

CHINA PETROLEUM & CHEMICAL CORP

Form 6-K

March 26, 2014

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 March, 2014

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

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This Form 6-K consists of:

1. An announcement regarding 2013 annual results of China Petroleum & Chemical Corporation (the “Registrant”); and
2. An announcement regarding the circular for proposed amendment of articles of association and the notice of annual general meeting for 2013 as well as its proxy form and reply slip of the Registrant;

Each made by the Registrant on March 21, 2014.

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Document 1

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CHINA PETROLEUM & CHEMICAL CORPORATION

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

(Stock Code: 0386)

Annual Results for the Year Ended 31 December 2013

1. Important Notice

- 1.1 The board of directors, the board of supervisors, directors, supervisors and senior management of China Petroleum & Chemical Corporation ("Sinopec Corp.") warrant that there are no false representations, misleading statements or material omissions in this announcement, and jointly and severally accept full responsibility for the authenticity, accuracy and completeness of the information contained in this announcement.

This announcement is a summary of the annual report of Sinopec Corp. for the year ended 31 December 2013 (the "Annual Report"). The entire report can be downloaded from the websites of The Stock Exchange of Hong Kong Limited ("Hong Kong Stock Exchange") ([www.hkexnews.hk](http://www.hkexnews.hk)) and Sinopec Corp. ([www.sinopec.com.cn](http://www.sinopec.com.cn)). Investors should read the Annual Report for more details.

- 1.2 The Annual Report has been approved unanimously at the 15th Meeting of the Fifth Session of the Board of Directors of Sinopec Corp. All directors of Sinopec Corp. attended the 15th Meeting of the Fifth Session of the Board of Directors. No Director has any doubt as to, or the inability to warrant, the authenticity, accuracy and completeness of the Annual Report.

1.3 The annual financial statements for the year ended 31 December 2013 of Sinopec Corp. and its subsidiaries (together, the “Company”) prepared in accordance with the PRC Accounting Standards for Business Enterprises (“ASBE”) and International Financial Reporting Standards (“IFRS”) have been audited by Pricewaterhousecoopers Zhong Tian LLP and Pricewaterhousecoopers respectively. Both firms have issued standard unqualified auditor’s reports.

1.4 Mr. Fu Chengyu, Chairman of the Board of directors, Mr. Li Chunguang, director and president, and Mr. Wang Xinhua, Chief Financial Officer and Head of the Financial Department warrant the authenticity and completeness of the financial statements contained in the Annual Report.

## 2. Basic Information about Sinopec Corp.

### 2.1 Basic information of Sinopec Corp.

Stock name	SINOPEC CORP	SINOPEC CORP	SINOPEC CORP	SINOPEC CORP
Stock code	0386	SNP	SNP	600028
Place of listing	Hong Kong	New York	London	Shanghai
	Stock Exchange	Stock Exchange	Stock Exchange	Stock Exchange
Registered address and office address	22 Chaoyangmen North Street, Chaoyang District, Beijing, China			
Postcode	100728			
Website	<a href="http://www.sinopec.com">http://www.sinopec.com</a>			
E-mail	<a href="mailto:ir@sinopec.com">ir@sinopec.com</a>			

### 2.2 Contact persons of Sinopec Corp. and means of communication

	Authorised representatives		Secretary to the Board of Directors	Representative on Securities Matters
Name	Mr. Li Chunguang	Mr. Huang Wensheng	Mr. Huang Wensheng	Mr. Zheng Baomin
Address	22 Chaoyangmen North Street, Chaoyang District, Beijing, China			
Tel	86-10-5996 0028	86-10-5996 0028	86-10-5996 0028	86-10-5996 0028
Fax	86-10-5996 0368	86-10-5996 0368	86-10-5996 0368	86-10-5996 0368
E-mail	<a href="mailto:ir@sinopec.com">ir@sinopec.com</a>			

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## Principal Financial Data and Indicators

3.1 Key Financial data prepared in accordance with the China Accounting Standards for Business Enterprises (“ASBE”) for the year ended 31 December 2013 of the Company

