

CHINA PETROLEUM & CHEMICAL CORP
Form 6-K
October 30, 2007

**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, 2007

CHINA PETROLEUM & CHEMICAL CORPORATION
A6, Huixindong Street,
Chaoyang District Beijing, 100029
People's Republic of China
Tel: (8610) 6499-0060

(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 on third quarterly results for 2007 of China Petroleum & Chemical Corporation (the "Registrant"), issued by the Registrant on October 29, 2007.

(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 0386)

ANNOUNCEMENT

Third Quarterly Results for 2007

Pursuant to the regulations of the China Securities Regulatory Commission, China Petroleum & Chemical Corporation is required to publish a quarterly report for each of the first and third quarters.

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

§1 Important reminder

1.1 The Board of Directors, the Supervisory Committee, directors, supervisors and senior management, of China Petroleum & Chemical Corporation ("Sinopec Corp.") hereby declare that there are no false statements, misleading information or material omissions in this report, and they are jointly and severally responsible, for the authenticity, accuracy and completeness of this report.

1.2 This report was scrutinised and approved on the 16th meeting of the Third Board of Directors of SINOPEC CORP.. All directors of the Company attended the meeting.

1.3 The financial statements in this report has not been audited.

1.4 Mr. Su Shulin, Chairman of the Board of Directors, Mr. Wang Tianpu, President, Mr. Dai Houliang, Director, Senior Vice President and Chief Financial Officer, and Mr. Liu Yun, head of the Accounting Department, warrant the authenticity and completeness of the financial statements under this Quarterly Report.

§2 SINOPEC CORP. Profile

2.1 Principal financial data and indicators

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

| | At 30 September 2007 | At 31 December 2006 | Changes compared with the preceding year-end (%) |
|--|-------------------------------------|------------------------------------|---|
| Total assets (RMB millions) | 660,279 | 596,527 | 10.69 |
| Shareholders' equity (excluding minority interests) funds attributable to equity shareholders of | 292,874 | 257,893 | 13.56 |

the Company (RMB
millions)

2

| | | | | | | |
|---|---|------------------|-------------------------------------|---|----------------------|-------------------------------------|
| Net assets per share (RMB/share) | 3.378 | | 2.974 | | 13.56 | |
| Adjusted net assets per share (RMB/share) | 3.317 | | 2.901 | | 14.34 | |
| | Three-month period as at 30 September (July ~ September) | | | Nine-month period as at 30 September (January ~ September) | | |
| | Year 2007 | Year 2006 | Year-on-year changes (%) | Year 2007 | Year 2006 | Year-on-year changes (%) |
| Net cash flow from operating activities (RMB millions) | 38,280 | 23,780 | 60.98 | 102,277 | 47,973 | 113.20 |
| Net cash flow from operating activities per share (RMB) | 0.442 | 0.274 | 60.98 | 1.180 | 0.553 | 113.20 |
| Net profit attributable to the equity shareholders of the Company (RMB millions) | 13,758 | 12,764 | 7.79 | 48,683 | 33,889 | 43.65 |
| Basic earnings per share (RMB/share) | 0.159 | 0.147 | 7.79 | 0.561 | 0.391 | 43.65 |
| Diluted earnings per share (RMB/share) | 0.159 | 0.147 | 7.79 | 0.561 | 0.391 | 43.65 |
| Basic earnings per share (before extraordinary items) (RMB/share) | 0.157 | 0.149 | 5.37 | 0.559 | 0.394 | 41.88 |
| Return on net assets (%) | 4.70 | 5.33 | (0.63) percentage points | 16.62 | 14.16 | 2.46 percentage points |
| Return on net assets (before extraordinary items) (%) | 4.64 | 5.41 | (0.77) percentage points | 16.56 | 14.28 | 2.28 percentage points |
| Extraordinary profits/losses items | Nine-month period as at 30 September 2007 (RMB millions) | | | | | |
| Gain on disposal of investments | (864) | | | | | |
| Written back of provisions for impairment losses in previous years | (324) | | | | | |
| Employee reduction expenses | 232 | | | | | |
| Non-operating expenses (excluding impairment losses on assets provided in accordance with ASBE) | 986 | | | | | |
| Of which: Losses on disposal of fixed assets | 383 | | | | | |
| Donations | 90 | | | | | |
| Non-operating income | (302) | | | | | |
| Tax effect | 90 | | | | | |
| Total | (182) | | | | | |

