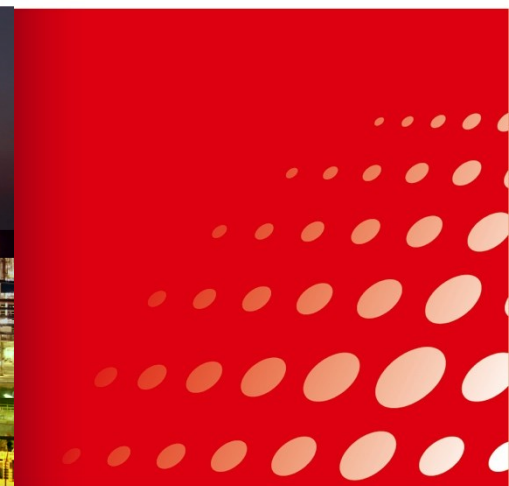




China Petroleum & Chemical Corporation Q3 2019 Results Announcement

Oct 31, 2019



SINOPEC CORP.

中国石油化工股份有限公司

Market Environment in Q3 2019

- **China's economy realized steady growth**
 - ◆ GDP grew by 6.2% YoY
- **International oil price fluctuated with an upward trend, and followed by a gradual slide**
- **Sustained growth of domestic demand for energy and petrochemicals**
 - ◆ Consumption of natural gas grew by 9.8% YoY
 - ◆ Consumption of refined oil products maintained growth
 - ◆ Domestic chemicals demand kept rapid growth

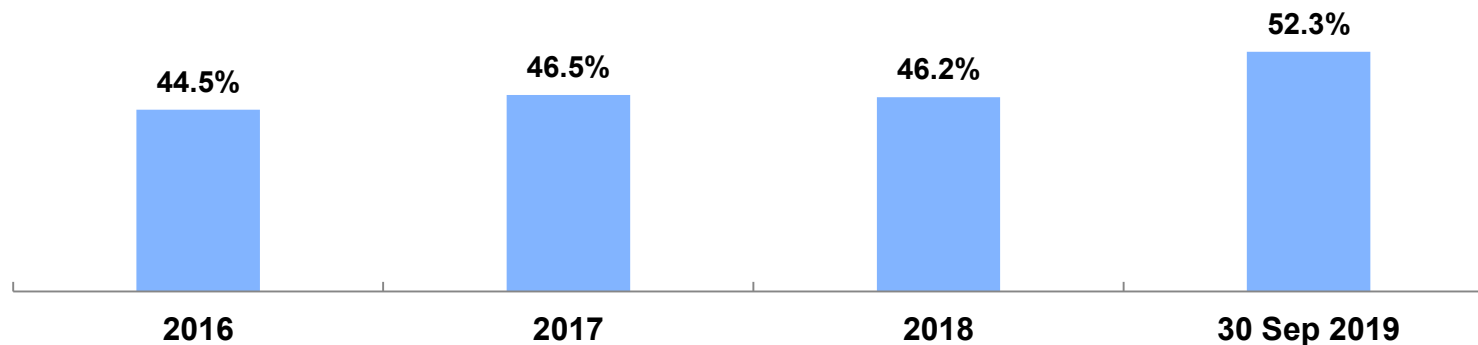
Robust Results amid Tough Environment

RMB million	1-9'18	1-9'19	YoY (%)
Turnover and Other Operating Revenues	2,072,970	2,233,305	7.7
EBIT	97,649	77,216	(20.9)
Profit Attributable to Equity Shareholders of the Company	60,155	44,226	(26.5)
EPS(RMB)	0.497	0.365	(26.5)

Solid Financial Position

RMB million	As of Dec. 31, 2018	As of Sep. 30, 2019
Total Assets	1,592,308	1,826,336
Short-term Interest-bearing Debt	61,127	89,461
Long-term Interest-bearing Debt	57,967	58,882
Total Equity Attributable to owners of the Company	717,284	724,863

Liability to Asset Ratio



Cash Flow Status

RMB million	1-9'18	1-9'19
Net Cash Generated from Operating Activities	137,919	81,398
Net Cash Generated from/(used in) Investing Activities	(3,270)	(70,752)
Net Cash Generated from/(used in) Financing Activities	(75,898)	(34,031)