Items	31 December			
	2013 RMB million	2012 RMB million	Changes from the end of last year (%)	2011 RMB million
Total assets	1,382,916	1,238,522	11.7	1,122,703
Total equity attributable to equity shareholders of the Company	570,346	513,374	11.1	474,399
For the year ended 31 December				
Items	2013 RMB million	2012 RMB million	Changes from the end of last year (%)	2011 RMB million
Net cash flow from operating activities	151,893	143,462	5.9	151,181
Operating income	2,880,311	2,786,045	3.4	2,505,683
Net profit attributable to equity shareholders of the Company	67,179	63,496	5.8	71,697
Net profit attributable to equity shareholders of the Company excluding extraordinary gain/loss items	66,658	61,922	7.6	70,453
Weighted average return on net assets (%)	12.24	12.80	(0.56) Percentage points	15.93
Basic earnings per share (RMB)	0.579	0.562	3.0	0.636
Diluted earnings per share(RMB)	0.543	0.542	0.2	0.612



3.2 Key Financial data and indicators prepared in accordance with International Financial Reporting Standards (“IFRS”) for the year ended 31 December 2013 of the Company

Items	For the year ended 31 December				
	2013 RMB million	2012 RMB million	2011 RMB million	2010 RMB million	2009 RMB million
Turnover and other operating revenues	2,880,311	2,786,045	2,505,683	1,913,182	1,345,052
Operating profit	96,785	98,662	105,530	104,974	90,669
Profit before taxation	95,052	90,642	104,565	103,663	86,574
Net profit attributable to owners of the Company	66,132	63,879	73,225	71,782	63,129
Basic earnings per share (RMB)	0.570	0.566	0.650	0.637	0.560
Diluted earnings per share (RMB)	0.534	0.545	0.625	0.631	0.556
Return on capital employed (%)	8.02	9.09	11.49	12.95	11.67
Return on net assets (%)	11.63	12.50	15.50	17.11	16.63
Net cash generated from operating activities per share (RMB)	1.308	1.262	1.336	1.512	1.468

Items	31 December				
	2013 RMB million	2012 RMB million	2011 RMB million	2010 RMB million	2009 RMB million
Non-current assets	1,009,906	892,929	794,423	727,642	692,930
Net current liabilities	198,812	148,358	101,485	76,177	114,442
Non-current liabilities	189,468	196,535	185,594	200,429	172,982
Minority interests	52,823	37,122	35,016	31,432	25,991
Total equity attributable to equity shareholders of the Company	568,803	510,914	472,328	419,604	379,515
Net assets per share (RMB)	4.880	4.527	4.191	3.723	3.367
Adjusted net assets per share (RMB)	4.841	4.476	4.172	3.722	3.347



## 3.3

## Significant changes of items in the financial statements (ASBE)

The table below sets forth reasons for those changes where the fluctuation was more than 30% during the reporting period, or such changes which constituted 5% or more of total assets at the balance sheet date or more than 10% of profit before taxation:

Items	At 31 December		Increase/(decrease)		Reasons for change
	2013 RMB millions	2012 RMB millions	Amount RMB millions	Percentage (%)	
Cash at bank and on hand	15,101	10,864	4,237	39.0	Mainly due to the increase in the year end cash balance
Bills receivable	28,771	20,045	8,726	43.5	Mainly due to enlarged business scale.
Other receivables	13,165	8,807	4,358	49.5	Mainly due to increase of derivative financial instruments
Other current assets	21,385	1,008	20,377	2,021.5	Mainly due to reclassification of excess value-added tax paid to other current assets
Long-term equity investments	77,078	52,061	25,017	48.1	Please refer to Note 11 to the financial statements prepared in accordance with ASBE
Fixed assets	669,595	588,969	80,626	13.7	Mainly due to impact of depreciation and transfer construction in progress to property plant and equipment
Deferred tax assets	4,141	6,381	(2,240 )	(35.1 )	Mainly due to impact of reversion of deferred tax assets of some subsidiaries
Other non-current assets	19,983	11,046	8,937	80.9	Please refer to Note 18 to the financial statements prepared in accordance with ASBE
Short-term loans	108,121	70,228	37,893	54.0	Mainly due to increase of US dollar borrowings of the Company
Bills payable	4,526	6,656	(2,130 )	(32.0 )	Mainly due to the regular maturity and settlement of the bills payable
Taxes payable	35,888	21,985	13,903	63.2	Please refer to Note 25 to the financial statements prepared in accordance with ASBE
Other payables	82,917	61,721	21,196	34.3	Mainly due to deferred payment of investments
Short-term debentures payable	10,000	30,000	(20,000 )	(66.7 )	Mainly due to repayment of short-term bonds at maturity
Non-current liabilities due within one year	45,749	15,754	29,995	190.4	Mainly accounts for bonds due within one year
Other non-current liabilities	8,187	3,811	4,376	114.8	Mainly due to increase of borrowings from Sinopec Group

