



中国石化
SINOPEC

China Petroleum & Chemical Corporation

2021 Interim Results Announcement

August 30, 2021

中国石油化工股份有限公司
SINOPEC CORP.

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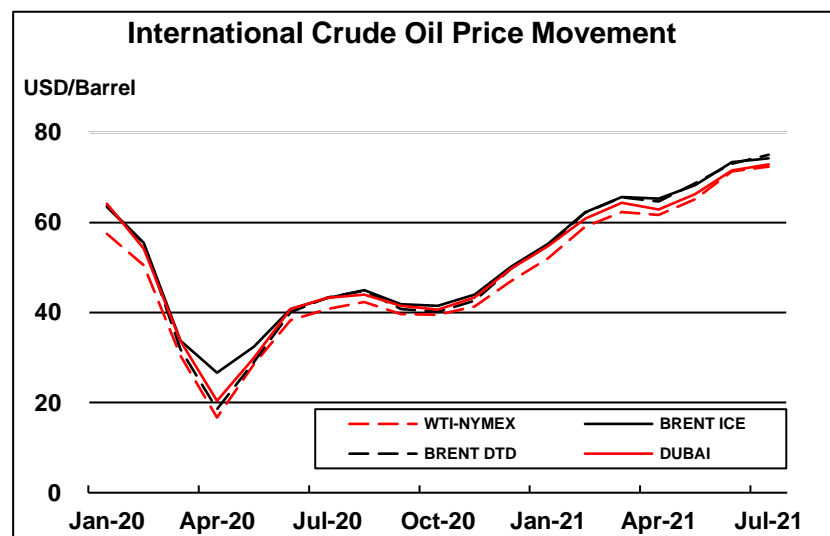


1H 2021 Performance Highlights

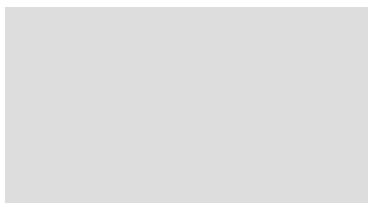


Market Environment in 1H 2021

- Global economy recovered gradually
- China's economy kept a sustainable and steady recovery
 - ◆ GDP up by 12.7% YoY
- International oil prices fluctuated with an upward trend
- Domestic Demand for petroleum and petrochemicals kept growing
 - ◆ Natural gas apparent consumption grew by 17.5% YoY
 - ◆ Demand for refined oil products recovered
 - ◆ Demand for chemicals kept growing



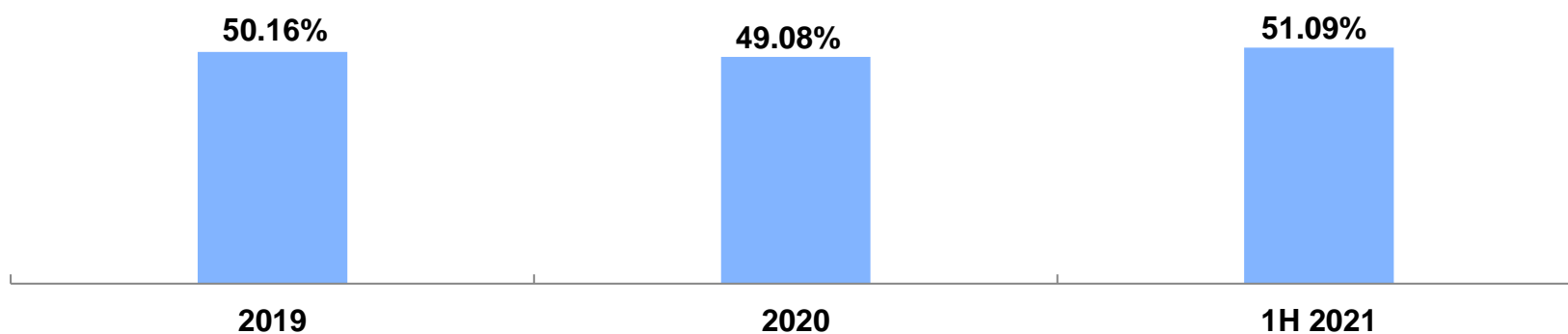
Achieved the Best Profitability in Past Three Years



