

CHINA PETROLEUM & CHEMICAL CORP
Form 6-K
April 30, 2009

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549
FORM 6-K

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16 of
The Securities Exchange Act of 1934

For the month of April, 2009

CHINA PETROLEUM & CHEMICAL CORPORATION
22 Chaoyangmen North Street,
Chaoyang District, Beijing, 100728
People's Republic of China
Tel: (8610) 59960114

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

Form 20-F Form 40-F

(Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

Yes No

(If "Yes" is marked, indicate below the file number assigned to registrant in connection with Rule 12g3-2(b): 82-_____.)

N/A

This Form 6-K consists of:

An announcement on 2009 first quarterly results of China Petroleum & Chemical Corporation (the “Registrant”), made by the Registrant on April 28, 2009.

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

(Stock Code: 0386)

China Petroleum & Chemical Corporation
First Quarterly Results Announcement for 2009

§1 Important Notice

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

1.2 This quarterly results announcement has been reviewed and approved at the twenty eighth meeting of the Third Session of the Board of Directors of Sinopec Corp.

1.3 The financial statements contained in this announcement have not been audited.

1.4 Mr. Su Shulin, Chairman of the Board of Directors of Sinopec Corp., Mr. Wang Tianpu, Director and President of Sinopec Corp., Mr. Dai Houliang, Director, Senior Vice President and Chief Financial Officer of Sinopec Corp., and Mr. Wang Xinhua, Head of the Accounting Division of Sinopec Corp., hereby declare that the authenticity and completeness of the financial statements contained in this quarterly results announcement are warranted.

§2 Basic Information of Sinopec Corp.

2.1 Principal financial data and indicators

2.1.1 Financial data and indicators prepared in accordance with the PRC Accounting Standards for Business Enterprises ("ASBE")

| | At 31 March 2009 | At 31 December 2008 | Changes from the end of the preceding year (%) |
|--|---------------------|---------------------------|--|
| Total assets (RMB millions) | 773,578 | 752,235 | 2.8 |
| Shareholders' equity attributable to equity shareholders of Sinopec Corp. | 341,536 | 330,080 | 3.5 |

(RMB millions)

Net assets per share attributable to
equity shareholders of Sinopec Corp.
(RMB)

3.939

3.807

3.5

From 1 January 2009 to 31
March 2009

Changes over
the same
period of the
preceding
year (%)

| | | |
|---|--------|-------|
| Net cash flow from operating activities (RMB millions) | 55,655 | 959.1 |
| Net cash flow from operating activities per share (RMB) | 0.642 | 959.1 |

| | Three-month period ended 31 March 2009 | From 1 January 2009 to 31 March 2009 | Changes over the same period of the preceding year (%) |
|--|--|--------------------------------------|--|
| Net profit attributable to equity shareholders of Sinopec Corp. (RMB millions) | 11,190 | 11,190 | 84.7 |
| Basic earnings per share (RMB) | 0.129 | 0.129 | 84.7 |
| Basic earnings per share (before extraordinary gain and loss) (RMB) | 0.130 | 0.130 | 88.4 |
| Diluted earnings per share (RMB) | 0.129 | 0.129 | 200.0 |
| Fully diluted return on net assets (%) | 3.28 | 3.28 | 1.39 percentage points |
| Fully diluted return (before extraordinary gain and loss) on net assets (%) | 3.30 | 3.30 | 1.43 percentage points |

| | Three-month period ended 31 March 2009 (Income) /Expenses (RMB millions) |
|---|---|
| Extraordinary profits/losses items | |
| Gain on disposal of fixed assets | (107) |
| Donations | 97 |
| Gain on disposal of available-for-sale financial assets | (56) |
| Other non-operating income and expenses | 97 |
| Subtotal | (9) |
| Tax effect | 2 |
| Total | (7) |
| Attributable to: Equity shareholders of Sinopec Corp. | 43 |
| Minority interests | (50) |