RMB million	As of Dec. 31, 2018	As of Sep. 30, 2019
Cash and Cash Equivalents (Incl. Time Deposits)	167,015	159,965

Upstream – Implemented the Action Plan of Making Greater Efforts in Oil and Gas Exploration and Production

- Enhanced high-quality exploration with new domestic discoveries
- Adopted profit-oriented development and promoted the capacity building of profitable crude oil production
- Promoted a coordinated growth along the value chain of natural gas with gas production up by 8.4%

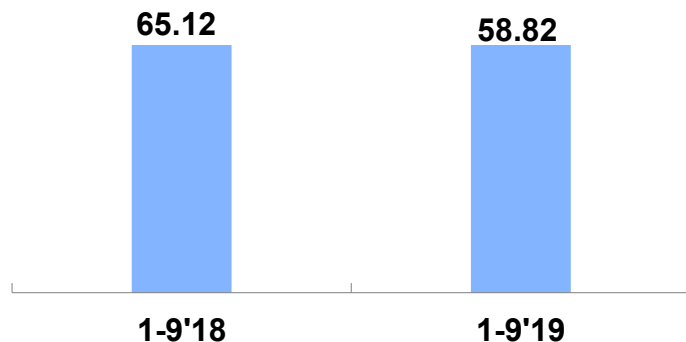
	1-9'18	1-9'19	YoY (%)
Oil and Gas Production(mmboe)	335.34	341.74	1.9
Crude Oil Production(mmbbl)	216.32	212.78	(1.6)
China	186.50	186.69	0.1
Overseas	29.82	26.09	(12.5)
Natural Gas Production(bcf) *	713.78	773.41	8.4

* 1 cubic meter=35.31 cubic feet

Upstream – Significant Improvement in Earnings

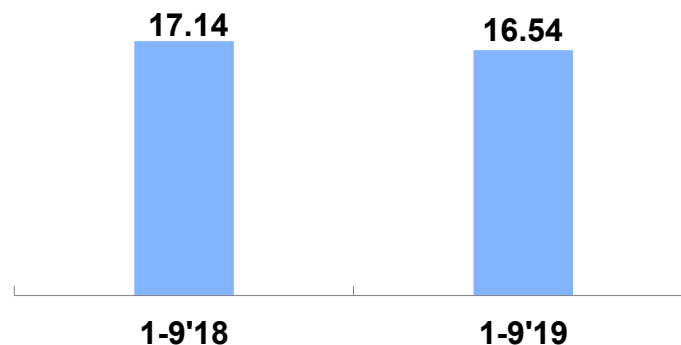
Realized Price of Crude Oil

USD/bbl



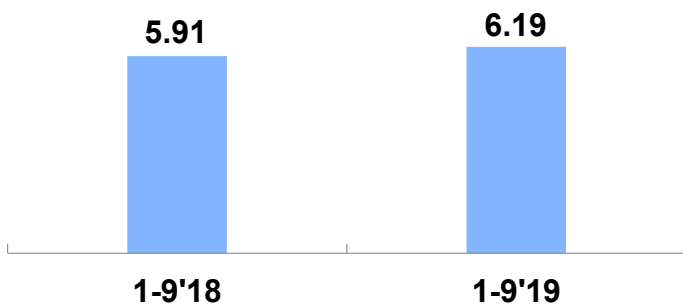
Lifting Cost

USD/bbl



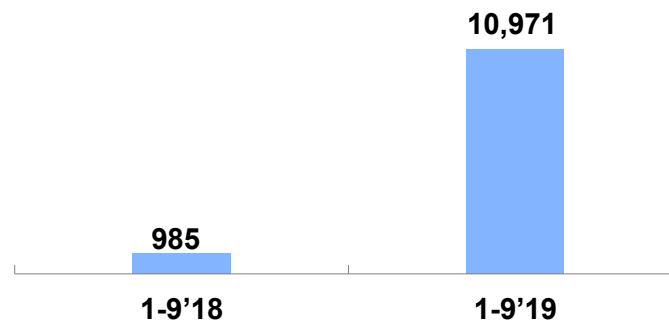
Realized Price of Natural Gas

USD/mcf



EBIT of E&P Segment

RMB million



* 1-9'2018 USD 1=RMB 6.5196; 1-9'2019 USD 1=RMB 6.8541

Refining – Sustained Optimization in Product Slate

- Dynamic optimization of product slate with a market-oriented approach
- Maintained high utilization rate
- Implemented the quality upgrading plan for new spec bunker fuel