Share capital	116,565	86,820	29,745	34.3	Mainly due to H shares placing, bonus issue and transfer from capital reserve to share capital, as well as the holders of A share convertible bonds exercise their conversion rights
Specific reserve	1,556	3,550	(1,994 )	(56.2 )	Please refer to Note 33 to the financial statements prepared in accordance with ASBE

Items	At 31 December		Increase/(decrease)		Reasons for change
	2013 RMB millions	2012 RMB millions	Amount RMB millions	Percentage Percentage (%)	
Minority interest	52,914	37,227	15,687	42.1	Mainly due to the increase in minority interest as a result of the Company's acquisition of three overseas oil and gas projects from China Petrochemical Corporation and the issuance of common shares to minority shareholders of Sinopec Kantons Holdings Limited
Financial expenses	6,274	9,819	(3,545)	(36.1)	Mainly due to impact of foreign exchange gains and reduction of overall financing cost through ) optimise the debt structure
Impairment losses	4,044	7,906	(3,862)	(48.9)	Please refer to Note 39 to the financial statements prepared in ) accordance with ASBE
Gain from changes in fair value	2,167	206	1,961	951.9	Mainly due to fair value changes of derivatives embedded in convertible bonds of the Company caused by stock price fluctuation of A and H shares of the Company
Investment income	2,510	1,540	970	63.0	Please refer to Note 41 to the financial statements prepared in accordance with ASBE

## 4. Changes in Share Capital and Shareholdings of the Principal Shareholders

## 4.1 Changes in the share capital

Unit: Share

Items	Before change		New shares issued	Increase/(decrease)		Others	Sub-total
	Numbers	Percentage (%)		Bonus shares issued	Conversion from reserve		
R M B o r d i n a r y shares	70,039,798,886	80.67	—	14,007,974,817	7,003,987,408	14,076,000	21,012,076,301
Domestically listed foreign shares	—	—	—	—	—	—	—
O v e r s e a s listed foreign shares	16,780,488,000	19.33	2,845,234,000	3,925,144,400	1,962,572,200	—	8,732,950,600

Others

Total Shares	86,820,286,886	100	2,845,234,000	17,933,119,217	8,966,559,608	114,076	29,745,026,901	116
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Note: In 2013, a total number of 7,250 Sinopec CB (as defined below) had been converted into A shares of Sinopec Corp.

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4.2

Number of shareholders and their shareholdings

As at 31 December 2013, the total number of shareholders of Sinopec Corp. was 687,875 including 681,359 holders of domestic A shares and 6,516 holders of overseas H shares. As at 17 March 2014, the total number of shareholders of Sinopec Corp. was 671,364. Sinopec Corp. has complied with requirement for minimum public float under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“the Hong Kong Listing Rules”). From the end of the financial year ended 31 December 2013 to 28 February 2014, a total of 155,773,017 A shares were converted from the RMB23 billion A share convertible bond (the “Sinopec CB”).

## (1) Shareholdings of top ten shareholders

The shareholdings of top ten shareholders as at 31 December 2013 are listed as below:

					Unit: Share
Name of shareholders	Nature of Shareholders	Percentage of shareholdings %	Total number of shares held	Changes of shareholding <sup>1</sup>	Number of shares subject to pledges or lock-up
China Petrochemical Corporation	State-owned share	73.49	85,662,948,858	19,865,821,166	0
HKSCC Nominees Limited 2	H share	21.77	25,372,181,059	8,694,936,587	Unknown
Guotai Junan Securities Co., Ltd. 3	A share	0.29	338,378,335	76,670,200	0
China Securities Finance Co., Ltd. 4	A share	0.25	290,856,807	290,856,807	0
Qatar Holding Limited Liability Company – Self-owned Funds	A share	0.08	89,996,185	89,996,185	0
National Social Security Fund – Combination 106	A share	0.07	86,008,148	56,112,259	0
CSOP Asset Management Limited – FTSE China A50ETF	A share	0.05	61,895,108	29,530,496	0
Industrial and Commercial Bank of China – southern select fund	A share	0.05	60,297,141	21,516,533	0
Industrial and Commercial Bank of China – e 50 index securities investment funds	A share	0.05	53,199,823	19,061,408	0
China Pacific Life Insurance Co., Ltd. – traditional – general insurance products	A share	0.04	48,503,201	8,115,661	0

Note<sup>1</sup>As compared with the number of shares as at 31 December 2012.

