

CHINA PETROLEUM & CHEMICAL CORP

Form 6-K

March 24, 2015

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, 2015

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 ☒ P

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 ☒ P

(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:

1. An announcement regarding the proposed amendments to the Articles of Association, the Rules and Procedures for the Supervisors' Meetings and the election of the members of the sixth session of the board of directors of China Petroleum & Chemical Corporation (the "Registrant");
2. An announcement regarding 2014 annual results of the Registrant;
3. A copy of a notice of annual general meeting for the year 2014 of the Registrant; and
4. An announcement regarding profit warning in respect of the first quarter of 2015 of the Registrant;

Each made by the Registrant on March 20, 2015

Announcement 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)

PROPOSED AMENDMENTS
TO THE ARTICLES OF ASSOCIATION, THE RULES AND PROCEDURES
FOR THE SUPERVISORS' MEETINGS AND THE ELECTION OF THE MEMBERS OF
THE SIXTH SESSION OF THE BOARD OF DIRECTORS

Sinopec Corp. proposes to amend its Articles of Association and the Rules and Procedures for the Supervisors' Meetings in accordance with the business development of Sinopec Corp. The amendments are based on the framework of its existing Articles of Association and the Rules and Procedures for the Supervisors' Meetings after taking into account of the actual situation of Sinopec Corp.

The proposed amendments to the Articles of Association and the Rules and Procedures for the Supervisors' Meetings are subject to the approval of the shareholders of Sinopec Corp. by way of special resolutions at the AGM.

The tenure of office of the fifth session of the board of directors of Sinopec Corp. will expire in May 2015. The elections of the candidates are subject to the Shareholders' approval by way of ordinary resolutions at the AGM.

A circular containing details of the proposed amendments to the Articles of Association, the Rules and Procedures for the Supervisors' Meetings and the election of the members of the sixth session of the board of directors, notice of the AGM and the reply slip will be despatched to the holders of H shares of Sinopec Corp. shortly.

Sinopec Corp. and its board of directors warrant that there are no material omissions from, 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. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND THE RULES AND PROCEDURES FOR THE SUPERVISIONS' MEETINGS OF SINOPEC CORP.

China Petroleum & Chemical Corporation ("Sinopec Corp." or "Company") proposes to amend the articles of association of Sinopec Corp. (the "Articles of Association") and the Rules and Procedures for the Supervisors' Meetings in accordance with the business development of Sinopec Corp (the "Amendments"). The Amendments are based on the framework of its existing Articles and Association and the Rules and Procedures for the Supervisors' Meetings and take into account of the actual situation of Sinopec Corp.

2. PROPOSED AMENDMENTS

1. Articles of Association

The second paragraph of the current Article 20:

The existing structure of the Company's share capital is as follows: the total number of issued ordinary shares of the Company is 116,721,086,804 shares, among which, 91,207,648,204 shares representing 78.14% of the total number of issued ordinary shares of the Company are held by the holders of domestic-listed domestic-invested A shares; and 25,513,438,600 shares representing 21.86% are held by the holder of foreign-listed foreign-invested H shares.

is hereby proposed to be amended as follows:

The existing structure of the Company's share capital is as follows: the total number of issued ordinary shares of the Company is 121,071,209,646 shares, among which, 95,557,771,046 shares representing 78.93% of the total number of issued ordinary shares of the Company are held by the holders of domestic-listed domestic-invested A shares; and 25,513,438,600 shares representing 21.07% are held by the holder of foreign-listed foreign-invested H shares.

The current Article 23:

The registered capital of the Company is RMB116,721,086,804.

is hereby proposed to be amended as follows:

The registered capital of the Company is RMB121,071,209,646.

The first paragraph of the current Article 129:

The supervisory committee shall compose of 10 supervisors. Of which, 6 shall be assumed by non-representatives of the employees; and 4 of them shall be representatives of workers and staff of the Company. The supervisors assumed by non-representatives of the employees shall be elected and dismissed through the employee representatives meetings, employee meetings or through other forms of democratic election.

is hereby proposed to be amended as follows:

The supervisory committee shall compose of 7-9 supervisors. Of which, supervisors assumed by representatives of workers and staff of the Company shall not be less than 1/3. The supervisors assumed by non-representatives of the employees shall be elected and dismissed through the employee representatives meetings, employee meetings or through other forms of democratic election.

2. Rules and Procedures for the Supervisors' meetings

The current Article 9:

The supervisory committee shall compose of 10 supervisors. Of which, 6 shall be assumed by non-representatives of the employees; and 4 of them shall be representatives of workers and staff of the Company. There shall be a chairman for the supervisory committee and it is permitted to appoint vice-chairman to the supervisory committee.

is hereby proposed to be amended as follows:

The supervisory committee shall compose of 7-9 supervisors. Of which, supervisors assumed by representatives of workers and staff of the Company shall not be less than 1/3. There shall be a chairman for the supervisory committee and it is permitted to appoint vice-chairman to the supervisory committee.

3. Reasons for the Amendments

Due to the new A shares converted from the RMB23 billion A share convertible bonds issued by the Company on 23 February 2011, the total number of issued ordinary shares of the Company increased to 121,071,209,646 shares and the registered capital of the Company increased accordingly. The Amendments reflect the updated shareholding structure of Sinopec Corp. In addition, Sinopec Corp. proposed to adjust the number of members in its supervisory committee based on the actual situation of the Company.

3.ELECTION OF THE MEMBERS OF THE SIXTH SESSION OF SINOPEC CORP.'S BOARD OF DIRECTORS

The tenure of office of the fifth session of the board of directors of Sinopec Corp. will expire in May 2015. The elections of the candidates are subject to the shareholders' approval by way of ordinary resolutions at the annual general meeting of Sinopec Corp. for the year 2014 ("AGM").

The following persons have been nominated for election as directors of the sixth session of the board of directors of Sinopec Corp. (the "Board"):

| | |
|----------------|------------------------------------|
| Fu Chengyu | Non-executive Director |
| Wang Tianpu | Non-executive Director |
| Li Chunguang | Executive Director |
| Zhang Jianhua | Executive Director |
| Wang Zhigang | Executive Director |
| Dai Houliang | Executive Director |
| Liu Yun | Non-executive Director |
| Zhang Haichao | Executive Director |
| Jiao Fangzheng | Executive Director |
| Jiang Xiaoming | Independent Non-executive Director |
| Andrew Y. Yan | Independent Non-executive Director |
| Bao Guoming | Independent Non-executive Director |
| Tang Min | Independent Non-executive Director |

The Company will determine an appropriate candidate for Independent Non-executive Director for general meeting's election in due course. Relevant information will be disclosed by way of further announcement and supplemental circular.

Details of the candidates of the Board:

Fu Chengyu*, aged 63, Mr. Fu is a professor level senior engineer and obtained a master's degree. In 1983, he successively served as Chairman of the Joint Management Committee of the joint venture projects established between China National Offshore Oil Corporation ("CNOOC") and foreign oil giants such as Amoco, Chevron, Texaco, Phillips, Shell and Agip, etc; from 1994 to 1995, he served as Deputy General Manager of China Offshore Oil Nanhai East Corporation; in December 1995, he served as vice president of USA Phillips International Petroleum Company (Asia), and concurrently as General Manager of the Xijiang Development Project; in April 1999, he was appointed as General Manager of China National Offshore Oil Nanhai East Corporation; in September 1999, he was appointed as Executive Director, Executive Vice President and Chief Operating Officer of China National Offshore Oil Co., Ltd; in October 2000, he was appointed as Deputy General

Manager of CNOOC; in December 2000, he concurrently served as President of China National Offshore Oil Co., Ltd; in August 2002, he served as Chairman and CEO of China Oilfield Services Co., Ltd., a subsidiary of CNOOC; in October 2003, he served as General Manager of CNOOC, and concurrently as Chairman and CEO of China National Offshore Oil Co., Ltd; in September 2010, Mr. Fu resigned the post of CEO of China National Offshore Oil Co., Ltd and continued to serve as Chairman; in April 2011, he served as Chairman and Secretary of CPC Leading Group of China Petrochemical Corporation; in May 2011, he was appointed as Chairman of Board of Directors of Sinopec Corp.