Solid Financial Position

RMB million	As of Dec. 31, 2020	As of Jun. 30, 2021
Total Assets	1,733,805	1,852,964
Short-term Interest-bearing Debts	29,033	77,436
Long-term Interest-bearing Debts	83,815	74,400
Total Equity Attributable to Shareholders of the Company	741,494	764,208

Liability-to-Asset Ratio



Strong Cash Flow

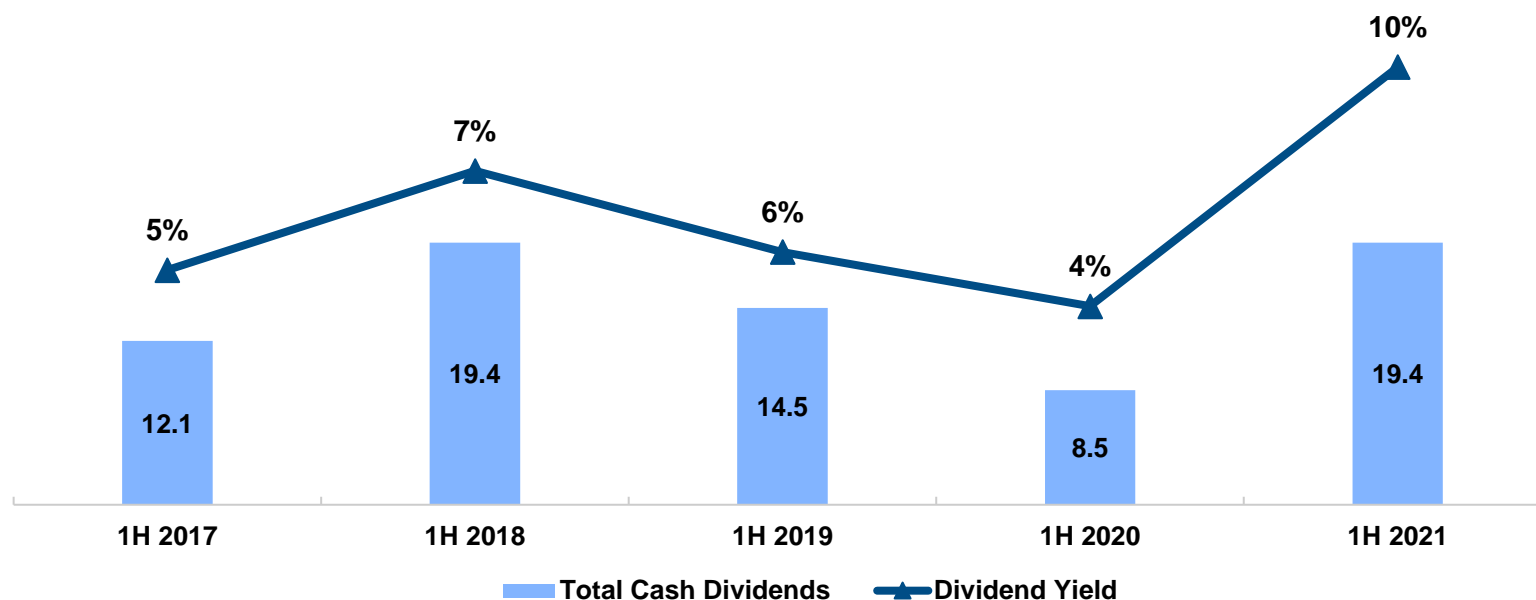
RMB million	1H 2020	1H 2021
Net Cash Generated from Operating Activities	40,365	47,736
Net Cash Used in Investing Activities	(75,605)	(65,791)
Net Cash Generated from Financing Activities	61,224	9,062

RMB million	As of Dec. 31, 2020	As of Jun. 30, 2021
Cash and Cash Equivalents (Incl. Time Deposits)	188,057	190,482

Dividend – Emphasis on Shareholder Return

- The Board of Directors declared an interim dividend of RMB 0.16 per share
- Annualized dividend yield for H-share around 10%*