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

| | At 30 September 2007 | | At 31 December 2006 | Changes compared with the preceding year-end (%) | | |
|--|--|-----------|--------------------------|--|-----------|--------------------------|
| Total assets (RMB millions) | 672,574 | | 603,077 | 11.52 | | |
| Total equity attributable to equity shareholders of the Company (RMB millions) | 298,907 | | 262,845 | 13.72 | | |
| Net assets per share (RMB/share) | 3.448 | | 3.031 | 13.72 | | |
| Adjusted Net assets per share (RMB/share) | 3.387 | | 2.958 | 14.50 | | |
| | Three-month period as at 30 September (July ~ September) | | | Nine-month period as at 30 September (January ~ September) | | |
| | Year 2007 | Year 2006 | Year-on-year changes (%) | Year 2007 | Year 2006 | Year-on-year changes (%) |
| Net cash flow from operating activities (RMB millions) | 36,850 | 24,691 | 49.24 | 98,486 | 43,760 | 125.06 |
| Profit attributable to the equity shareholders of the Company (RMB millions) | 13,628 | 12,917 | 5.50 | 49,818 | 34,787 | 43.21 |
| Basic earnings per share (RMB/share) | 0.157 | 0.149 | 5.50 | 0.575 | 0.401 | 43.21 |

| | | | | | | |
|--------------------------|------|------|--------------------------------|-------|-------|------------------------------|
| Return on net assets (%) | 4.56 | 5.21 | (0.65) percentage points | 16.67 | 14.04 | 2.63 percentage points |
|--------------------------|------|------|--------------------------------|-------|-------|------------------------------|

2.2 Differences between net profit for the first three quarters of 2007 and shareholder's equity as at 30 September, 2007 under ASBE and IFRS

2.2.1 Analysis of effects of major differences between the net profit under ASBE and the profit of the period under IFRS

| Items | Nine-month period as at September 30 | |
|---|--------------------------------------|---------------------------|
| | Year 2007 RMB millions | Year 2006 RMB millions |
| Net profit under ASBE | 50,473 | 34,147 |
| Adjustments: | | |
| Oil and gas properties | (39) | 1,510 |
| Reduced amortization on revaluation of land use rights | 23 | 23 |
| Effects of the above adjustment on taxation and effects of tax rate changes on deferred taxes | 1,154 | (363) |
| Profit for the period under IFRS | 51,611 | 35,317 |

2.2.2 Analysis of effects of major differences between the shareholders' equity under ASBE and that under IFRS

| Items | At 30 September 2007 RMB millions | At 31 December 2006 RMB millions |
|---|---|---|
| | Shareholders' fund under ASBE | 317,110 |
| Adjustments: | | |
| Oil and gas properties | 10,777 | 10,816 |
| Revaluation of land use rights | (1,049) | (1,072) |
| Effects of the above adjustment on taxation and effects of tax rate changes on deferred taxes | (3,769) | (4,886) |
| Total equity under IFRS | 323,069 | 284,789 |

