

CHINA PETROLEUM & CHEMICAL CORP
Form 6-K
October 31, 2016

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 October, 2016

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

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

Form 20-F Form 40-F

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

Yes No

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

82-_____.)

N/A

This Form 6-K consists of:

An announcement regarding 2016 third quarterly report of China Petroleum & Chemical Corporation (the “Registrant”), made by the Registrant on October 27, 2016.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibilities 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)

OVERSEAS REGULATORY ANNOUNCEMENT

This announcement is made pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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

Beijing, the PRC,
27 October 2016

As of the date of this notice, directors of Sinopec Corp. are: directors of Sinopec Corp. are: Wang Yupu*, Dai Houliang#, Wang Zhigang#, Zhang Haichao#, Jiao Fangzheng#, Ma Yongsheng#, Jiang Xiaoming+, Andrew Y. Yan+, Tang Min+ and Fan Gang+.

Executive Director

* Non-executive Director

+ Independent Non-executive Director

The Third Quarterly Report for
2016

China Petroleum & Chemical Corporation
The Third Quarterly Report for 2016

27 October 2016
Beijing, China

The Third Quarterly Report for
2016

1 Important notice

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

1.2 The third quarterly report for 2016 (the “Quarterly Report”) was approved at the 10th meeting of the Sixth Session of the Board of Directors of Sinopec Corp. All the directors attended this meeting.

1.3 Mr. Wang Yupu, Chairman of the Board of Directors, Mr. Dai Houliang, Vice Chairman of the Board of Directors and President, Mr. Wang Dehua, Chief Financial Officer and Head of the Corporate Finance Department of Sinopec Corp. warrant the authenticity, accuracy and completeness of the financial statements contained in the Quarterly Report.

1.4 The financial statements in the Quarterly Report were not audited.

3

The Third Quarterly Report for
2016

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 PRC Accounting Standards for Business Enterprises (“ASBE”)

| | As of 30 September 2016 | As of 31 December 2015 | RMB million Changes from the end of the preceding year to the end of the reporting period (%) |
|---|----------------------------|---------------------------|---|
| Total assets | 1,413,148 | 1,447,268 | (2.4) |
| Total equity attributable to equity shareholders of the Company | 692,711 | 677,538 | 2.2 |
| | Nine Months 2016 | 2015 | Changes over the same period of the preceding year (%) |
| Net cash flow from operating activities | 131,700 | 116,239 | 13.3 |
| Operating income | 1,363,945 | 1,537,956 | (11.3) |
| Net profit attributable to equity shareholders of the Company | 29,166 | 25,893 | 12.6 |
| Net profit attributable to equity shareholders of the Company excluding extraordinary gains and losses | 28,337 | 24,722 | 14.6 |
| Weighted average return on net assets (%) | 4.26 | 4.07 | 0.19 percentage points |
| Basic earnings per share (RMB) | 0.241 | 0.214 | 12.6 |
| Diluted earnings per share (RMB) | 0.241 | 0.214 | 12.6 |

The Third Quarterly Report for
2016

| Extraordinary (gain)/loss items | Third Quarter 2016 RMB million | Nine Months 2016 RMB million |
|---|-----------------------------------|---------------------------------|
| Loss on disposal of non-current assets | 112 | 105 |
| Donations | 16 | 64 |
| Gain on holding and disposal of various investments | 371 | (471) |
| Other extraordinary income and expenses, net | (398) | (1,007) |
| Subtotal | 101 | (1,309) |
| Tax effect | 8 | 276 |
| Total | 109 | (1,033) |
| Equity shareholders of the Company | 131 | (829) |
| Minority interests | (22) | (204) |

2.1.2 Principal financial data and indicators prepared in accordance with International Financial Reporting standards (“IFRS”)

| | As of 30 September 2016 | As of 31 December 2015 | RMB million Changes from the end of the preceding year to the end of the reporting period (%) |
|--|----------------------------|---------------------------|---|
| Total assets | 1,413,148 | 1,447,268 | (2.4) |
| Equity attributable to owners of the Company | 691,447 | 676,197 | 2.3 |
| | Nine Months | | |
| | 2016 | 2015 | Changes over the same period of the preceding year (%) |
| Net cash generated from operating activities | 131,700 | 116,239 | 13.3 |

Edgar Filing: CHINA PETROLEUM & CHEMICAL CORP - Form 6-K

| | | | |
|---|--------|--------|---------------------------|
| Operating profit | 51,430 | 49,376 | 4.2 |
| Net profit attributable to equity shareholders of the Company | 30,107 | 27,075 | 11.2 |
| Basic earnings per share (RMB) | 0.249 | 0.224 | 11.2 |
| Diluted earnings per share (RMB) | 0.249 | 0.224 | 11.2 |
| Return on net assets (%) | 4.35 | 4.00 | 0.35 percentage points |

The Third Quarterly Report for
2016

2.2 Total number of shareholders and top ten shareholders at the end of the reporting period

Total number of shareholders 641,544, including 635,289 holders of domestic A shares and 6,255 holders of overseas H shares.

Top ten shareholders (Top ten shareholders holding shares without selling restrictions)

| Name of shareholders | Total number of shares held | Percentage (%) | Number of shares subject to pledge or lock-ups | Nature of shareholder |
|---|-----------------------------|----------------|--|-----------------------|
| China Petrochemical Corporation | 85,792,671,101 | 70.86 | 0 | State-owned share |
| HKSCC (Nominees) Limited 1 | 25,377,333,229 | 20.96 | Unknown | H share |
| | 1,827,304,500 | 1.51 | 0 | A share |
| | 322,037,900 | 0.27 | 0 | A share |
| | 244,593,847 | 0.20 | 0 | A share |
| 行 特定漻户 乃管琄 | 1,178,465,413 | 0.93 | 0 | A share |
| 泰君安 | 131,145,806 | 0.11 | 0 | A share |
| 行 上 50交亸𱚫开放式ᓧ数 | 20,512,430 | 0.02 | 0 | A share |
| 交通 行 | 20,650,571 | 0.02 | 0 | A share |
| 长江 | 77,735,324 | 0.06 | 0 | A share |

Note 1: Sinopec Century Bright Capital Investment Limited, overseas wholly-owned subsidiary of China Petrochemical Corporation, holds 553,150,000 H shares, which is included in the total number of the shares held by HKSCC Nominees Limited.

The Third Quarterly Report for
2016

2.3 Review of operating results

In the first three quarters of 2016, global economic recovery remained slow. China's GDP grew by 6.7%. International crude oil prices bottomed out and fluctuated within a wide range in the third quarter, but remained at low level. Domestic refined oil product prices were adjusted timely in line with international crude oil prices. The refined oil products pricing mechanism was further improved with the price floor put into place. Domestic apparent consumption of refined oil products grew by 4.39% over the same period last year, driven by substantial increase of gasoline and kerosene consumption while diesel consumption dropped slightly. Ethylene equivalent consumption maintained roughly flat compared with the same period last year and the competitiveness of naphtha-based chemicals was increased at low oil price environment.