Wang Tianpu*, aged 52, Mr. Wang is a professor level senior engineer with a PhD degree. In March 1999, he was appointed as Vice President of Qilu Petrochemical Company, China Petrochemical Corporation; in February 2000, he was appointed as Vice President of Sinopec Qilu Company; in September 2000, he was appointed as President of Sinopec Qilu Company; in August 2001, he was appointed as Vice President of Sinopec Corp.; in April 2003, he was appointed as Senior Vice President of Sinopec Corp.; in March 2005, he was appointed as President of Sinopec Corp.; in May 2006, he was elected as a Director and appointed as President of Sinopec Corp.; in May 2009, he was elected as Vice Chairman of Board of Directors and President of Sinopec Corp. in August 2011, he was elected as a Director and President of China Petrochemical Corporation; in May 2013, he was elected as Vice Chairman of the Board of Sinopec Corp.

Li Chunguang#, aged 59, Mr. Li is a professor level senior engineer and with a university diploma. In August 1991, he was appointed as Vice President of Sinopec Sales Company North China Branch; in October 1995, he was appointed as Vice President of Sinopec Sales Company; in June 2001, he was appointed as President of Sinopec Sales Co., Ltd.; in December 2001, he was appointed as Director General of Oil Product Sales Department of Sinopec Corp.; in April 2002 he was elected as Chairman of Board of Directors and President of Sinopec Sales Co., Ltd.; in April 2003, he was appointed as Vice President of Sinopec Corp.; in November 2005, he was appointed as Vice President of China Petrochemical Corporation; in May 2009, he was elected as a Director of Sinopec Corp.; since May 2013, he was a Director and President of Sinopec Corp.

Zhang Jianhua#, aged 50, Mr. Zhang is a professor level senior engineer with a PhD degree. In April 1999, he was appointed as Vice President of Shanghai Gaoqiao Petrochemical Company of China Petrochemical Corporation; in February 2000, he was appointed as Vice President of Sinopec Shanghai Gaoqiao Company; in September 2000, he was appointed as President of Sinopec Shanghai Gaoqiao Company; in April 2003, he was appointed as Vice President of Sinopec Corp.; in November 2003, he was appointed concurrently as Director General of Production

and Operation Management Department of Sinopec Corp.; in March 2005, he was appointed as Senior Vice President of Sinopec Corp.; in June 2007, he was appointed concurrently as Chairman of Sinopec (Hong Kong) Co., Ltd; in October 2014, he was appointed concurrently as Chairman of Sinopec Engineering (Group) Co.,Ltd.; and in May 2006, he was elected as a Director and appointed as Senior Vice President of Sinopec Corp.

Wang Zhigang#, aged 57, Mr. Wang is a professor level senior engineer with a PhD Degree. In February 2000, he was appointed as Vice President of Sinopec Shengli Oilfield Co., Ltd.; in June 2000, he served as Board Director and President of Shengli Oilfield Co., Ltd.; in November 2001, he was appointed temporally as Deputy Director General and Deputy Secretary of CPC Leading Group of Economic and Trade Commission, Ningxia Hui Autonomous Region; in April 2003, he was appointed as Vice President of Sinopec Corp.; in June 2003, he was appointed as Director General of Exploration and Development Department of Sinopec Corp.; in March 2005, he was appointed as Senior Vice President of Sinopec Corp.; in January 2007, he was appointed concurrently as Vice Chairman of Sinopec International Petroleum Exploration and Production Corporation; in September 2014, he was appointed concurrently as Chairman of Board of Directors of Sinopec International Petroleum Exploration and Production Corporation; and in May 2006, he was elected as a Director and appointed as Senior Vice President of Sinopec Corp.

Dai Houliang#, aged 51, Mr. Dai is a professor level senior engineer with a PhD degree. In December 1997, he was appointed as Vice President of Yangzi Petrochemical Corporation; in April 1998, he served as Board Director and Vice President of Yangzi Petrochemical Co., Ltd.; in July 2002, he served as Vice Chairman of Board of Directors, President of Yangzi Petrochemical Co., Ltd. and Board Director of Yangzi Petrochemical Corporation; in December 2003, he served as Chairman of Board of Directors and President of Yangzi Petrochemical Co., Ltd. and concurrently as Chairman of Board of Directors of Yangzi Petrochemical Corporation; in December 2004, he served concurrently as Chairman of Board of Directors of BASF-YPC Company Limited; in September 2005, he was appointed as Deputy CFO of Sinopec Corp.; in November 2005, he was appointed as Vice President of Sinopec Corp.; in May 2006, he served as Board Director, Senior Vice President and CFO of Sinopec Corp.; in August 2008, he was concurrently appointed as the Chairman of Petro-Cyberworks Information Technology Co., Ltd. (PCITC) and Sinopec Technology Development Company; in August 2012, he was appointed concurrently as Chairman of Sinopec Great Wall Energy & Chemical Co., Ltd.; in March 2013, he was appointed concurrently as Chairman of Sinopec Catalyst Co., Ltd.; and in May 2009, he was elected as a Director and appointed as Senior Vice President of Sinopec Corp.

Liu Yun*, aged 58, Mr. Liu is a professor level senior accountant with a master degree. In December 1998, he was appointed as Deputy Director General of Finance Department of China Petrochemical Corporation; in February 2000, he was appointed as Deputy Director General of Finance Department of Sinopec Corp.; in January 2001, he was appointed as Director General of Finance Department of Sinopec Corp.; in June 2006, he was appointed as Deputy CFO of Sinopec Corp.; in February 2009, he was appointed as Chief Accountant of China Petrochemical Corporation; and in May 2012, he was appointed concurrently as the Chairman of Sinopec Finance Co., Ltd.; in September 2013, he was appointed concurrently as Chairman of Sinopec Insurance Co., Ltd.; and in May 2009, he was elected as a Director of Sinopec Corp.

Zhang Haichao#, aged 57, Mr. Zhang is a professor level senior economist with a master degree. In March 1998, he was appointed as Vice President of Zhejiang Petroleum Corporation; in September 1999, he was appointed as President of Zhejiang Petroleum Corporation; in February 2000, he was appointed as President of Sinopec Zhejiang Petroleum Co., Ltd.; in April 2004, he served as Chairman of Board of Directors of Sinopec- BP Zhejiang Petroleum Sales Co., Ltd.; in April 2003, he was elected as Employee's Representative Supervisor of Sinopec Corp.; in October 2004, he served as Secretary of CPC Committee, Vice Chairman of Board of Directors, and Vice President of Sinopec Sales Co., Ltd.; in November 2005 he served as Secretary of CPC Committee, Chairman of Board of Directors, and President of Sinopec Sales Co., Ltd.; in June 2006, he served as Chairman of Board of Directors, and President of Sinopec Sales Co., Ltd.; in July 2014 he acted as Vice President of China Petrochemical Corporation.; and in November 2005, he was appointed as Vice President of Sinopec Corp.