2.1.2 Financial data and indicators prepared in accordance with the International Financial Reporting Standards ("IFRS")

| | At 31 March 2009 | At 31 December 2008 | Changes from the end of the preceding year (%) |
|---|---|---|---|
| Total assets (RMB millions) | 779,285 | 767,827 | 1.5 |
| Total equity attributable to equity shareholders of the Company (RMB millions) | 340,154 | 328,669 | 3.5 |
| Net assets per share (RMB) | 3.923 | 3.791 | 3.5 |
| Adjusted net assets per share (RMB) | 3.833 | 3.699 | 3.6 |
| | Three-month period ended 31 March 2009 | Three-month period ended 31 March 2008 | Changes over the same period of the preceding year (%) |
| Net cash generated from operating activities (RMB millions) | 53,248 | 2,663 | 1,899.5 |
| Profit attributable to the equity shareholders of Sinopec Corp. (RMB millions) | 11,219 | 6,062 | 85.1 |
| Basic earnings per share (RMB) | 0.129 | 0.070 | 85.1 |
| Diluted earnings per share (RMB) | 0.129 | 0.043 | 200.0 |

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| Name of shareholders (Full Name) | Number of shares held at the end of the reporting period (1,000 shares) | Type of shares (A, B, H share or others) |
|--|---|--|
| HKSCC (Nominees) Limited | 16,685,621 | H |
| China Petrochemical Corporation | 8,670,244 | A |
| Guotai Junan Securities Co., Ltd. | 382,206 | A |
| China Life Insurance Co.,Ltd-Dividend-005L FH002 | 76,445 | A |
| Bosera Thematic Sector Equity Securities Investment Fund | 65,000 | A |
| National Social Security Fund 102 Portfolio | 50,617 | A |
| Tongde Securities Investment Fund | 46,406 | A |

| | | |
|---|--------|---|
| SSE 50 Transaction Type Open Index Securities Investment Fund | 40,764 | A |
| E Fund 50-Index Securities Investment Fund | 40,334 | A |
| E Fund Kexun Stock-Type Securities Investment Fund | 40,000 | A |

2.3 Business Review

During the first quarter of 2009, confronted with the tough economic situation at home and abroad, the Chinese government has implemented positive financial policy, properly loosed monetary policy, and carried out a series of measures of expanding domestic demand and facilitating economic growth, especially on reforms in the price of finished oil products as well as tax and fee to the extent that domestic oil refining operation; with the advantages in scale and cost in the refining segment of Sinopec Corp., and the advantages in integration and management of Sinopec Corp. fully exerted, it has reversed the tide of years' loss and become an important backbone of corporate profit. In the face of such challenges as the slowing demand growth for oil and petrochemical products and the intensifying market competition, Sinopec Corp. took a number of measures to develop the market, optimized product structure, tried to enlarge the gross volume and focused on production safety as well as energy-saving and effluent reduction so as to obtain favorable production and operation achievements.

Exploration & Production: Consolidated cost control and endeavored to promote stable growth of crude oil production. In respect of oil exploration, Sinopec Corp. strengthened geological comprehensive research, optimized exploration deployment and increased input in exploration, especially in geophysical exploration. As for development, Sinopec Corp. strived to enhance recovery rate and well yield, and controlled development and operation cost as well. Besides, Sinopec Corp. actively advanced construction of Sichuan-to-East China Gas Project, intensified development of natural gas market and pipeline construction and coped with linkage of production, transportation and marketing. The crude oil yield of Sinopec Corp. for the first quarter has increased by 0.61% compared to the same period of the previous year.

Refining: Optimized production scheme in accordance with the variation of oil product market and demand for chemical raw materials. Sinopec Corp. maintained concerted operation between production and marketing in the upstream and downstream business; vigorously reduced cost and increased benefit, and tried utmost to improve profit level. Moreover, Sinopec Corp. reinforced management of crude oil procurement, improved efficiency of pipeline operation and reduced the transportation cost of imported crude oil transport; adjusted product structure in time and increased output of gasoline and products with high extra value; energetically broadened markets of petroleum products such as liquefied petroleum gas, lubricating oil and asphalt. During the first quarter, the volume of processed crude oil by Sinopec Corp. decreased by 3.27% compared to the corresponding period of last year and increased by 1.21% compared with the three months ended 31 December 2008, while the output of gasoline increased by 15.32% compared with the corresponding period of last year and increased by 3.25% compared with the three months ended 31 December 2008.