The Company, focusing on growth quality and profitability, further enhanced structure adjustment and management. We optimised market-oriented operation, fully leveraged advantages across the integrated value chain, overcame the impact of natural disaster and coordinated all aspects of work. In accordance with the ASBE and IFRS, net profit attributable to equity shareholders of the Company was RMB 29.166 billion and RMB 30.107 billion respectively in the first three quarters.

Exploration and Production: To address the challenge of low oil prices, the Company effectively optimised exploration and production activities which achieved positive results. In exploration, through technological progress and efficiency promotion, we attained new discoveries in Tahe of Xinjiang Autonomous Region, Beibu Gulf off-shore in Guangxi and Yin-E Basin in Nei Mongol Autonomous Region and new natural gas findings in west Sichuan and Erdos Basin. In development, Phase Two shale gas development project in Fuling Shale Gas field further facilitated our shale gas development. In production, we strengthened cost discipline and reduced high-cost oil production. In the first three quarters, oil and gas production of the Company was 322.29 million barrels of oil equivalent, down by 8.13%, out of which crude oil output dropped 12.58% over the same period last year while natural gas grew by 5.09%. The Exploration and Production Segment had earnings before interest and taxes (EBIT) of RMB -30.865 billion.

Refining: The Company actively responded to challenges arising from sharp increase of throughput from independent refineries, ample market supply and changes in refined oil products demand. We further optimised our refined oil product mix by increasing production of gasoline and kerosene, reduced our crude purchasing costs, kept steady unit load and pressed ahead with refined oil products quality upgrading. Based on customer need, we strengthened marketing service of other refined oil products, such as asphalt and LPG, etc. In the first three quarters, refinery throughput and refined oil products production decreased by 1.72% and 1.04% respectively, among which gasoline up by 3.04%, jet fuel up by 4.28% and diesel down by 5.95% over the same period last year. The Refining Segment had EBIT of RMB 43.504 billion, up by 183.12% over the same period last year.

Marketing and Distribution: In light of ample domestic fuel supply and strong competition in the market, the Company coordinated and optimised internal and external resources, and adjusted marketing efforts, achieving growth in both total sales volume and retail sales volume, especially in retail scale of premium products with high octane number. We further improved our product pipeline network and accelerated the building of service stations. Non-fuel business kept fast

The Third Quarterly Report for
2016

development momentum owing to synergy between fuel and non-fuel businesses. In the first three quarters, total sales volume of refined oil products was 146 million tonnes, up by 3.53% over the same period last year. Total domestic sales volume of refined oil products was 130 million tonnes, up by 2.27%. Transaction of non-fuel business reached RMB 26.92 billion, up by 40.21% compared with the same period last year. The Marketing and Distribution Segment had EBIT of RMB 25.839 billion, up by 14.50% over the same period last year.

Chemicals: The Company further optimised feedstock and product mix, as well as facilities structure. We further lowered feedstock cost for ethylene. We strengthened the integration among production, sales, product R&D and customer need and continuously optimised operations of manufacturing facilities, which has achieved great results. We strengthened R&D, production and marketing capabilities of new high value-added products, with performance polymer ratio reaching 59.7% and differential ratio of synthetic fibre reaching 84.8%. We also focused on improving customer services to enhance customer loyalty. At the same time, we held firm to our strategies of low inventories and customised marketing. In the first three quarters, ethylene production reached 8.115 million tonnes, down by 1.91% and chemical sales volume was 50.46 million tonnes, up by 11.19% over the same period last year. The Chemicals Segment had EBIT of RMB 19.135 billion, up by 8.95% over the same period last year.

Summary of Principal Operating Results for the First Three Quarters

| Operating data | Unit | For nine-month period ended | | Changes (%) |
|--|-------------------------|-----------------------------|-------------------|-------------|
| | | 2016 | 30 September 2015 | |
| Exploration and production | | | | |
| Oil and gas production ¹ | million boe | 322.29 | 350.82 | (8.13) |
| Crude oil production | million barrels | 229.36 | 262.38 | (12.58) |
| China | million barrels | 191.26 | 222.42 | (14.01) |
| Overseas | million barrels | 38.10 | 39.96 | (4.65) |
| Natural gas production | billion cubic feet | 557.15 | 530.14 | 5.09 |
| Realised crude oil price | USD/barrel | 35.44 | 48.91 | (27.54) |
| Realised natural gas price | USD/thousand cubic feet | 5.48 | 7.12 | (23.03) |
| Refining ² | | | | |
| Refinery throughput | million tonnes | 175.25 | 178.32 | (1.72) |
| Gasoline, diesel and kerosene production | million tonnes | 111.02 | 112.19 | (1.04) |
| Gasoline | million tonnes | 42.09 | 40.85 | 3.04 |
| Diesel | million tonnes | 50.15 | 53.32 | (5.95) |
| Kerosene | million tonnes | 18.78 | 18.01 | 4.28 |

Edgar Filing: CHINA PETROLEUM & CHEMICAL CORP - Form 6-K

| | | | | |
|--------------------------|----------------|-------|-------|----------------------|
| Light chemical feedstock | million tonnes | 28.45 | 29.40 | (3.23) |
| | | | | (0.27) |
| Light products yield | % | 76.35 | 76.62 | percentage points |
| | | | | (0.31) |
| Refining yield | % | 94.47 | 94.78 | percentage points |

8

The Third Quarterly Report for
2016

| Operating data | Unit | For nine-month period ended 30 September | | Changes (%) |
|---|-----------------|---|--------|-------------|
| | | 2016 | 2015 | |
| Marketing and Distribution | | | | |
| Total sales of refined oil products | million tonnes | 145.72 | 140.75 | 3.53 |
| Total domestic sales volume of refined oil products | million tonnes | 129.58 | 126.71 | 2.27 |
| Retail | million tonnes | 89.79 | 88.19 | 1.81 |
| Direct sales & Wholesale | million tonnes | 39.79 | 38.52 | 3.30 |
| Total number of Sinopec-branded service stations ³ | stations | 30,721 | 30,560 | 0.53 |
| Company-operated | stations | 30,708 | 30,547 | 0.53 |
| Annualised average throughput per station ⁴ | tonnes/station | 3,899 | 3,857 | 1.09 |
| Chemical² | | | | |
| Ethylene | thousand tonnes | 8,115 | 8,273 | (1.91) |
| Synthetic resin | thousand tonnes | 11,138 | 11,265 | (1.13) |
| Synthetic rubber | thousand tonnes | 619 | 668 | (7.34) |
| Monomers and polymers for synthetic fibre | thousand tonnes | 6,830 | 6,684 | 2.18 |
| Synthetic fibre | thousand tonnes | 934 | 967 | (3.41) |

Note:

1. Conversion: in the first three quarters of 2016, for domestic production of crude oil, 1 tonne = 7.10 barrels; for overseas production of crude oil, 1 tonne=7.20 barrels; for production of natural gas, 1 cubic meter = 35.31 cubic feet.
2. Including 100% production of domestic joint ventures.
3. The number of service stations in 2015 was the number as of 31 December 2015.
4. Throughput per service station data was annualised.