Note<sup>2</sup>Sinopec Century Bright Capital Investment Limited, overseas wholly-owned subsidiary of China Petrochemical Corporation, holds 553,150,000 H shares, accounting for 0.47% of the total share capital of Sinopec Corp. which is included in the total number of the shares held by HKSCC Nominees Limited.

Note<sup>3</sup>

At the end of the financial year ended 31 December 2013, Guotai Jun'an Securities Co., Ltd holds shares of Sinopec Corp. through self-run security account, security lending special account and refinancing guarantee account.

Note 4 At the end of the financial year ended 31 December 2013, China Securities Finance Co., Ltd. holds shares of Sinopec Corp. through self-run security account.

Statement on the connected relationship or acting in concert among the above-mentioned shareholders:

We are not aware of any connected relationship or acting in concert among or between the above-mentioned shareholders, except that CSOP Asset Management Limited - FTSE China A50ETF and Industrial and Commercial Bank of China – Southern select fund are managed by China Southern Asset Management Co., Ltd.

(2) Information disclosed by the shareholders of H shares according to the Securities and Futures Ordinance (“SFO”)

Name of shareholders	Status of shareholders	Number of shares interested	Note	Approximate percentage of Sinopec Corp.'s issued share capital (H Share) (%)	
JPMorgan Chase & Co.	Beneficial owner	436,218,553	(L)	1.71	(L)
		196,371,913	(S)	0.77	(S)
	Investment manager	722,853,223	(L)	2.83	(L)
	Custodian corporation/approved lending agent	1,647,437,726	(L)	6.46	(L)
BlackRock, Inc.	Interest of corporation controlled by	2,041,530,296	(L)	8.00	(L)
	the substantial shareholder	48,611,000	(S)	0.19	(S)
Schroders Plc	Investment manager	1,314,671,322	(L)	5.15	(L)

Note: (L): Long position, (S): Short position

#### 4.3 Changes in the controlling shareholders and the de facto controller

There was no change in the controlling shareholders and the de facto controller of Sinopec Corp. during 2013.



(1)

## Controlling shareholder

The controlling shareholder of Sinopec Corp. is China Petrochemical Corporation. Established in July 1998, China Petrochemical Corporation is a state-authorised investment organisation and a state-owned enterprise. Its registered capital is RMB 231,620,585,000, and the legal representative is Mr. Fu Chengyu. The organisation code of China Petrochemical Corporation is 10169286-X. Through re-organisation in 2000, China Petrochemical Corporation injected its principal petroleum and petrochemical businesses into Sinopec Corp. and retained certain petrochemical facilities and small-scale refineries. It provides well-drilling services, well-logging services, downhole operation services, services in connection with manufacturing and maintenance of production equipment, engineering construction, utility services including water and power and social services.

## Shares of other listed companies directly held by China Petrochemical Corporation

Name of Company	Number of Shares (shares)	Percentage	
China Merchants Energy Shipping Co., Ltd	911,886,426	19.32	%
People's Daily Online	2,003,367	0.72	%
Sinopec Engineering (Group) Co. Ltd	2,967,200,000	67.01	%

- (2) Other than HKSCC Nominees Limited, there was no other legal person or shareholder holding 10% or more of the total issued share capital of Sinopec Corp.

(3)

## Basic information of the de facto controller

China Petrochemical Corporation is the de facto controller of Sinopec Corp.

- (4) Diagram of the equity and controlling relationship between Sinopec Corp. and its de facto controller

Note: Inclusive of 553,150,000 H shares held by Sinopec Century Bright Capital Investment Ltd. (overseas wholly-owned subsidiary of China Petrochemical Corporation) through HKSCC Nominees Limited.

5. Information on Appointment or Termination of Directors, Supervisors and Senior Management

In May, in order to further improve the corporate governance and minimise the conflicts of interest, Mr. Wang Tianpu tendered his resignation as the President of Sinopec Corp. since he has served as the President of China Petrochemical Corporation. The Board nominated and appointed Mr. Li Chunguang as the President of Sinopec Corp. In August 2013, the Board nominated and appointed Mr. Wang Yongjian as the Vice President of the Sinopec Corp. In September 2013, the Board nominated and appointed Mr. Jiang Zhenghong as the Vice President of the Sinopec Corp. In December 2013, Mr. Zhang Kehua ceased to hold the position of Vice President of Sinopec Corp. due to retirement age.

Mr. Ma Weihua, an Independent Non-executive Director of Sinopec Corp., was no longer a Director, Governor and Secretary of the Communist Party of China Leading Group of China Merchants Bank Co., Ltd, the Chairman of CIGNA & CMC Life Insurance Co., Ltd. and the China Merchants Fund Management Co., Ltd.