Jiao Fangzheng#, aged 52, Mr. Jiao is a professor level senior engineer with a PhD degree. In January 1999, he was appointed as Chief Geologist in Zhongyuan Petroleum Exploration Bureau of China Petrochemical Corporation; in February 2000, he was appointed as Vice President and Chief Geologist of Sinopec Zhongyuan Oilfield Company; in July 2000, he was appointed as Deputy Director General of Sinopec Petroleum Exploration & Development Research Institute; in March 2001, he was appointed as Deputy Director General of Sinopec Exploration & Production Department; in June 2004, he was appointed as President of Sinopec Northwest Oilfield Company; in July 2010, he was appointed as the Director General of Sinopec Exploration & Production Department; in July 2014, he was appointed Vice President of China Petrochemical Corporation; in September 2014, he was elected concurrently as Chairman of Board of Directors of Sinopec Oilfield Service Co. Ltd and Vice Chairman of Board of Directors of Sinopec International Petroleum Exploration and Production Corporation; since February 2015, he was Chairman of Sinopec Yizheng Chemical Fibre Company Limited; and in October 2006, he was appointed as Vice President of Sinopec Corp.

Jiang Xiaoming+, aged 61, Mr. Jiang has a doctorate in economics. Presently, he acts as the member of the national committee of CPPCC, director of China Foundation for Disabled Persons, member of the United Nations Board of Investment, Chairman of the Board of Directors of Hong Kong Saibo International Co. Ltd., Independent Director of COSCO International Holdings Ltd., Senior Fellow of the University of Cambridge Business School, and trustee of University of Cambridge China Development Fund. Between 1992 and 1998, he acted as the Vice President of United Nations Staff Retirement Fund; between 1999 and 2003, he acted as the Chairman of the Board of Directors of Frasers Property (China) Co., Ltd.; and he has previously acted as the Board Director of JSW Energy Ltd., member of the Advisory Committee of American Capital Group and Rothschild, the British Investment Bank, and Independent Director of China Oilfield Services Co., Ltd. From May 2012 to the present, he has acted as Independent Non-executive Director of Sinopec Corp.

Andrew Y. Yan+, aged 57, Mr. Yan is the founding Managing Partner of SAIF Partners and has a master degree. Presently, he acts as the Independent Non-executive Director of China Resources Land Limited, CPMC Holdings Limited and Cogobuy Group, the Non-executive Director of Digital China Holdings Limited, China Huiyuan Juice Group Limited, Feng Deli Holdings Limited and Guodian Technology & Environment Group Corporation Limited; the Independent Director of Beijing BlueFocus Brand Management Consulting Co, Ltd.; and the Director of ATA Co., Ltd. From 1989 to 1994, he acted as the Economist of the World Bank headquarters in Washington, Senior Fellow of Hudson Institute, an American famous research think tank, and acted as the director of APAC Strategic Planning & Business Development of Sprint International Corporation; between 1994 and 2001, he acted as the Managing Director and Director of Hong Kong Office of Emerging Market Partnership, the management company of AIG Asia Infrastructural Investment Fund. And from May 2012 to the present, he has acted as Independent Non-executive Director of Sinopec Corp.

Bao Guoming+, aged 63, Ms. Bao is a Professor, an international registered internal auditor and Certified Public Accountant of China with a master degree. Since December of 1992, she acted as associate professor of Accounting Dept. of International Business School of Nankai University, and since December of 1995, as Professor of Accounting Dept. of International Business School of Nankai University; since November of 1997, as the Vice Director of Accounting Dept. of International Business School of Nankai University; since April of 1999, as the Vice Director of the Audit Cadre Training Center of National Audit Office; Since February of 2003, as the Director of the Audit Cadre Training Center of National Audit Office; since July of 2004, as the Director of the Administrative Audit Department of National Audit Office; since February of 2010, as the Director-Level Auditor of the Laws and Regulations Department of National Audit Office; since July of 2010, as

the Vice-Chairman and Secretary General of China Internal Audit Association. From May 2012 to the present, she has acted as Independent Non-executive Director of Sinopec Corp. Ms. Bao is an expert who enjoys the State Council Special Allowance.

Tang Min+, aged 62, Mr. Tang is a Ph.D. holder in economics. He is currently a Counsellor of the State Council of the PRC and the Executive Vice Chairman of YouChange China Social Entrepreneur Foundation. He is also an independent director of Beijing Venustech Inc. and an independent director of Minmetals Development Co., Ltd. He has served as the economist and senior economist at the Economic Research Centre of the Asian Development Bank from 1989 to 2000; chief economist at the Representative office of the Asian Development Bank in China from 2000 to 2004; deputy representative at the Representative Office of the Asian Development Bank in China from 2004 to 2007 and the deputy secretary-general of the China Development Research Foundation from 2007 to 2010.

Executive Director

* Non-executive Director

+ Independent Non-executive Director

Each of the candidates listed above, once elected at the AGM, will enter into a service contract with Sinopec Corp. Pursuant to the provisions in the relevant service contracts, the term of each of the director shall start from the date when his appointment is approved by the AGM to the date when the term of the sixth session of the Board expires, and the remuneration for the services provided by executive directors under their service contracts will be determined according to relevant laws and regulations and “Measures for Implementation of Remuneration Packages for Senior Management of Sinopec Corp”. The “Measures for Implementation of Remuneration Packages for Senior Management of Sinopec Corp.” stipulates that the specific amount of remuneration will consist of a base salary, performance bonus and mid-term and long-term incentive, with specific reference to the functions, responsibilities of the respective employee and also performance of Sinopec Corp. as a whole. The emolument for services provided by independent non-executive director under the service contract is RMB300,000 per year (before tax). The non-executive directors will not receive remunerations from Sinopec Corp. Sinopec Corp. will disclose in its annual report the remuneration obtained by the relevant directors of Sinopec Corp. during the relevant reporting period.

Other than disclosed above, none of the above 13 candidates has served as directors of other listed companies in the past three years and none of them has any relationship with any other directors, supervisors, senior management or substantial shareholders or controlling shareholder of Sinopec Corp. As at the date of this announcement, none of them has any interest in the shares of Sinopec Corp. within the meaning of Part XV of the Securities and Futures Ordinance. None of the candidates has received any regulatory sanction imposed by the China Securities Regulatory Commission, or stock exchanges or any other government authority.

Other than those disclosed herein, there are no other matters in relation to the above candidates which should be disclosed to the shareholders of Sinopec Corp. or matters which would require disclosure under rule 13.51(2)(h) to 13.51(2)(v) of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

4. GENERAL

A circular containing details of the proposed amendments to the Articles of Association the Rules and Procedures for the Supervisors' Meetings and the election of members of the sixth session of the Board will be despatched to the holders of H shares of Sinopec Corp. shortly.

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

Beijing, PRC, 20 March 2015

As of the date of this notice, directors of the Company are: Fu Chengyu*, Wang Tianpu*, Zhang Yaocang*, Li Chunguang#, Zhang Jianhua#, Wang Zhigang#, Cao Yaofeng*, Dai Houliang#, Liu Yun*, Chen Xiaojin+, Ma Weihua+, Jiang Xiaoming+, Andrew Y. Yan+, Bao Guoming+.

Executive Director

* Non-executive Director

+ Independent Non-executive Director

Announcement 2

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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 2014

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 2014 (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) and Sinopec Corp. (www.sinopec.com.cn). Investors should read the Annual Report for more details.

