



**China Petroleum & Chemical Corporation**

**First Quarterly Report for 2013**

April 25, 2013  
Beijing, China



## §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.” or “the Company”) warrant that there are no misrepresentations, misleading statements contained in or material omissions from this quarterly report, and severally and jointly accept full responsibility for the authenticity, accuracy and completeness of the information contained in this quarterly report.

1.2 This quarterly report was approved on the seventh meeting of the Fifth Session of the Board of Directors of Sinopec Corp. All directors attended the meeting.

1.3 The financial statements in this quarterly report were not audited.

1.4 Mr. Fu Chengyu, Chairman of the Board of Directors, Mr. Wang Tianpu, Vice Chairman of the Board of Directors and President, Mr. Wang Xinhua, Chief Financial Officer and Head of the Accounting Department warrant the authenticity and completeness of the financial statements contained in this quarterly report.



## §2 Basic Information of Sinopec Corp.

### 2.1 Principal financial data and indicators

#### 2.1.1 Principal financial data and indicators prepared in accordance with the China Accounting Standards for Business Enterprises ("ASBE")

Items	As at the end of the reporting period	As at the end of the preceding year		Changes from the end of the preceding year to the end of the reporting period (%)
Total assets (RMB millions)	1,290,018	1,247,271		3.43
Equity attributable to equity shareholders of the Company (RMB millions)	549,425	513,374		7.02
Net assets per share attributable to equity shareholders of the Company (RMB)	6.127	5.913		3.62
Items	From the beginning of the year to the end of the reporting period			Changes over the same period of the preceding year (%)
Net cash flows from operating activities (RMB millions)	8,220			-
Net cash flows from operating activities per share (RMB)	0.093			-
Items	In the reporting period	From the beginning of the year to the end of the reporting period	From the beginning of the preceding year to the end of the preceding reporting period	Changes over the same period of the preceding year (%)
Net profit attributable to equity shareholders of the Company (RMB millions)	15,834	15,834	12,829	23.42
Basic earnings per share (RMB)	0.179	0.179	0.148	20.95
Diluted earnings per share (RMB)	0.178	0.178	0.147	21.09
Basic earnings per share after deducting extraordinary gain/loss items (RMB)	0.180	0.180	0.148	21.62
Weighted average return on net assets (%)	2.98	2.98	2.66	0.32 percentage points
Weighted average return on net assets after deducting extraordinary gain/loss items (%)	2.99	2.99	2.67	0.32 percentage points
Extraordinary gain/loss items	From the beginning of the year to the end of the reporting period (gain)/loss (RMB millions)			
Loss on disposal of non-current assets	33			
Donations	53			
Gain on holding and disposal of various investments	(19)			
Other non-operating income and expenses, net	10			
Subtotal	77			
Tax effect	(19)			
Total	58			
Attributable to: Equity shareholders of the Company	47			
Minority interests	11			



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

Items	As at the end of the reporting period	As at the end of the preceding year	Changes from the end of the preceding year to the end of the reporting period (%)	
Total assets (RMB millions)	1,304,067	1,266,693	2.95	
Equity attributable to equity shareholders of the Company (RMB millions)	546,871	510,914	7.04	
Net assets per share attributable to equity shareholders of the Company (RMB)	6.099	5.885	3.64	
Items	In the reporting period	From the beginning of the year to the end of the reporting period	From the beginning of the preceding year to the end of the preceding reporting period	Changes over the same period of the preceding year (%)
Net cash generated from operating activities (RMB millions)	8,111	8,111	(30,970)	-
Net profit attributable to equity shareholders of the Company (RMB millions)	16,677	16,677	13,406	24.40
Basic earnings per share (RMB)	0.189	0.189	0.154	22.73
Diluted earnings per share (RMB)	0.188	0.188	0.153	22.88
Return on net assets (%)	3.05	3.05	2.75	0.30 percentage points

2.1.3 Differences between net profit of the Company for the first quarter of 2013 under ASBE and IFRS and shareholders' equity under ASBE and IFRS as at the end of the reporting period

The consolidated net profit for the reporting period under ASBE and IFRS were RMB 16,831 million and 17,692 million respectively, with a difference of RMB 861 million; the consolidated shareholders' equity as at the end of the reporting period under ASBE and IFRS were RMB 588,013 million and 585,357 million respectively, with a difference of RMB 2,656 million. The differences were primarily due to safety production fund.



2.2 List for number of shareholders and top ten shareholders holding shares without selling restrictions at the end of the reporting period

Number of shareholders at the end of the reporting period	Number of shareholders 694,929, including 688,428 holders of A shares and 6,501 holders of H shares.	
Top ten shareholders holding shares without selling restrictions		
Name of Shareholders	Number of shares without selling restrictions held as at the end of the reporting period (1,000 shares)	Type of shares (A, B, H shares or others)
China Petrochemical Corporation	65,797,128	A
HKSCC Nominees Limited <sup>note</sup>	19,523,590	H
China Securities Finance Co., Ltd. - refinancing collateral securities account	181,100	A
China Life Insurance Company Limited - Bonus - Personal Insurance Bonus	100,428	A
Guotai Junan Securities Co., Ltd	78,205	A
China Life Insurance Co., Ltd. - dividends - personal bonus - 005L - FH002 Shanghai	62,226	A
Bank of Communications – E_Fund 50 index securities investment funds	54,829	A
National Social Security Fund No. 106 portfolio	47,507	A
China Construction Bank -Yinhua Core Value Selected Stock Based Securities Investment Fund	46,000	A
China Construction Bank - China AM Advantage Growth Stock Securities Investment Fund	42,664	A

Note: Sinopec Century Bright Capital Investment Limited, overseas wholly-owned subsidiary of China Petrochemical Corporation, holds 425,500,000 H shares, which is included in the total number of the shares held by HKSCC Nominees Limited.



### 2.3 Review of operating results

In the first quarter of 2013, the quantitative easing of major economies in the world stimulated the slow recovery of the global economy, the Chinese economy maintained steady growth at the beginning of the year, with a GDP growth rate of 7.7% over the same period of last year. On 26th March, the National Development and Reform Commission adjusted the pricing mechanism for oil products, to enable domestic oil products prices to closely reflect fluctuations of international crude oil prices.