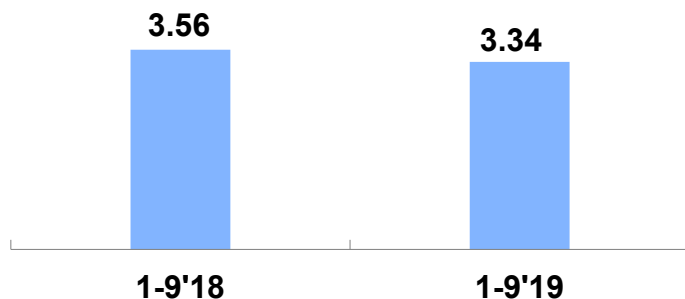
(mm tonnes)	1-9'18	1-9'19	YoY (%)
Refinery Throughput	182.74	186.26	1.9
Gasoline, Diesel and Kerosene Production	116.13	119.54	2.9
Gasoline	45.74	47.20	3.2
Diesel	48.62	49.01	0.8
Kerosene	21.77	23.33	7.2
Light Chemical Feedstock Production	29.01	30.05	3.6

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

Refining – Maintained Competitive Edge

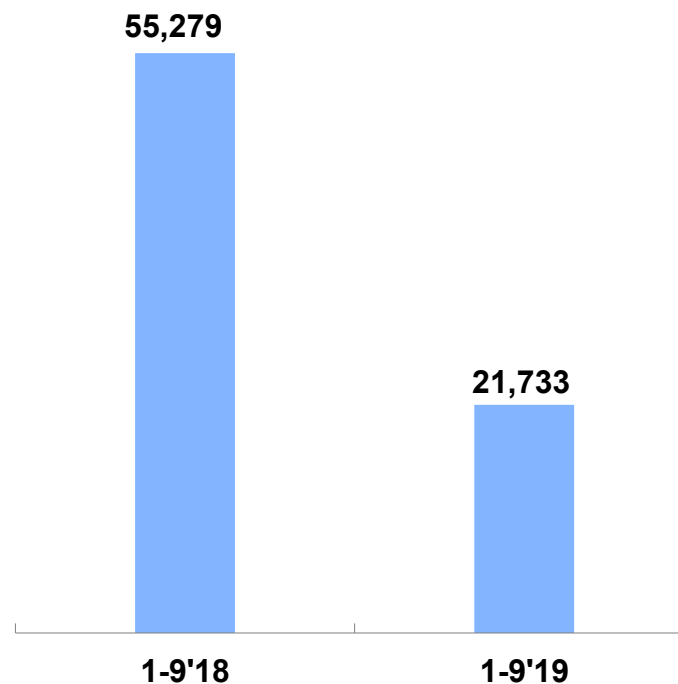
Cash Operating Cost

USD/bbl



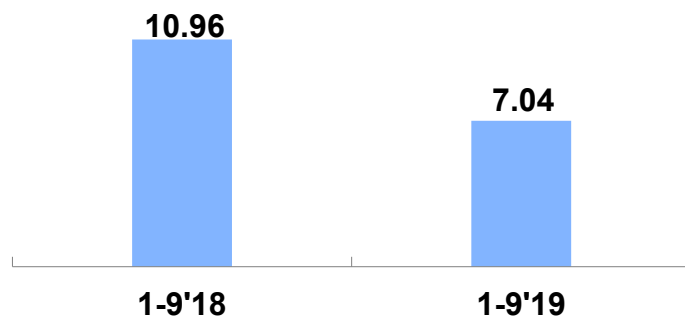
EBIT of Refining Segment

RMB million



Refining Margin

USD/bbl



Marketing – Leveraged Production & Marketing Synergy and Network Advantage in Response to Competition