RMB Billion

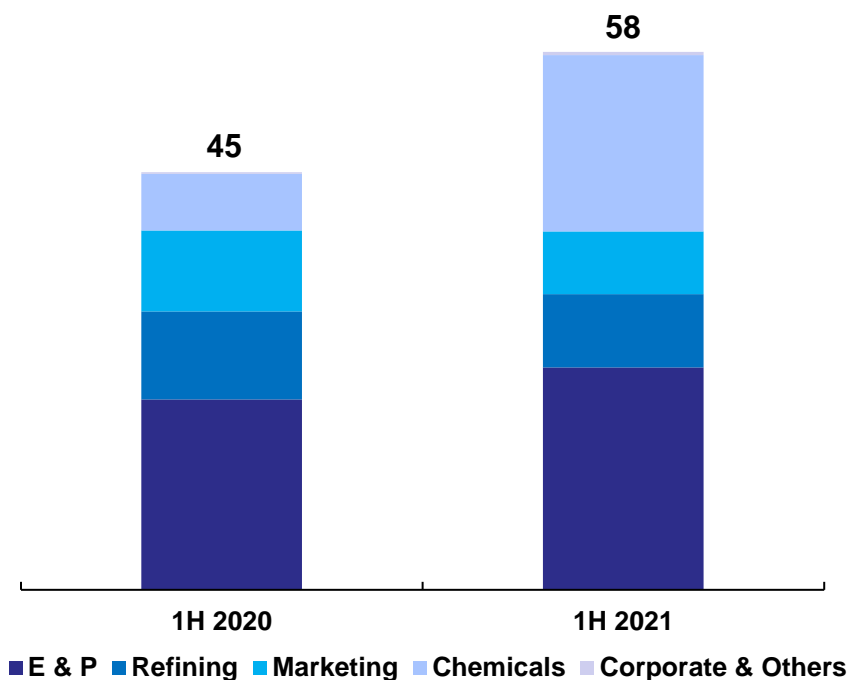


* Based on the volume weighted average share price of the company's H-Share in the first half of 2021

Capital Expenditure – Focus on Quality and Profitability

■ 1H 2021 Capital Expenditure: RMB 58 Bn

RMB Billion



■ E&P: RMB 24 Bn

Oil & Gas capacity building and storage & transportation facilities construction

■ Refining: RMB 8 Bn

Construction of Zhenhai and Anqing refining structural upgrading projects

■ Marketing: RMB 7 Bn

Construction of oil (gas) stations, integrated energy stations, and logistics facilities

■ Chemicals: RMB 19 Bn

Construction of Zhenhai and Hainan projects

Actively Addressing Climate Change

- Issued the *Guidance on Carbon Peak and Neutrality Actions of China Petroleum & Chemical Corporation*
- Jointly initiated *China Oil and Gas Methane Alliance*
- Launched million-tonne CCUS project of Qilu Petrochemical-Shengli Oilfield

Major Emission Reduction Indicators	1H 2021
GHG reduction through energy conservation and consumption reduction(thousand tonnes CO ₂ -equivalent)	2,304
CO ₂ captured (thousand tonnes)	716
CO ₂ injected for oil displacement (thousand tonnes)	155
Methane recovery (million cubic metre)	320

Strengthen HSE Management

- Safeguarded occupational, physical and psychological health of employees at home and abroad
- Implemented the three-year programme of special rectification of work safety
- Promoted Green Enterprise Campaign

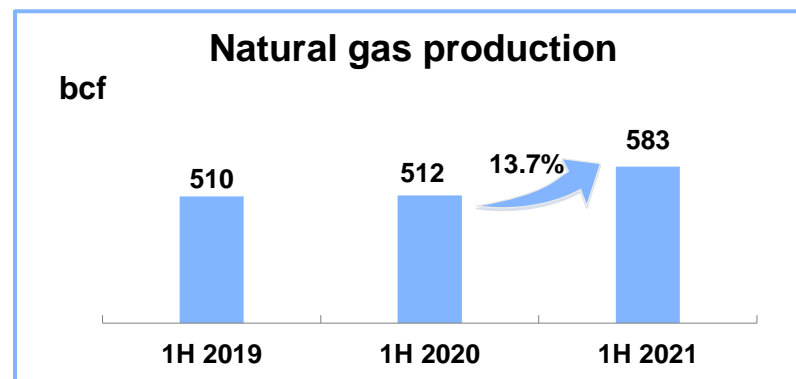
Major Environmental Indicators	YoY change (%)
COD of discharged waste water	(2.0)
Sulphure dioxide emission	(4.2)
All solid waste was properly treated.	-