Mr. Andrew Y. Yan, an Independent Non-executive Director of Sinopec Corp., was no longer the Chairman and Independent Non-executive Director of NVC Lighting Holding Limited, the Independent Executive Director of Mobi Development Co., Ltd., the Director of Eternal Asia Supply Chain Management Ltd. Mr. Yan was re-designated as the Non-executive Directors from Independent Executive Directors of Digital China Holdings Limited, China Huiyuan Juice Group Limited, Feng Deli Holdings Limited and Guodian Technology & Environment Group Corporation Limited.

Ms. Bao Guoming, an Independent Non-executive Director of Sinopec Corp., has been appointed as the Independent Non-executive Director of Hebei Chengde Lulu Co., Limited since June 2013.

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## Business Review and Prospects

### Business Review

In 2013, the global economy continued to recover slowly. China's economy was stable, but the growth rate decelerated, with GDP up by 7.7%. In response to market changes and the macroeconomic environment, we accelerated structural adjustments, deepened our reforms, expanded our resource base, built out our markets, reinforced our management and reduced costs and expenses, achieving sound results on all fronts.

#### 6.1

#### Market Review

##### (1)

##### Crude oil and natural gas

In 2013, international crude oil prices fluctuated in a wide range, hitting a high before falling in the first quarter, rebounding slightly in the second and third quarters due to tight supplies in some regions, and remaining high in the fourth quarter. The spot price of Platts Brent for the year was USD 108.66 per barrel, down 2.62% from the previous year. In 2013, China's natural gas demand increased significantly, and a natural gas price reform plan was introduced, gradually linking the

domestic gas price to the price of alternative energy.

(2)

#### Oil products market

In 2013, the Chinese government further optimised the oil product pricing mechanism. It introduced a premium pricing policy for oil products with high quality in the second half of the year, which improved the market environment for the refining sector.

Along with steady economic growth and economic structural adjustment, domestic demand for gasoline maintained a rapid growth rate, while demand growth for diesel experienced a slowdown. According to the statistics of Nation Development and Reform Committee, domestic apparent consumption for oil products (including gasoline, diesel and kerosene) were 264 million tonnes, an increase by 5.1% over the previous year.

(3)

#### Chemicals market

In 2013, domestic demand for chemicals continued to grow. Consumption of synthetic resin, synthetic fibre and synthetic rubber increased by 7.2%, 6.6% and 6.3%, respectively, over the previous year, and consumption of ethylene equivalent grew by 6.3%. However, the increase in both the domestic production capacity and imports of low-priced chemicals posed great challenges to domestic producers, especially in the first half of the year, when prices of chemicals dropped significantly. In the second half, the prices of some chemicals picked up.

## 6.2

## Operations Review

## (1)

## Exploration and production

In 2013, with increased exploration and development activities in five key areas of China, we achieved stable growth in oil and gas production and reserves. In exploration, we achieved significant strategic breakthroughs in the Fuling marine-facies shale gas exploration project, laying a solid foundation for shale gas development of the Company. In 2013, we added 3.13 million barrels to domestic proved oil reserves, achieving an oil reserve replacement ratio of more than 100%. We also acquired overseas upstream assets from China Petrochemical Corporation, significantly increasing our overseas oil and gas assets. In oil production, we enhanced the recovery rate in mature fields and effectively curbed the growth in lifting costs. We intensified exploration in the natural gas market, increasing sales volumes to meet consumption demand. In 2013, our oil and gas production was 442.82 million barrels of oil equivalent, up 3.48% from the previous year, of which crude oil was 332.54 million barrels, representing a year-on-year increase of 1.30%, and natural gas was 660.18 billion cubic feet, representing a year-on-year increase of 10.4%.

