中国石化
SINOPEC

中国石化股份有限公司

CHINA PETROLEUM & CHEMICAL CORPORATION

(Stock Code: 00386)

Overseas Regulatory Announcement
China Petroleum & Chemical Corporation
The Third Quarterly Report for 2022

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China Petroleum & Chemical Corporation
Huang Wensheng

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

The third quarterly report for 2022 was approved at the 13th meeting of the 8th Session of the Board of Directors of Sinopec Corp. All directors attended this me(and)E3.71]TJuq

Items of Consolidated Balance Sheet	As of 30 September 2022	As of 31 December 2021	Increase/ (Decrease)		Main reasons for changes
			Amount	Percentage	
	RMB million	RMB million	RMB million	(%)	
					fourth quarter of last year.
Non-current liabilities due within one year	69,574	28,651	40,923	142.8	Increase in long-term loans and debentures payable due within one year.
Other current liabilities	103,849	31,762	72,087	227.0	Increase in low-interest debentures for supplementary of liquidity during the reporting period.
Treasury shares	375	-	375		

Items of Consolidated Cash Flow Statement	Nine-months period ended 30 September 2022	Nine-months period ended 30 September 2021	Increase/(Decrease)		Main reasons for changes
			Amount	Percentage	
	RMB million	RMB million	RMB million	(%)	
Other cash paid relating to operating activities	(247,067)	(122,068)	(124,999)	102.4	Increase in payment of derivative financial instruments margins.
Cash received from disposal of investment	517	6,614	(6,097)	(92.2)	Decrease in structured deposits received year on year.
Cash received from returns on investment	8,718	6,461	2,257	34.9	Increase in dividend received from associates and joint ventures.
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	218	919	(701)	(76.3)	Decrease of gain on disposal of fixed assets.
Net cash received from disposal of subsidiaries and other business entities	1	4,764	(4,763)	(100.0)	Payment of pipeline transaction received in the same period of 2021 and no such item in reporting period.
Other cash received relating to investing activities	52,283	26,431	25,852	97.8	Increase in amount received of time deposits with maturities over three months.
Cash paid for acquisition of investments	(6,350)	(18,595)	12,245	(65.9)	Decrease in entrusted loan year on year.
Net cash paid for the acquisition of subsidiaries and other business entities	(7,641)	(1,114)	(6,527)	585.9	Cash paid for the prior year-end asset acquisition.
Other cash paid relating to investing activities	(23,172)	(36,949)	13,777	(37.3)	Decrease in time deposits with maturities over three months year on year.
Cash received from borrowings	432,081	298,393	133,688	44.8	Increase in loans.
Cash repayments of borrowings	(332,437)	(252,759)	(79,678)	31.5	Increase in matured debts year on year.
Cash paid for dividends, profits distribution or interest	(65,759)	(44,820)	(20,939)	46.7	The payment of dividends for the period increased year on year.

2.

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

Total number of shareholders at the end of the reporting period	Total number of shareholders was 479,394, including 473,819 holders of domestic A shares and 5,575 holders of overseas H shares.
Top ten shareholders	

Name of shareholder	Total number of shares held	Percentage (%)	Number of shares subject to pledge or lock-ups	Nature of shareholder
China Petrochemical Corporation	82,709,227,393	68.31	0	State-owned share
HKSCC (Nominees) Limited	25,371,033,298	20.96	Unknown	H share
	2,325,374,407	1.92	0	A share
	1,203,674,433	0.99	0	A share
005L CT001	394,236,547	0.33	0	A share
	315,223,600	0.26	0	A share
	235,021,324	0.19	0	A share
50	124,680,276	0.10	0	A share
	83,162,900	0.07	0	A share
	77,458,009	0.06	0	A share

Note: Sinopec Century Bright Capital Investment Limited, overseas wholly-owned subsidiary of China Petrochemical Corporation, holds 767,916,000 H shares, accounting for 0.6343% of the total issued share capital of Sinopec Corp. Those shareholdings were included in the total number of the shares held by HKSCC Nominees Limited.

Sinopec Corp. is not aware of any connected relationship or acting in concert among or between the above-mentioned shareholders.

3.