1H 2021 Operational Results by Segment



Upstream – Promote High-Quality Exploration and Profit-Oriented Development

- Achieved new discoveries in key basins
- Achieved major breakthroughs in continental facies shale oil exploration
- Natural gas production up by 13.7%
- Natural gas market share improved steadily



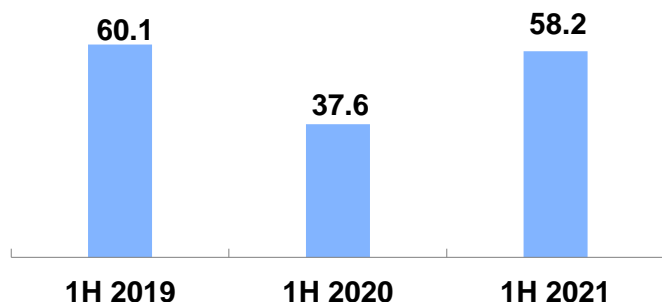
	1H 2020	1H 2021	YoY (%)
Oil and Gas Production(mmboe)	225.71	235.29	4.2
Crude Oil Production(mmbbls)	140.27	138.15	(1.5)
China	124.05	123.62	(0.3)
Overseas	16.22	14.53	(10.4)
Natural Gas Production(bcf)	512.41	582.60	13.7