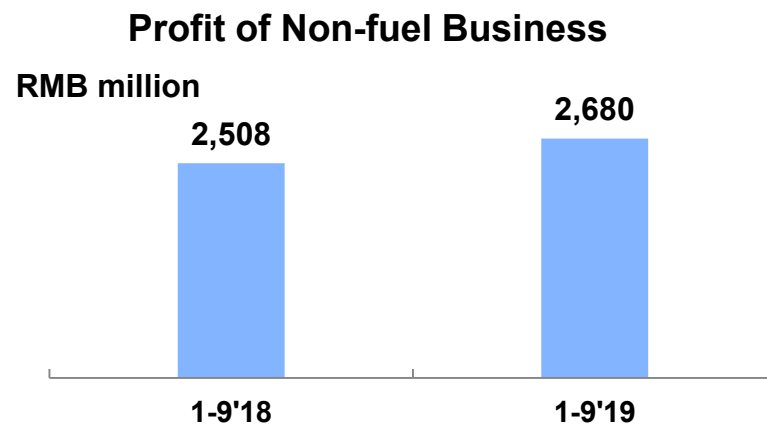
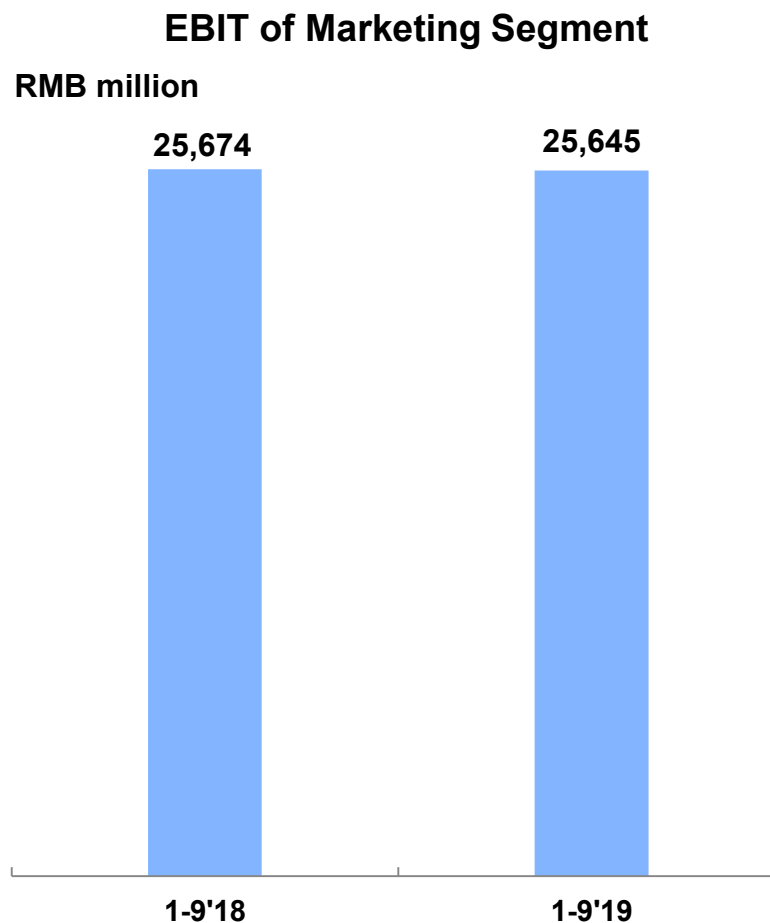
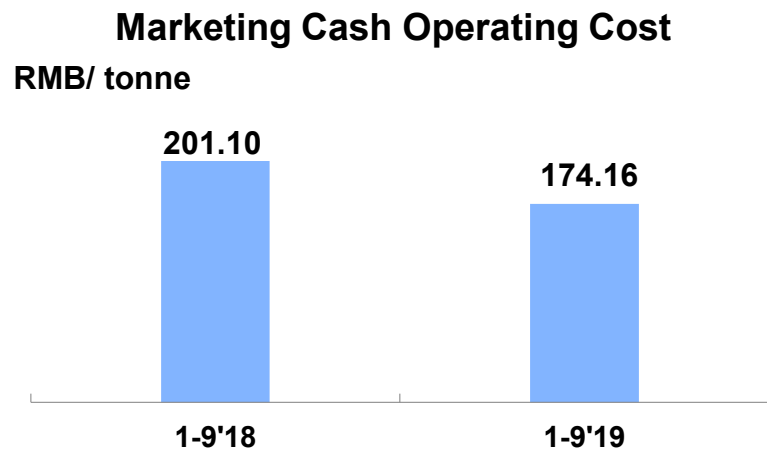
- Sustained growth in domestic sales volume and retail scale
- Optimized the layout of service stations and leveraged network advantage
- Continuously explored overseas market, and expanded the scale of international trade