Capital expenditure: The Company, focusing on growth quality and profitability, strengthened the management of investment return and optimisation of investment project. The Company's capital expenditures were RMB 24.969 billion in the first three quarters. Capital expenditure for Exploration and Production Segment was RMB 9.206 billion, mainly for Phase Two of shale gas development in Fuling, LNG terminals in Guangxi and Tianjin, and Jinan-Qingdao gas pipeline II. Capital expenditure for refining segment was RMB 4.995 billion, mainly for gasoline and diesel quality upgrading and refinery optimisation and revamping projects. Capital expenditure for marketing and distribution segment was RMB 5.983 billion, mainly for renovation of service stations, refined oil products pipelines, oil depots and safety hazard rectification projects. Capital expenditure for chemical segment was RMB 3.967 billion, mainly for feedstock and product optimisation projects and coal chemical projects. Capital expenditure for corporate and others was RMB 818 million, mainly for R&D facilities and IT application projects.

The Third Quarterly Report for
2016

3 Significant events

3.1 Significant changes in major items contained in the consolidated financial statements prepared in accordance with ASBE and the reasons for such changes.

| Items of Consolidated Balance Sheet | 30 | 31 | Increase/(decrease) | | Major reasons for changes |
|---|----------------|---------------|---------------------|------------|---|
| | September 2016 | December 2015 | Amount | Percentage | |
| | RMB million | RMB million | RMB million | (%) | |
| Prepayments | 5,040 | 2,920 | 2,120 | 72.6 | Mainly due to increase in the prepayment for refined oil products and crude oil. |
| Other receivables | 10,700 | 21,453 | (10,753) | (50.1) | Mainly due to the settlement and confirmation of gain and loss for hedging derivatives. |
| Short-term loans | 41,581 | 74,729 | (33,148) | (44.4) | Mainly due to repayment of short-term loans. |
| Other payables | 58,739 | 86,337 | (27,598) | (32.0) | Mainly due to settlement and confirmation of gain and loss for hedging derivatives, and increase in payment upon completion of construction projects. |
| Non-current liabilities due within one year | 24,552 | 11,277 | 13,275 | 117.7 | Mainly due to reclassification for long-term loans due within one year |
| Short-term debentures payable | 6,000 | 30,000 | (24,000) | (80.0) | Mainly due to repayment of super short-term commercial paper |

| Items of consolidated income statement | For | For | Increase/(decrease) | | Main reasons for changes |
|--|---|---|---------------------|------------|--------------------------|
| | nine-month period ended 30 September 2016 | nine-month period ended 30 September 2015 | Amount | Percentage | |
| | RMB million | RMB million | RMB million | (%) | |
| | 1,528 | 327 | 1,201 | 367.3 | |

The Third Quarterly Report for
2016

3.2 Status of fulfilment of commitments undertaken by the Company, shareholder and actual controller.

| Background | Type of Undertaking | Party | Contents | Term for performance | Whether bears deadline or not | Whether strictly performed or not |
|---|-------------------------------|---------------------------------|--|--|-------------------------------|-----------------------------------|
| Undertakings related to Initial Public Offerings (IPOs) | Initial Public Offering (IPO) | China Petrochemical Corporation | 1 Compliance with the connected transaction agreements; 2 Solving the issues regarding the legality of land-use rights certificates and property ownership rights certificates within a specified period of time; 3 Implementation of the Reorganization Agreement (please refer to the definition of “Reorganization Agreement” in the H share prospectus of Sinopec Corp.); 4 Granting licenses for intellectual property rights; 5 Avoiding competition within the same industry; and 6 Abandonment of business competition and conflicts of interest with Sinopec Corp. | From June 22, 2001 | No | Yes |
| O t h e r undertakings | Other | China Petrochemical Corporation | China Petrochemical Corporation would dispose of its minor remaining chemicals business within five years in order to avoid competition with Sinopec Corp. in the chemicals business. | Within five years, commencing March 15, 2012 | Yes | Yes |
| O t h e r undertakings | Other | China Petrochemical Corporation | Given that China Petrochemical Corporation engages in the same or similar businesses as Sinopec Corp. with regard to | 10 years after April 29, 2014 or the date when Sinopec | Yes | Yes |

the exploration and production of overseas petroleum and natural gas, China Petrochemical Corporation hereby grants a 10-year option to Sinopec Corp. with the following provisions: (i) after a thorough analysis from political, economic and other perspectives, Sinopec Corp. is entitled to require China Petrochemical Corporation to sell its overseas oil and gas assets owned as of the date of the undertaking and still in its possession upon Sinopec Corp.'s exercise of the option to Sinopec Corp.; (ii) in relation to the overseas oil and gas assets acquired by China Petrochemical Corporation after the issuance of the undertaking, within 10 years of the completion of such acquisition, after a thorough analysis from political, economic and other perspectives, Sinopec Corp. is entitled to require China Petrochemical Corporation to sell these assets to Sinopec Corp.. China Petrochemical Corporation undertakes to transfer the assets as required by Sinopec Corp. under aforesaid items (i) and (ii) to Sinopec Corp., provided that the exercise of such option complies with applicable laws and regulations, contractual obligations and other procedural requirements.

Group
acquires the
assets

The Third Quarterly Report for
2016

As of the end of the reporting period, Sinopec Corp. had no undertakings in respect of profits, asset injections or asset restructuring that had not been fulfilled, nor did Sinopec Corp. make any profit forecast in relation to any asset or project.

3.4 This quarterly results announcement is published in both Chinese and English languages. In the event of any discrepancies, the Chinese version shall prevail.

By Order of the Board

Chairman

Wang Yupu

27 October 2016

The Third Quarterly Report for
2016

4. Appendix

4.1 Quarterly financial statements prepared under China Accounting Standards for Business Enterprises (“ASBE”)

Consolidated Balance Sheet
as at 30 September 2016

Prepared by: China Petroleum & Chemical Corporation

| Items | As at 30 September 2016 | Units: million | Currency: RMB | Type: unaudited |
|-------------------------------------|----------------------------|---------------------------|---------------|-----------------|
| | | As at 31 December 2015 | | |
| Current assets： | | | | |
| Cash at bank and on hand | 86,383 | | 69,666 | |
| Bills receivable | 12,419 | | 10,964 | |
| Accounts receivable | 58,293 | | 56,142 | |
| Prepayments | 5,040 | | 2,920 | |
| Other receivables | 10,700 | | 21,453 | |
| Inventories | 141,790 | | 145,608 | |
| Other current assets | 24,370 | | 26,904 | |
| Total current assets | 338,995 | | 333,657 | |
| Non-current assets： | | | | |
| Available-for-sale financial assets | 11,097 | | 10,964 | |
| Long-term equity investments | 90,168 | | 84,293 | |
| Fixed assets | 714,847 | | 733,449 | |
| Construction in progress | 123,022 | | 152,325 | |
| Intangible assets | 82,007 | | 81,086 | |
| Goodwill | 6,324 | | 6,271 | |
| Long-term deferred expenses | 13,663 | | 13,919 | |
| Deferred tax assets | 7,183 | | 7,469 | |
| Other non-current assets | 25,842 | | 23,835 | |
| Total non-current assets | 1,074,153 | | 1,113,611 | |
| Total assets | 1,413,148 | | 1,447,268 | |
| Current liabilities： | | | | |
| Short-term loans | 41,581 | | 74,729 | |
| Bills payable | 4,457 | | 3,566 | |