Marketing and Distribution: Focused on exploiting the market to adapt for its variation. Sinopec Corp. exalted service level and customers' loyalty, as well as consolidated and widened the retailing market. It kept pace with market change and strived to enlarge direct marketing. Sinopec Corp. also strengthened the internal management and cut down the marketing cost in every aspect. Moreover, Sinopec Corp. advanced business of non-fuel products zealously and improved service function of gas stations. Over the first quarter, the domestic sales volume of finished oil products reduced by 12.42% compared to the corresponding period of the previous year, and decreased by 6.18% compared

with the three months ended 31 December 2008. Meanwhile, the total number of gas stations increased by 0.71%.

Chemicals: Enhanced awareness of competition and service, and boosted the technology partner alliance with key industries and users. Sinopec Corp. made full use of geographical advantages and the advantages in centralised sales scale, and flexibly applied the strategy of individual products marketing to expand the market to the utmost. Sinopec Corp. also consolidated the integration of production, marketing and research, and optimized the production plan and the product mix promptly in accordance with market demand. Moreover, Sinopec Corp. promoted the development of new

products and increased the production of products meeting well market demand and the ones with high added value. In the first quarter, the yield of ethylene and synthetic resin in Sinopec Corp. reduced by 12.22% and 3.30% respectively compared to the corresponding period of last year, and increased by 3.41% and 4.52% respectively compared with the three months period ended 31 December 2008.

Summary of Principal Operational Results for the First Quarter

| Operational Data | Unit | Three-month period ended | | Changes (%) |
|--|---------------------------|--------------------------|---------|----------------------------|
| | | 31st March 2009 | 2008 | |
| Exploration and Production | | | | |
| Crude oil production | 10 thousand tonnes | 1039.56 | 1033.30 | 0.61 |
| Natural gas production | 100 million cubic meters | 19.82 | 20.57 | (3.65) |
| Realised crude oil price | RMB/tonne | 1599.01 | 3943.01 | (59.45) |
| Realised natural gas price | RMB/thousand cubic meters | 961.53 | 916.79 | 4.88 |
| Refining | | | | |
| Refinery throughput | 10 thousand tonnes | 4051.42 | 4188.53 | (3.27) |
| Gasoline, diesel and kerosene production | 10 thousand tonnes | 2532.12 | 2553.52 | (0.84) |
| Of which: | | | | |
| Gasoline | 10 thousand tonnes | 799.18 | 692.99 | 15.32 |
| Diesel | 10 thousand tonnes | 1514.73 | 1660.86 | (8.80) |
| Kerosene | 10 thousand tonnes | 218.21 | 199.67 | 9.29 |
| Light chemical feedstock | 10 thousand tonnes | 575.57 | 629.09 | (8.51) |
| Light yield | % | 74.98 | 74.45 | 0.53 percentage point |
| Refining yield | % | 93.69 | 93.81 | (0.12) percentage point |
| Marketing and Distribution | | | | |
| Total domestic sales of refined oil products | 10 thousand tonnes | 2642.83 | 3017.70 | (12.42) |
| Of which: | | | | |
| Retail | 10 thousand tonnes | 1736.70 | 2027.60 | (14.35) |
| Distribution | 10 thousand tonnes | 505.30 | 489.10 | 3.31 |
| Wholesale | 10 thousand tonnes | 400.80 | 501.00 | (20.00) |
| Total number of service | Stations | 29338 | 29130 | 0.71 |

stations

| | | | | | |
|---|------------------|--------------------|--------|--------|---------|
| Of which: | Company operated | Stations | 28703 | 28477 | 0.79 |
| | Franchised | Stations | 635 | 653 | (2.76) |
| Throughput of company-operated station (Note 1) | | tones/station | 2420 | 2848 | (15.03) |
| Chemicals (Note 2) | | | | | |
| Ethylene | | 10 thousand tonnes | 148.80 | 169.51 | (12.22) |
| Synthetic resins | | 10 thousand tonnes | 239.97 | 248.15 | (3.30) |
| Synthetic rubbers | | 10 thousand tonnes | 19.83 | 22.62 | (12.33) |
| Monomers and polymers for synthetic fibers | | 10 thousand tonnes | 172.25 | 199.40 | (13.62) |
| Synthetic fibers | | 10 thousand tonnes | 31.49 | 35.49 | (11.27) |
| Urea | | 10 thousand tonnes | 36.17 | 28.27 | 27.94 |

Notes 1: Throughput per service station data is an annualised average;

Notes 2: Included 100% output of BASF-YPC and Shanghai Secco.