* 1 cubic meter=35.31 cubic feet

Upstream – Substantial Improvement in Profitability

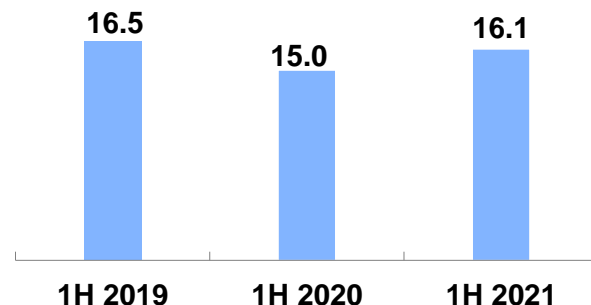
Realised Price of Crude Oil

USD/bbl



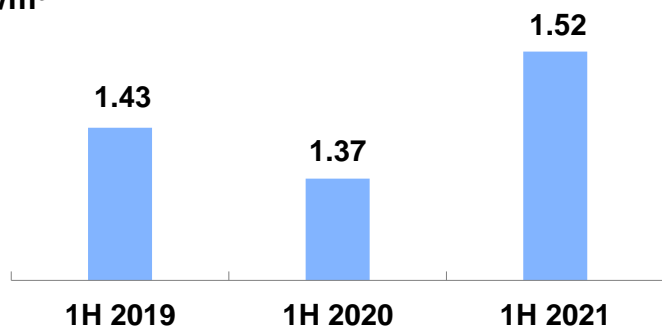
Lifting cost

USD/bbl



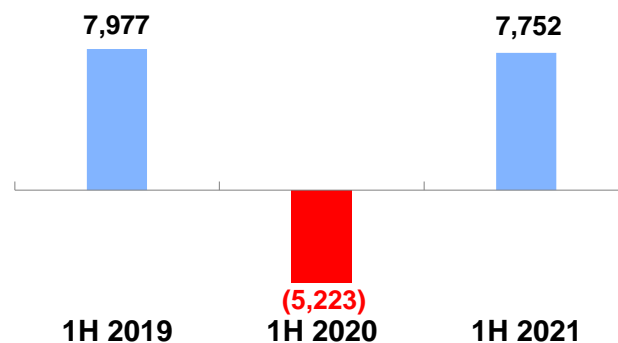
Realised Price of Natural Gas

RMB/m³



EBIT of E&P

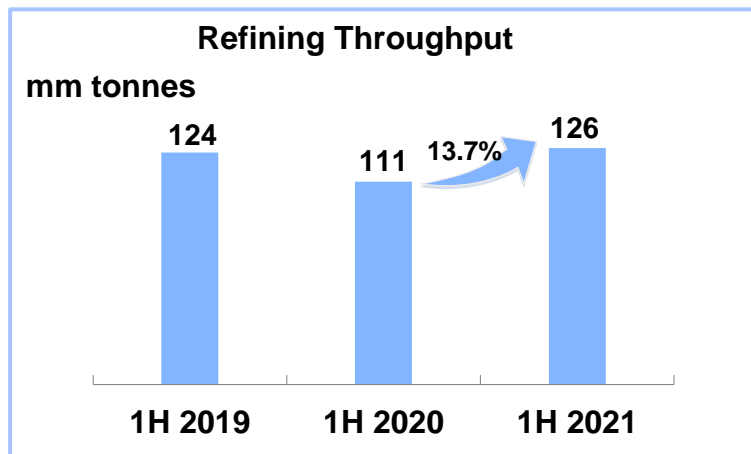
RMB Million



*1H2021 USD 1=RMB 6.4718; 1H2020 USD1=RMB 7.0319; 1H2019 USD 1=RMB 6.7808

Refining – Strengthened Structural Adjustment

- Maintained high utilization rate and refining throughput increased significantly
- Dynamically adjusted crude oil procurement to reduce cost
- Increased gasoline production and lowered oil products yield and diesel-gasoline ratio
- Increased production of high value-added products and specialty products



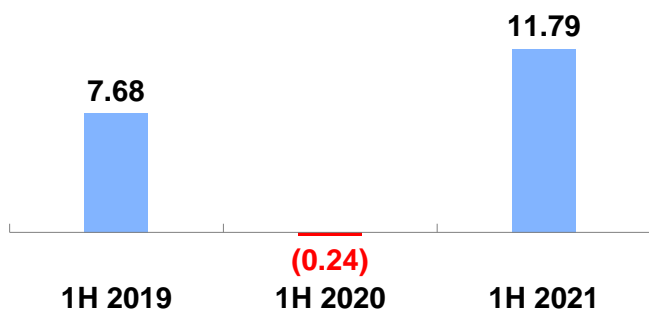
mm tonnes	1H 2020	1H 2021	YoY (%)
Gasoline, Diesel and Kerosene Production	67.19	72.19	7.4
Gasoline Production	26.82	32.40	20.8
Diesel Production	30.47	28.54	(6.3)
Kerosene Production	9.90	11.24	13.5
Light Chemical Feedstock Production	19.00	22.26	17.2
Diesel-to-gasoline ratio	1.14	0.88	Decreased by 0.26 percentage points

*Refinery throughput is calculated based on 1 tonne= 7.35 bbls; 100% production of domestic joint ventures included