Edgar Filing: CHINA PETROLEUM & CHEMICAL CORP - Form 6-K

| | | |
|--|---------|---------|
| Accounts payable | 140,645 | 130,558 |
| Advances from customers | 93,757 | 92,688 |
| Employee benefits payable | 4,549 | 1,185 |
| Taxes payable | 33,717 | 32,492 |
| Other payables | 58,739 | 86,337 |
| Short-term debentures payable | 6,000 | 30,000 |
| Non-current liabilities due within one year | 24,552 | 11,277 |
| Total current liabilities | 407,997 | 462,832 |

13

The Third Quarterly Report for
2016

| | | |
|--|-----------|-----------|
| Non-current liabilities： | | |
| Long-term loans | 66,561 | 56,493 |
| Debentures payable | 65,771 | 83,253 |
| Provisions | 35,819 | 33,186 |
| Deferred tax liabilities | 7,954 | 8,259 |
| Other non-current liabilities | 15,544 | 13,680 |
| Total non-current liabilities | 191,649 | 194,871 |
| Total liabilities | 599,646 | 657,703 |
| Shareholders' equity： | | |
| Share capital | 121,071 | 121,071 |
| Capital reserve | 119,411 | 121,576 |
| Other comprehensive income | (3,800) | (7,984) |
| Specific reserve | 1,476 | 612 |
| Surplus reserves | 196,640 | 196,640 |
| Retained earnings | 257,913 | 245,623 |
| Total equity attributable to shareholders of the Company | 692,711 | 677,538 |
| Minority interests | 120,791 | 112,027 |
| Total shareholders' equity | 813,502 | 789,565 |
| Total liabilities and shareholders' equity | 1,413,148 | 1,447,268 |

Wang Yupu
Chairman
(Legal representative)

Dai Houliang
Vice Chairman, President

Wang Dehua
Chief Financial Officer

The Third Quarterly Report for
2016Balance Sheet
as at 30 September 2016

Prepared by: China Petroleum & Chemical Corporation

| Items | As at 30 September 2016 | Units: million | Currency: RMB | Type: unaudited |
|--|----------------------------|---------------------------|---------------|-----------------|
| | | As at 31 December 2015 | | |
| Current assets： | | | | |
| Cash at bank and on hand | 54,455 | | 46,453 | |
| Bills receivable | 400 | | 540 | |
| Accounts receivable | 19,090 | | 29,512 | |
| Prepayments | 1,754 | | 1,296 | |
| Other receivables | 66,548 | | 64,620 | |
| Inventories | 39,165 | | 46,029 | |
| Other current assets | 38,881 | | 36,559 | |
| Total current assets | 220,293 | | 225,009 | |
| Non-current assets： | | | | |
| Available-for-sale financial assets | 297 | | 297 | |
| Long-term equity investments | 237,937 | | 219,230 | |
| Fixed assets | 403,927 | | 439,477 | |
| Construction in progress | 51,046 | | 72,763 | |
| Intangible assets | 7,920 | | 8,397 | |
| Long-term deferred expenses | 2,107 | | 2,154 | |
| Other non-current assets | 12,008 | | 11,959 | |
| Total non-current assets | 715,242 | | 754,277 | |
| Total assets | 935,535 | | 979,286 | |
| Current liabilities： | | | | |
| Short-term loans | 15,033 | | 32,517 | |
| Bills payable | 2,484 | | 1,852 | |
| Accounts payable | 71,271 | | 85,182 | |
| Advances from customers | 2,753 | | 3,151 | |
| Employee benefits payable | 2,372 | | 290 | |
| Taxes payable | 20,194 | | 20,832 | |

| | | |
|--|---------|---------|
| Other payables | 93,984 | 86,427 |
| Short-term debentures payable | 6,000 | 30,000 |
| Non-current liabilities due within one year | 23,086 | 5,352 |
| Total current liabilities | 237,177 | 265,603 |

The Third Quarterly Report for
2016

| | | |
|--|---------|---------|
| Non-current liabilities： | | |
| Long-term loans | 62,712 | 54,526 |
| Debentures payable | 47,500 | 65,500 |
| Provisions | 31,442 | 28,968 |
| Deferred tax liabilities | 605 | 177 |
| Other non-current liabilities | 3,371 | 2,238 |
| Total non-current liabilities | 145,630 | 151,409 |
| Total liabilities | 382,807 | 417,012 |
| Shareholders' equity： | | |
| Share capital | 121,071 | 121,071 |
| Capital reserve | 68,664 | 68,716 |
| Other comprehensive income | 552 | (145) |
| Specific reserve | 717 | 313 |
| Surplus reserves | 196,640 | 196,640 |
| Retained earnings | 165,084 | 175,679 |
| Total shareholders' equity | 552,728 | 562,274 |
| Total liabilities and shareholders' equity | 935,535 | 979,286 |

Wang Yupu
Chairman
(Legal representative)

Dai Houliang
Vice Chairman, President

Wang Dehua
Chief Financial Officer

The Third Quarterly Report for
2016Consolidated Income Statement
for the nine-month periods ended 30 September 2016

Prepared by: China Petroleum & Chemical Corporation

Units: million Currency: RMB Type: unaudited

| Items | Three-month periods ended 30 September 2016 | Three-month periods ended 30 September 2015 | Nine-month periods ended 30 September 2016 | Nine-month periods ended 30 September 2015 |
|--|---|---|--|--|
| I. Total operating income | 484,725 | 496,825 | 1,363,945 | 1,537,956 |
| II. Total operating costs | 469,450 | 492,883 | 1,319,899 | 1,499,329 |
| Including: Operating costs | 377,015 | 397,636 | 1,042,208 | 1,218,008 |
| Sales taxes and surcharges | 58,242 | 59,375 | 171,073 | 179,264 |
| Selling and distribution expenses | 12,143 | 11,783 | 35,715 | 34,187 |
| General and administrative expenses | 18,295 | 17,906 | 56,711 | 52,327 |
| Financial expenses | 1,163 | 4,581 | 5,447 | 7,705 |
| Exploration expenses, including dry holes | 2,487 | 1,480 | 7,217 | 7,511 |
| Impairment losses | 105 | 122 | 1,528 | 327 |
| Add: Loss from changes in fair value | (230) | (136) | (117) | (25) |
| Investment income | 1,859 | 268 | 7,253 | 4,807 |
| III. Operating profit | 16,904 | 4,074 | 51,182 | 43,409 |
| Add: Non-operating income | 919 | 1,418 | 2,276 | 3,284 |
| Less: Non-operating expenses | 648 | 665 | 1,523 | 1,598 |
| IV. Profit before taxation | 17,175 | 4,827 | 51,935 | 45,095 |
| Less: Income tax expense | 3,486 | 790 | 11,865 | 10,464 |
| V. Net profit | 13,689 | 4,037 | 40,070 | 34,631 |
| Attributable to: | | | | |
| Equity shareholders of the Company | 9,916 | 1,437 | 29,166 | 25,893 |
| Minority interests | 3,773 | 2,600 | 10,904 | 8,738 |

