

CHINA PETROLEUM & CHEMICAL CORP
Form 6-K
October 31, 2013

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, 2013

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 2013 third quarterly report of China Petroleum & Chemical Corporation (the “Registrant”), made by the Registrant on October 29, 2013.

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(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
Secretary to the Board of Directors

Beijing, the PRC,
29 October 2013

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

Executive Director

* Non-executive Director

+ Independent Non-executive Director

China Petroleum & Chemical Corporation
The Third Quarterly Report for 2013

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 2013 (the “Quarterly Report”) was approved at the 12th meeting of the Fifth Session of the Board of Directors of Sinopec Corp.. All the directors attended this meeting.

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

1.4 Mr. Fu Chengyu, Chairman of the Board of Directors, Mr. Li Chunguang, Director and President, and Mr. Wang Xinhua, Chief Financial Officer and Head of the Accounting Department warrant the authenticity, accuracy and completeness of the financial statements contained in the Quarterly Report.

2 Basic information of Sinopec Corp.

2.1 Principal financial data and indicators

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

	As at		Changes over the end of last year(%)			
	30 September 2013	31 December 2012				
Total assets (RMB million)	1,319,538	1,238,522	6.54			
Net equity attributable to equity shareholders of the Company (RMB million)	556,623	513,374	8.42			
	Nine-month periods (January-September) ended 30 September		Changes over the same period of the preceding year (%)			
	2013	2012				
Net cash flow from operating activities (RMB million)	79,612	73,559	8.23			
	Three-month periods (July-September) ended 30 September			Nine-month periods (January-September) ended 30 September		Changes over the same period of the preceding year (%)
	2013	2012	Changes over the same period of the preceding year (%)	2013	2012	
Operating income (RMB million)	724,680	676,694	7.09	2,139,924	2,024,766	5.69
Net profit attributable to equity shareholders of the Company (RMB million)	22,183	18,249	21.56	51,600	41,946	23.02
Net profit attributable to equity shareholders of the Company after deducting extraordinary gain/loss items (RMB million)	22,106	17,803	24.17	51,302	41,062	24.94
Basic earnings per share Note (RMB)	0.191	0.162	17.90	0.445	0.372	19.62
Diluted earnings per share Note (RMB)	0.177	0.152	16.45	0.416	0.355	17.18
Weighted average return on net assets (%)	4.02	3.73	0.29 percentage point	9.55	8.60	0.95 percentage point

Note:

Total share capital of Sinopec Corp. for the nine-month period ended 30 September 2013 has increased as a result of H share issuances, bonus issues of shares and capitalization of share premium of Sinopec Corp. to all shareholders and conversion of the A share Convertible Bonds. The data of 2012 have been retrospectively adjusted in accordance with ASBE.

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Extraordinary gain/loss items and corresponding amounts	Three-month periods (July-September) ended 30 September (gain)/loss (RMB million)	Nine-month periods (January-September) ended 30 September (gain)/loss (RMB million)
Loss on disposal of non-current assets	84	179
Donations	16	119
Government grants	(279)	(819)
Gain on holding and disposal of various investments	(24)	(48)
Other extraordinary income and expenses, net	98	165
Subtotal	(105)	(404)
Tax effect	26	101
Total	(79)	(303)
Attributable to: Equity shareholders of the Company	(77)	(298)
Minority interests	(2)	(5)

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

	As at 30 September 2013	As at 31 December 2012	Changes over the end of last year(%)
Total assets (RMB million)	1,319,385	1,257,944	4.88
Net equity attributable to equity shareholders of the Company (RMB million)	554,130	510,914	8.46
	Nine-month periods (January-September) ended 30 September		Changes over the same period of the preceding year (%)
	2013	2012	
Net cash flow from operating activities (RMB million)	79,612	73,327	8.57
	Three-month periods (July-September) ended 30 September	Nine-month periods (January-September) ended 30 September	

			Changes over the same period of the preceding year (%)			Changes over the same period of the preceding year (%)
	2013	2012		2013	2012	
Operating profit (RMB million)	31,547	28,185	11.93	78,288	68,268	14.68
Net profit attributable to equity shareholders of the Company(RMB million)	22,019	18,326	20.15	52,300	42,829	22.11
Basic earnings per share Note (RMB)	0.189	0.162	16.67	0.451	0.379	19.00
Diluted earnings per share Note (RMB)	0.176	0.153	15.03	0.422	0.362	16.57