In the first three quarters of 2022, the world economic growth slowed down. China effectively coordinated pandemic prevention and control with economic and social development and the overall economic operations recovered in an upward trend in the third quarter with the GDP growth of 3.9% year-on-year. The international crude oil prices rose sharply and fluctuated in the first half and dropped in the third quarter. The average spot price of Platts Brent was USD102.5 per barrel, up by 50.8% year-on-year. Domestic demand for natural gas kept stable. Based on the statistics of the Company, domestic demand for refined oil products shrank for the first half of the year and recovered with an increase of 1.5% year-on-year in the third quarter. The demand for major chemical products was weak due to the high crude oil price and the pandemic, with the ethylene equivalent consumption decreased by 1.0% year-on-year.

Confronted with severe and complex environment of production and operation, the Company gave full play to its integration advantages, actively responded to market changes, carried out in-depth optimization of the whole industrial chain, enhanced production and marketing coordination and achieved high-quality results. In accordance with CASs, net profit attributable to equity shareholders of the Company was RMB 56.660 billion, down by 5.6% year-on-year. In accordance with IFRS, net profit attributable to equity shareholders of the Company was RMB 57.284 billion, down by 5.9% year-on-year.

The Company seized the favourable opportunity of high oil prices,

intensified efforts in exploration and development, consolidated the foundation of resources, improved operational performance, and realised growth in production and profit. In terms of exploration, we strengthened risk exploration and trap pre-exploration in new regions and areas, and achieved a number of oil and gas discoveries, including breakthroughs in Shunbei oil and gas fields and Tarim Basin, shale oilfield in Bohai Bay basin and Subei basin, deep exploration of natural gas in Sichuan basin. In terms of development, we accelerated capacity building of major oilfields, such as Shunbei, Tahe and offshore blocks, strengthened efficiency adjustment and fine-tuned development of mature oil fields. We also actively promoted the capacity building of key natural gas blocks in Shunbei and Sichuan basin, and enhanced optimization and profitability improvement of the whole natural gas business chain. In the first three quarters of 2022, the Company's production of oil and gas reached 363.18 million barrels of oil equivalent, up by 2.3% year-on-year, with crude oil production reaching 210.82 million barrels, up by 1.0% year-on-year and natural gas production reaching 913.8 billion cubic feet, up by 4.1% year-on-year. The exploration and production segment realised earnings before interest and tax (EBIT) of RMB 46.245 billion in the first three quarters.

Exploration and Production	**Unit**			**Changes**
		2022	**2021**	**(%)**
Oil and gas production	million boe	363.18	355.01	2.3
Crude oil production	million barrels	210.82	208.65	1.0
China	million barrels	188.05	186.59	0.8
Overseas	million barrels	22.77	22.06	3.2
Natural gas production	billion cubic feet	913.81	877.85	4.1
Realised crude oil price	USD/barrel	94.24	60.94	54.6
Realised natural gas price	USD/thousand cubic feet	7.54	6.74	11.9

Conversion: For domestic production of crude oil, 1 tonne = 7.10 barrels. For overseas production of crude oil, 1 tonne = 7.05 barrels. For production of natural gas, 1 cubic meter = 35.31 cubic feet.

The Company actively responded to challenges brought by high crude oil price and the pandemic, insisted on optimization and integration of production and marketing, leveraged the adaptability of facilities and maintained stable operation. We flexibly adjusted the utilization rate, product slate and export pace closely in line with market and reduced the inventory scale. We optimized the crude oil procurement and resources allocation to reduce procurement costs. We continuously promoted to increase the yield of chemical feedstock and refining specialities, accelerated construction of advanced capacity, promoted structural adjustment projects in an orderly manner and expedited the hydrogen supply projects. In the first three quarters of 2022, the Company processed 180 million tonnes crude oil, down by 5.6% year-on-year, yielding 103 million tonnes of refined oil products, among which diesel output increased by 4.7% year-on-year. The refining segment realised EBIT of RMB 20.645 billion in the first three quarters.

