



CHINA PETROLEUM & CHEMICAL CORPORATION

**Overseas Regulatory Announcement
China Petroleum & Chemical Corporation
The Third Quarterly Report for 2023**

China Petroleum & Chemical Corporation
Huang Wensheng

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中国石油化工股份有限公司

China Petroleum & Chemical Corporation

The Third Quarterly Report for 2023

26 October 2023

Beijing China

Important notice

- 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 2023 was approved at the 19th meeting of the 8th Session of the Board of Directors of Sinopec Corp. All directors attended this meeting.
- Mr. Ma Yongsheng, Chairman, Mr. Yu Baocai, President, Ms. Shou Donghua, Chief Financial Officer and Head of the Financial Department of Sinopec Corp. warrant the authenticity, accuracy and completeness of the financial statements contained in this quarterly report.
- The financial statements in this quarterly report were not audited.

1. Principal financial data

1.1 Principal financial data and indicators

1.1.1 Principal financial data and indicators prepared in accordance with China Accounting Standards for Business Enterprises (CASs)

				RMB million
	Nine-month period ended 30 September			Changes
	2023	2022 (adjusted)	2022 (before adjustment)	

assets and liabilities arising from a single transaction”, and retrospectively adjusted the accounting treatments of applicable transactions which happened from 1 January 2022 to the first effective date.

1.1.2 Extraordinary items

RMB million		
Extraordinary items	Three-months period ended 30 September 2023 (July to September) (income) /expense	Nine-months period ended 30 September 2023 (income) /expense
Net gain on disposal of non-current assets	(612)	(1,481)
Donations	34	49
Government grants	(1,392)	(3,039)
Gains on holding and disposal of various investments	(117)	(436)
Other extraordinary (income) /expenses, net	391	658
Subtotal	(1,696)	(4,249)
Tax effect	331	1,113
Total	(1,365)	(3,136)
Attributable to:		
Equity shareholders of the Company	(1,231)	(2,687)
Minority interests	(134)	(449)

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

RMB million								
	Three-month period ended 30 September				Nine-month period ended 30 September			
	2023	2022 (adjusted)	2022 (before adjustment)	Changes over the same period of the preceding year (%)	2023	2022 (adjusted)	2022 (before adjustment)	Changes over the same period of the preceding year (%)
Revenue	876,259	841,196	841,196	4.2	2,469,941	2,453,322	2,453,322	0.7
Operating profit	25,591	12,962	12,962	97.4	79,287	75,886	75,886	4.5
Profit attributable to shareholders of the Company	17,938	13,028	12,833	37.7	54,060	57,869	57,284	(6.6)
Basic earnings per share (RMB)	0.150	0.108	0.106	38.9	0.451	0.478	0.473	(5.6)
Diluted earnings per share (RMB)	0.150	0.108	0.106	38.9	0.451	0.478	0.473	(5.6)
Return on net assets(%)	2.25	1.66	1.64	0.59 percentage points	6.77	7.39	7.34	(0.62) Percentage points

RMB million

	Nine-month period ended 30 September			
	2023	2022 (adjusted)	2022 (before adjustment)	Changes over the same period of the preceding year (%)
Net cash flow from operating activities	98,309	59,244	59,244	65.9
	As of 30 September 2023	As of 31 December 2022 (adjusted)	As of 31 December 2022 (before adjustment)	Changes from the end of last year(%)
Total assets	2,084,435	1,951,121	1,948,640	6.8
Total equity attributable to equity shareholders of the Company	798,152	787,600	784,706	1.3

Note: In 2023, the Company adopted the requirement of the International Accounting Standard No.12, deferred tax related to assets and liabilities arising from a single transaction, that “accounting treatment of deferred tax related to assets and liabilities arising from a single transaction for which initial recognition exemption does not apply”, and has retrospectively adjusted the accounting treatments of applicable transactions which happened from the earliest comparative period.

1.2 Significant changes in major items contained in the consolidated financial statements prepared in accordance with CASS.

Items of Consolidated Balance Sheet	As of 30 September 2023	As of 31 December 2022	Increase/ (Decrease)		Main reasons for changes
			Amount	Percentage	
	RMB million	RMB million	RMB million	(%)	
Financial assets held for trading	3	2	1	50.0	Impact of changes in fair value of funds held by the Company.
Derivative financial assets	10,196	19,335	(9,139)	(47.3)	Impact of changes in fair value of hedging business.
Derivative financial debts	11,544	7,313	4,231	57.9	
Accounts receivable	89,706	46,364	43,342	93.5	Increase in accounts receivable due to the rising sales volume of refined oil and other products.

Receivables
financing

Items of Consolidated Balance Sheet	As of 30 September 2023	As of 31 December 2022	Increase/ (Decrease)		Main reasons for changes
			Amount	Percentage	
	RMB million	RMB million	RMB million	(%)	
					investment, production and operating activities.
Other comprehensive income	902	3,072	(2,170)	(70.6)	Impact of foreign currency translation difference.
Specific reserve	3,873	2,813	1,060	37.7	Increase in accrued safety production expenses during the reporting period.

Items of Consolidated Income Statement	Nine-months period ended 30 September 2023	Nine-months period ended 30 September 2022	Increase/ (Decrease)		Main reasons for changes
			Amount	Percentage	
	RMB million	RMB million	RMB million	(%)	
Other income	7,679	5,848	1,831	31.3	Year-on-year increase in VAT refunds of import LNG.
Investment income/(loss)	2,190	(6,011)	8,201	-	Impact of changes in profit and loss of hedging business and associates and joint ventures.
(Losses)/gains from changes in fair value	(5,663)	1,765	(7,428)	-	Impact of floating loss of hedging business.
Credit impairment (loss)/reversals	(86)	139	(225)	-	Increase in bad debt losses on certain account receivables.
Asset disposal gains	1,481	249	1,232	494.8	Increase in gains from certain pipeline assets disposal.
Non-operating income	1,158	1,677	(519)	(30.9)	Gains from acquisition involving entities not under common control in previous reporting period and no such item in reporting period.