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			0.23			0.69
			percentage			percentage
Return on net assets (%)	3.97	3.74	point	9.44	8.75	point

Note: Total share capital of Sinopec Corp. for the nine-month period ended 30 September 2013 has increased as a result of H share issuances, bonus issues of shares and capitalization of share premium of Sinopec Corp. to all shareholders and conversion of the A share Convertible Bonds. The data of 2012 have been retrospectively adjusted in accordance with IFRS.

2.2 Number of shareholders at the end of the reporting period is 708,469, including 701,892 holders of A shares and 6,577 holders of H shares.

Top ten shareholders (Top ten shareholders holding tradable shares without selling restrictions) at the end of the reporting period Note1:

Name of shareholders (full name)	Number of shares held at the end of the period (shares)	Percentage (%)	Number of shares with selling restrictions	Number of shares subject to pledge or lock-up	Type of shares	Nature of shareholder
China Petrochemical Corporation	85,536,266,000	73.38	Nil	Nil	RMB ordinary shares	State-owned
HKSCC (Nominees) Limited Note2	25,368,615,160	21.76	Nil	Unknown	Overseas-listed foreign shares	Overseas corporate
Guotai Junan Securities Co., Ltd. Note3	337,092,933	0.30	Nil	Unknown	RMB ordinary shares	Unknown
China Securities Finance Co., Ltd. Note4	122,627,952	0.11	Nil	Unknown	RMB ordinary shares	Unknown
China Life Insurance Company Limited - Bonus - Personal Insurance Bonus	103,000,000	0.09	Nil	Unknown	RMB ordinary shares	Unknown
Industrial & Commerce Bank of China, South Selected Securities Investment Fund	90,922,665	0.08	Nil	Unknown	RMB ordinary shares	Unknown
Qatar Holding Company Ltd-Self Owned Fund	89,996,185	0.08	Nil	Unknown	RMB ordinary shares	Unknown
China Social Security Fund Portfolio106	74,614,548	0.06	Nil	Unknown	RMB ordinary shares	Unknown
Bank of Communication-E Fund 50 Index Securities Investment Fund	64,277,521	0.06	Nil	Unknown	RMB ordinary shares	Unknown
Industrial & Commercial Bank of China - Shanghai Stock	53,783,423	0.05	Nil	Unknown	RMB ordinary shares	Unknown

Exchange 50 ETF

Note 1: A shares of Sinopec Corp. are underlying securities listed on the Shanghai Stock Exchange issued for margin trading. In accordance with the requirements of

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disclosure for securities and based on the shareholders' registration records provided by China Securities Depository and Clearing Corporation Limited for the purpose of calculating the number of shares held by shareholders, Sinopec Corp. has consolidated principal accounts, special securities lending account and guaranty securities account for refinancing of securities companies, as well as principal account and special securities account for refinancing of China Securities Finance Corporation Limited.

Note 2: Sinopec Century Bright Capital Investment Limited, overseas wholly-owned subsidiary of China Petrochemical Corporation, holds 553,150,000 H shares, which are included in the total number of the shares held by HKSCC Nominees Limited.

Note 3: As at 30 September 2013, the shares of Guotai Junan Securities Co., Ltd. were composed of the shares of its principal accounts and its special securities lending account, as well as its guaranty securities account for refinancing which was held through China Securities Finance Co., Ltd. - refinancing collateral securities account. The amount of shares held by Guotai Junan Securities Co., Ltd. increased by 75,384,798 shares as at 30 September 2013, compared with the amount at 31 December 2012.

Note 4: As at 30 September 2013, the shares of China Securities Finance Co., Ltd. were held through its principal account. The amount of shares held by China Securities Finance Co., Ltd. increased by 122,627,952 shares as at 30 September 2013, compared with the amount at 31 December 2012.