In the first quarter, the Company gave more prominence to the quality and performance of development based on safe and stable operation and market orientation. Motivated by the strengthening of management and the innovation of science and technology, the Company managed to increase sales, optimized production and operation. In the first quarter, the Company realized an operating profit of RMB 27.569 billion, with an increase of 26.41% over the same period of last year, and net profit attributable to equity shareholders of the Company was RMB 16.677 billion, with an increase of 24.40% over the same period of last year.

**Exploration & Production Segment:** The Company strengthened oilfield exploration and development, increased the production of crude oil and natural gas. In exploration, new progress was made in the mature blocks in East China (such as Jiyang trough, etc.), Tarim Basin, and Ordos Basin. In development, initial progress was made in certain key projects for crude oil development and production capacity construction, initial effect was achieved in the comprehensive harnessing work in old areas; key natural gas production projects in Yuanba and Western Sichuan are on schedule. In the first quarter, the Company's crude oil and natural gas production increased steadily, crude oil production was 82.17 million barrels, with a growth of 0.78% over the same period of last year, and natural gas production was 163.20 billion cubic feet, with a growth of 13.98% over the same period of last year. The realized price of oil was 98.83 USD/barrel, 6.85% lower than a year ago, while the realized price of natural gas was 5.86 USD/thousand cubic feet, 3.90% higher than last year. In the first quarter, the exploration and production segment realized an operating profit of RMB 16.23 billion, with a decrease of 16.99% over the same period of last year.

**Refining Segment:** Taking market as the orientation, economic benefit as the center, cost reduction as the emphasis, technical innovation and intensive management as the means, refineries were operated at high load with production of more high value-added products. Major economic indicators improved significantly, light products yield reached 76.44%. In the first quarter, the Company processed 58.6923 million tonnes of crude oil, with a growth of 5.92% over the same period of last year; oil products output was 35.2953 million tonnes, with a growth of 7.39% over the same period of last year. The refining segment realized a turn-around in profitability with an operating profit of RMB 2.204 billion.

**Marketing and Distribution Segment:** In the market of slower demand growth for oil products and stronger competition, the Company brought into play its advantages of systematic management, marketing network and brand value, to innovate the commercial mode of non-fuel business. In the first quarter, the Company's domestic sales volume of oil products reached 38.917 million tonnes, with a growth of 1.70% over the same period of last year, among which, the retail sales volume reached 26.641 million tonnes, with a growth of 1.74% over the same period of last year. In the first quarter, the marketing and distribution segment realized an operating profit of RMB 9.126 billion, with a decrease of 11.20% over the same period of last year.

**Chemicals Segment:** The first quarter of 2013 experienced a difficult market environment for chemicals with high feedstock price, sluggish demand and declining product prices. The Company upheld market-oriented and benefit-centered principle, steadily pushed forward integrated business operation, maintained the safe and stable operation of chemical plants, optimized feedstock mix and product slate, accelerated the transformation of chemical business from production type to marketing type. In the first quarter, ethylene output was 2.442 million tonnes, with a decrease of 0.53% over the same period of last year; the outputs of synthetic resin, synthetic rubber and synthetic fiber were 3.3948 million tonnes, 247.5 thousand tonnes and 351.6 thousand tonnes respectively. In the first quarter, chemical segment realized an operating profit of RMB 164 million, with a decrease of 87.47% over the same period of last year.



Operational Data for the First Quarter

Operational Data	Unit	For three-month period ended 31 March		Changes (%)
		2013	2012	
<b>Exploration and Production</b>				
Oil and gas production (Note 1)	million BOE	109.37	105.39	3.78
Crude oil production	million barrels	82.17	81.53	0.78
Domestic	million barrels	76.22	75.78	0.58
Oversea	million barrels	5.95	5.75	3.48
Natural gas production	billion cubic feet	163.20	143.18	13.98
Realized crude oil price	USD/barrel	98.83	106.10	(6.85)
Realized natural gas price	USD/thousand cubic feet	5.86	5.64	3.90
<b>Refining (Note 4)</b>				
Refinery throughput	million tonnes	58.6923	55.4104	5.92
Gasoline, diesel and kerosene production	million tonnes	35.2953	32.8676	7.39
Gasoline	million tonnes	11.3470	9.6530	17.55
Diesel	million tonnes	19.7587	19.6352	0.63
Kerosene	million tonnes	4.1896	3.5794	17.05
Light chemical feedstock	million tonnes	9.7652	9.2569	5.49
Light products yield	%	76.44	76.71	(0.27) percentage points
Refining yield	%	94.72	94.99	(0.27) percentage points
<b>Marketing and Distribution</b>				
Total sales of refined oil products	million tonnes	42.1297	41.3501	1.89
Total domestic sales of refined oil products	million tonnes	38.9170	38.2650	1.70
Retail	million tonnes	26.6410	26.1850	1.74
Distribution	million tonnes	7.6290	8.0850	(5.64)
Wholesale	million tonnes	4.6470	3.9950	16.32
Total number of domestic service stations (Note2)	stations	30,685	30,836	(0.49)
Company owned and company-operated	stations	30,672	30,823	(0.49)
Throughput per domestic station of company owned and company-operated (Note3)	tonnes/station	3,473	3,450	0.67
<b>Chemicals (Note 4)</b>				
Ethylene	thousand tonnes	2,442.0	2,455.1	(0.53)
Synthetic resins	thousand tonnes	3,394.8	3,431.6	(1.07)
Synthetic rubbers	thousand tonnes	247.5	242.6	2.02
Monomers and polymers for synthetic fibers	thousand tonnes	2,267.0	2,332.8	(2.82)
Synthetic fibers	thousand tonnes	351.6	337.8	4.09

Note 1: Including 100% of SSI output; For domestic production of crude oil, 1 tonne = 7.1 barrels; for production of natural gas, 1 cubic meter = 35.31 cubic feet; for converting natural gas to oil, 1 BOE = 6,000 cubic feet; for production of crude oil in overseas, 1 tonne = 7.27 barrels.

Note 2: The number of service stations in 2012 was the number as at 31 December 2012.

Note 3: Throughput per service station data was an annualized average.

Note 4: Including 100% output of the joint ventures companies.