Items of Consolidated Income Statement	Three-month period ended 30 September 2023	Three-month period ended 30 September 2022	Increase/ (Decrease)		Main reasons for changes
			Amount	Percentage	
	RMB million	RMB million	RMB million	(%)	
Net profit attributable to equity shareholders of the Company	17,855	13,325	4,530	34.0	Oil and petrochemical market picked up, margin of refining and chemical products recovered and sales volume of refined oil products increased, overall margin of the Company increased year-on-year.
Net profit attributable to equity shareholders of the Company excluding	16,624	12,687	3,937	31.0	Oil and petrochemical market picked up, margin of refining and chemical products recovered and

Items of Consolidated Income Statement	Three-month period ended 30 September 2023	Three-month period ended 30 September 2022	Increase/ (Decrease)		Main reasons for changes
			Amount	Percentage	
	RMB million	RMB million	RMB million	(%)	
extraordinary gains and losses					sales volume of refined oil products increased, overall margin of the Company increased year-on-year.
Basic earnings per share (RMB)	0.149	0.110	0.039	35.5	Oil and petrochemical market picked up, margin of refining and chemical products recovered and sales volume of refined oil products increased, overall margin of the Company increased year-on-year.
Diluted earnings per share (RMB)	0.149	0.110	0.039	35.5	Oil and petrochemical market picked up, margin of refining and chemical products recovered and sales volume of refined oil products increased, overall margin of the Company increased year-on-year.

Items of Consolidated Cash Flow Statement	Nine-months period ended 30 September 2023	Nine-months period ended 30 September 2022	Increase/(Decrease)		Main reasons for changes
			Amount	Percentage	
	RMB million	RMB million	RMB million	(%)	
Net cash flow from operating activities	98,309	59,244	39,065	65.9	Decreased in funds occupied by inventory of crude oil and refined oil products and impact of payment of deferred taxes in the same period of last year.
Other cash received relating to operating activities	109,031	211,117	(102,086)	(48.4)	Decrease in margins of derivative business.
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	3,828	218	3,610	1,656.0	Increase in disposal of fixed assets in reporting period.
Cash paid for investment	(3,152)	(6,350)	3,198	-	Capital injection of some projects decreased.
Net cash paid for acquisition of subsidiaries and other entities	(73)	(7,641)	7,568	-	Part of the acquisition was paid in the same period last year and there was no this type of payment during the reporting period.
Other cash paid relating to investing activities	(63,892)	(23,172)	(40,720)	-	Increase in time deposits with maturities over three months year-on-year.

Items of Consolidated Cash Flow Statement	Nine-months period ended 30 September 2023	Nine-months period ended 30 September 2022	Increase/(Decrease)		Main reasons for changes
	RMB million	RMB million	Amount	Percentage	
			RMB million	(%)	
Cash received from capital contribution	957	1,935	(978)	(50.5)	Decrease in capital injection of projects received from minority shareholders year-on-year.
Cash received from borrowings	580,906	432,081	148,825	34.4	Increase in borrowings for liquidity and project funds.
Cash repayments of borrowings	(460,054)	(332,437)	(127,617)	-	Impact of increase in maturing borrowings.

2. Shareholders information

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 392,731, including 387,273 holders of domestic A shares and 5,458 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	80,572,167,393	67.22	0	State-owned share
HKSCC (Nominees) Limited	24,600,321,899	20.52	Unknown	H share
中国证券金融股份有限公司	2,325,374,407	1.94	0	A share
中国石油天然气集团有限公司	2,165,749,530	1.81	0	A share
香港中央结算有限公司	1,298,615,184	1.08	0	A share
中国人寿保险股份有限公司－传统－普通保险产品－005L－CT001 沪	493,106,478	0.41	0	A share
中央汇金资产管理有限责任公司	315,223,600	0.26	0	A share
国信证券股份有限公司	235,663,324	0.20	0	A share
中国工商银行－上证 50 交易型开放式指数证券投资基金	182,213,077	0.15	0	A share
国新投资有限公司	162,602,899	0.14	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 0.6407% 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.

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

3. Review of operating results

In the first three quarters of 2023, China's economy continued to recover and showed a good momentum, recording a GDP growth of 5.2% year-on-year. International oil prices fluctuated with a downward trend in the first half of 2023, and rose rapidly in the third quarter. The average spot price of Platts Brent was

USD 82.1 per barrel, down by 19.9% year-on-year. Based on the statistics of the Company, domestic natural gas demand grew steadily with apparent consumption up by 6.4% year-on-year. Domestic demand for refined oil products rebounded with apparent consumption up by 15.1% year-on-year, among which, gasoline, diesel and kerosene consumption increased by 20.4%, 4.3% and 68.6% respectively. Domestic demand for chemicals picked up with ethylene equivalent consumption up by 6.0% year-on-year.

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 in the first three quarters was RMB 52.966 billion, down by 7.5% year-on-year, including RMB 17.855 billion in the third quarter, up by 34.0% year-on-year. In accordance with IFRS, profit attributable to shareholders of the Company in the first three quarters was RMB 54.060 billion, down by 6.6% year-on-year, including RMB 17.938 billion in the third quarter, up by 37.7% year-on-year.

Exploration and Production: The Company intensified efforts in high quality exploration and profitable development with sound achievements made in increasing reserves, stabilizing oil production, boosting gas output and cutting cost. In terms of exploration, we strengthened risk exploration in new regions and areas and integrated evaluation exploration, and achieved a number of oil and gas discoveries and breakthroughs in Tarim Basin and Junggar Basin etc. The construction of Shengli Jiyang Shale Oil National Demonstration Zone was moving forward efficiently. In terms of development, we continued to scale up profitable production, carried forward the capacity building of Jiyang, Tahe and West Junggar, and deepened fine-tuned development of mature oil fields. Efforts were made to bring up reserve and production of natural gas and accelerate capacity building in Shunbei Zone II and West Sichuan marine facies gas field. We strengthened integrated operation of natural gas production, supply, storage and sales, and improved the profitability of the whole natural gas business chain. The Company's production of oil and gas in the first three quarters was 376.15 million barrels of oil equivalent, up by 3.6% year-on-year, among which natural gas production reached 992.98 billion cubic feet, up by 8.7% year-on-year. The exploration and production segment realised EBIT of RMB 41.620 billion in the first three quarters, including RMB 14.700 billion in the third quarter.