The Third Quarterly Report for
2016

| | | | | |
|--|---------|-------|--------|--------|
| VI. Earnings per share | | | | |
| (i) Basic earnings per share (RMB Yuan) | 0.082 | 0.011 | 0.241 | 0.214 |
| (ii) Diluted earnings per share (RMB Yuan) | 0.082 | 0.011 | 0.241 | 0.214 |
| VII. Total other comprehensive income | (627) | 4,187 | 2,193 | 5,542 |
| Items that may be reclassified subsequently to profit or loss(after tax and reclassification adjustments): | | | | |
| Cash flow hedges | (1,011) | 2,602 | 756 | 4,082 |
| Available-for-sale financial assets | (8) | 12 | (41) | 48 |
| Share of other comprehensive income/(loss) of associates and jointly controlled entities | 89 | (27) | 188 | (145) |
| Foreign currency translation differences | 303 | 1,600 | 1,290 | 1,557 |
| VIII.Total comprehensive income | 13,062 | 8,224 | 42,263 | 40,173 |
| Attributable to: | | | | |
| Equity shareholders of the Company | 9,117 | 4,743 | 33,350 | 31,006 |
| Minority interests | 3,945 | 3,481 | 8,913 | 9,167 |

Wang Yupu
Chairman
(Legal representative)

Dai Houliang
Vice Chairman, President

Wang Dehua
Chief Financial Officer

The Third Quarterly Report for
2016Income Statement
for the nine-month periods ended 30 September 2016

Prepared by: China Petroleum & Chemical Corporation

| Items | Units: million Currency: RMB Type: unaudited | | | |
|---|---|---|--|--|
| | Three-month periods ended 30 September 2016 | Three-month periods ended 30 September 2015 | Nine-month periods ended 30 September 2016 | Nine-month periods ended 30 September 2015 |
| I. Operating income | 176,851 | 209,774 | 523,000 | 648,093 |
| Less: Operating costs | 126,495 | 154,794 | 364,330 | 472,638 |
| Sales taxes and surcharges | 38,710 | 43,941 | 118,312 | 129,961 |
| Selling and distribution expenses | 443 | 655 | 1,747 | 1,896 |
| General and administrative expenses | 10,094 | 10,310 | 31,621 | 29,631 |
| Financial expenses | 754 | 1,524 | 2,819 | 5,024 |
| Exploration expenses, including dry holes | 2,487 | 1,476 | 7,217 | 7,486 |
| Impairment losses | (11) | (2) | 1,113 | 96 |
| Add: Gain/(Loss) from changes in fair value | - | 9 | - | (263) |
| Investment income | 1,939 | 2,257 | 10,689 | 7,236 |
| II. Operating profit | (182) | (658) | 6,530 | 8,334 |
| Add: Non-operating income | 308 | 999 | 1,075 | 2,100 |
| Less: Non-operating expenses | 221 | 251 | 690 | 722 |
| III. Profit before taxation | (95) | 90 | 6,915 | 9,712 |
| Less: Income tax expense | (171) | (804) | 681 | 605 |
| IV. Net profit | 76 | 894 | 6,234 | 9,107 |
| V. Total other comprehensive income | 405 | 147 | 697 | 637 |
| Items that may be reclassified subsequently to profit or loss (after tax and reclassification adjustments): | 　 | 　 | 　 | 　 |
| Cash flow hedges | 335 | 222 | 642 | 713 |
| Share of other comprehensive income/(loss) in associates | 70 | (75) | 55 | (76) |

| | | | | |
|--------------------------------|-----|-------|-------|-------|
| VI. Total comprehensive income | 481 | 1,041 | 6,931 | 9,744 |
|--------------------------------|-----|-------|-------|-------|

Wang Yupu
Chairman
(Legal representative)

Dai Houliang
Vice Chairman, President

Wang Dehua
Chief Financial Officer

The Third Quarterly Report for
2016

Consolidated Cash Flow Statement
for the nine-month periods ended 30 September 2016

Prepared by: China Petroleum & Chemical Corporation

| Items | Units: million Currency: RMB Type: unaudited | |
|---|---|---|
| | Nine-month periods ended 30 September 2016 | Nine-month periods ended 30 September 2015 |
| I. Cash flows from operating activities | | |
| Cash received from sale of goods and rendering of services | 1,615,777 | 1,758,455 |
| Refund of taxes and levies | 1,653 | 2,485 |
| Other cash received relating to operating activities | 62,036 | 76,782 |
| Sub-total of cash inflows | 1,679,466 | 1,837,722 |
| Cash paid for goods and services | (1,171,618) | (1,332,041) |
| Cash paid to and for employees | (41,556) | (38,174) |
| Payments of taxes and levies | (251,394) | (250,528) |
| Other cash paid relating to operating activities | (83,198) | (100,740) |
| Sub-total of cash outflows | (1,547,766) | (1,721,483) |
| Net cash flow from operating activities | 131,700 | 116,239 |
| II. Cash flows from investing activities | | |
| Cash received from disposal of investments | 17,930 | 1,253 |
| Cash received from returns on investments | 2,806 | 2,371 |
| Net cash received from disposal of fixed assets, intangible assets and other long-term assets | 375 | 413 |
| Net cash received from disposal of subsidiaries and other business entities | 2,027 | - |
| Other cash received relating to investing activities | 1,850 | 4,707 |
| Sub-total of cash inflows | 24,988 | 8,744 |
| Cash paid for acquisition of fixed assets, intangible assets and other long-term assets | (45,909) | (71,392) |
| Cash paid for acquisition of investments | (15,197) | (8,382) |
| Other cash paid relating to investing activities | (5,101) | (3,104) |
| Sub-total of cash outflows | (66,207) | (82,878) |

| | | |
|---|----------|----------|
| Net cash flow from investing activities | (41,219) | (74,134) |
|---|----------|----------|

The Third Quarterly Report for
2016

| | | |
|--|-----------|-----------|
| III. Cash flows from financing activities | | |
| Cash received from capital contributions | 202 | 105,733 |
| Including: Cash received from minority shareholders' capital contributions to subsidiaries | 202 | 105,733 |
| Cash received from borrowings | 401,057 | 863,620 |
| Sub-total of cash inflows | 401,259 | 969,353 |
| Cash repayments of borrowings | (453,475) | (933,811) |
| Cash paid for dividends, profits distribution or interest | (26,352) | (30,746) |
| Including: Subsidiaries' cash payments for distribution of dividends or profits to minority shareholders | (4,726) | (756) |
| Sub-total of cash outflows | (479,827) | (964,557) |
| Net cash flow from financing activities | (78,568) | 4,796 |
| IV. Effects of changes in foreign exchange rate | 303 | 7 |
| V. Net increase in cash and cash equivalents | 12,216 | 46,908 |
| Add: Cash and cash equivalents at 1 January | 68,933 | 9,355 |
| VI. Cash and cash equivalents at 30 September | 81,149 | 56,263 |

Wang Yupu
Chairman
(Legal representative)

Dai Houliang
Vice Chairman, President

Wang Dehua
Chief Financial Officer

The Third Quarterly Report for
2016Cash Flow Statement
for the nine-month periods ended 30 September 2016