**Capital Expenditure:** Capital expenditure of the Company was about RMB 21.535 billion in the first quarter, of which RMB 9.416 billion was for the exploration and production segment, mainly for Shengli shallow water oilfield, Tahe oilfield, Ordos oil and gas field, Sichuan Basin gas field exploration and development project and Shandong LNG project, etc. RMB 2.837 billion was for the refining segment, mainly for the construction of Anqing, Maoming, Shijiazhuang and Yangtze projects. Capital expenditure for the chemicals segment was RMB 2.277 billion, mainly for the construction of 800 ktpa Wuhan ethylene project, 600 ktpa Hainan aromatic hydrocarbon project, and 200 ktpa Hubei synthetic gas to ethylene glycol project. Capital expenditure for the marketing and distribution segment was RMB 6.396 billion, mainly for the construction and acquisition of service stations in key areas such as highways, major cities and newly planned regions as well as in other regions, accelerating the construction of oil products pipelines and oil depots, promoting non-fuel businesses and fueling card value-added services. 285 service stations have been developed. Capital expenditure for the Headquarters' scientific research information and others was RMB 609 million, with emphasis on the construction of scientific research facilities and IT projects.





### §3 Significant Events

3.1 Significant changes of key accounting items and financial indicators (under ASBE) of the Company and the reasons for the changes:

Items of Consolidated Balance Sheet	As at the end of the reporting period	As at the end of the preceding year	Increase/(decrease)		Main Reason for Changes
			Amount	Percentage	
			RMB millions		
Cash at bank and on hand	14,788	10,864	3,924	36.12	Mainly due to cash inflows from operating activities, and the increase of borrowings and H shares placement. The increase is partly offset by net cash outflows from investing activities.
Prepayments	6,339	4,370	1,969	45.06	Mainly due to the increase in advanced payment for crude oil and other procurements.
Other current assets	1,477	1,008	469	46.53	Mainly due to the commissioned loans by subsidiaries and prepaid expenses transferred from service stations rental expenses
Short-term borrowings	107,677	70,228	37,449	53.32	Mainly due to the increase of short-term USD borrowings
Non-current liabilities due within one year	44,719	15,754	28,965	183.86	Mainly due to the long-term debentures payable transferring into non-current liabilities due within one year.
Capital reserve	47,061	30,574	16,487	53.92	Mainly due to the completion of the placing of H shares on 14 February 2013

Items of Consolidated Income Statement	From the beginning of the year to the end of the reporting period	From the beginning of the preceding year to the end of the preceding reporting period	Increase/(decrease)		Main Reason for Changes
			Amount	Percentage	
			RMB millions		
Asset impairment losses	(12)	425	(437)	(102.82)	Mainly due to the expected net realizable value of some inventories in the first quarter of 2012 are less than the carrying amount and impairment losses accrued accordingly.
Loss from changes in fair value	1,627	539	1,088	201.86	Increase in fair value of convertible and embedded derivatives due to the change of share price.
Income tax expense	6,175	4,437	1,738	39.17	Due to the increase in profit before taxation



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

#### 3.2.1 Complete the Placing of H Shares

An aggregate of 2,845,234,000 new H shares, representing approximately 3.2% of the total number of issued shares (as enlarged by the allotment and issue of the Placing Shares) and approximately 14.5% of the total number of issued H shares (as enlarged by the allotment and issue of the Placing Shares), have been allotted and issued by the Company on 14 February 2013 at the Placing Price of HK\$8.45 per share to not more than ten Placees. The aggregate net proceeds amount to HK\$23,970,100,618. As a result of the Placing, the total number of issued H shares has increased from 16,780,488,000 H shares to 19,625,722,000 H shares. For further details, please refer to the relevant announcements of Sinopec Corp. dated 14 February 2013, published on the websites of the Stock Exchange of Hong Kong Limited; and the relevant announcements dated 18 February 2013, published in China Securities Journal, Shanghai Securities News and Securities Times.

#### 3.2.2 Acquisition of overseas oil and gas assets from China Petrochemical Corporation

On 22 March 2013, SHI (a wholly-owned subsidiary of Sinopec Corp.) and Tiptop HK (a wholly-owned subsidiary of China Petrochemical Corporation) entered into the Framework Agreement in Beijing, pursuant to which SHI and Tiptop HK agreed (1) to establish a joint venture company, namely Sinopec International Petroleum E&P Hongkong Overseas Limited, or JV HK, in Hong Kong. SHI and Tiptop HK shall respectively hold 50% of the issued share capital of JV HK, and SHI shall enjoy actual control over JV HK through contractual arrangements with Tiptop HK. JV HK shall hence become a non-wholly owned subsidiary of the Company through actual control; and (2) following the establishment of JV HK, JV HK (as the purchaser), to enter into the purchase agreements with the relevant vendors for the acquisition of the CIR Sale Shares, the Mansarovar Transaction Assets and the Taihu Transaction Assets. On 28 March 2013, JV HK entered into the purchase agreements with the relevant vendors. For further details, please refer to relevant announcements of Sinopec Corp., published on the websites of the Stock Exchange of Hong Kong Limited on 24 March 2013 and 28 March 2013 respectively; and announcements published in China Securities Journal, Shanghai Securities News and Securities Times dated 25 March 2013 and 29 March 2013 respectively.

### 3.3 Status of fulfillment of commitments undertaken by the Company, shareholder and actual controller.

applicable     not applicable

(1) By the end of the reporting period, the major commitments made by China Petrochemical Corporation include:

- i compliance with the connected transaction agreements;
- ii solving the issues regarding legality of the certificates for the land use rights and certificates for the property ownership rights within a specified period of time;
- iii implementation of the Re-organization Agreement (for definition, please refer to prospectus in relation to the offering of H shares);
- iv granting licenses for intellectual property rights;
- v avoiding the competition with the Company;
- vi abandonment of business competition and conflict of interests with Sinopec Corp.