Capital Expenditure: The capital expenditure of the first quarter was about RMB15.278 billion. RMB 7.778 billion was used for exploration and exploitation. Sichuan-to-East China Gas Project was approaching completion and expected to connect all lines in June. The capital expenditure for refining

was RMB1.574 billion, mainly used in improvement of Dongxing refinery auxiliary facilities in Zhanjiang and construction of 2.6 million tonnes per year paraffin oil hydrotreating plant in Jinling. Chemical capital expenditure of RMB4.641 billion was mainly applied to construction of two 1 million tonnes per year ethylene projects in Tianjin and Zhenhai respectively. The capital expenditure of marketing and distribution was RMB987 million, mostly invested in construction of service stations and oil product pipelines in key areas with 56 stations added. The capital expenditure for headquarter scientific research and information technology and the others reached RMB298 million.

§3 Significant Events

3.1 Significant changes of key accounting items and financial indices of Sinopec Corp. and the reasons for the changes:

| Items | At 31 March 2009 | At 31 December 2008 | Increase/(decrease) | | Main reason for Changes |
|--------------------------|---------------------------|---------------------------|---------------------------|-----------------|---|
| | RMB millions | | Amount RMB millions | Percentage % | |
| Cash at bank and on hand | 12,227 | 7,700 | 4,527 | 58.8 | Sinopec Corp. has issued RMB10 billion medium-term notes. |
| Bills receivable | 2,520 | 3,659 | (1,139) | (31.1) | Sinopec Corp. has increased the amount of discounted bills due to the low market discount rate in the first quarter of 2009. |
| Accounts receivable | 21,717 | 12,989 | 8,728 | 67.2 | The volume of the self-run import and export trade and the price of the primary finished goods have increased in the first quarter of 2009. |
| Short-term loans | 30,675 | 63,972 | (33,297) | (52.0) | Sinopec Corp. has intensified the payment in bills and issued medium-term notes to settle certain short-term bank loans. |
| Bills payable | 35,429 | 17,493 | 17,936 | 102.5 | Sinopec Corp. has intensified the payment in bills. |
| Taxes payable | 19,759 | 7,057 | 12,702 | 180.0 | The fuel consumption tax increased by the government since the beginning of this year has resulted in increase of taxes payable. |
| Items | As at 31 March 2009 | As at 31 March 2008 | Increase/(decrease) | | Main reason for Changes |
| | RMB millions | | Amount RMB millions | Percentage % | |
| Operating income | 228,585 | 332,010 | (103,425) | (31.2) | Mainly due to the decrease of sales volume and the price of the primary |

| | | | | | |
|--|---------|---------|-----------|----------------|---|
| | | | | | products compared with the same period of the previous year. |
| Operating costs | 166,444 | 296,380 | (129,936) | (43.8) | Mainly due to the decreased processing cost resulted from the decrease of international crude oil price and the processing volume. |
| Sales taxes and surcharges | 28,358 | 13,737 | 14,621 | 106.4 | The fuel consumption tax increased by the government since the beginning of this year has directly resulted in increase of sales taxes. |
| Financial expenses | 2,281 | 765 | 1,516 | 198.2 | Mainly due to the decrease of the net exchange gain. |
| Impairment losses | (38) | 9,012 | (9,050) | Not applicable | Mainly due to the impairment of crude oil in the first quarter of last year. |
| Loss/(gain) from changes in fair value | 51 | (2,996) | 3,047 | Not applicable | Due to the changes in the unrealized gain/loss on the embedded derivative component of the Convertible Bonds caused by the fluctuations in the valuation of H shares of Sinopec Corp. |
| Non-operating income | 154 | 7,452 | (7,298) | (97.9) | Mainly due to Sinopec Corp. recognised subsidy income in the first quarter of last year. |
| Income tax expense | 3,050 | 34 | 3,016 | 8,870.6 | The increase of income tax is due to increase of the profit before taxation compared with the same period of last year. |

| | | | | | |
|---|--------|-------|-------|-------|---|
| Profit before taxation | 14,707 | 6,034 | 8,673 | 143.7 | Benefited from the revised pricing mechanism of refined petroleum products in the domestic market, the refining segment of Sinopec Corp. made profit in the reporting period. |
| Net profit attributable to equity shareholders of Sinopec Corp. | 11,190 | 6,057 | 5,133 | 84.7 | The same as the above |
| Net profit/(loss) attributable to minority interests | 467 | (57) | 524 | | Not Mainly due to the increase of the net applicable profit from controlling subsidiaries. |