Exploration and Production	Unit	Nine-month period ended 30 September		Changes
		2023	2022	(%)
Oil and gas production	million boe	376.15	363.18	3.6
Crude oil production	million barrels	210.59	210.82	(0.1)
China	million barrels	188.24	188.05	0.1
Overseas	million barrels	22.35	22.77	(1.8)
Natural gas production	billion cubic feet	992.98	913.81	8.7
Realised crude oil price	USD/barrel	75.73	94.24	(19.6)
Realised natural gas price	USD/thousand cubic feet	7.10	7.54	(5.8)

Conversion: For domestic production of crude oil, 1 tonne = 7.1 barrels. For overseas production of crude oil, 1 tonne = 7.26 barrels. For production of natural gas, 1 cubic meter = 35.31 cubic feet.

Refining: The Company adhered to the integration and optimization of production and marketing, increased utilization rate and total processing volume, and maximized the performance of the business chain. We dynamically enhanced resources allocation and lowered procurement cost. We closely followed market demand, effectively optimised the rhythm of converting refined oil products to chemical feedstock and refining specialties, and increased production of marketable products such as high-grade lubricating oil and grease. We scaled up export volume and optimized export schedule and structure. In the first three quarters, the Company processed 193.74 million tonnes of crude oil, up by 7.6% year-on-year, and produced 117.52 million tonnes of refined oil products, up by 14.0%. The refining segment realised EBIT of RMB 18.700 billion in the first three quarters, including RMB 7.509 billion in the third quarter.

Refining	Unit	Nine-month period ended 30 September		Changes
		2023	2022	(%)
Refinery throughput	million tonnes	193.74	180.07	7.6
Gasoline, diesel and kerosene production	million tonnes	117.52	103.07	14.0
Gasoline	million tonnes	47.26	44.98	5.1
Diesel	million tonnes	48.45	44.92	7.9
Kerosene	million tonnes	21.81	13.17	65.6
Light chemical feedstock production	million tonnes	32.31	32.21	0.3
Light product yield	%	74.70	73.95	0.75 percentage points
Refining yield	%	94.94	95.11	(0.17) percentage points

Note : Including 100% production of domestic joint ventures.

Marketing and Distribution: The Company seized the favorable opportunity of rebounded market demand, brought our advantages of integrated business into full play, made full efforts to expand the market, and further enhanced the operating quality and scale. Active measures were taken to promote the expansion of charging and battery swapping business, expand application scenario of hydrogen business, and transform into an integrated energy service provider of petrol, gas, hydrogen, power and services. At the same time, we reinforced efforts in upgrading Sinopec-branded products and explored new business models to improve the quality and profitability of non-fuel business. Total sales volume of refined oil products for the first three quarters of the year was 180.55 million tonnes, up by 19.1% year-on-year, among which total domestic sales volume accounted for 142.61 million tonnes, up by 16.9% year-on-year. The marketing and distribution segment realised EBIT of RMB 26.528 billion in the first three quarters, including RMB 8.126 billion in the third quarter.

Marketing and Distribution	Unit	Nine-month period ended 30 September		Changes
		2023	2022	(%)
Total sales volume of refined oil products	million tonnes	180.55	151.60	19.1
Total domestic sales volume of refined oil products	million tonnes	142.61	121.99	16.9
Retail	million tonnes	91.05	79.09	15.1

Marketing and Distribution	Unit	Nine-month period ended 30 September		Changes
		2023	2022	(%)
Direct sales & Distribution	million tonnes	51.56	42.91	20.2

Annualised average throughput.5 (3)5.181 18.4ugn0.98 0 0 10. 0 1nbut.5 214.8878 704.0307 Tm13 Td2alis67471 10

4. Other significant events

The progress of share repurchase

On 30 May 2023, the Annual General Meeting for 2022, the First A Shareholders Class Meeting for 2023 and the First H Shareholders Class Meeting for 2023 of Sinopec Corp. considered and approved the Resolution to Grant to the Board of Sinopec Corp. a Mandate to Buy Back Domestic Shares and/or Overseas-listed Foreign Shares of the Company, and authorized the Board (or the director authorised by the Board) to buy back A Shares or H Shares separately or jointly, not exceeding 10% of the number of A Shares or H Shares of the Company in issue.

On 25 August 2023, the 18th meeting of the 8th 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 announcement disclosed on the website of the Shanghai Stock Exchange on 28 August 2023.

On 28 August 2023, the Company began to implement the repurchase of A shares and H shares. As of 30 September 2023, the Company has repurchased 19,600,015 A shares, accounting for 0.02% of the Company's total issued share capital on 30 September 2023, the highest repurchase price was RMB 6.17 per share, the lowest repurchase price was RMB 6.08 per share, and the total amount paid was RMB 120,230,857.40 (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 2023; the Company has repurchased 65,270,000 H Shares, accounting for 0.05% of the Company's total issued share capital on 30 September 2023, among which 32,688,000 H Shares were cancelled on 8 September 2023, the highest repurchase price was HK\$4.56 per share, the lowest repurchase price was HK\$4.24 per share, and the total amount paid was HK\$287,518,668.00 (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

26 October, 2023

5 Appendix

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

Consolidated Balance Sheet

As at 30 September 2023

Prepared by: China Petroleum & Chemical Corporation

Units: million Currency: RMB Type: unaudited

Items	At 30 September 2023	At 31 December 2022
Current assets:		
Cash at bank and on hand	181,782	145,052
Financial assets held for trading	3	2
Derivative financial assets	10,196	19,335
Accounts receivable	89,706	46,364
Receivables financing	8,341	3,507
Prepayments	11,395	7,956
Other receivables	31,447	27,009
Inventories	268,252	244,241
Other current assets	22,864	29,674
Total current assets	623,986	523,140
Non-current assets:		
Long-term equity investments	230,041	233,941
Other equity instrument investments	686	730
Fixed assets	635,628	630,758
Construction in progress	224,408	196,045
Right-of-use assets	175,200	178,359
Intangible assets	121,196	120,694
Goodwill	6,490	6,464
Long-term deferred expenses	12,191	12,034
Deferred tax assets	20,706	22,433
Other non-current assets	33,903	26,523
Total non-current assets	1,460,449	1,427,981
Total assets	2,084,435	1,951,121

Consolidated Balance Sheet (Continued)