1.2 The Annual Report has been approved unanimously at the 23rd Meeting of the Fifth Session of the Board of Directors of Sinopec Corp. Except for Mr. Wang Zhigang who did not attend the meeting due to official duties, all directors of Sinopec Corp. attended the 23rd 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 2014 (the “reporting period”) of Sinopec Corp. and its subsidiaries (together, the “Company”) prepared in accordance with the China 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 | Stock | Stock | Stock |
| | Exchange | Exchange | Exchange | Exchange |
| Registered address and office address | 22 Chaoyangmen North Street, Chaoyang District, Beijing, China | | | |
| Postcode | 100728 | | | |
| Website | www.sinopec.com | | | |
| E-mail | ir@sinopec.com | | | |

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 0386 | 86-10-5996 0386 | 86-10-5996 0386 | 86-10-5996 0386 |
| E-mail | ir@sinopec.com | | | |

3. Principal Financial Data and Indicators

3.1 Financial data and indicators prepared in accordance with the China Accounting Standards for Business Enterprises (“ASBE”) for the year ended 31 December 2014 of the Company

| Items | As at 31 December 2014 RMB million | As at 31 December 2013 RMB million | Changes from the end of the last year % | As at 31 December 2012 RMB million |
|--|--|--|---|--|
| Total assets | 1,451,368 | 1,382,916 | 4.9 | 1,238,522 |
| Total equity attributable to shareholders of the Company | 594,483 | 570,346 | 4.2 | 513,374 |

| Items | 2014 RMB million | 2013 RMB million | Year ended 31 December Changes over the same period from the end of last year % | 2012 RMB million |
|--|------------------------|------------------------|--|------------------------|
| Net cash flow from operating activities | 148,347 | 151,893 | (2.3) | 143,462 |
| Operating income | 2,825,914 | 2,880,311 | (1.9) | 2,786,045 |
| Net profit attributable to equity shareholders of the Company | 47,430 | 67,179 | (29.4) | 63,496 |
| Net profit attributable to equity shareholders of the Company after deducting extraordinary gain/loss items | 43,238 | 66,658 | (35.1) | 61,922 |
| Weighted average return on net assets (%) | 8.14 | 12.24 | (4.10) | 12.80 |

| Items | 0.406 | 0.579 | Percentage points | 0.562 |
|----------------------------------|-------|-------|----------------------|-------|
| Basic earnings per share (RMB) | 0.406 | 0.579 | (29.9) | 0.562 |
| Diluted earnings per share (RMB) | 0.406 | 0.543 | (25.2) | 0.542 |

3.2 Principal Financial Data and Indicators Prepared in Accordance with International Financial Reporting Standards (“IFRS”) for the year ended 31 December 2014 of the Company

| Items | For the year ended 31 December | | | | |
|--|--------------------------------|-----------|-----------|-----------|-----------|
| | 2014 | 2013 | 2012 | 2011 | 2010 |
| Turnover and other operating revenues (RMB million) | 2,825,914 | 2,880,311 | 2,786,045 | 2,505,683 | 1,913,182 |
| Operating profit (RMB million) | 73,487 | 96,785 | 98,662 | 105,530 | 104,974 |
| Profit before taxation (RMB million) | 65,504 | 95,052 | 90,642 | 104,565 | 103,663 |
| Net profit attributable to owners of the Company (RMB million) | 46,466 | 66,132 | 63,879 | 73,225 | 71,782 |
| Basic earnings per share (RMB) | 0.398 | 0.570 | 0.566 | 0.650 | 0.637 |
| Diluted earnings per share (RMB) | 0.397 | 0.534 | 0.545 | 0.625 | 0.631 |
| Return on capital employed (%) | 6.05 | 8.02 | 9.09 | 11.49 | 12.95 |
| Return on net assets (%) | 7.84 | 11.63 | 12.50 | 15.50 | 17.11 |
| Net cash generated from operating activities per share (RMB) | 1.270 | 1.308 | 1.262 | 1.336 | 1.512 |

| Items | As at 31 December | | 2012 | 2011 | 2010 |
|--|-------------------|-----------|---------|---------|---------|
| | 2014 | 2013 | | | |
| Non-current assets (RMB million) | 1,091,224 | 1,009,906 | 892,929 | 794,423 | 727,642 |
| Net current liabilities (RMB million) | 244,113 | 198,812 | 148,358 | 101,485 | 76,177 |
| Non-current liabilities (RMB million) | 201,534 | 189,468 | 196,535 | 185,594 | 200,429 |
| Non-controlling interests (RMB million) | 52,536 | 52,823 | 37,122 | 35,016 | 31,432 |
| Total equity attributable to owners of the Company (RMB million) | 593,041 | 568,803 | 510,914 | 472,328 | 419,604 |
| Net assets per share (RMB) | 5.014 | 4.880 | 4.527 | 4.191 | 3.723 |
| Adjusted net assets per share (RMB) | 4.950 | 4.841 | 4.476 | 4.172 | 3.722 |

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 |
|---|-------------------------|-------------------------|---------------------------|-------------------|---|
| | 2014 RMB millions | 2013 RMB millions | Amount RMB millions | Percentage (%) | |
| Cash at bank and on hand | 10,100 | 15,101 | (5,001) | (33.1) | Mainly due to the use of cash to make up monetary gap |
| Bills receivable | 13,963 | 28,771 | (14,808) | (51.5) | Mainly due to the decrease in selling price of chemical products, resulting in the decrease of bills receivable, and the increase in endorsement and discount of bills of Chemical Sales Company |
| Accounts receivable | 90,831 | 68,466 | 22,365 | 32.7 | Mainly due to the increase of accounts receivable balance from Unipet and other subsidiaries' trade transaction |
| Other receivables | 29,251 | 13,165 | 16,086 | 122.2 | Mainly due to the increase in hedging volume of Unipet |
| Available-for-sale financial assets | 868 | 3,730 | (2,862) | (76.7) | Mainly due to the disposal of China Gas stock |
| Intangible assets | 78,681 | 60,263 | 18,418 | 30.6 | Please refer to Note 14 to the financial statements prepared in accordance with ASBE |
| Deferred tax assets | 6,979 | 4,141 | 2,838 | 68.5 | Mainly due to the increase of tax losses carried forward in Yangzi and other subsidiaries and the losses from hedging |
| Short-term loans | 166,688 | 108,121 | 58,567 | 54.2 | Please refer to Note 20 to the financial statements prepared in accordance with ASBE |
| Non-current liabilities due within one year | 11,890 | 45,749 | (33,859) | (74.0) | Mainly due to the repayment of RMB 3.5 billion corporate bond, RMB 30 billion bonds with warrants and HKD 11.7 billion convertible bonds. And parts of the long-term debentures reclassified to the non-current liabilities due within one year |

| | | | | | |
|-------------------------------|--------|--------|--------|------|--|
| Long-term loans | 67,426 | 46,452 | 20,974 | 45.2 | Please refer to Note 28 to the financial statements prepared in accordance with ASBE |
| Other non-current liabilities | 11,549 | 8,187 | 3,362 | 41.1 | Mainly due to the increase of loan principal under the long-term loan agreement between Sinopec International Petroleum Exploration and Production Limited's ("SIPL") subsidiary and the Sinopec Group |

| Items | At 31 December | | Increase/(decrease) | | Reasons for change |
|--|-------------------------|-------------------------|---------------------------|-------------------|---|
| | 2014 RMB millions | 2013 RMB millions | Amount RMB millions | Percentage (%) | |
| Capital reserve | 48,703 | 36,947 | 11,756 | 31.8 | Mainly due to the partial conversion of Sinopec CB |
| Other comprehensive income | (7,261) | 407 | (7,668) | (1,884.0) | Mainly due to cash flow hedging losses of Unipet and Sinopec (Hong Kong) Limited etc., and foreign currency translation differences of SIPL's joint venture companies |
| Specific reserve | 491 | 1,556 | (1,065) | (68.4) | Please refer to Note 35 to the financial statements prepared in accordance with ASBE |
| Financial expenses | 9,618 | 6,274 | 3,344 | 53.3 | Mainly due to change of foreign exchange gain or loss resulting from the fluctuation of RMB exchange rate |
| Impairment losses | 6,839 | 4,044 | 2,795 | 69.1 | Please refer to Note 42 to the financial statements prepared in accordance with ASBE |
| (Loss)/Gain from changes in fair value | (4,151) | 2,167 | (6,318) | (291.6) | Mainly due to fair value changes of derivatives embedded in RMB 23 billion convertible bonds of the Company |
| Investment income | 8,137 | 2,510 | 5,627 | 224.2 | Please refer to Note 44 to the financial statements prepared in accordance with ASBE |
| Non-operating income | 4,710 | 3,481 | 1,229 | 35.3 | Please refer to Note 45 to the financial statements prepared in accordance with ASBE |
| Income tax expense | 17,571 | 25,605 | (8,034) | (31.4) | Please refer to Note 47 to the financial statements prepared in accordance with ASBE |
| Minority interests | 1,480 | 4,198 | (2,718) | (64.7) | Mainly due to the decrease in profits of holding subsidiaries |