(mm tonnes)	1-9'18	1-9'19	YoY (%)
Total Sales Volume of Refined Oil Products	177.35	192.42	8.5
Domestic Sales Volume of Refined Oil Products	135.02	139.25	3.1
Retail	90.82	91.80	1.1
Direct Sales and Distribution	44.20	47.45	7.4
Annualized Average Throughput per Station (tonne/station)	3,953	3,991	1.0

	As of Dec. 31 2018	As of Sep.30 2019	Change %
Number of Sinopec-Branded Service Stations	30,661	30,676	0.05
Number of Convenience Stores	27,259	27,343	0.31

* The total sales volume of refined oil products includes sales volume from Marketing and Distribution Segment and trading volume.

Marketing – Sustained Growth of Non-fuel Business

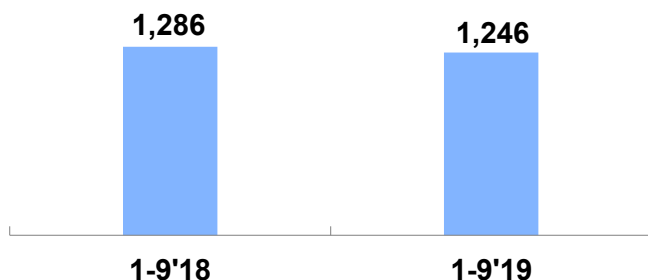


'000 tonnes	1-9'18	1-9'19	YoY Change %
Ethylene Production	8,784	9,295	

Chemicals – Maintained Relatively High Profitability

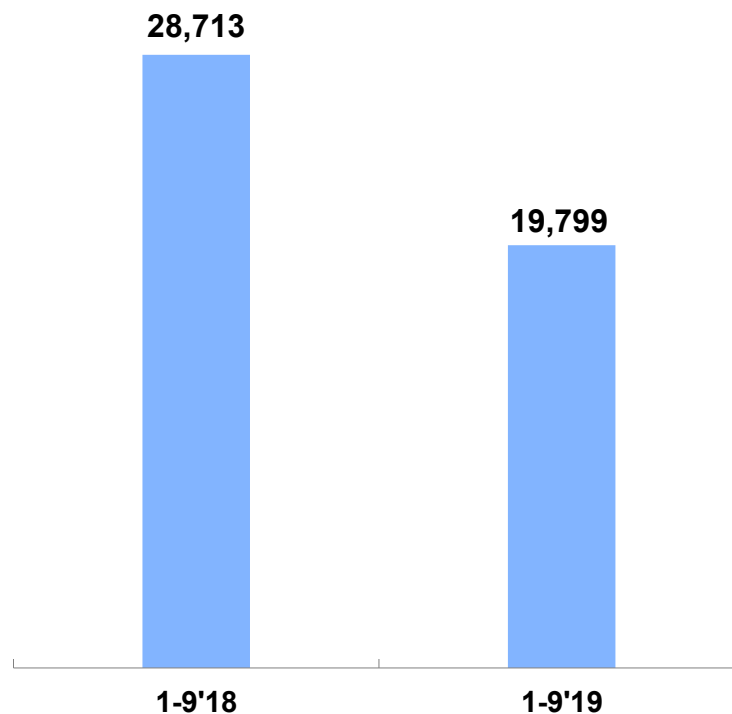
Chemical All-in Cost

RMB/tonne



EBIT of Chemical

RMB million



Chemical Products Price Index (CPPI)