Refining	**Unit**	**Nine-month period ended 30 September**		**Changes**
		2022	**2021**	**(%)**
Refinery throughput	million tonnes	180.07	190.73	(5.6)
Gasoline, diesel and kerosene production	million tonnes	103.07	108.6	(5.1)

Refining	Unit	Nine-month period ended 30 September		Changes
		2022	2021	(%)
Gasoline	million tonnes	44.98	49.07	(8.3)
Diesel	million tonnes	44.92	42.92	4.7
Kerosene	million tonnes	13.17	16.6	(20.7)
Light chemical feedstock production	million tonnes	32.21	33.71	(4.4)
Light product yield	%	73.95	73.72	0.23 percentage points
Refining yield	%	95.11	94.71	0.40 percentage points

Note : Including 100% production of domestic joint ventures.

Facing the unfavourable situation of sporadic COVID-19 outbreaks in different regions, the Company strengthened the integration of production and marketing, scientifically adjusted business strategy and optimized the resources allocation. Especially, we seized the favorable opportunity of the gradual recovery of demand and continuous standardization of market orderliness in the third quarter and spared no effort to expand sales and increase profitability. We actively expanded low-sulphur bunker fuel market and further consolidated our market position. We expanded business scope, promoted branding building and improved the quality and profitability of non-fuel business. Efforts were made to accelerate sales network development, digitisation and transformation to an integrated energy service provider of petrol, gas, hydrogen, power and services. In the first three quarters, domestic sales volume of refined oil products was 121.99 million tonnes, among which the sales volume for the third quarter was 43.53 million tonnes, up by 16.4% quarter-on-quarter. The marketing and distribution segment realised EBIT of RMB 23.154 billion in the first three quarters.

Marketing and Distribution	Unit	Nine-month period ended 30 September		Changes
		2022	2021	(%)
Total sales volume of refined oil products	million tonnes	151.60	166.59	(9.0)
Total domestic sales volume of refined oil products	million tonnes	121.99	127.88	(4.6)
Retail	million tonnes	79.09	83.70	(5.5)
Direct sales & Distribution	million tonnes	42.91	44.18	(2.9)
Annualised average throughput per station	tonnes/station	3,430	3,633	(5.6)

Note: The total sales volume of refined oil products includes the amount of refined oil marketing and trading sales volume.

Chemicals: Facing difficulty situation of high cost, high inventory and low margin in domestic chemical industrial chain, the Company closely responded to market change, dynamically optimized the structure of feedstocks and products, optimized utilization rate according to profitability, maintained high utilization rate in profitable facilities, increased the production of EVA and BR and increased production and profits in coal chemical business. We comprehensively promoted the construction of capacity in

Zhenhai, Tianjin Nangang, Hainan and Jiujiang. In the first three quarters, ethylene production reached 10 million tonnes, up by 2.6% year-on-year. We made full efforts to ensure sufficient supply to our strategic customers, actively increased export, and vigorously expanded high-end markets. In the first three quarters, the total sales volume of chemical products was 60.40 million tonnes, with a slight decrease year-on-year. Due to the sharp decline of gross margin of chemical products, the chemicals segment realised EBIT of RMB -1.061 billion in the first three quarters.

Chemicals	**Unit**	**Nine-month period ended 30 September**		**Changes**
		2022	**2021**	**(%)**
Ethylene	thousand tonnes	10,002	9,752	2.6
Synthetic resin	thousand tonnes	13,790	14,002	(1.5)
Synthetic rubber	thousand tonnes	936	890	5.2
Monomers and polymers for synthetic fibre	thousand tonnes	6,705	6,819	(1.7)
Synthetic fibre	thousand tonnes	834	1,031	(19.1)

Note : Including 100% production of domestic joint ventures.

Capital expenditures in the first three quarters was RMB 104.0 billion, of which RMB 51.6 billion was spent in E&P segment, mainly for the crude oil capacity building in Shunbei and Tahe, natural gas capacity building in Chuanxi and Dongsheng, and the construction of storage and transportation facilities such as the relocation of Dongying crude oil depot and Longkou LNG projects; RMB 13.6 billion was spent in refining segment, mainly for Anqing and Yangzi refining upgrading projects and phase two of Zhenhai refining and chemical projects; RMB 6.5 billion was spent in marketing and distribution segment, mainly for the upgrading of existing stations and construction of integrated energy stations covering gasoline, gas, hydrogen, power and service, as well as logistics facilities; RMB 29.5 billion was spent in chemicals segment, mainly for Hainan and Tianjin Nangang ethylene projects, Jiujiang aromatics project, Zhenhai refining and chemical project phase II and Yizheng PTA project; RMB 2.8 billion was spent in corporate and others, mainly for construction of science and technology research and IT projects.