Current liabilities:		
Short-term loans	89,152	21,313
Derivative financial liabilities	11,544	7,313
Bills payable	17,711	10,782
Accounts payable	246,393	258,642
Contract liabilities	138,182	125,444
Employee benefits payable	25,561	13,617
Taxes payable	35,448	28,379
Other payables	84,164	119,892
Non-current liabilities due within one year	26,739	62,844
Other current liabilities	19,423	19,159
Total current liabilities	694,317	667,385
Non-current liabilities:		
Long-term loans	187,684	94,964
Debentures payable	11,109	12,997
Lease liabilities	165,455	166,407
Provisions	49,400	47,587
Deferred tax liabilities	8,736	7,256
Other non-current liabilities	14,048	14,068
Total non-current liabilities	436,432	343,279
Total liabilities	1,130,749	1,010,664
Shareholders' equity:		
Share capital	119,864	119,896
Capital reserve	118,580	118,875
Less: Treasury shares	249	-
Other comprehensive income	902	3,072
Specific reserve	3,873	2,813
Surplus reserves	218,009	218,009
Retained earnings	338,009	325,806
Total equity attributable to shareholders of the Company	798,988	788,471
Minority interests	154,698	151,986
Total shareholders' equity	953,686	940,457
Total liabilities and shareholders' equity	2,084,435	1,951,121

Ma Yongsheng
Chairman
(Legal representative)

Yu Baocai
President

Shou Donghua
Chief Financial Officer

Balance Sheet

As at 30 September 2023

Prepared by: China Petroleum & Chemical Corporation

Units: million Currency: RMB Type: unaudited

Items	At 30 September 2023	At 31 December 2022
Current assets:		
Cash at bank and on hand	70,528	54,578
Financial assets held for trading	3	2
Derivative financial assets	3,958	3,892
Accounts receivable	32,096	33,841
Receivables financing	4,139	703
Prepayments	2,636	4,461
Other receivables	57,846	38,517
Inventories	72,060	70,376
Other current assets	32,415	21,260
Total current assets	275,681	227,630
Non-current assets:		
Long-term equity investments	399,198	382,879
Other equity instrument investments	201	201
Fixed assets	282,255	296,530
Construction in progress	91,963	81,501
Right-of-use assets	85,659	91,549
Intangible assets	8,290	8,095
Long-term deferred expenses	4,272	4,183
Deferred tax assets	6,579	9,487
Other non-current assets	48,816	41,365
Total non-current assets	927,233	915,790
Total assets	1,202,914	1,143,420
Current liabilities:		
Short-term loans	56,950	4,010
Derivative financial liabilities	2,887	4,299
Bills payable	4,275	4,038
Accounts payable	89,737	107,105
Contract liabilities	7,930	9,769
Employee benefits payable	14,788	8,467
Taxes payable	16,278	12,044
Other payables	232,065	247,480
Non-current liabilities due within one year	11,312	39,990
Other current liabilities	708	1,002
Total current liabilities	436,930	438,204

Balance Sheet (Continued)

Non-current liabilities:		
Long-term loans	124,023	56,755
Debentures payable	7,540	9,537
Lease liabilities	87,018	91,878
Provisions	39,914	38,298
Other non-current liabilities	2,090	2,121
Total non-current liabilities	260,585	198,589
Total liabilities	697,515	636,793
Shareholders' equity:		
Share capital	119,864	119,896
Capital reserve	63,342	63,628
Less: Treasury shares	249	-
Other comprehensive income	657	827
Specific reserve	2,204	1,745
Surplus reserves	218,009	218,009
Retained earnings	101,572	102,522
Total shareholders' equity	505,399	506,627
Total liabilities and shareholders' equity	1,202,914	1,143,420

Ma Yongsheng

Chairman
(Legal representative)

Yu Baocai*President***Shou Donghua***Chief Financial Officer*

Consolidated Income Statement

For the nine-month period ended 30 September 2023

Prepared by: China Petroleum & Chemical Corporation

Units: million Currency: RMB Type: unaudited

Items	The third quarter of 2023 (July- September)	The third quarter of 2022 (July- September)	Nine- month period ended 30 September 2023	Nine- month period ended 30 September 2022
I. Operating income	876,259	841,196	2,469,941	2,453,322
II. Total Operating costs	844,775	837,227	2,395,922	2,374,159
Including: Operating costs	734,358	735,800	2,085,919	2,066,625
Taxes and surcharges	71,248	65,817	198,509	200,226
Selling and distribution expenses	15,652	14,654	44,826	42,784
General and administrative expenses	14,607	13,439	42,094	39,622
Research and development expenses	3,892	2,778	9,884	9,088
Financial expenses	2,485	2,604	7,275	7,941
Including: Interest expenses	4,618	4,363	13,667	12,487
Interest income	1,622	1,581	4,861	4,593
Exploration expenses, including dry holes	2,533	2,135	6,238	5,717

Consolidated Income Statement (Continued)

Classification by ownership:

Income Statement

For the nine-month period ended 30 September 2023

Prepared by: China Petroleum & Chemical Corporation

Units: million Currency: RMB Type: unaudited

Items	The third quarter of 2023 (July- September)	The third quarter of 2022 (July- September)	Nine-month period ended 30 September 2023	Nine-month period ended 30 September 2022
I. Operating income	313,049	329,242	900,334	979,672
Less: Operating costs	251,808	271,636	725,757	792,959
Taxes and surcharges				

Income Statement (continued)

V. Other comprehensive income (net of tax)	1,946	(13)	26	4,743
<i>Items that may not be reclassified subsequently to profit or loss:</i>				
Changes in fair value of other equity instrument investments	-	-	-	(5)
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Other comprehensive income that can be converted into profit or loss under the equity method	(77)	(14)	(127)	125
Cash flow hedges	2,023	1	153	4,623
VI. Total comprehensive income	12,713	11,007	39,838	43,532

Ma Yongsheng*Chairman**(Legal representative)***Yu Baocai***President***Shou Donghua***Chief Financial Officer*