2.3

Review of operating results

In the first three quarters of 2013, China's economy grew steadily with GDP up by 7.7% over the same period of last year. Domestic demand for oil products and chemical products continued to grow. The Chinese government further improved the pricing mechanism for oil products, implemented an adjustment of natural gas price and announced the premium pricing policy for upgraded quality oil products. Based on macro-economy trends and market demand, the Company arranged the operation with quality and efficiency being the priorities for development, accelerated the structure adjustment and the transformation of development mode and exercised strict control over cost and expenditures. All these efforts contribute to a good operating result.

Exploration & Production Segment: In exploration, the Company optimized exploration areas and made major breakthroughs in new blocks such as the Tarim Basin. The Company intensified its progressive exploration and oil reserve evaluation. Seven projects including West Junggar, Tahe and East Shengli etc. as well as Daniudi Gasfield development were under progress smoothly. The Company accelerated the unconventional oil and gas development and made major progress in the Fuling shale gas project. The Southeast Sichuan marine facies shale gas evaluation were under progress. Development of coal-bed methane in South Yanchuan are progressing

smoothly and production increased steadily. During the first three quarters, the oil and gas production of the Company reached 330.79 million barrels of oil equivalent, up by 4.00% compared with the same period of 2012. The operating profit of Exploration & Production Segment recorded RMB 46.744 billion, down by 15.45% compared with the same period of 2012.

Refining Segment: The Company adjusted its product mix in response to changes in domestic oil products market demand, producing more gasoline, jet fuel and other high-value-added products that were well received in the market. The Company optimized its operations and tapped its potentials by cost saving and efficiency improvement. The Company made every effort to upgrade oil products quality and considerably increased production of gasoline and diesel above GB IV standards with an aim to prepare for the premium quality oil products supply. The Company optimized the marketing of LPG, asphalt and paraffin by tapping its advantage in specialization. In the first three quarters of 2013, refinery throughput was 174.19 million tonnes, representing a growth of 6.43% over the same period of last year. Refining Segment made a turnaround by recording an operating profit of RMB 6.656 billion, as compared with a loss in the same period of 2012.

Marketing and Distribution Segment: In the first three quarters of 2013, in response to changes in supply and demand in the domestic market and the implementation of the newly-announced oil products pricing mechanism, the Company endeavored to maximize its profitability and adjusted its marketing strategies by adopting differentiated marketing tactics. While increasing sales volume, the Company focused on the retail market and expanded retail sales volume by offering signature services. The Company expanded the marketing of jet fuel and high standard oil products. Besides, it strengthened quality management to ensure oil products quality, promoted new businesses as well as non-fuel businesses and explored the gas market for vehicles actively. In the first three quarters of 2013, total sales volume of oil products increased to 134.64 million tonnes, up by 4.91% over the same period of last year. Total retail volume reached 84.82 million tonnes, representing an increase of 4.65%, and sales of non-fuel businesses reached RMB 10 billion, an increase of 20.5% compared with the same period of 2012. The operating profit of the Marketing and Distribution Segment was RMB 27.034 billion, representing a decrease of 10.51%.

Chemicals Segment: The Company further optimized the feedstock mix and cut feedstock costs by using more light feedstock. The Company optimized the operation and upgraded the technical and economical indicators. The Company strengthened its market analysis, the integration of R&D, production and marketing; optimized operations and utilization of

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facilities; and improved its product mix as well as promoting the development, production and sales of new products. Meanwhile, the Company improved its marketing tactics and customer service, reinforced supply-chain management. Wuhan ethylene project was put into trial operation. In the first three quarters of 2013, ethylene production was 7.398 million tonnes, representing an increase by 5.32% compared with the same period of 2012. The Chemicals Segment suffered an operation loss of RMB 59 million in the first three quarters of 2013, representing a decrease in loss by RMB 233 million as compared with the same period of 2012.