4.

On 18 May 2022, the Annual General Meeting for 2021, the First A Shareholders Class Meeting for 2022 and the First H Shareholders Class Meeting for 2022 of Sinopec Corp. considered and approved the Resolution to Grant to the Board a Mandate to Buy Back Domestic Shares and/or Overseas-listed Foreign Shares of Sinopec Corp., and authorized the Board (or the director authorised by the Board) to buy back A Shares or H Shares not exceeding 10% of the number of A Shares or H Shares of the Company in issue.

On 26 August 2022, the twelfth meeting of the eighth session of the Board considered and approved the Plan on Repurchasing the Company's Shares by Centralized Bidding Transactions. For details, please refer to the Company's announcements disclosed on the website of the Shanghai Stock Exchange on 29 August 2022 and 20 September 2022.

On 21 September 2022, the Company implemented the repurchase of A shares and H shares. As of

30 September 2022, the Company has repurchased 48 million A shares, accounting for 0.04% of the Company's total issued share capital on 30 September 2022, and the total amount paid was RMB 203,905,495.60 (exclusive of transaction fees). For details, please refer to the Progress Announcement on the Repurchase of A Shares by Centralized Bidding Transactions disclosed by the Company on the website of the Shanghai Stock Exchange on 10 October 2022; the Company has repurchased 54.414 million H Shares, accounting for approximately 0.04% of the Company's total issued share capital on 30 September 2022, and the total amount paid was HK$188,781,540.60 (exclusive of transaction fees).

This quarterly results announcement is published in both Chinese and English languages. In the event of any inconsistency between the two versions, the Chinese version shall prevail.

By Order of the Board

Ma Yongsheng

Chairman

28 October 2022

5.1 Quarterly financial statements prepared under China Accounting Standards for Business Enterprises (CASs)

As at 30 September 2022

Prepared by: China Petroleum & Chemical Corporation

Units: million Currency: RMB Type: unaudited

Cash at bank and on hand	216,728	221,989
Financial assets held for trading	1,013	-
Derivative financial assets	43,768	18,371
Accounts receivable	65,796	34,861
Receivables financing	5,660	5,939
Prepayments	12,162	9,267
Other receivables	30,086	35,664
Inventories	282,719	207,433
Other current assets	19,463	24,500
Long-term equity investments	220,888	209,179
Other equity instrument investments	785	767
Fixed assets	602,977	598,932
Construction in progress	179,990	155,939
Right-of-use assets	180,769	184,974
Intangible assets	119,856	119,210
Goodwill	8,779	8,594
Long-term deferred expenses	10,934	10,007
Deferred tax assets	21,478	19,389
Other non-current assets	26,668	24,240

Long-term loans	52,390	34,258
Debentures payable	9,536	31,522
Lease liabilities	92,452	104,426

For the nine-month period ended 30 September 2022

Prepared by: China Petroleum & Chemical Corporation

Units: million Currency: RMB Type: unaudited

Including: Operating costs	735,800	603,238	2,066,625	1,601,524
Taxes and surcharges	65,817	65,952	200,226	186,852
Selling and distribution expenses	14,654	16,616	42,784	48,347
General and administrative expenses	13,439	20,038	39,622	56,208
Research and development expenses	2,778	2,951	9,088	8,311
Financial expenses	2,604	2,352	7,941	7,254
Including: Interest expenses	4,363	3,896	12,487	11,556
Interest income	1,581	1,458	4,593	4,121
Exploration expenses, including dry holes	2,135	3,167	7,873	8,013
Add: Other income	3,727	427	5,848	1,671
Investment income	4,296	4,630	(6,011)	9,520
Including: Income from investment in associates and joint ventures	3,950	5,903	11,277	17,036
Gains from changes in fair value	3,323	(1,228)	1,765	(1,112)
Credit impairment reversals/ (losses)	67	(195)	139	(140)
Impairment losses	(920)	(110)	(2,376)	(1,036)
Asset disposal gains	114	152	249	433
Less: Non-operating expenses	743	670	1,822	1,751