Prepared by: China Petroleum & Chemical Corporation

| Items | Units: million Currency: RMB Type: unaudited | |
|---|---|---|
| | Nine-month periods ended 30 September 2016 | Nine-month periods ended 30 September 2015 |
| I. Cash flows from operating activities | | |
| Cash received from sale of goods and rendering of services | 605,835 | 750,466 |
| Refund of taxes and levies | 999 | 1,750 |
| Other cash received relating to operating activities | 46,776 | 52,793 |
| Sub-total of cash inflows | 653,610 | 805,009 |
| Cash paid for goods and services | (350,443) | (506,489) |
| Cash paid to and for employees | (23,498) | (24,195) |
| Payments of taxes and levies | (155,934) | (164,251) |
| Other cash paid relating to operating activities | (47,308) | (132,071) |
| Sub-total of cash outflows | (577,183) | (827,006) |
| Net cash flow from operating activities | 76,427 | (21,997) |
| II. Cash flows from investing activities | | |
| Cash received from disposal of investments | 24,733 | 138,514 |
| Cash received from returns on investments | 14,696 | 5,400 |
| Net cash received from disposal of fixed assets, intangible assets and other long-term assets | 621 | 4,303 |
| Net cash received from disposal of subsidiaries and other business entities | 2,027 | - |
| Other cash received relating to investing activities | 949 | 746 |
| Sub-total of cash inflows | 43,026 | 148,963 |
| Cash paid for acquisition of fixed assets, intangible assets and other long-term assets | (26,515) | (45,251) |
| Cash paid for acquisition of investments | (32,755) | (15,217) |
| Other cash paid relating to investing activities | (130) | - |
| Sub-total of cash outflows | (59,400) | (60,468) |

Edgar Filing: CHINA PETROLEUM & CHEMICAL CORP - Form 6-K

| | | |
|---|-----------|-----------|
| Net cash flow from investing activities | (16,374) | 88,495 |
| III. Cash flows from financing activities | | |
| Cash received from borrowings | 152,920 | 192,992 |
| Sub-total of cash inflows | 152,920 | 192,992 |
| Cash repayments of borrowings | (185,420) | (201,029) |
| Cash paid for dividends, profits distribution or interest | (19,681) | (29,185) |
| Sub-total of cash outflows | (205,101) | (230,214) |
| Net cash flow from financing activities | (52,181) | (37,222) |
| IV. Net increase in cash and cash equivalents | 7,872 | 29,276 |
| Add: Cash and cash equivalents at 1 January | 46,453 | 1,804 |
| V. Cash and cash equivalents at 30 September | 54,325 | 31,080 |

Wang Yupu
Chairman
(Legal representative)

Dai Houliang
Vice Chairman, President

Wang Dehua
Chief Financial Officer

The Third Quarterly Report for
2016Segment Reporting
for the nine-month periods ended 30 September 2016

Prepared by: China Petroleum & Chemical Corporation

| Items | Units: million Currency: RMB Type: unaudited | |
|---|--|--|
| | Nine-month periods ended 30 September 2016 | Nine-month periods ended 30 September 2015 |
| Income from principal operations | | |
| Exploration and production | | |
| External sales | 34,544 | 43,736 |
| Inter-segment sales | 40,829 | 56,341 |
| Subtotal | 75,373 | 100,077 |
| Refining | | |
| External sales | 73,012 | 92,725 |
| Inter-segment sales | 537,839 | 617,926 |
| Subtotal | 610,851 | 710,651 |
| Marketing and distribution | | |
| External sales | 748,387 | 826,408 |
| Inter-segment sales | 2,185 | 2,093 |
| Subtotal | 750,572 | 828,501 |
| Chemicals | | |
| External sales | 197,109 | 211,218 |
| Inter-segment sales | 27,034 | 33,327 |
| Subtotal | 224,143 | 244,545 |
| Corporate and others | | |
| External sales | 275,824 | 335,357 |
| Inter-segment sales | 221,609 | 266,259 |
| Subtotal | 497,433 | 601,616 |
| Elimination of inter-segment sales | (829,496) | (975,946) |
| Consolidated income from principal operations | 1,328,876 | 1,509,444 |
| Income from other operations | | |
| Exploration and production | 5,111 | 5,152 |

| | | |
|---|-----------|-----------|
| Refining | 4,023 | 3,497 |
| Marketing and distribution | 16,558 | 12,641 |
| Chemicals | 8,502 | 5,933 |
| Corporate and others | 875 | 1,289 |
| Consolidated income from other operations | 35,069 | 28,512 |
| Consolidated operating income | 1,363,945 | 1,537,956 |

The Third Quarterly Report for
2016

| | | |
|---------------------------------|----------|---------|
| Operating profit/(loss) | | |
| By segment | | |
| Exploration and production | (30,900) | (4,332) |
| Refining | 41,607 | 13,205 |
| Marketing and distribution | 23,690 | 20,742 |
| Chemicals | 15,129 | 14,904 |
| Corporate and others | 1,395 | 831 |
| Elimination | (1,428) | 982 |
| Total segment operating profit | 49,493 | 46,332 |
| Investment income/(loss) | | |
| Exploration and production | (449) | (569) |
| Refining | 1,112 | 498 |
| Marketing and distribution | 2,091 | 1,273 |
| Chemicals | 3,683 | 2,655 |
| Corporate and others | 816 | 950 |
| Total segment investment income | 7,253 | 4,807 |
| Financial expenses | (5,447) | (7,705) |
| Loss from changes in fair value | (117) | (25) |
| Operating profit | 51,182 | 43,409 |
| Add: Non-operating income | 2,276 | 3,284 |
| Less: Non-operating expenses | 1,523 | 1,598 |
| Profit before taxation | 51,935 | 45,095 |

The Third Quarterly Report for
2016

4.2 Quarterly financial statements prepared under International Financial Reporting Standards (“IFRS”)

Consolidated Income Statement
for the nine-month periods ended 30 September 2016

Prepared by: China Petroleum & Chemical Corporation

| Items | Units: million Currency: RMB Type: unaudited | | | |
|---|---|---|--|--|
| | Three-month periods ended 30 September 2016 | Three-month periods ended 30 September 2015 | Nine-month periods ended 30 September 2016 | Nine-month periods ended 30 September 2015 |
| Turnover and other operating revenues | | | | |
| Turnover | 472,080 | 486,995 | 1,328,876 | 1,509,444 |
| Other operating revenues | 12,645 | 9,830 | 35,069 | 28,512 |
| Subtotal | 484,725 | 496,825 | 1,363,945 | 1,537,956 |
| Operating expenses | | | | |
| Purchased crude oil, products and operating supplies and expenses | (352,524) | (372,568) | (967,943) | (1,143,566) |
| Selling, general and administrative expenses | (15,605) | (16,931) | (48,661) | (49,167) |
| Depreciation, depletion and amortization | (24,344) | (24,027) | (73,449) | (70,322) |
| Exploration expenses, including dry holes | (2,487) | (1,480) | (7,217) | (7,511) |
| Personnel expenses | (14,720) | (13,576) | (43,783) | (40,295) |
| Taxes other than income tax | (58,242) | (59,375) | (171,073) | (179,264) |
| Other operating (expense)/income, net | (481) | 12 | (389) | 1,545 |
| Total operating expenses | (468,403) | (487,945) | (1,312,515) | (1,488,580) |
| Operating profit | 16,322 | 8,880 | 51,430 | 49,376 |
| Finance costs | | | | |
| Interest expense | (2,614) | (1,827) | (7,778) | (6,211) |
| Interest income | 1,150 | 1,094 | 2,508 | 2,191 |
| Loss on embedded derivative component of the convertible bonds | - | - | - | (259) |