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

4.1 Changes in the share capital

Unit: Share

| Items | Before change | | Increase/(decrease) | | | | | After change | |
|------------------------------------|-----------------|----------------|--|------------|--------------------|---------------|----------------|-----------------|----------------|
| | Numbers | Percentage (%) | Conversion of Sinopec CB into A shares | | | Others | Sub-total | Number | Percentage (%) |
| | | | Issued | Subscribed | From share reserve | | | | |
| RMB ordinary shares | 91,051,875,187 | 78.11 | — | — | — | 1,715,081,853 | 1,715,081,853* | 92,766,957,040 | 78.43 |
| Domestically listed foreign shares | — | — | — | — | — | — | — | — | — |
| Overseas listed foreign shares | 25,513,438,600 | 21.89 | — | — | — | — | — | 25,513,438,600 | 21.57 |
| Others | — | — | — | — | — | — | — | — | — |
| Total Shares | 116,565,313,787 | 100 | | | | 1,715,081,853 | 1,715,081,853 | 118,280,395,640 | 100 |

*: During the reporting period, a total number of 84,420,170 units Sinopec CB had been converted into A shares of Sinopec Corp, resulting in a total increase of 1,715,081,853 shares.

4.2 Number of shareholders and their shareholdings

As at 31 December 2014, the total number of shareholders of Sinopec Corp. was 695,385 including 688,972 holders of domestic A shares and 6,413 holders of overseas H shares. As at 13 March 2015, the total number of shareholders of Sinopec Corp. was 851,381. 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 reporting period to Redemption Record Date (11 February 2015), a total of 2,790,814,006 A shares were converted from the RMB 23 billion A share convertible bond of Sinopec Corp. (“Sinopec CB”).

(1) Shareholdings of top ten shareholders

The shareholdings of top ten shareholders as at 31 December 2014 are listed as below:

Unit: Share

Name of shareholders

China Petrochemical Corporation

HKSCC Nominees Limited²

-

- 33775; 20729; 20540; 20778; 21218; 31080; 22411; 25237; 22522;

- 21338; 26178; 35029; 23500; 28396; 28145; 30025351; 25976; 25237; 22522; 24037; 21830; - 19978; 5020132; 26131; 22411; 38283; 25918; 24335; 25351; 25976; & 21335; 26041; 26481; 33521; 29986; 31649; 29702; - 21335; 26041; 23500; 26178; A50 - 22025; 23526; 28396; 28145; 30020132; 26131; 22411; 38283; 25918; 24335; 25351; 25976; 25237; 22522;

Note 1 As compared with the number of shares as at 31 December 2013.

Note 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.

We are not aware of any connected relationship or acting in concert among or between the above-mentioned shareholders.

(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 interests held or regarded as held * | Approximate percentage of Sinopec Corp.’s issued share capital (H Share) (%) | |
|----------------------|---|---|--|-----|
| | | | | |
| JPMorgan Chase & Co. | Beneficial owner | 656,026,310 (L) | 2.57 | (L) |
| | | 360,358,429 (S) | 1.41 | (S) |
| | Investment manager | 364,641,100 (L) | 1.42 | (L) |
| | Trustee (other than a bare trustee) | 32,200 (L) | 0.00 | (L) |
| BlackRock, Inc. | Custodian corporation/approved lending agent | 1,357,077,571 (L) | 5.31 | (L) |
| | Interest of corporation controlled by the substantial shareholder | 2,020,880,233 (L) | 7.92 | (L) |
| | | 31,124,000 (S) | 0.12 | (S) |
| Schroders Plc | Investment manager | 1,528,199,922 (L) | 5.99 | (L) |

*: (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 2014.

(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 274,866,534,000, 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 | |
| Sinopec Engineering (Group) Co. Ltd | 2,907,856,000 | 65.67 | % |
| Sinopec Yizheng Chemical Fibre Company Limited | 9,224,327,662 | 72.01 | % |
| Kingdream Public Limited Company | 270,270,000 | 67.50 | % |
| China Merchants Energy Shipping Co., Ltd | 911,886,426 | 19.32 | % |

- (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 October 2014, Mr. Zhang Jianhua, an Director and Senior Vice President of Sinopec Corp., was appointed concurrently as Chairman of Sinopec Engineering (Group) Co., Ltd..

In October 2014, Mr. Cai Xiyu has tendered his resignation as the director, member of the Strategy Committee of the Board and Senior Vice President of Sinopec Corp., due to new working arrangement.

In May 2014, in accordance with Board Resolution of the 17th meeting of the Fifth Session of the Board of Directors of Sinopec Corp., the Board nominated and appointed Mr. Chang Zhenyong and Mr. Huang Wensheng as the Vice President of Sinopec Corp.. In August 2014, Mr. Wang Yongjian has tendered his resignation as the Vice President of the Sinopec Corp., due to work-related reasons.

Mr. Ma Weihua, an Independent Non-executive Director of Sinopec Corp., has been appointed as Independent Director of China World Trade Center Co., Ltd. since August 2014.

Mr. Jiang Xiaoming, an Independent Non-executive Director of Sinopec Corp., was no longer the independent Non-executive Director of Greenland Hong Kong Holdings Limited since 4 June 2014.

Mr. Andrew Y. Yan, an Independent Non-executive Director of Sinopec Corp., has been appointed as Independent Non-executive Director of CPMC Holdings Limited since March 2014, Independent Non-executive Director of Cogobuy Group since July 2014, and Independent Director of Beijing BlueFocus Brand Management Consulting Co, Ltd. since March 2014. And he was no longer Independent Non-executive Director of China Mengniu Dairy Co. and Fosun International Ltd., the Independent Director of Giant Network Co. Ltd. and Director of Acorn International Co., Ltd.

Ms. Bao Guoming, an Independent Non-executive Director of Sinopec Corp., was no longer External Supervisor of Bank of China and Independent Non-executive Director of Hebei Chengde Lulu Co., Limited.

In September 2014, Mr. Zhou Shiliang, an Employee's Representative Supervisor of Sinopec Corp., was appointed as the Secretary of CPC Committee, Board Director and Vice President of Sinopec Oilfield Service Co. Ltd;

6 Business Review and Prospects

Business Review

In 2014, the global economic recovery remained weak, and China's GDP grew by 7.4%. The Company, focusing on growth quality and efficiency, further deepened reforms, transformed its growth model and strengthened its management. Through intensified analysis and forecasting of macroeconomy and market trends, we actively responded to the significant change of international crude oil prices while expediting structural adjustments, expanding our markets and enhancing fine management and cost controls. All of these efforts contributed to stable operations of the Company.

6.1

Market Review

(1)

Crude oil and natural gas

In 2014, international crude oil prices fluctuated at a high level in the first half of the year and plunged in the second half, with a precipitous drop in the fourth quarter. The average spot price of Platts Brent for the year was USD 99.45 per barrel, 8.5% lower than the previous year. China's demand for natural gas continued to increase in 2014. Chinese Government made further adjustments to the price of existing supplies of non-residential natural gas, thus gradually aligning domestic gas prices with those of alternative energy sources.

