	(87)	292
Marketing and distribution	966	609
Chemicals	157	(1,239)
Corporate and others	3,636	1,767
Total segment investment income	5,472	1,493
Financial expenses	(2,704)	(2,539)
Losses from changes in fair value	(4,897)	(244)
Asset disposal gains	99	78
Other income	1,878	1,977
Operating profit	27,325	29,404
Add: Non-operating income	281	244
Less: Non-operating expenses	525	456
Profit before taxation	27,081	29,192

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

Consolidated Income Statement

For the three-month period ended 31 March 2024

Prepared by: China Petroleum & Chemical Corporation

Units: million Currency: RMB Type: unaudited

Items	Three-month period ended 31 March 2024	Three-month period ended 31 March 2023
Revenue		
Revenue from primary business	773,656	772,975
Other operating revenues	16,311	18,356
Subtotal	789,967	791,331
Operating expenses		
Purchased crude oil, products and operating supplies and expenses	(625,917)	(631,716)
Selling, general and administrative expenses	(13,270)	(13,504)

Consolidated Statement of Comprehensive Income

For the three-month period ended 31 March 2024

Prepared by: China Petroleum & Chemical Corporation

Units: million Currency: RMB Type: unaudited

Profit for the period	21,836	23,557
Total other comprehensive income:	(808)	(1,219)
<i>Other comprehensive income (net of tax) attributable to shareholders of the Company:</i>	(860)	(1,086)
Items that may not be reclassified subsequently to profit or loss:		
Equity investments at fair value through other comprehensive income	-	1
Items that may be reclassified subsequently to profit or loss:		
Share of other comprehensive income of associates and joint ventures	(297)	(373)
Cash flow hedges	(681)	455
Foreign currency translation differences	118	(1,159)
<i>Other comprehensive income (net of tax) attributable to non-controlling interests:</i>	52	(133)
Total comprehensive income	21,028	22,338
Attributable to:		
Shareholders of the Company	17,861	19,654
Non-controlling interests	3,167	2,684

Consolidated Statement of Financial Position

For the three-month period ended 31 March 2024

Prepared by: China Petroleum & Chemical Corporation

Units: million Currency: RMB Type: unaudited

Items	At 31 March 2024	At 31 December 2023
Non-current assets:		
Property, plant and equipment, net	687,431	690,897
Construction in progress	179,289	180,250
Right-of-use assets	262,720	264,054
Goodwill	6,472	6,472
Interest in associates	165,759	163,066
Interest in joint ventures	69,349	69,564
Financial assets at fair value through other comprehensive income	450	450
Deferred tax assets	19,877	20,110
Long-term prepayments and other non-current assets	92,502	95,398
Total non-current assets	1,483,849	1,490,261
Current assets:		
Cash and cash equivalents	110,964	121,759
Time deposits with financial institutions	56,407	41,778
Financial assets at fair value through profit or loss	3	3
Derivatives financial assets	5,754	9,721
Trade accounts receivable	84,622	48,652
Financial assets at fair value through other comprehensive income	6,588	2,221
Inventories	274,638	250,898
Prepaid expenses and other current assets	69,110	59,403
Total current assets	608,086	534,435
Current liabilities:		
Short-term debts	117,527	58,534
Loans from Sinopec Group Company and fellow subsidiaries	9,110	12,437
Lease liabilities	18,552	17,536
Derivatives financial liabilities	4,739	2,752
Trade accounts payable and bills payable	260,123	259,000
Contract liabilities	130,048	127,239
Other payables	154,369	168,124
Income tax payable	2,511	1,454
Total current liabilities	696,979	647,076

Consolidated Statement of Financial Position (Continued)

Net current liabilities	88,893	112,641
Total assets less current liabilities	1,394,956	1,377,620
Non-current liabilities:		
Long-term debts	150,284	163,049
Loans from Sinopec Group Company and fellow subsidiaries	20,950	24,811
Lease liabilities	163,697	163,864
Deferred tax liabilities	8,204	7,817
Provisions	48,796	48,269
Other long-term liabilities	14,415	14,001
Total non-current liabilities	406,346	421,811
Total net assets	988,610	955,809
Equity:		
Share capital	121,740	119,349
Reserves	709,448	683,640
Total equity attributable to shareholders of the Company	831,188	802,989
Non-controlling interests	157,422	152,820
Total equity	988,610	955,809

Consolidated Statement of Cash Flows

For the three-month period ended 31 March 2024

Prepared by: China Petroleum & Chemical Corporation

Units: million Currency: RMB Type: unaudited

Items	Three-month period ended 31 March 2024	Three-month period ended 31 March 2023
Net cash used in operating activities(a)	(13,755)	(18,397)
Investing activities		
Capital expenditure	(28,456)	(27,956)
Exploratory wells expenditure	(3,293)	(4,462)
Purchase of investments	(91)	(2,334)
Proceeds from disposal of investments	15	36
Proceeds from disposal of property, plant, equipment and other non-current assets	621	1,849
Increase in time deposits with maturities over three months	(30,431)	(27,219)
Decrease in time deposits with maturities over three months	17,452	4,335
Interest received	1,030	2,381
Investment and dividend income received	921	407
Payments of other investing activities	(850)	(1,326)
Net cash used in investing activities	(43,082)	(54,289)
Financing activities		
Proceeds from bank and other loans	183,538	228,360
Repayments of bank and other loans	(144,509)	(139,146)
Proceeds from the issuance of shares	11,995	-
Contributions to subsidiaries from non-controlling interests	363	88
Distributions by subsidiaries to non-controlling interests	(402)	(1,554)
Interest paid	(1,835)	(1,596)
Repayments of lease liabilities	(3,712)	(3,867)
Proceeds from other financing activities	799	20
Repayments of other financing activities	(306)	(20)
Net cash generated from financing activities	45,931	82,285
Net (decrease)/increase in cash and cash equivalents	(10,906)	9,599
Cash and cash equivalents at 1 January	121,759	93,438
Effect of foreign currency exchange rate changes	111	(1,102)
Cash and cash equivalents at 31 March	110,964	101,935