Consolidated Cash Flow Statement

For the nine-month period ended 30 September 2023

Prepared by: China Petroleum & Chemical Corporation

Units: million Currency: RMB Type: unaudited

Items	Nine-month period ended 30 September 2023	Nine-month period ended 30 September 2022
I. Cash flows from operating activities:		
Cash received from sale of goods and rendering of services	2,618,319	2,627,885
Refund of taxes and levies	9,202	8,401
Other cash received relating to operating activities	109,031	211,117
Sub-total of cash inflows	2,736,552	2,847,403
Cash paid for goods and services	(2,154,024)	(2,180,888)
Cash paid to and for employees	(65,806)	(61,586)
Payments of taxes and levies	(240,945)	(298,618)
Other cash paid relating to operating activities	(177,468)	(247,067)
Sub-total of cash outflows	(2,638,243)	(2,788,159)
Net cash flow from operating activities	98,309	59,244
II. Cash flows from investing activities:		
Cash received from disposal of investments	661	517
Cash received from returns on investments	6,518	8,718
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	3,828	218
Net cash received from disposal of subsidiaries and other business entities	-	1
Other cash received relating to investing activities	55,509	52,283
Sub-total of cash inflows	66,516	61,737
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	(120,061)	(94,485)
Cash paid for acquisition of investments	(3,152)	(6,350)
Cash paid for acquisition of subsidiaries and other business units	(73)	(7,641)
Other cash paid relating to investing activities	(63,892)	(23,172)
Sub-total of cash outflows	(187,178)	(131,648)
Net cash flow from investing activities	(120,662)	(69,911)
III. Cash flows from financing activities:		
Cash received from capital contributions	957	1,935
Including: Cash received from minority shareholders' capital contributions to subsidiaries	957	1,935

Consolidated Cash Flow Statement (Continued)

Cash received from borrowings	580,906	432,081
Other cash received relating to financing activities	551	1,347
Sub-total of cash inflows	582,414	435,363
Cash repayments of borrowings	(460,054)	(332,437)
Cash paid for dividends, profits distribution or interest	(51,730)	(65,759)
Including: Subsidiaries' cash payments for distribution of dividends or profits to minority shareholders	(5,020)	(4,360)
Other cash paid relating to financing activities	(13,985)	(13,290)
Sub-total of cash outflows	(525,769)	(411,486)
Net cash flow from financing activities	56,645	23,877
IV. Effects of changes in foreign exchange rate	738	4,798
V. Net increase in cash and cash equivalents	35,030	18,008
Add: Initial balance of cash and cash equivalents	93,438	108,590
VI. Ending balance of cash and cash equivalents	128,468	126,598

Ma Yongsheng
Chairman
(Legal representative)

Yu Baocai
President

Shou Donghua
Chief Financial Officer

Cash Flow Statement

For the nine-month period ended 30 September 2023

Prepared by: China Petroleum & Chemical Corporation

Units: million Currency: RMB Type: unaudited

Items	Nine-month period ended 30 September 2023	Nine-month period ended 30 September 2022
I. Cash flows from operating activities:		
Cash received from sale of goods and rendering of services	981,033	1,100,876
Refund of taxes and levies	6,211	5,731
Other cash received relating to operating activities	34,532	13,893
Sub-total of cash inflows	1,021,776	1,120,500
Cash paid for goods and services	(743,661)	(837,202)
Cash paid to and for employees	(32,681)	(31,695)
Payments of taxes and levies	(130,871)	(175,552)
Other cash paid relating to operating activities	(60,469)	(53,355)
Sub-total of cash outflows	(967,682)	(1,097,804)
Net cash flow from operating activities	54,094	22,696
II. Cash flows from investing activities:		
Cash received from disposal of investments	4,135	5,038
Cash received from returns on investments	16,405	23,123
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	185	45
Other cash received relating to investing activities	38,443	146,656
Sub-total of cash inflows	59,168	174,862
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	(52,259)	(42,868)
Cash paid for acquisition of investments	(18,047)	(20,452)
Cash paid for acquisition of subsidiaries and other business units	-	(4,221)
Other cash paid relating to investing activities	(42,979)	(136,949)
Sub-total of cash outflows	(113,285)	(204,490)
Net cash flow from investing activities	(54,117)	(29,628)
III. Cash flows from financing activities:		
Cash received from borrowings	166,544	187,385
Other cash received relating to financing activities	168,249	294,614
Sub-total of cash inflows	334,793	481,999
Cash repayments of borrowings	(77,032)	(121,305)
Cash paid for dividends or interest	(46,787)	(63,082)
Other cash paid relating to financing activities	(170,608)	(288,135)
Sub-total of cash outflows	(294,427)	(472,522)
Net cash flow from financing activities	40,366	9,477

Cash Flow Statement (Continued)

IV. Effects of changes in foreign exchange rate	56	(8)
V. Net increase in cash and cash equivalents	40,399	2,537
Add: Initial balance of cash and cash equivalents	23,228	34,575
VI. Ending balance of cash and cash equivalents	63,627	37,112

Ma Yongsheng
Chairman
(Legal representative)

Yu Baocai
President

Shou Donghua
Chief Financial Officer

Segment Reporting

For the nine-month period ended 30 September 2023

Prepared by: China Petroleum & Chemical Corporation

Units: million Currency: RMB Type: unaudited

Items	Nine-month period ended 30 September 2023	Nine-month period ended 30 September 2022
Income from principal operations		
Exploration and production		
External sales	128,707	138,870
Inter-segment sales	85,702	92,164
Subtotal	214,409	231,034
Refining		
External sales	128,742	148,241
Inter-segment sales	1,004,531	1,028,879
Subtotal	1,133,273	1,177,120
Marketing and distribution		
External sales	1,312,648	1,227,731
Inter-segment sales	14,386	9,886
Subtotal	1,327,034	1,237,617
Chemicals		
External sales	303,549	342,259
Inter-segment sales	68,621	60,194
Subtotal	372,170	402,453
Corporate and others		
External sales	546,948	550,609
Inter-segment sales	676,817	775,647
Subtotal	1,223,765	1,326,256
Elimination of inter-segment sales	(1,850,057)	(1,966,770)
Consolidated income from principal operations	2,420,594	2,407,710
Income from other operations		
Exploration and production	4,589	4,465
Refining	2,745	2,874
Marketing and distribution	33,173	28,952
Chemicals	6,988	7,496
Corporate and others	1,852	1,825
Consolidated income from other operations	49,347	45,612
Consolidated operating income	2,469,941	2,453,322

Segment Reporting (Continued)

Operating profit		
By segment		
Exploration and production	33,313	39,165
Refining	17,484	20,023
Marketing and distribution	24,120	21,759
Chemicals	(3,782)	(4,502)
Corporate and others	9,845	15,632
Elimination	(2,490)	(7,210)
Total segment operating profit	78,490	84,867
Investment income		
Exploration and production	1,885	2,848
Refining	(79)	(74)
Marketing and distribution	1,481	494
Chemicals	(3,928)	2,986
Corporate and others	2,831	(12,265)
Total segment investment income/ (loss)	2,190	(6,011)
Financial expenses	(7,275)	(7,941)
(Losses)/ gains from changes in fair value	(5,663)	1,765
Asset disposal gains	1,481	249
Other income	7,679	5,848
Operating profit	76,902	78,777
Add: Non-operating income	1,158	1,677
Less: Non-operating expenses	1,626	1,822
Profit before taxation	76,434	78,632