The details of the above-mentioned commitments were included in the prospectus in relation to the offering of A shares of Sinopec Corp., which was published in China Securities Journal, Shanghai



Securities News and Securities Times on 22 June 2001;

- vii On 27 October 2010, Sinopec Corp. disclosed through a public announcement that, considering the major refining business of China Petrochemical Corporation has been injected into Sinopec Corp., China Petrochemical Corporation undertook to dispose of its minor remaining refining business within 5 years to eliminate the competition with Sinopec Corp. in terms of the refining business.
- viii On 15 March 2012, Sinopec Corp. disclosed in an announcement that, China Petrochemical Corporation undertakes to take Sinopec Corp. as the sole platform of its ultimate integration among the businesses such as exploration and production of oil and gas, oil refining, chemicals and sale of petroleum products. China Petrochemical Corporation will dispose its minor remaining chemicals business within the next five years in order to avoid the competition with Sinopec Corp. in this respect. Given that China Petrochemical Corporation engages in the same or similar businesses as Sinopec Corp. with regard to the exploration and production of oil and natural gas overseas, after a thorough analysis from political and economic perspectives, Sinopec Corp. may propose to acquire the overseas oil and gas assets owned by China Petrochemical Corporation (the “Assets”) when appropriate (the “Proposed Acquisitions”). China Petrochemical Corporation undertakes to transfer the Assets to Sinopec Corp., provided that the Proposed Acquisitions comply with the applicable laws and regulations, contractual obligations and other procedural requirements at the time of the respective Proposed Acquisitions.

During the reporting period, Sinopec Corp. was not aware of any breach of the above-mentioned major commitments by the aforesaid shareholder.

(2) As at the date of this quarterly report, Sinopec Corp. has no commitments with regard to results, assets injection or assets restructure which have not been fulfilled yet, nor did Sinopec Corp. make any earnings prediction for such assets or projects.

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 same period of last year

applicable     not applicable

### 3.5 Implementation of Cash Dividend in the Reporting Period

Authorized at the 6th Meeting of the Fifth Session of Board of Directors of Sinopec Corp. on 22 March 2013, the proposed final cash dividend is RMB 0.20 (tax inclusive) per share for 2012, combining with the interim cash dividend of RMB 0.10 (tax inclusive) per share paid in 2012, the total cash dividend for the year of 2012 will be RMB 0.30 (tax inclusive) per share. And based on the total number of shares of the Company on the Record Date, 2 bonus issue of shares from retained earnings and 1 bonus issue of share from capital reserve will be distributed for every 10 existing shares held by all shareholders.

The proposed profit distribution plan will be submitted to the annual general meeting for the year 2012, the first A shareholders class meeting for the year 2013, and the first H shareholders class meeting for the year 2013 for approval. The final cash dividend and the bonus shares will be distributed on Tuesday, 25 June 2013 to the shareholders whose names appear on the register of members of Sinopec Corp. on Tuesday, 18 June 2013 after close of trading. For the holders of H shares, the register of members of the Company will be closed from Wednesday, 12 June 2013 to Tuesday, 18 June 2013 (both days inclusive). In order to qualify for the final dividend and relevant bonus shares, the shareholders of H shares must lodge all share certificates accompanied by the transfer documents with the Company’s H share registrar, Hong Kong Registrars Limited (address: shops 1712-1716 on 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong) before 4:30 p.m. on Tuesday, 11 June 2013 for registration.



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3.6 This quarterly report is published in both Chinese and English languages. In case of ambiguities and discrepancies between the languages, Chinese language shall prevail.

By Order of the Board  
Chairman  
Fu Chengyu  
Beijing, PRC, 25 April 2013



**A. Quarterly financial statements prepared under China Accounting Standards for Business Enterprises**

**1. Consolidated Balance Sheet**

	As at 31 March <u>2013</u> RMB millions <i>(unaudited)</i>	As at 31 December <u>2012</u> RMB millions <i>(audited)</i>
Assets		
Current assets		
Cash at bank and on hand	14,788	10,864
Bills receivable	19,027	20,045
Accounts receivable	102,121	81,395
Other receivables	10,294	8,807
Prepayments	6,339	4,370
Inventories	231,400	218,262
Other current assets	1,477	1,008
Total current assets	<u>385,446</u>	<u>344,751</u>
Non-current assets		
Long-term equity investments	54,512	52,061
Fixed assets	582,922	588,969
Construction in progress	172,558	168,977
Intangible assets	51,234	49,834
Goodwill	6,257	6,257
Long-term deferred expenses	9,803	10,246
Deferred tax assets	15,092	15,130
Other non-current assets	12,194	11,046
Total non-current assets	<u>904,572</u>	<u>902,520</u>
Total assets	<u><u>1,290,018</u></u>	<u><u>1,247,271</u></u>



1. Consolidated Balance Sheet (*continued*)

	As at 31 March <u>2013</u> RMB millions ( <i>unaudited</i> )	As at 31 December <u>2012</u> RMB millions ( <i>audited</i> )
Liabilities and shareholders' equity		
Current liabilities		
Short-term loans	107,677	70,228
Bills payable	5,534	6,656
Accounts payable	209,989	215,628
Advances from customers	62,890	69,299
Employee benefit payable	2,445	1,838
Taxes payable	18,521	21,985
Other payables	51,023	61,721
Short-term debentures payable	25,000	30,000
Non-current liabilities due within one year	44,719	15,754
Total current liabilities	<u>527,798</u>	<u>493,109</u>
Non-current liabilities		
Long-term loans	40,812	40,267
Debentures payable	91,920	121,849
Provisions	21,812	21,591
Deferred tax liabilities	15,839	16,043
Other non-current liabilities	3,824	3,811
Total non-current liabilities	<u>174,207</u>	<u>203,561</u>
Total liabilities	<u>702,005</u>	<u>696,670</u>



1. Consolidated Balance Sheet (*continued*)

	As at 31 March <u>2013</u> RMB millions ( <i>unaudited</i> )	As at 31 December <u>2012</u> RMB millions ( <i>audited</i> )
Liabilities and shareholders' equity ( <i>continued</i> )		
Shareholders' equity		
Share capital	89,666	86,820
Capital reserve	47,061	30,574
Specific reserve	4,487	3,550
Surplus reserves	184,603	184,603
Retained profits	225,280	209,446
Foreign currency translation differences	(1,672)	(1,619)
Total equity attributable to shareholders of the Company	<u>549,425</u>	<u>513,374</u>
Minority interests	<u>38,588</u>	<u>37,227</u>
Total shareholders' equity	<u>588,013</u>	<u>550,601</u>
Total liabilities and shareholders' equity	<u>1,290,018</u>	<u>1,247,271</u>

These financial statements have been approved by the board of directors on 25 April 2013.