2.3 Number of shareholders and top ten shareholders holding shares without selling restrictions at the end of the reporting period

| | |
|---|---|
| Number of shareholders at the end of the reporting period | 618,763, including 611,621 holders of A shares and 7,142 holders of H shares. |
|---|---|

| Top ten shareholders holding shares without selling restrictions | | |
|---|--|---------------------------------------|
| Name of shareholders (full name) | Quantity of tradable shares in possession as at the end of this reporting period (10,000 shares) | Type of shares (A, H share or others) |
| HKSCC (Nominees) Limited | 1,669,686.9 | H |
| Bosera Thematic Sector Equity Securities Investment Fund | 6,707.6 | A |
| China Post Core Growth Equity Securities Investment Fund | 5,739.9 | A |
| China Life Insurance Company Limited-- Dividend--Individual Dividend--005L-- FH002 Shanghai | 5,000.0 | A |
| National Social Security Fund 106 Group | 4,500.0 | A |
| LORD Value Advantage Stock Investment Fund | 3,895.7 | A |
| China Post Preferred Equity Securities Investment Fund | 3,769.2 | A |
| Fortune SGAM Selected Sectors Fund | 3,500.0 | A |
| E Fund 50 Index Equity Investment Fund | 3,450.7 | A |
| Changxin Golden Profit Trend Stock Investment Fund | 3,000.1 | A |

2.4 Review of operating results

In the first three quarters of 2007, China's national economy continued to grow at a fast pace. For instance, its GDP rose by 11.5%, whilst the domestic demands for petroleum and petrochemical products both kept climbing considerably. In the third quarter, the Company strengthened the link between production, management and marketing, distribution, solidly promoted the construction of key works and while continued its efforts on energy saving and reduction of pollutant discharge, thereby ensuring safe production and market supply and achieved satisfactory operating results in spite of the pressure brought by the continuous rise of international crude oil price. Meanwhile, the company maintained increases in production of crude oil processed, sales volume of refined oil products, and production of ethylene and synthetic resins.

Exploration & Production Segment: Seizing the opportunity brought by the high crude oil price, our company has accelerated its increase of production capacity and development of low quality crude oil reserves, leading to an increase of 2.23% and 11.73% over the same period last year respectively in the output of crude oil and natural gas. The key national project "Sichuan-to-East China Gas Transport" also commenced.

Refining Segment: The company actively optimized resource allocation, product structure and processing of crude oil, increase the output of refined oil and ensure market supply. The amount of refined oil increased by 6.52% over the same period last year.

Marketing and Distribution Segment: The Company strengthened both domestic and overseas resource co-ordination to ensure a stable and orderly supply to the domestic market, utilised the modern logistic systems such as finished oil pipelines, optimized coordination of the transportation of refined oil and further optimized the marketing structure. In the first three quarters of 2007, the Company's domestic sales and retail volume of refined oil products increased by 6.63% and 4.56% respectively over the same period last year.

Chemicals Segment: The major chemical production facilities of the Company maintained stable full-load operation. The output of principal products as well as high value-added products increased steadily. The Company also took advantage of its branches which specialise in sales of chemicals, and brought out the competitive force of centralized sales. In the first three quarters of 2007, the output of ethylene and that of synthetic resins have grown by 7.80% and 14.61% respectively over the same period last year.

Summary of Principal Operating Results for the First Three Quarters

| Operating Data | Unit | Nine-month period as at September 30 | | Year-on-year changes (%) |
|-----------------------------------|---------------------------------|---|-----------|--------------------------------|
| | | Year 2007 | Year 2006 | |
| Exploration and Production | | | | |
| Crude oil production | Million tonnes | 30.69 | 30.01 | 2.23 |
| Nature gas production | Hundred million cubic meters | 59.76 | 53.48 | 11.74 |
| Crude oil price realized | RMB / Tonne | 2,955.57 | 3,388.03 | -12.76% |
| Natural gas price realized | RMB / Thousand cubic meters | 809.94 | 750.70 | 7.89% |
| Refining | | | | |