5.2 Quarterly financial statements prepared under International Financial Reporting Standards (IFRS)

Consolidated Income Statement

For the nine-month period ended 30 September 2023

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 2023	Nine-month period ended 30 September 2022
Revenue				
Revenue from primary business	859,092	825,474	2,420,594	2,407,710
Other operating revenues	17,167	15,722	49,347	45,612
Subtotal	876,259	841,196	2,469,941	2,453,322
Operating expenses				
Purchased crude oil, products and operating supplies and expenses	(697,914)	(700,430)	(1,980,796)	(1,962,613)
Selling, general and administrative expenses	(15,487)	(13,965)	(42,868)	(40,762)
Depreciation, depletion and amortisation	(28,304)	(27,911)	(83,543)	(81,549)
Exploration expenses, including dry holes	(2,533)	(2,135)	(7,415)	(7,873)
Personnel expenses	(26,939)	(25,264)	(76,888)	(74,487)
Taxes other than income tax	(71,248)	(65,817)	(198,509)	(200,226)
Impairment (losses) /reversals on trade and other receivables	(51)	67	(86)	139
Other operating (expense) /income, net	(8,192)	7,221	(549)	(10,065)
Total operating expenses	(850,668)	(828,234)	(2,390,654)	(2,377,436)
Operating profit	25,591	12,962	79,287	75,886
Finance costs				
Interest expense	(4,618)	(4,363)	(13,667)	(12,487)
Interest income	1,622	1,581	4,861	4,593
Foreign currency exchange gains/ (losses), net	511	178	1,531	(47)
Net finance costs	(2,485)	(2,604)	(7,275)	(7,941)
Investment income	124	74	373	200
Share of profits less losses from associates and joint ventures	2,675	3,950	5,286	11,277
Profit before taxation	25,905	14,382	77,671	79,422
Income tax expense	(4,510)	(1,047)	(14,680)	(15,080)
Profit for the period	21,395	13,335	62,991	64,342
Attributable to:				
Owners of the Company	17,938	13,028	54,060	57,869
Non-controlling interests	3,457	307	8,931	6,473
Profit for the period	21,395	13,335	62,991	64,342
Earnings per share:				

Basic earnings per share (RMB)	0.150	0.108	0.451	0.478
Diluted earnings per share (RMB)	0.150	0.108	0.451	0.478

Consolidated Statement of Comprehensive Income

For the nine-month period ended 30 September 2023

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 2023	Nine-month period ended 30 September 2022
Profit for the period	21,395	13,335	62,991	64,342
Other comprehensive income:				
<i>Other comprehensive income (net of tax) attributable to shareholders of the Company</i>	4,198	677	744	16,710
<i>Items that may not be reclassified subsequently to profit or loss:</i>				
Equity investments at fair value through other comprehensive income	-	(1)	(1)	(14)
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Share of other comprehensive income of associates and joint ventures	(820)	(1,537)	(5,030)	1,977
Cash flow hedges	5,553	(2,443)	2,865	7,228
Cost of hedging reserve	-	253	-	(169)
Foreign currency translation differences	(535)	4,405	2,910	7,688
<i>Other comprehensive income (net of tax) attributable to non-controlling interests</i>	(13)	951	(1,653)	1,625
Total other comprehensive income net of tax	4,185	1,628	(909)	18,335
Total comprehensive income for the period	25,580	14,963	62,082	82,677
Attributable to:				
Shareholders of the Company	22,136	13,705	54,804	74,579
Non-controlling interests	3,444	1,258	7,278	8,098

Consolidated Balance Sheet
For the nine-month period ended 30 September 2023

Income tax payable	4,863	4,725
Total current liabilities	694,317	667,385

Consolidated Balance Sheet (Continued)

Net current liabilities	70,331	144,245
Total assets less current liabilities	1,390,118	1,283,736
Non-current liabilities:		
Long-term debts	175,160	85,706
Loans from Sinopec Group Company and fellow subsidiaries	23,633	22,255
Lease liabilities	165,455	166,407
Deferred tax liabilities	8,736	7,256
Provisions	49,400	47,587
Other non-current liabilities	14,925	14,983
Total non-current liabilities	437,309	344,194

Consolidated Cash Flow Statement

For the nine-month period ended 30 September 2023

Prepared by: China Petroleum & Chemical Corporation

Units: million Currency: RMB Type: unaudited

Items	Nine-month period ended 30 September 2023	Nine-month period ended 30 September 2022
Net cash generated from operating activities(a)	98,309	59,244
Investing activities		
Capital expenditure	(108,081)	(82,142)
Exploratory wells expenditure	(11,980)	(12,343)
Purchase of investments	(3,152)	(5,341)
Payment for financial assets at fair value through profit or loss	-	(1,009)
Proceeds from settlement of financial assets at fair value through profit or loss	-	6
Payment for acquisition of subsidiary, net of cash acquired	(73)	(7,641)
Proceeds from disposal of investments	661	512
Proceeds from disposal of property, plant, equipment and other non-current assets	3,828	218
Increase in time deposits with maturities over three months	(62,391)	(22,071)
Decrease in time deposits with maturities over three months	48,691	47,491
Interest received	6,804	3,489
Investment and dividend income received	6,518	8,718
(Payments of)/ proceeds from other investing activities	(1,487)	202
Net cash used in investing activities	(120,662)	(69,911)
Financing activities		
Proceeds from bank and other loans	580,906	432,081
Repayments of bank and other loans	(460,054)	(332,437)
Contributions to subsidiaries from non-controlling interests	957	1,935
Dividends paid by the Company	(40,765)	(56,903)
Distributions by subsidiaries to non-controlling interests	(5,020)	(4,360)
Interest paid	(5,945)	(4,496)
Repayments of lease liabilities	(13,041)	(10,877)
Proceeds from other financing activities	551	1,347
Repayments of other financing activities	(944)	(2,413)
Net cash generated from financing activities	56,645	23,877
Net increase in cash and cash equivalents	34,292	13,210
Cash and cash equivalents at 1 January	93,438	108,590
Effect of foreign currency exchange rate changes	738	4,798
Cash and cash equivalents at 30 September	128,468	126,598