Refining – Strong Rebound in Earnings

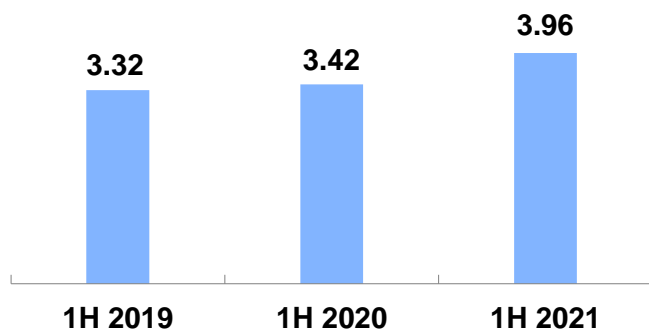
Refining Margin

USD/bbl



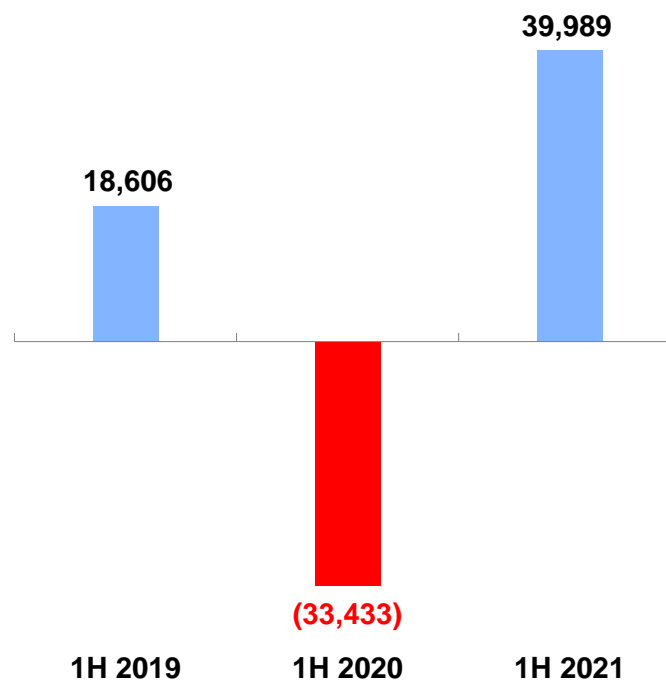
Cash Operating Cost

USD/bbl



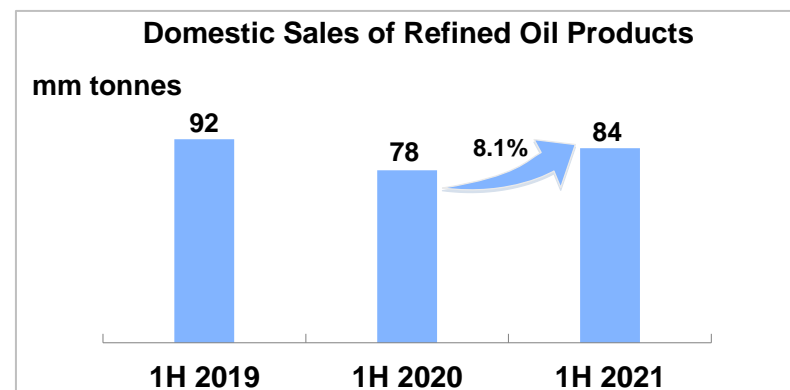
EBIT of Refining

RMB million



Marketing – Rapid Recovery in Domestic Sales of Refined Oil Products

- Leveraged integrated advantage to expand market
- Vigorously implemented differentiated marketing to continuously improve the quality of services
- Accelerated the construction of integrated energy stations



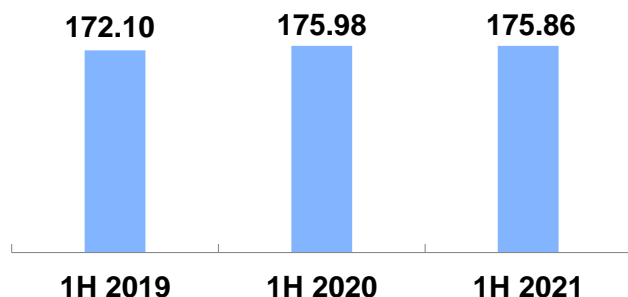
mm tonnes	1H 2020	1H 2021	YoY (%)
Domestic Sales of Refined Oil Products	77.75	84.01	8.1
Retail	52.50	55.50	5.7
Wholesale and Distribution	25.24	28.51	13.0
Annualized Average Throughout per Station (tonne/station)	3,419	3,614	5.7

Station	As of Dec. 31 2020	As of Jun. 30 2021	YoY (%)
Number of Sinopec-Branded Service Stations	30,713	30,716	0.0
Number of Convenience Stores	27,721	27,812	0.3