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| | | | | |
|--|----------------|--------|--------|---------------|
| Processing volume of crude oil | Million tonnes | 115.80 | 108.70 | 6.53 |
| Production output of gasoline, diesel oil and kerosene | Million tonnes | 68.83 | 64.73 | 6.33 |
| Of which: Gasoline | Million tonnes | 18.41 | 16.97 | 8.49 |
| Diesel oil | Million tonnes | 44.11 | 43.01 | 2.56 |
| Kerosene | Million tonnes | 6.31 | 4.75 | 32.84 |
| Production output of chemical light oil | Million tonnes | 17.98 | 17.16 | 4.78 |
| Recovery rate of light oil | % | 74.41% | 74.64% | -0.23 percent |
| Total rate of commodification | % | 93.77% | 93.63% | 0.14 percent |

Marketing and Distribution

| | | | | |
|---|-----------------|--------|--------|-------|
| Total domestic distribution volume of finished oil products | Million tonnes | 88.57 | 83.06 | 6.63 |
| Of which: | | | | |
| Retail volume | Million tonnes | 55.82 | 53.39 | 4.55 |
| Distribution volume | Million tonnes | 15.46 | 14.49 | 6.69 |
| Wholesale volume | Million tonnes | 17.28 | 15.18 | 13.83 |
| Total number of petrol stations | Station | 28,976 | 28,546 | 1.51 |
| Of which: | | | | |
| Owned and self-operated | Station | 28,280 | 27,746 | 1.92 |
| Franchised | Station | 696 | 800 | -12.5 |
| Fueling charge per petrol station (Note 1) | Tonne/station | 2,632 | 2,566 | 2.57 |
| Chemicals (Note 2) | | | | |
| Production output of ethylene | Thousand tonnes | 4,887 | 4,534 | 7.79 |
| Production output of synthetic resins | Thousand tonnes | 7,207 | 6,289 | 14.60 |
| Production output of synthetic rubber | Thousand tonnes | 546 | 490 | 11.43 |
| Synthetic fiber monomers and polymers | Thousand tonnes | 5,921 | 5,401 | 9.63 |
| Synthetic fibers | Thousand tonnes | 1,074 | 1,137 | -5.54 |
| Urea | Thousand tonnes | 1,229 | 1,321 | -6.96 |

Notes 1: The fueling charge per petrol station figures refer to annual average amounts;

Notes 2: Including 100% outputs of Yangtze-BASF and Shanghai Secco.

Capital expenditure:

In the first three quarters of 2007, the company's accumulative capital expenditure was RMB 59.910 billion, of which the capital expenditure of Exploration and Production Segment is RMB 30.807 billion. In terms of oil and natural gas exploration, by using more intensive and carpet-to-carpet prospecting and focusing in new reserve zones, a series of significant results have been achieved., Newly-built production capacity of crude oil reached 4.51 million tonnes/year, and newly-built production capacity of natural gas reached 0.985 billion cubic meters/year. The capital expenditure of the Refining Segment was approximately RMB 12.178 billion. The Refinery in Yanshan was upgraded to 10-megatone level and commenced production; Refinery projects in Qingdao, Luoyang, Wuhan, Gaoqiao and other places as well as oil jetty projects are progressing smoothly. Capital expenditure of the Chemical Segment was RMB 7.207 billion. The Maoming high pressure polyethylene (BPPE) project, Shanghai glycol project and Yangtze-Jinpu GR-S project were completed and commenced production, while Tianjin ethylene refining & chemical integration project, Zhenhai megaton ethylene project and Fujian ethylene project are progressing as scheduled. The capital expenditure of the Marketing & Distribution Segment was RMB 7.948 billion. We have achieved preliminary results in erecting and acquiring petrol stations in key areas such as highways, and the number of newly erected or acquired petrol stations reached 547. We have also further improved our marketing and distribution network. Capital expenditure of headquarters and others was RMB 1.770 billion .