Note to consolidated statement of Cash Flows

For the nine-month period ended 30 September 2023

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

Items	Nine-month period ended 30 September 2023	Nine-month period ended 30 September 2022
Operating activities		
Profit before taxation	77,671	79,422
Adjustments for:		
Depreciation, depletion and amortisation	83,543	81,549
Dry hole costs written off	5,153	5,556
Share of profits less losses from associates and joint ventures	(5,286)	(11,277)
Investment income	(373)	(200)
Interest income	(4,861)	(4,593)
Interest expense	13,667	12,487
Loss /(gain) on foreign currency exchange rate changes and derivative financial instruments	4,140	(451)
(Gain) /loss on disposal of property, plant, equipment and other non-current assets, net	(1,095)	205
Impairment losses on assets	2,718	2,376
Impairment losses /(reversals) on trade and other receivables	86	(139)
Operating profit before change of operating capital	175,363	164,935
Accounts receivable and other current assets	(58,267)	(26,933)
Inventories	(26,600)	(77,664)
Accounts payable and other current liabilities	15,461	13,041
Subtotal	105,957	73,379
Income tax paid	(7,648)	(14,135)

Segment Reporting

For the nine-month period ended 30 September 2023

Prepared by: China Petroleum & Chemical Corporation

Units: million Currency: RMB Type: unaudited

Items	Nine-month period ended 30 September 2023	Nine-month period ended 30 September 2022
Revenue from primary business		
Exploration and production		
External sales	128,707	138,870
Inter-segment sales	85,702	92,164
Subtotal	214,409	231,034
Refining		
External sales	128,742	148,241
Inter-segment sales	1,004,531	1,028,879
Subtotal	1,133,273	1,177,120
Marketing and distribution		
External sales	1,312,648	1,227,731
Inter-segment sales	14,386	9,886
Subtotal	1,327,034	1,237,617
Chemicals		
External sales	303,549	342,259
Inter-segment sales	68,621	60,194
Subtotal	372,170	402,453
Corporate and others		
External sales	546,948	550,609
Inter-segment sales	676,817	775,647
Subtotal	1,223,765	1,326,256
Elimination of inter-segment sales	(1,850,057)	(1,966,770)
Revenue from primary business	2,420,594	2,407,710
Other operating revenues		
Exploration and production	4,589	4,465
Refining	2,745	2,874
Marketing and distribution	33,173	28,952
Chemicals	6,988	7,496
Corporate and others	1,852	1,825
Other operating revenues	49,347	45,612
Revenue	2,469,941	2,453,322

Segment Reporting (Continued)

Result		
Operating profit/ (loss)		
By segment		
Exploration and production	39,178	43,591
Refining	18,963	20,849
Marketing and distribution	24,348	21,120
Chemicals	(2,775)	(4,037)
Corporate and others	2,063	1,573
Elimination	(2,490)	(7,210)
Total segment operating profit	79,287	75,886
Share of profits/ (losses) from associates and joint ventures		
Exploration and production	2,442	2,654
Refining	(286)	(245)
Marketing and distribution	2,176	1,994
Chemicals	(3,656)	3,131
Corporate and others	4,610	3,743
Aggregate share of profits from associates and joint ventures	5,286	11,277
Investment income		
Exploration and production	-	-
Refining	23	41
Marketing and distribution	4	40
Chemicals	(276)	(155)
Corporate and others	622	274
Aggregate investment income	373	200
Net finance costs	(7,275)	(7,941)
Profit before taxation	77,671	79,422

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

Items	Nine-month period ended 30 September 2023	Nine-month period ended 30 September 2022
Net profit under CASs	61,754	63,552
Adjustments:		
Government grants(i)	38	44
Safety production fund(ii)	1,202	1,088
Other	(3)	(342)
Profit for the period under IFRS	62,991	64,342

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

Items	As of 30 September 2023	As of 31 December 2022
Shareholders' equity under CASs	953,686	940,457
Adjustments:		
Government grants(i)	(877)	(915)
Total equity under IFRS	952,809	939,542

5.4 Description of and reasons for changes in accounting policies

5.4.1 Description of and reasons for changes in accounting policies under CASs

In 2023, the Group has adopted the accounting requirements and guidance under CAS newly issued by the Ministry of Finance:

Accounting treatment of deferred tax related to assets and liabilities arising from a single transaction for which initial recognition exemption does not apply:

In accordance with CAS Bulletin No.16, the provisions of the Accounting Standards for Business Enterprises No. 18 — Income Taxes on exemption from initial recognition of deferred tax liabilities and deferred tax assets shall not apply to single transactions that are not business combinations, that do not affect accounting profits or taxable income (or deductible losses) upon transaction's occurrence, and result in equal amount of taxable temporary differences and deductible temporary differences caused by initially recognised assets and liabilities.

The Group has made retrospective adjustments in accordance with these provisions for applicable single transactions occurring between 1 January 2022 and the date of initial implementation. With regard to deductible temporary differences and taxable temporary differences arising from lease liabilities and right-of-use assets recognised as at 1 January 2022 as a result of single transactions to which these provisions apply, the Group shall, in accordance with CAS Bulletin No.16 and Accounting Standards for Business Enterprises No. 18 — Income Taxes, adjust the cumulative effect amount with the retained earnings at the beginning of the earliest period presented in the financial statements and other relevant items of the financial statements.

(a) The effects on the comparative financial statements

The effects of these changes in accounting policies on net profit for the nine months ended 30 September 2022, and opening and closing balances of shareholders' equity as at 1 January and 31 December 2022 are summarised as follows:

Units: million Currency: RMB Type: unaudited

Items	The Group		
	Net profit for the nine months ended 30 September 2022	2022 Closing balance of shareholders' equity	2022 Opening balance of shareholders' equity
Net profit and shareholders' equity before adjustments	62,910	937,153	916,041
The effects of the exemption of initial recognition not applicable to the deferred tax relating to assets and liabilities arising out of a single transaction	642	3,304	2,448
Net profit and shareholders' equity after adjustments	63,552	940,457	918,489

Units: million Currency: RMB Type: unaudited

Items	The Company		
	Net profit for the nine months ended 30 September 2022	2022 Closing balance of shareholders' equity	2022 Opening balance of shareholders' equity
Net profit and shareholders' equity before adjustments	38,389	504,877	526,314
The effects of the exemption of initial recognition not applicable to the deferred tax relating to assets and liabilities arising out of a single transaction	400	1,750	1,217
Net profit and shareholders' equity after adjustments	38,789	506,627	527,531