Edgar Filing: CHINA PETROLEUM & CHEMICAL CORP - Form 6-K

| | | | | |
|---|---------|---------|----------|----------|
| Foreign currency exchange gains/(losses), net | 301 | (3,848) | (177) | (3,685) |
| Net finance costs | (1,163) | (4,581) | (5,447) | (7,964) |
| Investment income | 108 | 38 | 206 | 124 |
| Share of profits from associates and joint ventures | 2,204 | 753 | 6,803 | 4,888 |
| Profit before taxation | 17,471 | 5,090 | 52,992 | 46,424 |
| Tax expense | (3,486) | (790) | (11,865) | (10,464) |

The Third Quarterly Report for
2016

| | | | | |
|---------------------------------------|--------|-------|--------|--------|
| Profit for the period | 13,985 | 4,300 | 41,127 | 35,960 |
| Attributable to： | | | | |
| Owners of the Company | 10,188 | 1,652 | 30,107 | 27,075 |
| Non-controlling interests | 3,797 | 2,648 | 11,020 | 8,885 |
| Profit for the period | 13,985 | 4,300 | 41,127 | 35,960 |
| Earnings per share | | | | |
| Basic earnings per share (RMB Yuan) | 0.084 | 0.013 | 0.249 | 0.224 |
| Diluted earnings per share (RMB Yuan) | 0.084 | 0.013 | 0.249 | 0.224 |

The Third Quarterly Report for
2016Consolidated Statement of Comprehensive Income
for the nine-month periods ended 30 September 2016

Prepared by: China Petroleum & Chemical Corporation

| Items | Units: million | | Currency: RMB | | Type: unaudited |
|--|---|---|--|--|-----------------|
| | Three-month periods ended 30 September 2016 | Three-month periods ended 30 September 2015 | Nine-month periods ended 30 September 2016 | Nine-month periods ended 30 September 2015 | |
| Profit for the period | 13,985 | 4,300 | 41,127 | 35,960 | |
| Total other comprehensive income | (627) | 4,187 | 2,193 | 5,542 | |
| Items that may be reclassified subsequently to profit or loss(after tax and reclassification adjustments): | | | | | |
| Cash flow hedges | (1,011) | 2,602 | 756 | 4,082 | |
| Available-for-sale securities | (8) | 12 | (41) | 48 | |
| Share of other comprehensive income/(loss) of associates and joint ventures | 89 | (27) | 188 | (145) | |
| Foreign currency translation differences | 303 | 1,600 | 1,290 | 1,557 | |
| Total comprehensive income | 13,358 | 8,487 | 43,320 | 41,502 | |
| Attributable to: | | | | | |
| Owners of the Company | 9,389 | 4,942 | 34,291 | 32,188 | |
| Non-controlling interests | 3,969 | 3,515 | 9,029 | 9,314 | |

The Third Quarterly Report for
2016Consolidated Balance Sheet
as at 30 September 2016

Prepared by: China Petroleum & Chemical Corporation

Units: million Currency: RMB Type: unaudited

| Items | As at 30 September 2016 | As at 31 December 2015 |
|--|----------------------------|---------------------------|
| Non-current assets | | |
| Property, plant and equipment, net | 714,847 | 733,449 |
| Construction in progress | 123,022 | 152,325 |
| Goodwill | 6,324 | 6,271 |
| Interest in associates | 42,868 | 40,712 |
| Interest in joint ventures | 47,300 | 43,581 |
| Available-for-sale financial assets | 11,097 | 10,964 |
| Deferred tax assets | 7,183 | 7,469 |
| Lease prepayments | 52,777 | 51,049 |
| Long-term prepayments and other non-current assets | 68,735 | 67,791 |
| Total non-current assets | 1,074,153 | 1,113,611 |
| Current assets: | | |
| Cash and cash equivalents | 81,149 | 68,933 |
| Time deposits with financial institutions | 5,234 | 733 |
| Trade accounts receivable | 58,293 | 56,142 |
| Bills receivable | 12,419 | 10,964 |
| Inventories | 141,790 | 145,608 |
| Prepaid expenses and other current assets | 40,110 | 51,277 |
| Total current assets | 338,995 | 333,657 |
| Current liabilities | | |
| Short-term debts | 54,123 | 71,517 |
| Loans from Sinopec Group Company and fellow subsidiaries | 17,257 | 43,929 |
| Trade accounts payable | 140,645 | 130,558 |
| Bills payable | 4,457 | 3,566 |
| Accrued expenses and other payables | 187,840 | 212,214 |

| | | |
|---------------------------------------|-----------|-----------|
| Income tax payable | 3,675 | 1,048 |
| Total current liabilities | 407,997 | 462,832 |
| Net current liabilities | (69,002) | (129,175) |
| Total assets less current liabilities | 1,005,151 | 984,436 |

The Third Quarterly Report for
2016

| | | |
|--|---------|---------|
| Non-current liabilities： | | |
| Long-term debts | 88,232 | 95,446 |
| Loans from Sinopec Group Company and fellow subsidiaries | 44,100 | 44,300 |
| Deferred tax liabilities | 7,954 | 8,259 |
| Provisions | 35,819 | 33,186 |
| Other long-term liabilities | 16,863 | 15,084 |
| Total non-current liabilities | 192,968 | 196,275 |
| Total net assets | 812,183 | 788,161 |
| Equity： | | |
| Share capital | 121,071 | 121,071 |
| Reserves | 570,376 | 555,126 |
| Total equity attributable to owners of the Company | 691,447 | 676,197 |
| Non-controlling interests | 120,736 | 111,964 |
| Total equity | 812,183 | 788,161 |

The Third Quarterly Report for
2016Consolidated Statement of Cash Flow
for the nine-month periods ended 30 September 2016

Prepared by: China Petroleum & Chemical Corporation

Units: million Currency: RMB Type: unaudited

| Items | Nine-month periods ended 30 September 2016 | Nine-month periods ended 30 September 2015 |
|--|---|---|
| Net cash generated from operating activities(a) | 131,700 | 116,239 |
| Investing activities | | |
| Capital expenditure | (44,642) | (67,824) |
| Exploratory wells expenditure | (1,267) | (3,568) |
| Purchase of investments, investments in fellow subsidiaries, investments in associates and investments in joint ventures | (15,197) | (8,382) |
| Proceeds from disposal of investments and investments in associates | 19,957 | 906 |
| Proceeds from disposal of property, plant, equipment and other non-current assets | 375 | 413 |
| (Increase)/decrease in time deposits with maturities over three months | (4,501) | 82 |
| Interest received | 1,250 | 1,868 |
| Investment and dividend income received | 2,806 | 2,371 |
| Net cash used in investing activities | (41,219) | (74,134) |
| Financing activities | | |
| Proceeds from bank and other loans | 401,057 | 863,620 |
| Repayments of bank and other loans | (453,475) | (933,811) |
| Contributions to subsidiaries from non-controlling interests | 202 | 105,733 |
| Dividends paid by the Company | (16,876) | (24,214) |
| Distributions by subsidiaries to non-controlling interests | (4,726) | (756) |
| Interest paid | (4,750) | (5,776) |
| Net cash (used in)/generated from financing activities | (78,568) | 4,796 |