§3 Significant events

3.1 Significant changes and explanations of key accounting items and financial index of the Company

| Items | At 30 | At 31 | Increase/(decrease) | | Main reason for Changes |
|-------|-----------|----------|---------------------|-----|-------------------------|
| | September | December | Amount | Per | |

| | 2007 | 2006 | | centage | |
|---------------------------|-----------------|-----------------|-----------------|----------------|---|
| | RMB | RMB | RMB | (%) | |
| | millions | millions | millions | | |
| Trade accounts receivable | 23,438 | 15,910 | 7,528 | 47 | Mainly due to operation expansion of the Company and increase of sales income. |
| Advance payments | 12,527 | 5,245 | 7,282 | 139 | Mainly due to the rise of raw material prices of the Company. |
| Construction in progress | 84,241 | 52,724 | 31,517 | 60 | Mainly due to the implementation of projects under the Yearly Investment Plan r of the Company. |
| Intangible assets | 12,674 | 9,132 | 3,542 | 39 | Mainly due to increase of land tenure during the period. |
| Short-term | 2,000 | 11,885 | (9,885) | (83) | Mainly due to the payment of RMB 10 |

| | | | | | |
|-------------------------------|--------|--------|--------|-----|---|
| debentures payable | | | | | billion short-term financing bond. |
| Trade accounts payable | 74,045 | 52,331 | 21,714 | 41 | Mainly due to the rise of crude oil price and increase of processing quantity of the Company. |
| Debentures payable | 21,207 | 3,500 | 17,707 | 506 | Mainly due to the issue of HKD 11.7 billion convertible bonds and RMB 5 billion corporate securities. |
| Other non-current liabilities | 1,564 | 1,146 | 418 | 36 | Mainly due to the increase of long-term account payable. |

| Items | As at 30 September | | Increase/(decrease) | | Main reason for Changes |
|--|------------------------------|------------------------------|---------------------------|-----------------------|--|
| | Year 2007 RMB millions | Year 2006 RMB millions | Amount RMB millions | Per centage (%) | |
| Exploration expenses | 8,087 | 4,888 | 3,199 | 65 | Mainly due to enhanced exploration for southern marine facies including Northeast and West Sichuan Province and reinforced prospective research. |
| Impairment losses | 1,593 | 135 | 1,458 | 1,080 | Mainly due to devalue of long-term assets of the Company and year-on-year asset disposal increase. |
| Investment income | 4,117 | 2,331 | 1,786 | 77 | Due to performance improving of joint corporation and affiliated companies, investment income of the Company increased year on year. |
| Non-operating income | 302 | 186 | 116 | 62 | Mainly due to income from year-on-year increase of asset disposal of the Company. |
| Income tax | 22,114 | 15,256 | 6,858 | 45 | Mainly due to profit increase of the Company, expenses for income tax increased year on year. |
| Minority interests | 1,790 | 258 | 1,532 | 594 | Mainly due to profit increase of partly owned subsidiary of the Company. |
| Net profits attributable to the equity | 48,683 | 33,889 | 14,794 | 44 | Mainly due to the fact that the Company actively expanded business scale, |

| | | | | | |
|--|---------|--------|--------|-----|---|
| shareholders of the Company | | | | | increased market share, steadily promoted product sales, and remarkably improved business performance by grasping the opportunities arising from the continuous high level of price of crude oil in international market and domestic petrochemical products. Mainly due to the increase of business profits and cash flow which occurred from business receivables and payables. |
| Net cash flow from operating activities | 102,277 | 47,973 | 54,304 | 113 | |

3.2 Significant events and their impacts as well as the analysis and explanations for the solutions

Applicable Inapplicable

3.2.1 Mr. Su Shulin elected Chairman of Sinopec Corp.'s Board of Directors

On Sinopec Corp.'s second interim shareholders' general meeting dated 10 August 2007, Mr. Su Shulin was elected director of the third term of Board of Directors. On the same day, Mr. Su Shulin was elected Chairman of the Board on the 13th meeting of the third term of Board of Directors.

3.2.2 2007 Interim distribution of dividends

Pursuant to the "Articles of Associati