(2)

Oil products market

In 2014, Chinese government timely adjusted domestic oil product prices in response to changes in international crude oil prices. In the second half of 2014, domestic oil product prices experienced 11 consecutive cuts as international crude prices plummeted. Affected by slowing economic growth, domestic demand for oil products grew at a lower rate, with diesel demand decreased despite a continued increase in gasoline demand. Statistics show that domestic apparent consumption of oil products (including gasoline, diesel and kerosene) was 269 million tonnes in 2014, up by 2.0% from the previous year.

(3)

Chemicals

In 2014, chemical prices declined continuously. The second half of the year saw a bigger decrease in feedstock costs than in chemical prices, thus improving chemical margins. According to the Company's statistics, domestic apparent consumption of synthetic resin and synthetic fiber rose by 8.7% and 7.0%, respectively, from the previous year, while apparent consumption of synthetic rubber fell by 1.9% and that of ethylene equivalent grew by 4.9%.

6.2

Operations Review

(1)

Exploration and production

In 2014, driven by management and technology innovation, we implemented exploration and development programs efficiently and made a number of new findings, some of which are commercial discoveries. With 106.75 billion cubic meters of reserves added to the Fuling shale gas project, China's first sizable shale gas field came into being. In 2014, newly added proved oil and gas reserves amounted to 431 million barrels. In crude oil development, we focused on improvements to economics through optimal development of new blocks, further development of mature fields and enhancing recovery rates continuously. In natural gas development, we accelerated the capacity construction of major projects, strengthened management of the Puguang gas field and other mature fields, adjusted marketing strategies, expanded sales volume and achieved better economic returns. In shale gas development, the Fuling project's Phase I construction, with capacity of 5 billion cubic meters per year, progressed smoothly, and daily output of all producing wells exceeded design targets, laying a good foundation for future development. In 2014, production of oil & gas rose by 8.4% to 480.22 million barrels of oil equivalent, among which domestic crude oil production remained flat, while overseas production increased significantly as a result of overseas acquisition at the end of 2013. Natural gas production rose by 8.5% to 716.4 billion cubic feet. Average unit all-in-cost has been well under control.

Summary of Operations for the Exploration and Production Segment

| | 2014 | 2013 | 2012 | Change from 2013 to 2014(%) |
|--------------------------------|--------|--------|--------|-----------------------------------|
| Oil and gas production (mmboe) | 480.22 | 442.84 | 427.95 | 8.44 |
| Crude oil production (mmbbls) | 360.73 | 332.54 | 328.28 | 8.48 |
| China | 310.87 | 310.84 | 306.60 | 0.01 |
| Overseas | 49.86 | 21.70 | 21.68 | 129.77 |
| Natural gas production (bcf) | 716.35 | 660.18 | 598.01 | 8.51 |

Summary of Reserves of Crude Oil and Natural Gas

| | Reserves of Crude Oil (mmbbls) 31 December 2014 |
|-----------------------------|--|
| Proved Reserves | 3,048 |
| Proved Developed Reserves | 2,782 |
| Shengli | 1,917 |
| Others | 548 |
| Total, China | 2,465 |
| Overseas | 317 |
| Proved Undeveloped Reserves | 266 |
| Shengli | 105 |
| Others | 130 |
| Total, China | 235 |
| Overseas | 31 |
| | Reserves of Natural Gas (bcf) 31 December 2014 |
| Proved Reserves | 6,741 |
| Proved Developed Reserves | 6,011 |
| Puguang | 2,663 |
| Others | 3,324 |
| Total, China | 5,987 |
| Overseas | 24 |
| Proved Undeveloped Reserves | 730 |
| Total, China | 728 |
| Overseas | 2 |

Exploration & Production Activities

| Wells drilling | As of 31 December | | | |
|----------------|-------------------|-----|-------|-----|
| | 2014 | | 2013 | |
| | gross | net | gross | net |
| Total, China | 310 | 309 | 267 | 267 |
| Shengli | 63 | 63 | 93 | 93 |
| Others | 247 | 246 | 174 | 174 |
| Overseas | 3 | 1 | 2 | 0 |
| Total | 313 | 310 | 269 | 267 |

| | | China | | | Overseas | |
|--|--------------------|-------|---------|--------------------|------------------------------|-----|
| | | Total | Shengli | Other Subsidiaries | Equity-accounted investments | |
| Wells drilled For the year ended December 31, 2014 | | | | | | |
| Exploratory | – Productive | 337 | 141 | 193 | — | 3 |
| | – Dry | 187 | 64 | 123 | — | — |
| Development | – Productive | 3,964 | 2,027 | 1,614 | 6 | 317 |
| | – Dry | 56 | 30 | 26 | — | — |
| For the year ended December 31, 2013 | | | | | | |
| Exploratory | – Productive | 350 | 112 | 238 | — | — |
| | – Dry | 352 | 96 | 256 | — | — |
| Development | – Productive | 4,513 | 2,490 | 2,016 | 5 | 2 |
| | – Dry | 83 | 39 | 44 | — | — |

Unit: Square Kilometers

| | As of 31 December | |
|----------------------------------|-------------------|---------|
| | 2014 | 2013 |
| Acreage with exploration license | 960,981 | 983,680 |
| China | 960,981 | 983,680 |
| Acreage with development license | 27,921 | 26,665 |
| China | 22,912 | 22,563 |
| Overseas | 5,009 | 4,102 |

(2)

Refining

In 2014, the Company adjusted its product mix in response to the market, increasing production of oil products and high-value-added products for which demand was strong, such as gasoline (especially high-octane gasoline) and jet fuel, further decreasing the diesel to gasoline ratio. We accelerated the quality upgrade of oil products, increasing production of GB IV automotive diesel, with some regions gasoline and diesel upgraded to GB V standard. We effectively controlled costs through improvements in resource allocation, optimising selection of oil to be processed, as well as inventory management. Through tapping our well established advantages in specialisation, margins of lubricants, liquefied petroleum gas (LPG) and asphalt further improved, delivering good economic returns. In 2014, we processed 235 million tonnes of crude oil, up by 1.5% from the previous year, and produced 146 million tonnes of refined oil products, up by 4.2%.

Summary of Operations for the Refining Segment

Unit: million tonnes

| | 2014 | 2013 | 2012 | Change from 2013 to 2014 (%) |
|--|--------|--------|--------|--|
| Refinery throughput | 235.38 | 231.95 | 221.31 | 1.48 |
| Gasoline, diesel and kerosene production | 146.23 | 140.40 | 132.96 | 4.15 |
| Gasoline | 51.22 | 45.56 | 40.55 | 12.42 |
| Diesel | 74.26 | 77.40 | 77.39 | (4.06) |
| Kerosene | 20.75 | 17.43 | 15.01 | 19.05 |
| Light chemical feedstock | 39.17 | 37.97 | 36.33 | 3.16 |
| Light products yield (%) | 76.52 | 76.19 | 76.75 | 0.33 percentage points (0.16) |
| Refinery yield (%) | 94.66 | 94.82 | 95.15 | percentage points |

Note: Includes 100% of production of joint ventures.

(3)

Marketing and distribution

In 2014, the Company initiated business restructuring in the marketing segment and has launched mixed-ownership reform by introducing private capital. Sinopec Corp. entered into capital injection agreement with 25 investors, established a mechanism aiming to transform the segment into a market orientated business through joint efforts with private investors. The initiative laid the foundations for further reform on the operational systems and mechanisms of our marketing business with the aim of development through innovations.