Classification by ownership:				
(i) Equity shareholders of the Company	13,130	20,603	56,660	60,029
(ii) Minority interests	264	3,528	6,250	12,903
Items that may not be reclassified subsequently to profit or loss:	(2)	1	(19)	9
Changes in fair value of other equity instrument investments	(2)	1	(19)	9
Items that may be reclassified subsequently to profit or loss:	1,630	3,354	18,354	11,454
Other comprehensive income that can be converted into profit or loss under the equity method	(1,617)	87	1,780	208
Cost of hedging reserve	506	(20)	(338)	(60)
Cash flow hedges	(2,483)	3,066	7,775	11,706
Foreign currency translation differences	5,224			

For the nine-month period ended 30 September 2022

Prepared by: China Petroleum & Chemical Corporation

Units: million Currency: RMB Type: unaudited

	329,242	265,651	979,672	734,773
Less: Operating costs	271,636	203,170	792,959	566,597
Taxes and surcharges	41,749	39,146	128,206	111,871
Selling and distribution expenses	383	884	1,598	2,750
General and administrative expenses	5,585	9,353	17,250	25,739
Research and development expenses	1,467	2,637	7,310	7,599
Financial expenses	2,731	2,845	7,726	8,227
Including: Interest expenses	3,466	2,228	10,259	6,421
Interest income	878	662	2,614	1,822
Exploration expenses, including dry holes	1,924	2,847	6,718	7,029
Add: Other income	3,209	201	4,654	944
Investment income	6,366	12,337	23,666	22,939
Including: Income from investment in associates and joint ventures	942	1,979	3,956	6,345
Gains from changes in fair value	(513)	(243)	(272)	(11)
Credit impairment reversals	3	6	2	8
Impairment losses	10	1	(726)	(752)
Asset disposal gains	3	9	124	6
Add: Non-operating income	492	(7)	673	196
Less: Non-operating expenses	358	289	1,029	808
Less: Income tax expense	2,093	1,381	6,608	4,194
(i) Continuous operating net profit	10,886	15,403	38,389	23,289
(ii) Termination of net profit	-	-	-	-

Items that may not be reclassified subsequently to profit or loss:	-	-	(5)	-
Changes in fair value of other equity instrument investments	-	-	(5)	-
Items that may be reclassified subsequently to profit or loss:	(13)	4,444	4,748	10,398
Other comprehensive income that can be converted into profit or loss under the equity method	(14)	90	125	108
Cash flow hedges	1	4,354	4,623	10,290

Chairman *President* *Chief Financial Officer*

(Legal representative)

For the nine-month period ended 30 September 2022

Prepared by: China Petroleum & Chemical Corporation

Units: million Currency: RMB Type: unaudited

Cash received from borrowings	432,081	298,393
Other cash received relating to financing activities	1,347	115
Sub-total of cash inflows	435,363	299,112
Cash repayments of borrowings	(332,437)	(252,759)
Cash paid for dividends, profits distribution or interest	(65,759)	(44,820)
Including: Subsidiaries' cash payments for distribution of dividends or profits to minority shareholders	(4,360)	(5,741)
Other cash paid relating to financing activities	(13,290)	(14,762)
Sub-total of cash outflows	(411,486)	(312,341)
Net cash flow from financing activities		
Add: Initial balance of cash and cash equivalents	108,590	87,559

Chairman *President* *Chief Financial Officer*
(Legal representative)