Summary of Principal Operating Results for the First Three Quarters

Operating Data	Unit	Nine-month period ended September 30		Changes over the same period of the preceding year (%)
		2013	2012	
Exploration and Production				
Oil and gas production	Million barrels of oil equivalent	330.79	318.08	4.00
Crude oil production	Million barrels	249.73	245.01	1.93
China	Million barrels	232.19	228.96	1.41
Overseas	Million barrels	17.54	16.05	9.28
Natural gas production	Billion cubic feet	486.34	438.41	10.93
Crude oil price realised	USD / barrel	95.11	100.69	(5.54)
Natural gas price realised	USD / thousand cubic feet	6.15	5.77	6.59
Refining (Note 1)				
Refinery throughput	Million tonnes	174.19	163.66	6.43
Gasoline, Diesel & Kerosene production	Million tonnes	105.13	98.39	6.85
Gasoline	Million tonnes	34.02	29.70	14.55
Diesel	Million tonnes	58.27	57.70	0.99
Kerosene including jet fuel	Million tonnes	12.84	10.99	16.83
Light chemical feedstock production	Million tonnes	28.68	26.89	6.66
Light yield	%	76.15	76.93	(0.78) percentage point
Refinery yield	%	94.71	95.23	(0.52) percentage point
Marketing and Distribution				
Total sales volume of oil products	Million tonnes	134.64	128.34	4.91
Total domestic sales volume of oil products	Million tonnes	123.30	118.48	4.07
Retail	Million tonnes	84.82	81.05	4.65
Direct sales	Million tonnes	24.64	24.45	0.78
Wholesale	Million tonnes	13.84	12.99	6.54
Total number of service stations (Note 2)	Stations	30,576	30,836	(0.84)
Company-operated	Stations	30,563	30,823	(0.84)
Annualized throughput per station (Note 3)	Tonnes/station	3,699	3,498	5.75

Chemicals (Note 1)

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Ethylene	Thousand tonnes	7,398	7,024	5.32
Synthetic resin	Thousand tonnes	10,223	9,956	2.68
Synthetic rubber	Thousand tonnes	715	703	1.71
Synthetic fiber monomer and polymer	Thousand tonnes	6,849	6,699	2.24
Synthetic fiber	Thousand tonnes	1,049	992	5.75

Note 1: Including 100% production of Joint Ventures;

Note 2: Service station data for 2012 is as of December 31, 2012;

Note 3: The throughput per station is an annualized average of our company-operated service stations;

Note 4: Conversion rates: for domestic production of crude oil, 1 tonne = 7.1 barrels, for production of crude oil overseas, 1 tonne = 7.27 barrels; for refinery throughput, 1 tonne = 7.35 barrels; for production of natural gas, 1 cubic meter = 35.31 cubic feet.

Capital expenditure:

The Company's capital expenditures were RMB 86.945 billion in the first three quarters of 2013. Capital expenditures for E&P segment were RMB 41.249 billion, mainly for tight oil development in south Ordos, heavy oil development in west Shengli at shallow stratus, new blocks in the Tahe Oilfield, Yuanba and the Daniudi gas fields, and the Shandong LNG project. Capital expenditures for the Refining Segment were RMB 12.712 billion, mainly for upgrading oil product quality and revamping projects in Wuhan, Anqing and Maoming etc.. In the Chemicals segment, RMB12.759 billion were used for the construction of the Wuhan 800,000-tpa ethylene project, the Hubei syngas-to-MEG project and the Hainan aromatics project. Capital expenditures for Marketing and Distribution segment were RMB 17.363 billion, mainly for developing and revamping service stations (including gas stations), for the construction of refined oil product pipelines and depots and for assuring safety and improving environment. The Company recruited 671 new service stations (including gas stations) during the period. A total of RMB 2.862 billion was used for the Corporate and Others, mainly for R&D facilities and IT projects construction. The capital expenditure in the first three quarters of this year was in line with the Company's schedule as slated at the beginning of the year.

3 Significant events

3.1 Significant changes in major items contained in the consolidated financial statements prepared in accordance with the PRC Accounting Standards for Business Enterprises ("ASBE") and the reasons for such changes.

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Items of Consolidated Balance Sheet	As at	As at	Increase/(decrease)		Main Reason for Changes
	30	31	Amount	Percentage	
	September	December			
	2013	2012			
		RMB million		%	
Bills receivable	27,989	20,045	7,944	40	Mainly due to expanded business scale and the Company's control over amount of discount.
Prepayments	6,914	4,370	2,544	58	Mainly due to increased prepayments for external purchase of crude oil, customs deposits and commodities such as steel.
Deferred tax assets					