In 2014, in light of the slower growth of domestic demand for oil products and the particularly weak demand for diesel, we adjusted our marketing strategies, enhancing marketing efforts on high-octane gasoline and jet fuel to increase total sales volume. We expanded our retail volume by using our network and brand advantages, enhancing customer service at service stations. At the same time, we further developed our non-fuel businesses, improved the customer experience and provided one-stop services through our online fuel-card services and self-service mobile apps and equipment. Non-fuel business transaction increased by 28% over 2013 to RMB 17.1 billion. In 2014, total sales volume of refined oil products was 189 million tonnes, up by 5.1% from the previous year, with domestic sales rising by 3.4% to 171 million tonnes and retail rising by 3.6%.

Summary of Operations for Marketing and Distribution Segment

| | 2014 | 2013 | 2012 | Change from 2013 to 2014(%) |
|--|--------|--------|--------|--------------------------------------|
| Total sales volume of oil products (million tonnes) | 189.17 | 179.99 | 173.15 | 5.10 |
| Total domestic sales volume of oil products (million tonnes) | 170.97 | 165.42 | 158.99 | 3.36 |
| Retail sales (million tonnes) | 117.84 | 113.73 | 107.85 | 3.61 |
| Direct sales & Distribution (million tonnes) | 53.13 | 51.69 | 51.14 | 2.79 |
| Annual average throughput per station (tonne/station) | 3,858 | 3,707 | 3,498 | 4.07 |

| | 31 December 2014 | 31 December 2013 | 31 December 2012 | Change from the end of the previous year to the end of the reporting period (%) |
|--|------------------------|------------------------|------------------------|---|
| Total number of service stations under Sinopec brand | 30,551 | 30,536 | 30,836 | 0.05 |
| Number of company-operated stations | 30,538 | 30,523 | 30,823 | 0.05 |

(4)

Chemicals

In 2014, confronted by severe market conditions that saw prices of chemicals remaining at anemic levels, the Company cut its feedstock costs by increasing the light feedstock ratio, adjusted its product mix and intensified efforts in R&D, production, and sales of new products. Sales of new polyolefin products and specialty materials accounted for 57.4% of total sales, and high-value-added rubber accounted for 17.4%. The synthetic fiber differentiation rate was 76.7%. In addition, we optimised operations of our manufacturing facilities, adjusted utilisation rates, and shut down facilities with unsatisfactory marginal costs. Ethylene output was up by 7.2% from 2013 to 10.7 million tonnes. Meanwhile, by keeping inventories at low levels and implementing a differentiated marketing strategy, our full-year chemical sales volume increased by 4.4% to 60.79 million tonnes, with all manufactured chemicals sold.

Summary of Operations for Chemicals Segment

Unit: thousand tonnes

| | 2014 | 2013 | 2012 | Change from 2013 to 2014 (%) |
|-------------------------------------|--------|--------|--------|---------------------------------------|
| Ethylene | 10,698 | 9,980 | 9,452 | 7.19 |
| Synthetic resin | 14,639 | 13,726 | 13,343 | 6.65 |
| Synthetic rubber | 939 | 960 | 936 | (2.19) |
| Synthetic fiber monomer and polymer | 8,383 | 9,227 | 8,950 | (9.15) |
| Synthetic fiber | 1,315 | 1,392 | 1,339 | (5.53) |

Note: Includes 100% production of joint ventures.

(5)

Research and development

In 2014, the Company fully tapped the functions of research and development in supporting and leading its business operations, stepping up its R&D efforts with remarkable results. In upstream, we successfully completed the well pad drilling test for shale gas development, achieving substantial improvements in efficiency of construction. We developed offshore well safety control technologies to enhance the safety and efficiency of production in offshore oilfields. In refining, we commercialised technologies for high-aromatics-content catalytic diesel hydrogenation, countercurrent continuous reforming and diesel ultra-deep hydrogenation for desulfurization. In chemicals, we brought online a demonstration plant for converting syngas to ethylene glycol, marking a breakthrough in coal chemical technologies. We successfully commissioned a demonstration plant for super-imitation-cotton fiber technologies. We also developed bacteria-resistant polypropylene and polypropylene for low-temperature packaging. We applied for a total of 4,968 patents at home and abroad, and 3,011 patents were granted in 2014. During the year, we won one National Patent Gold Award and five Awards of Excellence, two first-place awards and three second-place awards for National Science and Technology Advancement, and two second-place awards for Technology Invention.

(6)

Health, safety and environment

In 2014, the Company vigorously implemented its green and low-carbon development strategy and its Clear Water, Blue Sky environmental protection plan, advanced its carbon assets management activities, and officially kicked off the Energy Efficiency Doubling initiative. By further integrating efforts in energy conservation, emissions control and carbon reduction, the effectiveness of our energy saving and environmental protection activities improved continuously. Compared with last year, energy intensity was down by 0.6%, industrial water consumption was down by 1.1%, chemical oxygen demand of waste water discharge was down by 2.5%, NH_x emissions were down by 4.2%, sulfur dioxide emissions were down by 8.1%, NO_x emissions were down by 3.9%, and all hazardous chemicals, discharged water, gas, and solid waste were properly treated.

In 2014, the Company improved its work safety and accountability scheme, conducted safety checks, focused on identification and elimination of potential hazards, stepped up the construction of its emergency response capabilities and its IT applications for safety management, standardised worker protection, and safeguarded the health of its employees. For more detailed information, please refer to our corporate report, Communication on Progress for Sustainable Development.

(7)

Capital expenditures

In 2014, the Company optimised its asset portfolio and investment activities. Total capital expenditures were RMB 154.640 billion, down by 4.2% from the plan made at the beginning of the year. Capital expenditures for exploration and production segment were RMB 80.196 billion, mainly for exploration and production in Jiyang trough, Sichuan Basin, Tahe oilfield, and Ordos Basin, liquefied natural gas (LNG) projects in Shandong and Guangxi, construction of long-distance oil and gas pipeline projects, and the oversea projects. We added crude oil capacity of 4.36 million tonnes per year and natural gas capacity of 5.9 billion cubic meters per year. Capital expenditures for refining segment were RMB 27.957 billion, mainly for refinery revamping and gasoline and diesel quality upgrading projects by subsidiaries in Shijiazhuang, Yangtze, Tahe and Jiujiang. We added refining capacity of 9.5 million tonnes per year, and acquired 37.5% shares of Yanbu Refinery. Capital expenditures for marketing and distribution segment were RMB 26.989 billion, mainly for developing and renovating service stations and for building oil product pipelines and oil depots. We added 556 service stations for the year. Capital expenditures for chemicals segment were RMB 15.850 billion, mainly for the coal chemical plant at Sinopec Great Wall Energy and Chemical Industry (Ningxia) Company Ltd. and the Qilu acrylonitrile project. We added ethylene capacity of 190,000 tonnes per year and synthetic resin capacity of 600,000 tonnes per year. Capital expenditures for corporate and others were RMB 3.648 billion, mainly for R&D facilities and IT application projects.

(8)

Oil & gas reserve appraisal principles

We manage our reserves estimation through a two-tier management system. Our Oil and Natural Gas Reserves Management Committee, or the RMC, at our headquarters level oversees the overall reserves estimation process and reviews the reserves estimation of our company. Each of our Branches has a reserves management committee that manages the reserves estimation process and reviews the reserves estimation report at the branches level.

Our RMC is chaired by Mr. Wang Zhigang, one of our senior vice presidents, and is co-led by our deputy chief geologist and our director general of our exploration and production segment. Mr. Wang holds a Ph.D. degree in geology from Geology and Geo-physics Research Institute of the China Academy of Science and has over 30 years of experience in oil and gas industry. Our RMC also consists of 31 other members who are senior management members in charge of exploration and development activities at production bureau level. A majority of our RMC members hold doctor's or master's degrees and our RMC members have an average of 20 years of technical experience in relevant industry fields, such as geology, engineering and economics.