Marketing – Significant Increase in Profitability

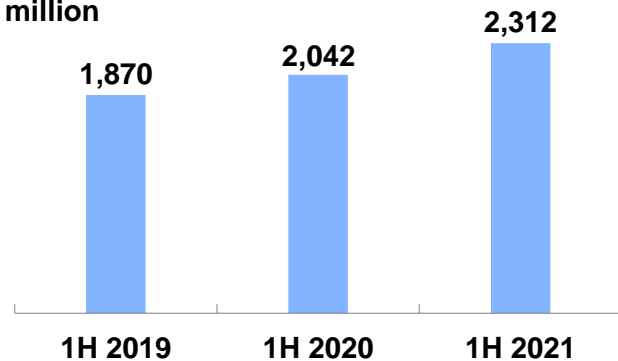
Marketing Cash Operating Cost

RMB/tonne



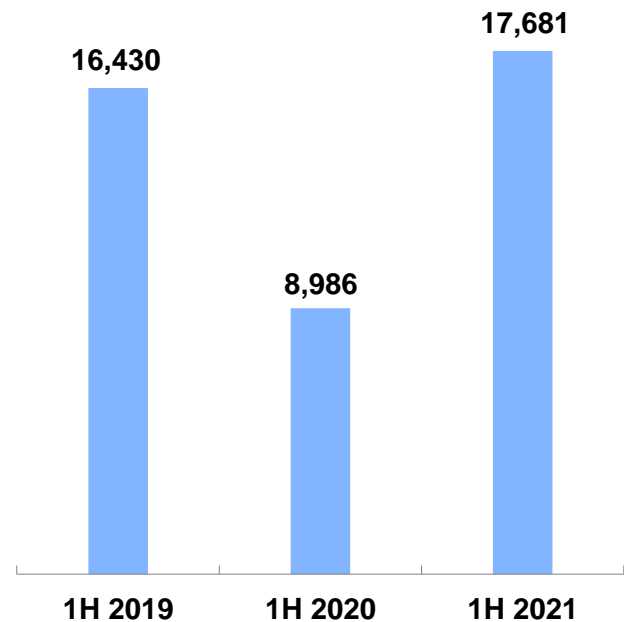
Profit of Non-fuel Business

RMB million



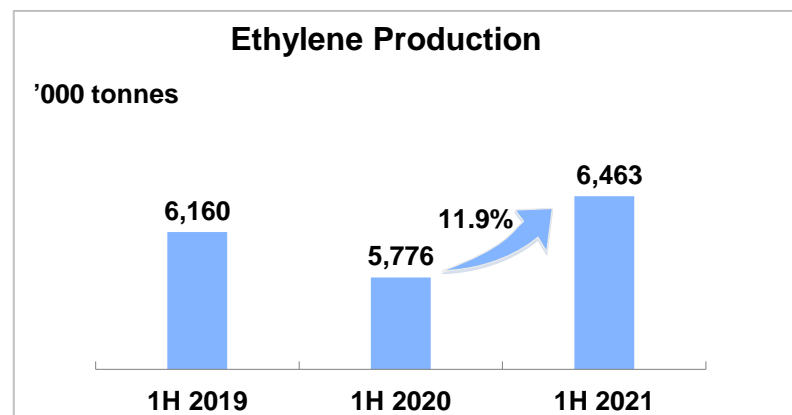
EBIT of Marketing

RMB million



Chemicals – Adhere to “Basic + High-end” Development Strategy

- Optimized feedstock mix to further reduce costs
- Optimized facilities operation and maintenance schedule to raise the utilization of profitable facilities
- Optimized product slate to increase the proportion of high value-added products
- Accelerated advanced capacity construction by proactively pushing ahead with key projects



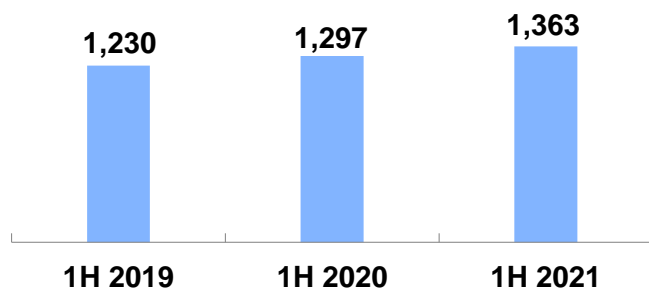
'000 tonnes	1H 2020	1H 2021	YoY(%)
Synthetic Resin Production	8,376	9,292	10.9
Synthetic Fiber Monomers & Polymers Production	4,421	4,507	1.9
Synthetic Fiber Production	573	676	18.0
Synthetic Rubber Production	526	594	12.9
Total Sales Volume of chemicals	4,009	4,000	(0.2)