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**Fu Chengyu**  
Chairman  
(*Authorised representative*)

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**Wang Tianpu**  
Vice Chairman, President

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**Wang Xinhua**  
Chief Financial Officer

(Company Chop)



2. Balance Sheet

	As at 31 March <u>2013</u> RMB millions ( <i>unaudited</i> )	As at 31 December <u>2012</u> RMB millions ( <i>audited</i> )
Assets		
Current assets		
Cash at bank and on hand	5,312	5,468
Bills receivable	1,932	1,333
Accounts receivable	30,140	21,041
Other receivables	47,881	42,055
Prepayments	6,068	5,003
Inventories	147,497	148,844
Other current assets	1,538	707
Total current assets	<u>240,368</u>	<u>224,451</u>
Non-current assets		
Long-term equity investments	117,024	111,467
Fixed assets	470,649	475,417
Construction in progress	153,391	152,199
Intangible assets	44,525	43,114
Long-term deferred expenses	8,407	8,617
Deferred tax assets	10,254	10,146
Other non-current assets	6,801	5,290
Total non-current assets	<u>811,051</u>	<u>806,250</u>
Total assets	<u><u>1,051,419</u></u>	<u><u>1,030,701</u></u>





2. Balance Sheet (continued)

	As at 31 March 2013 RMB millions (unaudited)	As at 31 December 2012 RMB millions (audited)
Liabilities and shareholders' equity		
Current liabilities		
Short-term loans	2,773	1,692
Bills payable	3,257	4,000
Accounts payable	124,443	121,184
Advances from customers	58,080	58,570
Employee benefits payable	1,916	1,315
Taxes payable	15,492	17,854
Other payables	110,675	118,311
Short-term debentures payable	25,000	30,000
Non-current liabilities due within one year	43,982	15,644
Total current liabilities	385,618	368,570
Non-current liabilities		
Long-term loans	39,473	38,560
Debentures payable	91,920	121,849
Provisions	19,810	19,598
Deferred tax liabilities	8,588	8,749
Other non-current liabilities	1,641	1,688
Total non-current liabilities	161,432	190,444
Total liabilities	547,050	559,014



2. Balance Sheet (continued)

	As at 31 March <u>2013</u> RMB millions (unaudited)	As at 31 December <u>2012</u> RMB millions (audited)
Liabilities and shareholders' equity (continued)		
Shareholders' equity		
Share capital	89,666	86,820
Capital reserve	55,610	39,146
Specific reserve	3,823	3,017
Surplus reserves	184,603	184,603
Retained profits	170,667	158,101
Total shareholders' equity	<u>504,369</u>	<u>471,687</u>
Total liabilities and shareholders' equity	<u>1,051,419</u>	<u>1,030,701</u>

These financial statements have been approved by the board of directors on 25 April 2013.

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**Fu Chengyu**  
Chairman  
(Authorised representative)

\_\_\_\_\_  
**Wang Tianpu**  
Vice Chairman, President

\_\_\_\_\_  
**Wang Xinhua**  
Chief Financial Officer

(Company Chop)



3. Consolidated Income Statement (*unaudited*)

	For three-month period ended 31 March	
	<u>2013</u>	<u>2012</u>
	RMB millions	RMB millions
Operating income	695,571	671,365
Less: Operating costs	590,055	574,798
Sales taxes and surcharges	48,022	47,415
Selling and distribution expenses	10,410	9,301
General and administrative expenses	16,804	14,167
Financial expenses	2,511	2,613
Exploration expenses, including dry holes	3,600	4,160
Impairment losses	(12)	425
Loss from changes in fair value	1,627	539
Add: Investment income	549	678
Operating profit	<u>23,103</u>	<u>18,625</u>
Add: Non-operating income	350	179
Less: Non-operating expenses	447	263
Profit before taxation	<u>23,006</u>	<u>18,541</u>
Less: Income tax expense	6,175	4,437
Net profit	<u>16,831</u>	<u>14,104</u>
Attributable to: Equity shareholders of the Company	15,834	12,829
Minority interests	997	1,275
Basic earnings per share (RMB: Yuan)	0.179	0.148
Diluted earnings per share (RMB: Yuan)	<u>0.178</u>	<u>0.147</u>

These financial statements have been approved by the board of directors on 25 April 2013.

\_\_\_\_\_  
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(Authorised representative)

\_\_\_\_\_  
**Wang Tianpu**  
Vice Chairman, President

\_\_\_\_\_  
**Wang Xinhua**  
Chief Financial Officer

(Company Chop)



4. Income Statement (*unaudited*)

	For three-month period ended 31 March	
	<u>2013</u>	<u>2012</u>
	RMB millions	RMB millions
Operating income	389,294	398,314
Less: Operating costs	309,209	324,824
Sales taxes and surcharges	38,116	37,546
Selling and distribution expenses	8,111	7,779
General and administrative expenses	13,871	11,791
Financial expenses	2,216	2,215
Exploration expenses, including dry holes	3,590	4,149
Impairment losses	(13)	429
Loss from changes in fair value	1,622	540
Add: Investment income	2,944	3,075
Operating profit	<u>15,516</u>	<u>12,116</u>
Add: Non-operating income	316	162
Less: Non-operating expenses	398	230
Profit before taxation	<u>15,434</u>	<u>12,048</u>
Less: Income tax expense	<u>2,868</u>	<u>1,965</u>
Net profit	<u><u>12,566</u></u>	<u><u>10,083</u></u>

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**Wang Tianpu**  
Vice Chairman, President

\_\_\_\_\_  
**Wang Xinhua**  
Chief Financial Officer

(Company Chop)



5. Consolidated Cash Flow Statement (*unaudited*)

	For three-month period ended 31 March	
	<u>2013</u>	<u>2012</u>
	RMB millions	RMB millions
Cash flows from operating activities :		
Cash received from sale of goods and rendering of services	748,248	747,045
Refund of taxes and levies	210	162
Other cash received relating to operating activities	6,651	2,962
Sub-total of cash inflows	<u>755,109</u>	<u>750,169</u>
Cash paid for goods and services	(638,914)	(682,357)
Cash paid to and for employees	(11,633)	(9,123)
Payments of taxes and levies	(78,982)	(82,731)
Other cash paid relating to operating activities	(17,360)	(6,874)
Sub-total of cash outflows	<u>(746,889)</u>	<u>(781,085)</u>
Net cash flows from operating activities	<u>8,220</u>	<u>(30,916)</u>
Cash flows from investing activities :		
Cash received from disposal of investments	85	16
Cash received from returns on investments	100	33
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	58	14
Other cash received relating to investing activities	865	530
Sub-total of cash inflows	<u>1,108</u>	<u>593</u>
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	(48,240)	(34,385)
Cash paid for acquisition of investments	(2,924)	(746)
Other cash paid relating to investing activities	(1,101)	(1,894)
Sub-total of cash outflows	<u>(52,265)</u>	<u>(37,025)</u>
Net cash flows from investing activities	<u>(51,157)</u>	<u>(36,432)</u>