3.2 The progress of significant events and their impacts as well as the analysis and explanations for the solutions

3.2.1 Connected transactions

The aggregate amount of connected transactions actually occurred in relation to Sinopec Corp. during the reporting period was RMB 50.004 billion, of which, incoming trade amounted to RMB 22.197 billion and outgoing trade amounted to RMB 27.807 billion (including RMB 27.76 billion of sales of goods, RMB 5 million of interest income and RMB 42 million of agency commission income). During the reporting period, the products and services provided by China Petrochemical Corporation (procurement, storage and transportation, exploration and production services and production-related services) to Sinopec Corp. amounted to RMB 16.364 billion, representing 7.72% of Sinopec Corp.'s operating expenses during the reporting period. The auxiliary and community services provided by China Petrochemical Corporation to Sinopec Corp. amounted to RMB 403 million, representing 0.19% of the operating expenses during the reporting period. During the reporting period, the product sales from Sinopec Corp. to China Petrochemical Corporation amounted to RMB 11.514 billion, representing 5.04% of Sinopec Corp.'s operating revenue.

3.2.2 The Acquisition of the Property Rights of the Eight Oil Product Pipeline Project Divisions and Equity Interests and Certain Assets of Qingdao Petrochemical and Shijiazhuang Chemical Fiber from China Petrochemical Corporation or its Subsidiaries and Disposal of Certain Assets

The 27th Meeting of the Third Session of the Board was held on 27 March 2009, at which the "Proposal Concerning the Acquisition of the Property Rights of the Eight Oil Product Pipeline Project Divisions and Equity Interests and Certain Assets of Qingdao Petrochemical and Shijiazhuang Chemical Fiber from China Petrochemical Corporation or its Subsidiaries and Disposal of Certain Assets" was considered and approved. Sinopec Corp. acquired the property rights of the Eight Oil Product Pipeline Project Divisions and equity interests and certain assets of two limited liability companies from China Petrochemical Corporation or its subsidiaries (the "Acquisition"). Concurrently, Sinopec Corp. also disposed certain assets held by Jinling Branch Company of Sinopec Corp. to Asset Management Company under China Petrochemical Corporation (the "Disposal"). The consideration for the Acquisition is RMB 1,839.38 million, and the consideration for

the Disposal is RMB 157.47 million. Through the above-mentioned transactions, Sinopec Corp. anticipated to expand the operation scale of its principal business and enhance the competitiveness of the same. For further details, please refer to the announcement published in the China Securities Journal, Shanghai Securities News and Securities Times on 30 March 2009, and the relevant announcement released on the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>) and the website of the Hong Kong Stock Exchange (<http://www.hkex.com.hk>).

3.3 Status of fulfillment of commitments undertaken by Sinopec Corp., shareholder and actual controller.

oapplicable ùnot applicable

3.4 Caution and explanation as to the anticipated loss of accumulated net profits from the beginning of the year to the end of the next reporting period or significant changes over the corresponding period of last year

üapplicable onot applicable

In the first half of 2009, reforms on oil products' prices and the relevant taxes and fees have been implemented, which reversed the loss situation in the domestic refining industry for years. The refining segment of Sinopec Corp.'s advantages in scale and cost, and the advantages in integration and management of Sinopec Corp. will be fully demonstrated, and become an important backbone of Sinopec Corp.'s profit. It's expected that the interim results of Sinopec Corp. of 2009 will increase by more than 50% compared with that of the same period of last year.

3.5 This quarterly results announcement is published in both Chinese and English languages. The Chinese version shall prevail.

By Order of the Board
Su Shulin
Chairman

Beijing, PRC, 28 April 2009

As at the date of this Announcement, the directors of Sinopec Corp are Messrs. Su Shulin*, Zhou Yuan*, Wang Tianpu#, Zhang Jianhua#, Wang Zhigang#, Dai Houliang#, Fan Yifei*, Yao Zhongmin*, Liu Zhongli+, Shi Wanpeng+ and Li Deshui+.

Executive Directors

* Non-executive Directors

+ Independent Non-executive Directors

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

China Petroleum & Chemical Corporation

By: /s/ Chen Ge

Name: Chen Ge

Title: Secretary to the Board of Directors

Date: April 29, 2009