For the nine-month period ended 30 September 2022

Prepared by: China Petroleum & Chemical Corporation

Units: million Currency: RMB Type: unaudited

Cash received from sale of goods and rendering of services	1,100,876	805,374
Refund of taxes and levies	5,731	602
Other cash received relating to operating activities	13,893	8,306
Sub-total of cash inflows	1,120,500	814,282
Cash paid for goods and services	(837,202)	(582,164)
Cash paid to and for employees	(31,695)	(29,678)
Payments of taxes and levies	(175,552)	(154,927)
Other cash paid relating to operating activities	(53,355)	(14,208)
Sub-total of cash outflows	(1,097,804)	(780,977)
Net cash flow from operating activities		
Cash received from disposal of investments	5,038	16,642
Cash received from returns on investments	23,123	17,791
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	45	56
Other cash received relating to investing activities	146,656	93,230
Sub-total of cash inflows	174,862	127,719
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	(42,868)	(38,050)
Cash paid for acquisition of investments	(20,452)	(37,610)
Cash paid for acquisition of subsidiaries and other business units	(4,221)	(964)
Other cash paid relating to investing activities	(136,949)	(93,843)
Sub-total of cash outflows	(204,490)	(170,467)
Net cash flow from investing activities		
Cash received from borrowings	187,385	151,145
Other cash received relating to financing activities	294,614	220,822
Sub-total of cash inflows	481,999	371,967
Cash repayments of borrowings	(121,305)	(121,860)
Cash paid for dividends or interest	(63,082)	(41,086)
Other cash paid relating to financing activities	(288,135)	(206,415)
Sub-total of cash outflows	(472,522)	(369,361)
Net cash flow from financing activities		

	(8)	-
Add Initial balance of cash and cash equivalents	34,575	28,081

By segment		
Exploration and production	39,165	7,673
Refining	20,023	53,310
Marketing and distribution	21,759	22,416
Chemicals	(4,502)	15,087
Corporate and others	15,632	4,609
Elimination	(7,210)	(11,835)
Total segment operating profit	84,867	91,260
Exploration and production	2,848	2,698
Refining	(74)	785
Marketing and distribution	494	1,626
Chemicals	2,986	7,500
Corporate and others	(12,265)	(3,089)
	(6,011)	9,520
Financial expenses	(7,941)	(7,254)
Gains/ (losses) from changes in fair value	1,765	(1,112)
Asset disposal gains	249	433
Other income	5,848	1,671
	78,777	94,518
Add: Non-operating income	1,677	1,196
Less: Non-operating expenses	1,822	1,751
	78,632	93,963

For the nine-month period ended 30 September 2022

Prepared by: China Petroleum & Chemical Corporation

Units: million Currency: RMB Type: unaudited

Items				
Revenue				
Revenue from primary business	825,474	724,908	2,407,710	1,956,431
Other operating revenues	15,722	16,010	45,612	45,260
Subtotal	841,196	740,918	2,453,322	2,001,691
Operating expenses				
Purchased crude oil, products and operating supplies and expenses	(700,430)	(576,176)	(1,962,613)	(1,521,731)
Selling, general and administrative expenses	(13,965)	(13,383)	(40,762)	(39,193)
Depreciation, depletion and amortisation	(27,911)	(28,282)	(81,549)	(82,748)
Exploration expenses, including dry holes	(2,135)	(3,167)	(7,873)	(8,013)
Personnel expenses	(25,264)	(24,937)	(74,487)	(70,132)
Taxes other than income tax	(65,817)	(65,952)	(200,226)	(186,852)
Impairment reversals/ (losses) on trade and other receivables	67	(195)	139	(140)
Other operating income/ (expense), net	7,221	(2,287)	(10,065)	(7,857)
Total operating expenses				
Operating profit				
Finance costs				
Interest expense	(4,363)	(3,896)	(12,487)	(11,556)
Interest income	1,581	1,458	4,593	4,121
Foreign currency exchange gains/ (losses), net	178	86	(47)	181
Net finance costs				
Investment income	74	79	200	193
Share of profits less losses from associates and joint ventures	3,950	5,903	11,277	17,036
Profit before taxation				
Income tax expense	(1,261)	(5,979)	(15,722)	(21,031)
Profit for the period				
Attributable to				
Owners of the Company	12,833	20,665	57,284	60,892
Non-controlling interests	288	3,525	6,416	13,077
Profit for the period				
Earnings per share				
Basic earnings per share (RMB)	0.106	0.171	0.473	0.503
Diluted earnings per share (RMB)	0.106	0.171	0.473	0.503