5. Consolidated Cash Flows (*unaudited*) (*continued*)

	For three-month period ended 31 March	
	<u>2013</u>	<u>2012</u>
	RMB millions	RMB millions
Cash flows from financing activities :		
Cash received from borrowings	264,709	228,307
Cash received from capital contributions	20,363	57
Including: Cash received from minority shareholders' contributions to subsidiaries	954	57
Sub-total of cash inflows	<u>285,072</u>	<u>228,364</u>
Cash repayments of borrowings	(237,167)	(161,661)
Cash paid for dividends, profits distribution or interest	<u>(944)</u>	<u>(1,657)</u>
Sub-total of cash outflows	<u>(238,111)</u>	<u>(163,318)</u>
Net cash flows from financing activities	<u>46,961</u>	<u>65,046</u>
Effects of changes in foreign exchange rate	<u>112</u>	<u>(1)</u>
Net increase/ (decrease) in cash and cash equivalents	<u><u>4,136</u></u>	<u><u>(2,303)</u></u>

These financial statements have been approved by the board of directors on 25 April 2013.

\_\_\_\_\_  
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Chairman  
(Authorised representative)

\_\_\_\_\_  
**Wang Tianpu**  
Vice Chairman, President

\_\_\_\_\_  
**Wang Xinhua**  
Chief Financial Officer

(Company Chop)



6. Cash Flows (*unaudited*)

	For three-month period ended 31 March	
	<u>2013</u>	<u>2012</u>
	RMB millions	RMB millions
Cash flows from operating activities :		
Cash received from sale of goods and rendering of services	441,439	456,950
Refund of taxes and levies	143	52
Other cash received relating to operating activities	5,662	29,202
	<hr/>	<hr/>
Sub-total of cash inflows	447,244	486,204
	<hr/>	<hr/>
Cash paid for goods and services	(343,261)	(399,499)
Cash paid to and for employees	(9,256)	(7,795)
Payments of taxes and levies	(61,389)	(64,601)
Other cash paid relating to operating activities	(18,664)	(6,932)
	<hr/>	<hr/>
Sub-total of cash outflows	(432,570)	(478,827)
	<hr/>	<hr/>
Net cash flows from operating activities	14,674	7,377
	<hr/>	<hr/>
Cash flows from investing activities :		
Cash received from disposal of investments	25	-
Cash received from returns on investments	3,093	152
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	40	3
Other cash received relating to investing activities	15	70
	<hr/>	<hr/>
Sub-total of cash inflows	3,173	225
	<hr/>	<hr/>
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	(24,101)	(30,247)
Cash paid for acquisition of investments	(5,328)	(2,501)
Other cash paid relating to investing activities	-	(1,785)
	<hr/>	<hr/>
Sub-total of cash outflows	(29,429)	(34,533)
	<hr/>	<hr/>
Net cash flows from investing activities	(26,256)	(34,308)
	<hr/>	<hr/>



6. Cash Flows (*unaudited*) (*continued*)

	For three-month period ended 31 March	
	<u>2013</u>	<u>2012</u>
	RMB millions	RMB millions
Cash flows from financing activities:		
Cash received from borrowings	53,577	61,661
Cash received from capital contributions	19,407	-
Sub-total of cash inflows	<u>72,984</u>	<u>61,661</u>
Cash repayments of borrowings	(60,597)	(40,764)
Cash paid for dividends, profits distribution or interest	(961)	(1,380)
Sub-total of cash outflows	<u>(61,558)</u>	<u>(42,144)</u>
Net cash flows from financing activities	<u>11,426</u>	<u>19,517</u>
Net decrease in cash and cash equivalents	<u>(156)</u>	<u>(7,414)</u>

These financial statements have been approved by the board of directors on 25 April 2013.

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**Fu Chengyu**  
Chairman  
(Authorised representative)

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**Wang Tianpu**  
Vice Chairman, President

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**Wang Xinhua**  
Chief Financial Officer

(Company Chop)





7. Segment Reporting (*unaudited*)

	For three-month period ended 31 March	
	<u>2013</u> RMB millions	<u>2012</u> RMB millions
<b>Income from principal operations</b>		
Exploration and production		
External sales	13,580	12,839
Inter-segment sales	42,728	45,647
	<hr/>	<hr/>
	56,308	58,486
Refining		
External sales	48,645	49,672
Inter-segment sales	284,062	262,908
	<hr/>	<hr/>
	332,707	312,580
Marketing and distribution		
External sales	356,308	346,321
Inter-segment sales	1,915	1,999
	<hr/>	<hr/>
	358,223	348,320
Chemicals		
External sales	90,379	87,523
Inter-segment sales	14,769	11,285
	<hr/>	<hr/>
	105,148	98,808
Others		
External sales	177,330	165,798
Inter-segment sales	171,205	174,568
	<hr/>	<hr/>
	348,535	340,366
Elimination of inter-segment sales	(514,679)	(496,407)
	<hr/>	<hr/>
Income from principal operations	686,242	662,153
	<hr/>	<hr/>



7. Segment Reporting (*unaudited*) (*continued*)

	For three-month period ended 31 March	
	<u>2013</u> RMB millions	<u>2012</u> RMB millions
<b>Income from other operations</b>		
Exploration and production	3,412	3,824
Refining	1,326	1,249
Marketing and distribution	2,548	2,035
Chemicals	1,812	1,845
Others	231	259
	<hr/>	<hr/>
Income from other operations	9,329	9,212
	<hr/>	<hr/>
Consolidated operating income	695,571	671,365
	<hr/>	<hr/>
<b>Operating profit/ (loss)</b>		
By segment		
Exploration and production	16,142	19,433
Refining	1,976	(9,668)
Marketing and distribution	8,666	10,284
Chemicals	105	1,211
Others	(232)	136
Elimination	35	(297)
	<hr/>	<hr/>
Total segment operating profit	26,692	21,099
	<hr/>	<hr/>