Note to Consolidated Statement of Cash Flows

For the three-month period ended 31 March 2024

Prepared by: China Petroleum & Chemical Corporation

Units: million Currency: RMB Type: unaudited

(a) Reconciliation from profit before taxation to net cash used in operating activities

Items	Three-month period ended 31 March 2024	Three-month period ended 31 March 2023
Operating activities		
Profit before taxation	27,557	29,885
Adjustments for:		
Depreciation, depletion and amortisation	29,212	26,999
Dry hole costs written off	1,483	1,792
Share of profits from associates and joint ventures	(2,798)	(1,223)
Investment income	(143)	(111)
Interest income	(1,629)	(2,670)
Interest expense	4,660	5,604
Loss/(Gain) on foreign currency exchange rate changes and derivative financial instruments	4,576	(314)
Gain on disposal of property, plant, equipment and other non-current assets, net	(29)	(7)
Impairment (reversals)/losses on assets	(42)	414
Impairment losses on trade and other receivables	40	54
Operating profit before change of operating capital	62,887	60,423
Accounts receivable and other current assets	(52,760)	(25,116)
Inventories	(23,735)	(10,234)
Accounts payable and other current liabilities	3,450	(38,424)
Subtotal	(10,158)	(13,351)
Income tax paid	(3,597)	(5,046)
Net cash used in operating activities	(13,755)	(18,397)

Segment Reporting

For the three-month period ended 31 March 2024

Prepared by: China Petroleum & Chemical Corporation

Units: million Currency: RMB Type: unaudited

Items	Three-month period ended 31 March 2024	Three-month period ended 31 March 2023
Revenue		
Exploration and production		
External sales	52,182	52,585
Inter-segment sales	27,630	26,175
Subtotal	79,812	78,760
Refining		
External sales	41,422	45,216
Inter-segment sales	332,790	322,166
Subtotal	374,212	367,382
Marketing and distribution		
External sales	408,420	412,676
Inter-segment sales	1,735	3,850
Subtotal	410,155	416,526
Chemicals		
External sales	98,333	96,966
Inter-segment sales	24,655	21,999
Subtotal	122,988	118,965
Corporate and others		
External sales	173,299	165,532
Inter-segment sales	226,744	213,426
Subtotal	400,043	378,958
Elimination of inter-segment sales	(613,554)	(587,616)
Revenue from primary business	773,656	772,975
Other operating revenues		
Exploration and production	803	2,165
Refining	863	911
Marketing and distribution	11,545	12,418
Chemicals	2,372	2,330
Corporate and others	728	532
Other operating revenues	16,311	18,356
Revenue	789,967	791,331

Segment Reporting (Continued)

Result		
Operating profit/(loss)		
By segment		
Exploration and production	14,007	12,847
Refining	6,974	10,403
Marketing and distribution	8,000	7,921
Chemicals	(1,564)	(1,780)
Corporate and others	1,723	2,239
Elimination	(1,820)	(540)
Total segment operating profit	27,320	31,090
Share of profits/(loss) from associates and joint ventures		
Exploration and production	816	510
Refining	(94)	46
Marketing and distribution	664	551
Chemicals	38	(1,147)
Corporate and others	1,374	1,263
Aggregate share of profits from associates and joint ventures	2,798	1,223
Investment income/(loss)		
Exploration and production	-	-
Refining	7	10
Marketing and distribution	14	3
Chemicals	(83)	(95)
Corporate and others	205	193
Aggregate investment income	143	111
Net finance costs	(2,704)	(2,539)
Profit before taxation	27,557	29,885

5.3 Differences between consolidated financial statements prepared in accordance with the accounting policies complying with CASs and IFRS Accounting Standards (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 CASs and IFRS Accounting Standards. 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 CASs, grants from the government are credited to capital reserve if required by relevant governmental regulations. Under IFRS Accounting Standards, government grants relating to the purchase of fixed assets are recognised as deferred income and are transferred to the income statement over the useful life of these assets.

(ii) Safety production fund

Under CASs, safety production fund should be recognised 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 Accounting Standards, payments are expensed as incurred, or capitalised as fixed assets and depreciated according to applicable depreciation methods.

(iii) Capitalisation of exchange difference of specific loans

Under CASs, exchange difference arising on translation of specific loans and related interest denominated in a foreign currency should be capitalised as part of the cost of qualifying assets. Under IFRS Accounting Standards, such exchange difference is recognised in income statement unless the exchange difference represents an adjustment to interest.

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

Prepared by: China Petroleum & Chemical Corporation

Units: million Currency: RMB Type: unaudited

Net profit under CASs	21,360	22,864
Adjustments:		
Government grants(i)	9	7
Safety production fund(ii)	660	686
Capitalisation of exchange difference of specific loans(iii)	(193)	-
	21,836	23,557

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

Units: million Currency: RMB Type: unaudited

Shareholders' equity under CASs	991,640	958,655
Adjustments:		
Government grants(i)	(859)	(868)
Capitalisation of exchange difference of specific loans(iii)	(2,171)	(1,978)
	988,610	955,809