* 100% production of domestic joint ventures included

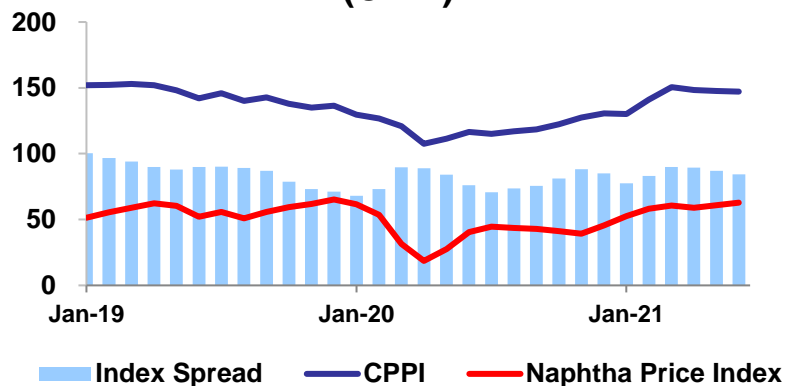
Chemicals – Realised High Profitability

Chemical All-in Cost

RMB/tonne

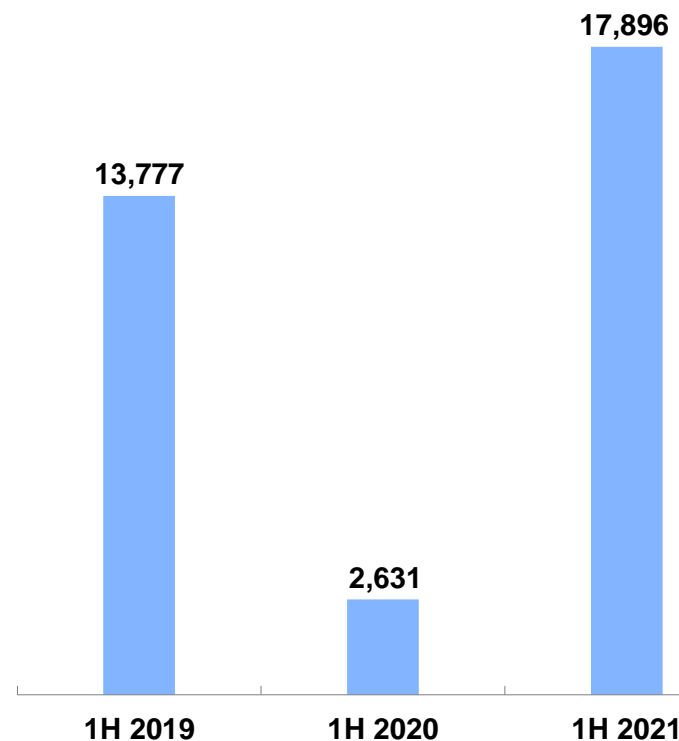


Chemical Products Price Index (CPPI)



EBIT of Chemicals

RMB million



2H 2021 Operational Plan



2H 2021 Market Outlook

- **Global pandemic continues to evolve, external environment remains complex and severe**
- **China's economy is expected to maintain steady growth**
 - ◆ Demand for refined oil products will keep stable
 - ◆ Demand for chemicals will maintain at good growth rate
 - ◆ Demand for natural gas will grow rapidly
- **International oil prices are expected to fluctuate within a wide range**

2H 2021 Production Plan

	1H 2021	2H 2021E	2021E	2020A
Oil and Gas Production (mmboe)	235	247	482	459
Domestic Crude Oil Production (mmbbls)	138	141	279	280
Natural Gas Production (bcf)	583	634	1,217	1,072
Refinery Throughput* (mm tonnes)	126	126	252	237
Total Domestic Sales Volume of Refined Oil Products (mm tonnes)	84	86	170	168
Ethylene Production* (mm tonnes)	6.46	6.54	13	12.06

*100% production of domestic joint ventures included

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