7. Segment Reporting (*unaudited*) (*continued*)

	For three-month period ended 31 March	
	<u>2013</u>	<u>2012</u>
	RMB millions	RMB millions
Investment income/ (loss)		
Exploration and production	65	50
Refining	(143)	(262)
Marketing and distribution	162	300
Chemicals	172	369
Others	293	221
	<hr/>	<hr/>
Total segment investment income	549	678
	<hr/>	<hr/>
Financial expenses	(2,511)	(2,613)
Loss from changes in fair value	(1,627)	(539)
	<hr/>	<hr/>
Operating profit	23,103	18,625
Add: Non-operating income	350	179
Less: Non-operating expenses	447	263
	<hr/>	<hr/>
Profit before taxation	23,006	18,541
	<hr/> <hr/>	<hr/> <hr/>



**B. Quarterly financial statements prepared under International Financial Reporting Standards (“IFRS”)**

1. Consolidated Income Statement (*unaudited*)

	For three-month period ended 31 March	
	2013 RMB millions	2012 RMB millions
Turnover and other operating revenues		
Turnover	686,242	662,153
Other operating revenues	9,329	9,212
	<u>695,571</u>	<u>671,365</u>
Operating expenses		
Purchased crude oil, products and operating supplies and expenses	(569,326)	(555,071)
Selling, general and administrative expenses	(16,149)	(13,714)
Depreciating, depletion and amortisation	(18,591)	(17,263)
Exploration expenses, including dry holes	(3,600)	(4,160)
Personnel expenses	(12,240)	(11,865)
Taxes other than income tax	(48,022)	(47,415)
Other operating expenses, net	(74)	(67)
	<u>(668,002)</u>	<u>(649,555)</u>
Operating profit	<u>27,569</u>	<u>21,810</u>
Finance cost		
Interest expenses	(2,679)	(3,046)
Interest income	304	286
Unrealised loss on embedded derivative component of the convertible bonds	(1,622)	(540)
Foreign currency exchange (loss)/gain, net	(136)	147
	<u>(4,133)</u>	<u>(3,153)</u>
Investment income	<u>29</u>	<u>42</u>
Share of profits less loss from associates and jointly controlled entities	<u>520</u>	<u>646</u>
Profit before taxation	<u>23,985</u>	<u>19,345</u>
Tax expenses	(6,293)	(4,632)
Profit for the period	<u>17,692</u>	<u>14,713</u>
Attributable to:		
Equity shareholder of the Company	16,677	13,406
Non-controlling interests	1,015	1,307
Profit for the period	<u>17,692</u>	<u>14,713</u>
Earnings per share (RMB: Yuan)		
Basic	<u>0.189</u>	<u>0.154</u>
Diluted	<u>0.188</u>	<u>0.153</u>



2. Consolidated Balance Sheet

	As at 31 March 2013 RMB millions (unaudited)	As at 31 December 2012 RMB millions (audited)
Non-current assets		
Property, plant and equipment	582,922	588,969
Construction in progress	172,558	168,977
Goodwill	6,257	6,257
Interest in associates	28,918	28,812
Interest in jointly controlled entities	23,013	21,388
Investments	2,666	2,001
Deferred tax assets	14,132	14,288
Lease prepayments	36,420	36,240
Long-term prepayments and other assets	36,726	34,746
Total non-current assets	<u>903,612</u>	<u>901,678</u>
Current assets		
Cash and cash equivalents	14,592	10,456
Time deposits with financial institutions	196	408
Trade accounts receivable, net	102,121	81,395
Bills receivable	19,027	20,045
Inventories	231,400	218,262
Prepaid expenses and other current assets	33,119	34,449
Total current assets	<u>400,455</u>	<u>365,015</u>
Current liabilities		
Short-term debts	119,779	73,063
Loans from Sinopec Group Company and fellow subsidiaries	57,617	42,919
Trade accounts payables	209,989	215,628
Bills payable	5,534	6,656
Accrued expenses and other payables	145,120	169,062
Income tax payable	4,768	6,045
Total current liabilities	<u>542,807</u>	<u>513,373</u>
Net current liabilities	<u>(142,352)</u>	<u>(148,358)</u>
Total assets less current liabilities	<u>761,260</u>	<u>753,320</u>
Non-current liabilities		
Long-term debts	95,577	124,518
Loans from Sinopec Group Company and fellow subsidiaries	37,155	37,598
Deferred tax liabilities	15,839	16,043
Provisions	21,812	21,591
Other liabilities	5,520	5,534
Total non-current liabilities	<u>175,903</u>	<u>205,284</u>
	<u>585,357</u>	<u>548,036</u>



2. Consolidated Balance Sheet (*continued*)

	As at 31 March <u>2013</u> RMB millions ( <i>unaudited</i> )	As at 31 December <u>2012</u> RMB millions ( <i>audited</i> )
Equity		
Share capital	89,666	86,820
Reserves	<u>457,205</u>	<u>424,094</u>
Total equity attributable to equity shareholders of the Company	546,871	510,914
Non-controlling interests	<u>38,486</u>	<u>37,122</u>
Total equity	<u><u>585,357</u></u>	<u><u>548,036</u></u>



3. Consolidated Statement of Cash Flows (*unaudited*)

	Note	For three-month period ended 31 March	
		<u>2013</u>	<u>2012</u>
		RMB millions	RMB millions
Net cash generated from operating activities	(a)	<u>8,111</u>	<u>(30,970)</u>
Investing activities			
Capital expenditure		(44,730)	(33,281)
Exploratory wells expenditure		(3,401)	(1,050)
Purchase of investments, investments in associates and investments in jointly controlled entities		(2,906)	(741)
Proceeds from disposal of investments and investments in associates		85	16
Proceeds from disposal of property, plant and equipment		58	14
(Increase)/ decrease in time deposits with maturities over three months		(28)	(1,715)
Interest received		219	286
Investment and dividend income received		100	33
(Purchase)/ disposal of derivative financial instruments, net		(427)	65
Acquisitions of non-controlling interests of subsidiaries		<u>(18)</u>	<u>(5)</u>
Net cash used in investing activities		<u>(51,048)</u>	<u>(36,378)</u>
Financing activities			
Proceeds from borrowings		264,709	228,307
Repayments of borrowings		(237,167)	(161,661)
Proceeds from issuing additional stock		19,409	-
Distributions by subsidiaries to non-controlling interests		(357)	(85)
Contributions to subsidiaries from non-controlling interests		954	57
Interest paid		<u>(587)</u>	<u>(1,572)</u>
Net cash generated from financing activities		<u>46,961</u>	<u>65,046</u>
Net increase/ (decrease) in cash and cash equivalents		<u>4,024</u>	<u>(2,302)</u>
Cash and cash equivalents at 1 January		10,456	24,647
Effect of foreign currency exchange rate changes		<u>112</u>	<u>(1)</u>
Cash and cash equivalents at 31 December		<u><u>14,592</u></u>	<u><u>22,344</u></u>