The effects of the above changes in accounting policies on each item of the consolidated balance sheet and company balance sheet as at 31 December 2022 are summarised as follows

Consolidated Balance Sheet

Units: million Currency: RMB Type: unaudited

Items	As of 31 December 2022 before adjustment	Adjusted amount	As of 31 December 2022 after adjustment
Non-current assets:			
Deferred tax assets	19,952	2,481	22,433
Total non-current assets	1,425,500	2,481	1,427,981
Total assets	1,948,640	2,481	1,951,121
Non-current liabilities:			
Deferred tax liabilities	8,079	(823)	7,256
Total non-current liabilities	344,102	(823)	343,279
Total liabilities	1,011,487	(823)	1,010,664
Shareholders' equity:			
Surplus reserves	217,834	175	218,009
Retained earnings	323,087	2,719	325,806
Total equity attributable to shareholders of the Company	785,577	2,894	788,471
Minority interests	151,576	410	151,986
Total shareholders' equity	937,153	3,304	940,457

Total liabilities and shareholders' equity	1,141,670	1,750	1,143,420
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The effects of the above changes in accounting policies on each item of the consolidated income statement for the nine-month period ended 30 September 2022 and the Company's income statement are summarized as follows:

Consolidated Income Statement

Units: million Currency: RMB Type: unaudited

Items	Nine-month period ended 30 September 2022 before adjustment	Adjusted amount	Nine-month period ended 30 September 2022 after adjustment
Income tax expense	15,722	(642)	15,080
V. Net profit	62,910	642	63,552
Classification by going concern:			
(i) Continuous operating net profit	62,910	642	63,552
Classification by ownership:			
(i) Equity shareholders of the Company	56,660	585	57,245
(ii) Minority interests	6,250	57	6,307
VII. Total comprehensive income			
Equity shareholders of the Company	73,370	585	73,955
Minority interests	7,875	57	7,932
VIII. Earnings per share			
(i) Basic earnings per share (RMB/Share)	0.468	0.005	0.473
(ii) Diluted earnings per share (RMB/Share)	0.468	0.005	0.473

Income Statement

Units: million Currency: RMB Type: unaudited

Items	Nine-month period ended 30 September 2022 before adjustment	Adjusted amount	Nine-month period ended 30 September 2022 after adjustment
Income tax expense	6,608	(400)	6,208
IV. Net profit	38,389	400	38,789
(i) Continuous operating net profit	38,389	400	38,789
VI. Total comprehensive income	43,132	400	43,532

5.4.2 Description of and reasons for changes in accounting policies under IFRS

(a) Accounting treatment of deferred tax related to assets and liabilities arising from a single transaction for which initial recognition exemption does not apply.

The International Accounting Standards Board has amended IAS 12 and the scope of the exemption in paragraphs 15 and 24 of the previous standard is amended to "accounting treatment of deferred tax related to assets and liabilities arising from a single transaction for which initial recognition exemption does not apply", therefore, the Group needs to recognise deferred tax assets and deferred tax liabilities for temporary differences arising from these transactions. The amendment is effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted. The Group applies the amendments to transactions occurring on or after the beginning of the earliest comparative period listed, with any cumulative effect recognised as an adjustment to retained earnings and other related financial statement items at that date.

(b) The effects on the comparative financial statements

The effects of the above changes in accounting policies on the net profit for the nine-month period ended 30 September 2022 and equity at the beginning and the end of 2022 are summarized as follows:

Items	Units: million Currency: RMB Type: unaudited		
	The Group		
	Profit for the nine-month period ended 30 September 2022	Equity as of 31 December 2022	Equity as of 1 January 2022
Net profit and equity before adjustments	63,700	936,238	915,074
The effects of the exemption of initial recognition not applicable to the deferred tax relating to assets and liabilities arising out of a single transaction	642	3,304	2,448
Net profit and equity after adjustments	64,342	939,542	917,522

The effects of the above changes in accounting policies on each item of the consolidated income statement for the nine-month period ended 30 September 2022 are summarized as follows:

Consolidated Income Statement

Units: million Currency: RMB Type: unaudited

Items	Nine-month period ended 31 September 2022 before adjustment	Adjusted amount	Nine-month period ended 31 September 2022 after adjustment
Profit before taxation	79,422	-	79,422
Income tax expense	(15,722)	642	(15,080)
Profit for the period	63,700	642	64,342
Attributable to:			
Owners of the Company	57,284	585	57,869
Non-controlling interests	6,416	57	6,473
Profit for the period	63,700	642	64,342
Earnings per share:			
Basic earnings per share (RMB/Share)	0.473	0.005	0.478
Diluted earnings per share (RMB/Share)	0.473	0.005	0.478

The effects of the above changes in accounting policies on each item of the consolidated statement of comprehensive income for the nine-month period ended 30 September 2022 are summarized as follows:

Consolidated Statement of Comprehensive Income

Units: million Currency: RMB Type: unaudited

Items	Nine-month period ended 31 September 2022 before adjustment	Adjusted amount	Nine-month period ended 31 September 2022 after adjustment
Total comprehensive income for the period	82,035	642	82,677
Attributable to:			
Shareholders of the Company	73,994	585	74,579
Non-controlling interests	8,041	57	8,098

The effects of the above changes in accounting policies on each item of the consolidated balance sheet as at 31 December 2022 are summarized as follows:

Consolidated Balance Sheet

Units: million Currency: RMB Type: unaudited

Items	As of 31 December 2022 before adjustment	Adjusted amount	As of 31 December 2022 after adjustment
Non-current assets:			
Deferred tax assets	19,952	2,481	22,433
Total non-current assets	1,425,500	2,481	1,427,981
Total current assets	523,140	-	523,140
Total current liabilities	667,385	-	667,385
Net current liabilities	144,245	-	144,245
Total assets less current liabilities	1,281,255	2,481	1,283,736
Non-current liabilities:			
Deferred tax liabilities	8,079	(823)	7,256
Total non-current liabilities	345,017	(823)	344,194
Total net assets	936,238	3,304	939,542
Equity:			
Reserves	664,810	2,894	667,704
Total equity attributable to shareholders of the Company	784,706	2,894	787,600
Non-controlling interests	151,532	410	151,942
Total equity	936,238	3,304	939,542