## Summary of Operations for the Exploration and Production Segment

	2013	2012	2011	Change from 2012 to 2013 (%)
Oil and gas production (mmboe)	442.84	427.95	407.91	3.48
Crude oil production (mmbbls)	332.54	328.28	321.73	1.30
China	310.84	306.60	303.37	1.38
Overseas	21.70	21.68	18.36	0.09
Natural gas production (bcf)	660.18	598.01	517.07	10.40

## Summary of Proved Reserves of Crude Oil and Natural Gas

	Reserves of Crude Oil (mmbbls)	
	31 December 2013	31 December 2012
Proved Reserves	3,130	2,843
Proved Developed Reserves	2,821	2,577
Shengli	1,944	1,974
Others	557	539
China	2,501	2,513
Overseas	320	64
Proved Undeveloped Reserves	309	266
Shengli	110	84
Others	162	174
China	272	258
Overseas	37	8

	Reserves of Natural Gas (bcf)	
	31 December 2013	31 December 2012
Proved Reserves	6,520	6,730
Proved Developed Reserves	5,805	5,439
Puguang	2,939	3,605
Others	2,842	1,834
China	5,781	5,439
Overseas	24	—
Proved Undeveloped Reserves	715	1,291
Puguang	—	—
Others	712	1,291
China	712	1,291
Overseas	3	—

## Exploration &amp; Production Activities

Wells drilling	As of 31 December			
	2013		2012	
	gross	net	gross	net
China	267	267	285	285
Shengli	93	93	86	86
Others	174	174	199	199
Overseas	2	0	4	1
Total	269	267	289	286

Completed Wells For the year ended	Total	China		Oversea		Equity Method Investments
		Shengli	Others	Group		
31 December 2013						
Exploratory – Productive	350	112	238	—	—	
– Dry	352	96	256	—	—	
Development – Productive	4,513	2,490	2,016	5	2	
– Dry	83	39	44	—	—	
For the year ended						
31 December 2012						
Exploratory – Productive	329	101	228	—	—	
– Dry	682	89	593	—	—	
Development – Productive	3,583	2,047	1,532	4	—	
– Dry	35	6	29	—	—	

Unit: Square Kilometers

As of 31 December  
2013                      2013

Acreage with exploration license	983,680	913,800
China	983,680	913,800
Acreage with development license	26,665	20,743
China	22,563	20,420
Overseas	4,102	323

Note: At the end of 2013, the acquisition of part of the equity interests of CIR, Taihu and Mansarovar by the Company from China Petrochemical Corporation was completed. Production, reserve and exploration activities of these three companies were included on equity accounting basis.

(2)

Refining

In 2013, seizing the opportunity presented by improvements in the oil product pricing mechanism, we optimised our product mix according to market conditions, increasing production of high-value-added products which were in strong demand, such as high-octane gasoline and jet fuel. We accelerated the quality upgrading of our oil products to supply cleaner products to our customers. In 2013, we were the first to complete the gasoline upgrading to the GB IV standard. We also optimised our crude oil allocation and reduced crude oil procurement costs. In 2013, we processed 232 million tonnes of crude oil, up by 4.81% from the previous year, and produced 140 million tonnes of oil products, up by 5.59% from the previous year. Sales of lubricants, LPG and asphalt grew at a fast growth rate.



## Summary of Operations for the Refining Segment

	Unit: million tonnes			
	2013	2012	2011	Change from 2012 to 2013 (%)
Refinery throughput	231.95	221.31	217.37	4.81
Gasoline, diesel and kerosene production	140.40	132.96	128.00	5.59
Gasoline	45.56	40.55	37.10	12.36
Diesel	77.40	77.39	77.17	0.02
Kerosene	17.43	15.01	13.73	16.15
Light chemical feedstock	37.97	36.33	37.38	4.52
				(0.56)
Light products yield (%)	76.19	76.75	76.08	percentage points (0.33)
				percentage points
Refinery yield (%)	94.82	95.15	95.09	

Note: Includes 100% of production of joint ventures.

(3)

## Marketing and distribution

In 2013, in light of structural changes in the demand for oil products, we adjusted our marketing strategies which focused on high-octane gasoline and jet fuel sales and introduced premium products to the market ahead of other suppliers. We increased total sales volume by using our advantages in our network and brand to expand retail volumes. Through optimised oil products allocation and logistics, we lowered our transportation costs. In 2013, the total sales volume of oil products reached 180 million tonnes, of which domestic sales were 165 million tonnes, up 4.04% from the previous year. The retail volume increased by 5.45% as compared with that in the previous year. Meanwhile, we actively provide our one-stop services and signature products to our customers and the revenue from non-fuel business reached RMB 13.35 billion, representing a year-on-year increase of 21.36%.

## Summary of Operations, Marketing and Distribution Segment

	2013	2012	2011	Change from 2012 to 2013(%)
Total sales volume of oil products (million tonnes)	179.99	173.15	162.32	3.95
Total domestic sales volume of oil products (million tonnes)	165.42	158.99	151.16	4.04
Retail sales (million tonnes)	113.73	107.85	100.24	5.45
Direct sales (million tonnes)				