3. Consolidated Statement of Cash Flows (*unaudited*) (*continued*)

Note to consolidated statement of Cash Flows

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

	For three-month period ended 31 March	
	<u>2013</u>	<u>2012</u>
	RMB millions	RMB millions
Operating activities		
Profit before taxation	23,985	19,345
Adjustments for:		
Depreciation, depletion and amortisation	18,591	17,263
Dry hole costs written off	974	1,594
Share of profits less loss from associates and jointly controlled entities	(520)	(646)
Investment income	(29)	(42)
Interest income	(304)	(286)
Interest expense	2,679	3,046
Unrealised loss/ (gain) on foreign currency exchange rate changes and derivative financial instruments	141	(112)
Loss on disposal of property, plant and equipment, net	33	2
Unrealised loss on embedded derivative component of the convertible bonds	1,622	540
Operating profit before change of operating capital	47,172	40,704
Accounts receivable, bills receivable, prepaid expenses and other current assets	(17,130)	(26,143)
Inventories	(13,138)	(35,085)
Accounts payable, bills payable, other payables and other current liabilities	(1,158)	(5,080)
	15,746	(25,604)
Income tax paid	(7,635)	(5,366)
Net cash generated from operating activities	8,111	(30,970)





4. Segment Reporting (*unaudited*)

	For three-month period ended 31 March	
	<u>2013</u>	<u>2012</u>
	RMB millions	RMB millions
<b>Turnover</b>		
Exploration and production		
External sales	13,580	12,839
Inter-segment sales	42,728	45,647
	<hr/>	<hr/>
	56,308	58,486
Refining		
External sales	48,645	49,672
Inter-segment sales	284,062	262,908
	<hr/>	<hr/>
	332,707	312,580
Marketing and distribution		
External sales	356,308	346,321
Inter-segment sales	1,915	1,999
	<hr/>	<hr/>
	358,223	348,320
Chemicals		
External sales	90,379	87,523
Inter-segment sales	14,769	11,285
	<hr/>	<hr/>
	105,148	98,808
Corporate and others		
External sales	177,330	165,798
Inter-segment sales	171,205	174,568
	<hr/>	<hr/>
	348,535	340,366
Elimination of inter-segment sales	(514,679)	(496,407)
	<hr/>	<hr/>
Turnover	686,242	662,153
	<hr/>	<hr/>
<b>Other operating revenues</b>		
Exploration and production	3,412	3,824
Refining	1,326	1,249
Marketing and distribution	2,548	2,035
Chemicals	1,812	1,845
Corporate and others	231	259
	<hr/>	<hr/>
Other operating revenues	9,329	9,212
	<hr/>	<hr/>
<b>Turnover and other operating revenues</b>	695,571	671,365
	<hr/>	<hr/>



4. Segment Reporting (*unaudited*) (*continued*)

	For three-month period ended 31 March	
	<u>2013</u>	<u>2012</u>
	RMB millions	RMB millions
<b>Result</b>		
<b>Operating profit/ (loss)</b>		
By segment		
– Exploration and production	16,230	19,551
– Refining	2,204	(9,172)
– Marketing and distribution	9,126	10,277
– Chemicals	164	1,309
– Corporate and others	(190)	142
– Elimination	35	(297)
<b>Total segment operating profit</b>	<u>27,569</u>	<u>21,810</u>
Share of profit less loss from associates and jointly controlled entities		
– Exploration and production	65	50
– Refining	(144)	(263)
– Marketing and distribution	145	265
– Chemicals	172	373
– Corporate and others	282	221
Aggregate share of profit less loss from associates and jointly controlled entities	<u>520</u>	<u>646</u>
Investment income		
– Refining	1	1
– Marketing and distribution	17	35
– Chemicals	-	6
– Corporate and others	11	-
Aggregate investment income	<u>29</u>	<u>42</u>
Net finance costs	<u>(4,133)</u>	<u>(3,153)</u>
<b>Profit before taxation</b>	<u>23,985</u>	<u>19,345</u>



C. Differences between Financial Statements prepared in accordance with the accounting policies complying with ASBE and IFRS (unaudited)

Other than the differences in the classifications of certain financial statements captions and the accounting for the items described below, there are no material differences between the Group's financial statements prepared in accordance with accounting policies complying with ASBE and IFRS. The reconciliation presented below is included as supplemental information, is not required as part of the basic financial statements and does not include differences related to classification, display or disclosure. Such information has not been subject to independent audit or review. The major differences are:

(i) Government Grants

Under ASBE, grants from the government are credited to capital reserve if required by relevant governmental regulations. Under IFRS, government grants relating to the purchase of fixed assets are recognized as deferred income and are transferred to the income statement over the useful life of these assets.

(ii) Safety Production Fund

Under ASBE, safety production fund should be recognized in profit or loss with a corresponding change 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, expense is recognized in profit or loss when incurred, and fixed assets are depreciated with applicable methods.

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

	Note	For three-month period ended 31 March	
		2013 RMB millions	2012 RMB millions
Net profit under ASBE		16,831	14,104
Adjustments:			
Government grants	(i)	27	23
Safety production fund	(ii)	834	586
Profit for the period under IFRS		<u>17,692</u>	<u>14,713</u>



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

	Note	As at 31 March <u>2013</u> RMB millions	As at 31 December <u>2012</u> RMB millions
Total Shareholder's equity under ASBE		588,013	550,601
Adjustments:			
Government grants	(i)	(1,696)	(1,723)
Safety production fund	(ii)	<u>(960)</u>	<u>(842)</u>
Total equity under IFRS		<u>585,357</u>	<u>548,036</u>