Edgar Filing: CHINA PETROLEUM & CHEMICAL CORP - Form 6-K

| | | |
|--|--------|--------|
| Net increase in cash and cash equivalents | 11,913 | 46,901 |
| Cash and cash equivalents at 1 January | 68,933 | 9,355 |
| Effect of foreign currency exchange rate changes | 303 | 7 |
| Cash and cash equivalents at 30 September | 81,149 | 56,263 |

The Third Quarterly Report for
2016

Note to consolidated statement of Cash Flow

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

| Items | Nine-month periods ended 30 September 2016 | Nine-month periods ended 30 September 2015 |
|---|---|---|
| Operating activities | | |
| Profit before taxation | 52,992 | 46,424 |
| Adjustments for: | | |
| Depreciation, depletion and amortisation | 73,449 | 70,322 |
| Dry hole costs written off | 5,615 | 5,277 |
| Share of profits from associates and joint ventures | (6,803) | (4,888) |
| Investment income | (206) | (124) |
| Interest income | (2,508) | (2,191) |
| Interest expense | 7,778 | 6,211 |
| Loss on foreign currency exchange rate changes and derivative financial instruments | 1,820 | 9,206 |
| Loss on disposal of property, plant, equipment and other non-currents assets, net | 105 | 152 |
| Impairment losses on assets | 1,528 | 327 |
| Loss on embedded derivative component of the convertible bonds | - | 259 |
| Operating profit before change of operating capital | 133,770 | 130,975 |
| Accounts receivable and other current assets | 487 | 32,023 |
| Inventories | 3,553 | 33,159 |
| Accounts payable and other current liabilities | 10,255 | (69,992) |
| Subtotal | 148,065 | 126,165 |
| Income tax paid | (16,365) | (9,926) |
| Net cash generated from operating activities | 131,700 | 116,239 |

The Third Quarterly Report for
2016Segment Reporting
for the nine-month periods ended 30 September 2016

Prepared by: China Petroleum & Chemical Corporation

| Items | Units: million Currency: RMB Type: unaudited | |
|------------------------------------|--|--|
| | Nine-month periods ended 30 September 2016 | Nine-month periods ended 30 September 2015 |
| Turnover | | |
| Exploration and production | | |
| External sales | 34,544 | 43,736 |
| Inter-segment sales | 40,829 | 56,341 |
| Subtotal | 75,373 | 100,077 |
| Refining | | |
| External sales | 73,012 | 92,725 |
| Inter-segment sales | 537,839 | 617,926 |
| Subtotal | 610,851 | 710,651 |
| Marketing and distribution | | |
| External sales | 748,387 | 826,408 |
| Inter-segment sales | 2,185 | 2,093 |
| Subtotal | 750,572 | 828,501 |
| Chemicals | | |
| External sales | 197,109 | 211,218 |
| Inter-segment sales | 27,034 | 33,327 |
| Subtotal | 224,143 | 244,545 |
| Corporate and others | | |
| External sales | 275,824 | 335,357 |
| Inter-segment sales | 221,609 | 266,259 |
| Subtotal | 497,433 | 601,616 |
| Elimination of inter-segment sales | (829,496) | (975,946) |
| Turnover | 1,328,876 | 1,509,444 |
| Other operating revenues | | |
| Exploration and production | 5,111 | 5,152 |
| Refining | 4,023 | 3,497 |

| | | |
|---------------------------------------|-----------|-----------|
| Marketing and distribution | 16,558 | 12,641 |
| Chemicals | 8,502 | 5,933 |
| Corporate and others | 875 | 1,289 |
| Other operating revenues | 35,069 | 28,512 |
| Turnover and other operating revenues | 1,363,945 | 1,537,956 |

The Third Quarterly Report for
2016

Result

Operating profit/(loss)

By segment

| | | |
|---|----------|---------|
| Exploration and production | (30,416) | (3,444) |
| Refining | 42,392 | 14,905 |
| Marketing and distribution | 24,273 | 21,500 |
| Chemicals | 15,452 | 14,908 |
| Corporate and others | 1,157 | 525 |
| Elimination | (1,428) | 982 |
| Total segment operating profit | 51,430 | 49,376 |
| Share of profits from associates and joint ventures | | |
| Exploration and production | (472) | (566) |
| Refining | 1,119 | 487 |
| Marketing and distribution | 1,496 | 987 |
| Chemicals | 3,656 | 2,599 |
| Corporate and others | 1,003 | 1,381 |
| Aggregate share of profits from associates and joint ventures | 6,802 | 4,888 |
| Investment income | | |
| Exploration and production | 23 | (3) |
| Refining | (7) | (26) |
| Marketing and distribution | 70 | 80 |
| Chemicals | 27 | 56 |
| Corporate and others | 94 | 17 |
| Aggregate investment income | 207 | 124 |
| Net finance costs | (5,447) | (7,964) |
| Profit before taxation | 52,992 | 46,424 |

The Third Quarterly Report for
2016

4.3 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 consolidated financial statements prepared in accordance with the 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, presentation or disclosures. 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 recognised 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 recognised in profit or loss with a corresponding increase in reserve according to PRC regulations. Such reserve is reduced for expenses incurred for safety production purposes or, when safety production related fixed assets are purchased, is reduced by the purchased cost with a corresponding increase in the accumulated depreciation. Such fixed assets are not depreciated thereafter. Under IFRS, payments are expensed as incurred, or capitalised as fixed assets and depreciated according to applicable depreciation methods.

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

Prepared by: China Petroleum & Chemical Corporation

| Items | Nine-month periods ended 30 September 2016 | Units: million | Currency: RMB | Type: unaudited |
|----------------------------------|---|--|---------------|-----------------|
| | | Nine-month periods ended 30 September 2015 | | |
| Net profit under ASBE | 40,070 | 34,631 | | |
| Adjustments: | | | | |
| Government grants (i) | 85 | 85 | | |
| Safety production fund (ii) | 972 | 1,244 | | |
| Profit for the period under IFRS | 41,127 | 35,960 | | |

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

Edgar Filing: CHINA PETROLEUM & CHEMICAL CORP - Form 6-K

| Items | At 30 September 2016 | At 31 December 2015 |
|---------------------------------|----------------------|---------------------|
| Shareholders' equity under ASBE | 813,502 | 789,565 |
| Adjustments: | | |
| Government grants(i) | (1,319) | (1,404) |
| Safety production fund (ii) | - | - |
| Total equity under IFRS | 812,183 | 788,161 |

34

SIGNATURE

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

China Petroleum & Chemical Corporation

By: /s/ Huang Wensheng

Name: Huang Wensheng

Title: Vice President and Secretary to the Board of Directors

Date: October 28, 2016