For the nine-month period ended 30 September 2022

Prepared by: China Petroleum & Chemical Corporation

Units: million Currency: RMB Type: unaudited

Items	**Current Amount (July-September)**	**Amount of the previous period (July-September)**	**Nine-month period ended 30 September 2022**	**Nine-month period ended 30 September 2021**
		24,190	**63,700**	**73,969**
Items that may not be reclassified subsequently to profit or loss:	**1,628**	**3,355**	**18,335**	**11,463**

For the nine-month period ended 30 September 2022

Prepared by: China Petroleum & Chemical Corporation

Units: million Currency: RMB Type: unaudited

Investing activities		
Capital expenditure	(82,142)	(78,185)
Exploratory wells expenditure	(12,343)	(10,417)
Purchase of investments	(5,341)	(10,363)
Payment for financial assets at fair value through profit or loss	(1,009)	(8,232)
Proceeds from settlement of financial assets at fair value through profit or loss	6	4,739
Payment for acquisition of subsidiary, net of cash acquired	(7,641)	(1,114)
Proceeds from disposal of investments	512	6,639
Proceeds from disposal of property, plant, equipment and other non-current assets	218	919
Increase in time deposits with maturities over three months	(22,071)	(32,711)
Decrease in time deposits with maturities over three months	47,491	22,698
Interest received	3,489	2,407
Investment and dividend income received	8,718	6,461
Proceeds from/ (payments of) other investing activities	202	(2,912)
Financing activities		
Proceeds from bank and other loans	432,081	298,393
Repayments of bank and other loans	(332,437)	(252,759)
Contributions to subsidiaries from non-controlling interests	1,935	604
Dividends paid by the Company	(56,903)	(35,111)
Distributions by subsidiaries to non-controlling interests	(4,360)	(5,741)
Interest paid	(4,496)	(3,968)
Payments made to acquire non-controlling interests	-	(1,410)
Repayments of lease liabilities	(10,877)	(12,778)
Proceeds from other financing activities	1,347	115
Repayments of other financing activities	(2,413)	(574)
Effect of foreign currency exchange rate changes	4,798	(177)

For the nine-month period ended 30 September 2022

Prepared by: China Petroleum & Chemical Corporation

Units: million Currency: RMB Type: unaudited

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

Profit before taxation	79,422	95,000
Adjustments for:		
Depreciation, depletion and amortisation	81,549	82,748
Dry hole costs written off	5,556	5,427
Share of profits less losses from associates and joint ventures	(11,277)	(17,036)
Investment income	(200)	(193)
Interest income	(4,593)	(4,121)
Interest expense	12,487	11,556
(Gain) /loss on foreign currency exchange rate changes and derivative financial instruments	(451)	1,203
Loss on disposal of property, plant, equipment and other non-current assets, net	205	125
Impairment losses on assets	2,376	1,036
Impairment (reversals) /losses on trade and other receivables	(139)	140
Operating profit before change of operating capital	164,935	175,885
Accounts receivable and other current assets	(26,933)	(62,740)
Inventories	(77,664)	(46,565)
Accounts payable and other current liabilities	13,041	70,880
Subtotal	73,379	137,460
Income tax paid	(14,135)	(20,716)

By segment		
Exploration and production	43,591	8,708
Refining	20,849	53,567
Marketing and distribution	21,120	21,628
Chemicals	(4,037)	15,757
Corporate and others	1,573	(2,800)
Elimination	(7,210)	(11,835)
Share of profits/ (losses) from associates and joint ventures		
Exploration and production	2,654	2,134
Refining	(245)	728
Marketing and distribution	1,994	2,678
Chemicals	3,131	7,556
Corporate and others	3,743	3,940
Exploration and production	-	62
Refining	41	(1)
Marketing and distribution	40	10
Chemicals	(155)	(56)
Corporate and others	274	178

5.3 Differences between consolidated financial statements prepared in accordance with the accounting policies complying with the accounting policies complying with CASs 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 CASs 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 CASs, 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 CASs, 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 CASs and the profit for the period under IFRS are analysed as follows:

Prepared by: China Petroleum & Chemical Corporation

Units: million Currency: RMB Type: unaudited

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

Units: million Currency: RMB Type: unaudited