Our reserves estimation is guided by procedural manuals and technical guidance. Initial collection and compilation of reserves information are conducted by different working divisions, including exploration, development, financial and legal divisions, at production bureau level. Exploration and development divisions collectively prepare the initial report on reserves estimation. Together with technical experts, reserves management committees at subsidiary level then review to ensure the qualitative and quantitative compliance with technical guidance and accuracy and reasonableness of the reserves estimation. The RMC is primarily responsible for the management and coordination of the reserves estimation process, review and approval of annual changes and results in reserves estimation and disclosure of our proved reserves. We also engage outside consultants who assist us to be in compliance with the U.S. Securities and Exchange Commission rules and regulations. Our reserves estimation process is further facilitated by a specialised reserves database which is improved and updated periodically.

6.3

Business Prospects

(1)

Market analysis

The 2015 world economy is expected to continue its slow recovery while China's economy will enter a New Normal state of slower growth. The international crude oil price is projected to remain anaemic. Domestic demand for refined oil products is to grow steadily with product mix further adjusted, quality gradually upgraded. Domestic demand for major chemicals is to grow step by step.

(2)

Operations

In 2015, the Company will focus on improving the quality and efficiency of growth while deepening reforms, transforming its development model, and implementing rigorous management programs. We will put more emphasis on restructuring, resource optimisation, innovation and risk control. Key measures are as follows:

Exploration and production: In response to low oil prices, the Company will integrate reserves, production, investment, costs and earnings and will seek to optimise its exploration activities, lower its development costs, and increase commercial yields for oil and gas. In exploration, we will focus on making commercial discoveries, exploiting reserve potential in frontier areas and other key promising regions, and improving the success rate of exploration. In development, we will select projects and production targets based on oil price level. We will also further develop mature fields and put technologies that significantly enhance recovery into wide operation. In addition, we will facilitate development of shale gas to fast-track shale gas projects and expedite capacity-building projects for natural gas. In 2015, we plan to produce 300 million barrels of crude oil in China, 48 million barrels from our oversea assets, and 886.3 billion cubic feet of natural gas.

Refining: The Company will optimise crude procurement and resource allocation to reduce costs, take better advantage of our economies of scale to control unit costs, and upgrade oil product quality to increase the supply of clean fuels. We will also strengthen the integration of production and sales, adjust our product slate and utilisation rates, and increase the output of higher-value-added products which are well received by market. In addition, we will seek to unlock the potential value of specialisation, improve our sales networks, and enhance the marketing of lubricants, LPG, asphalt and other products. In 2015, we plan to refine 243 million tonnes of crude oil and produce 152 million tonnes of oil products.

Marketing and distribution: The Company will proactively explore to innovate on operational systems and mechanisms with an aim to transform Sinopec from an oil products supplier into an integrated services provider. To ensure maximum profits, the Company will improve its market analysis based on fundamental changes in the market and operate with low inventory levels to mitigate risks and facilitate adjustments to its marketing structure. We will expand our retail sales volume and increase per station pumped volume. We will accelerate the planning and construction of our oil product pipelines to optimise our marketing network, carry out differentiated marketing strategies and increase customer loyalty by providing tailor-made services. We will also develop our non-fuel businesses on the basis of specialisation and market orientation to increase both scale and profits of the business. In 2015, we plan to sell 173 million tonnes of oil products in the domestic market.

Chemicals: The Company will further adjust its feedstock structure, lower feedstock costs, accelerate improvements in its product mix, and strengthen the integration of manufacturing, marketing and R&D. We will increase the production of higher-value-added products which are well received by markets, enhance the development, production and promotion of new products, fine-tune facilities operations and utilisation rates according to profit margins, take advantage of our strengths in marketing network and improve our sales performance. In 2015, we plan to produce 10.9 million tonnes of ethylene.

R&D: We will continue to implement the strategies of development driven by innovations. Areas of focus for R&D include shale oil and gas exploration and development, oil and gas recovery enhancement technologies aiming to increase production and reserve, biofuels, heavy oil refining, clean fuels for quality upgrading, new catalytic materials, high-performance synthetic chemicals and fine chemicals to promote restructuring of product mix. In addition, we will develop and apply technologies that are greener and less carbon-intensive, thus conserving energy while preserving the environment. We will continue to emphasise fundamental and forward-looking R&D activities to improve the Company's innovation for the purpose of supporting and driving its transformative growth.

Capital expenditures: In 2015, the Company will look to improve its project portfolio and investment plan based on market conditions. Our capital expenditure budget for the year is RMB 135.9 billion, of which exploration and production segment accounts for RMB 68.2 billion, mainly for Fuling shale gas project construction, exploration and development projects in Shengli oilfield, Sichuan Basin, Tahe oilfield, Junggar Basin, and Ordos Basin as well as Guangxi and Tianjin LNG projects; gas pipelines; and overseas projects. Refining segment accounts for expenditures of RMB 24.0 billion, mainly for revamping Qilu and Jiujiang refineries, as well as product quality projects such as gasoline adsorbent desulfurization and diesel hydrogenation. Marketing and distribution segment accounts for expenditures of RMB 22.6 billion, mainly for revamping service stations, constructing the product pipeline networks, optimising the distribution of tank farms, and improving facilities for service stations and non-fuel businesses to develop integrated service with an aim to support new businesses. Chemicals segment accounts for expenditures of RMB15.1 billion, mainly for the Jinling propylene oxide and LPG utilisation projects and the Hainan PX phase II project. Corporate and others segment accounts for expenditures of RMB 6.0 billion, mainly for R&D facilities and IT projects.

In 2015, the Company will proactively adapt to the “new normal” situation of macroeconomy, building up new drivers for development, continuously improving its overall strength and competitiveness in the global arena, as well as capabilities to maintain sustainable growth and striving to achieve remarkable results.

7. Management Discussion and Analysis

The following discussion and analysis should be read in conjunction with the Company’s audited financial statements in this announcement and the Annual Report and the accompanying notes. Parts of the following concerned financial data were abstracted from the company’s audited financial statements that have been prepared according to the IFRS, unless otherwise stated. The prices in the following discussion do not include value-added tax.

7.1 Consolidated Results of Operations

In 2014, the Company’s turnover and other operating revenues were RMB 2,825.9 billion, decreased by 1.9% compared with that of 2013. The operating profit was RMB 73.5 billion, representing a year on year decrease of 24.1%.

The following table sets forth the main revenue and expenses from the Company's consolidated financial statements:

| | 2014 (RMB million) | Years ended 31 December 2013 (RMB million) | Change (%) |
|--|--------------------------|---|---------------|
| Turnover and other operating revenues | 2,825,914 | 2,880,311 | (1.9) |
| Turnover | 2,781,641 | 2,833,247 | (1.8) |
| Other operating revenues | 44,273 | 47,064 | (5.9) |
| Operating expenses | (2,752,427) | (2,783,526) | (1.1) |
| Purchased crude oil, products, and operating supplies and expenses | (2,334,399) | (2,371,858) | (1.6) |
| Selling, general and administrative expenses | (68,374) | (69,928) | (2.2) |
| Depreciation, depletion and amortisation | (90,097) | (81,265) | 10.9 |
| Exploration expenses (including dry holes) | (10,969) | (12,573) | (12.8) |
| Personnel expenses | (57,233) | (55,353) | 3.4 |
| Taxes other than income tax | (191,202) | (190,672) | 0.3 |
| Other operating expense, net | (153) | (1,877) | (91.8) |
| Operating profit | 73,487 | 96,785 | (24.1) |
| Net finance costs | (14,229) | (4,246) | 235.1 |
| Investment income and share of profits less losses from associates and jointly controlled entities | 6,246 | 2,513 | 148.5 |
| Profit before taxation | 65,504 | | |