250

200

150

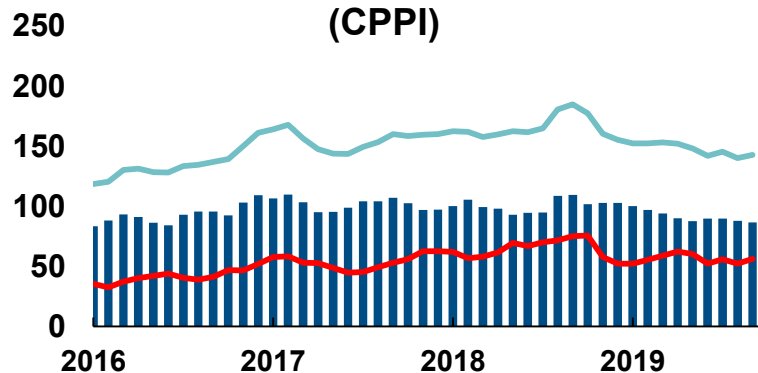
100

50

0

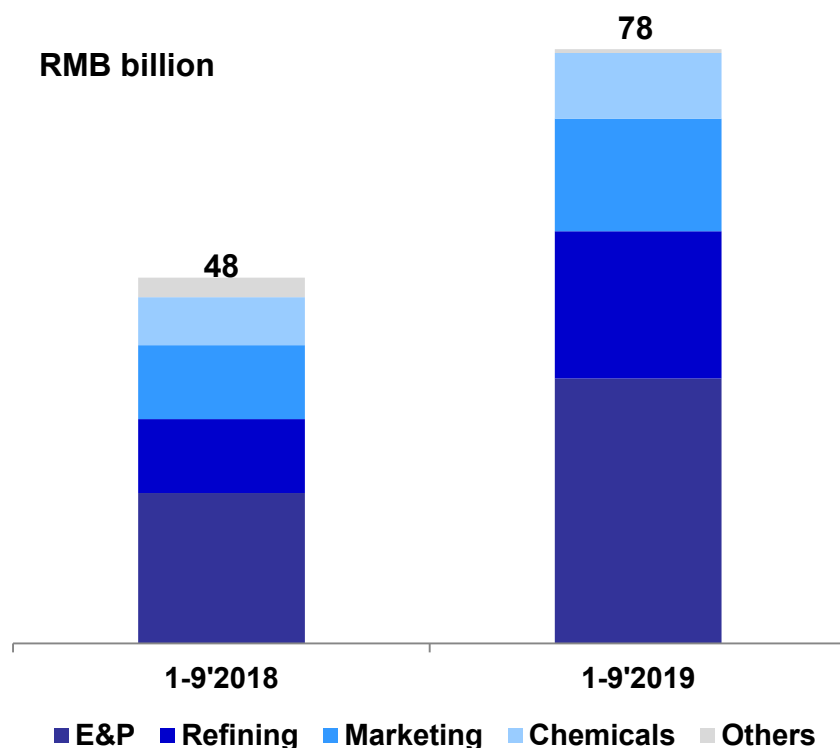
2016 2017 2018 2019

Index Spread CPPI Naptha Price Index



Capital Expenditure – Focus on Quality and Profitability

- Capex for 1-9'2019: RMB 78 Bn, increased by 63% YoY



- **E&P: RMB 34.8Bn**

Oil & Gas capacity building, gas storage and natural gas pipeline construction

- **Refining: RMB 19.3Bn**

Construction of Zhongke Refining and Chemical Project, and adjustment of product slate

- **Marketing: RMB 14.8Bn**

Constructions of oil products depots, pipelines, service stations, non-fuel business and revamping of underground oil tanks

- **Chemicals: RMB 8.6Bn**

Construction of Zhongke, Zhenhai and Wuhan ethylene projects, and phase II of Hainan high-efficiency and environment-friendly aromatics project

- **R&D and IT facilities: RMB 0.5Bn**

Q&A

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