



# Q1 2017 Results Announcement

April 28, 2016



SINOPEC CORP.

# Cautionary Statement

Financial data of the first quarter contained in the presentation and presentation materials are unaudited.

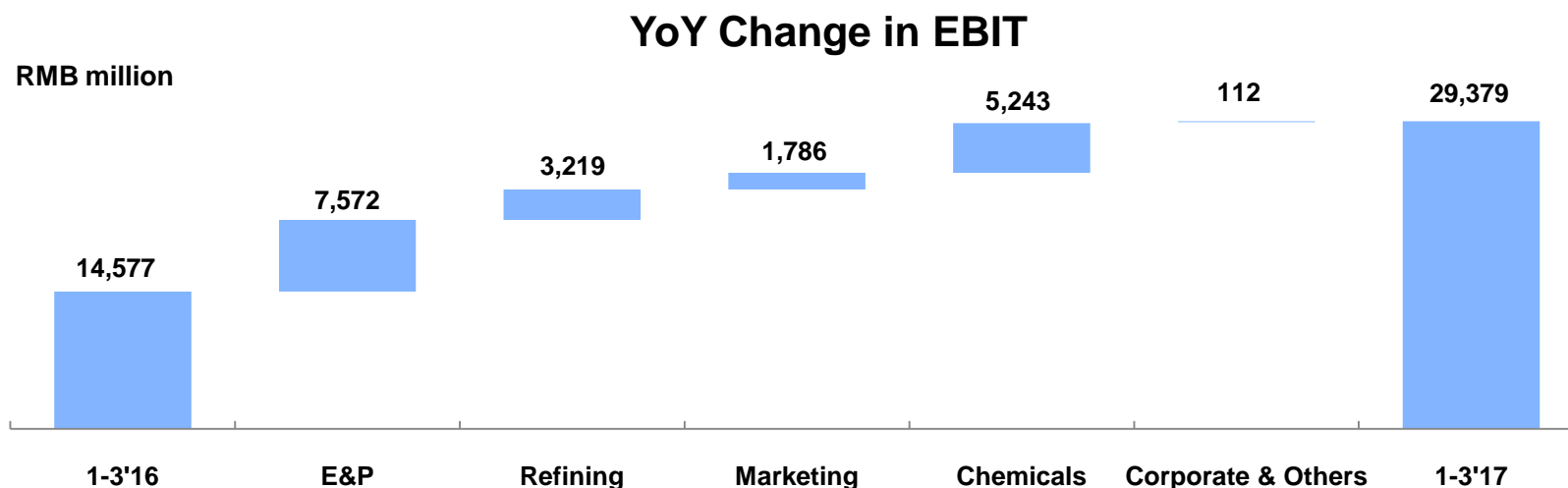
This presentation and the presentation materials distributed herein include forward-looking statements. All statements, other than statements of historical facts, that address activities, events or developments that Sinopec Corp. expects or anticipates will or may occur in the future (including but not limited to projections, targets, estimates and business plans) are forward-looking statements. Sinopec Corp.'s actual results or developments may differ materially from those indicated by these forward-looking statements as a result of various factors and uncertainties, including but not limited to price fluctuations, actual demand, exchange rate fluctuations, exploration and development outcomes, estimates of proven reserves, competition, environmental risks, changes in legal, financial and regulatory frameworks, international economic and financial market conditions, political risks, project delay, project approval, cost estimates and other risks and factors beyond our control. In addition, Sinopec Corp. makes the forward-looking statements referred to herein as of today and undertakes no obligation to update these statements.

## Market Environment in 1Q 2016

- **GDP grew by 6.9% YoY in the first quarter**
- **International crude oil price fluctuated within a narrow range**
- **Domestic demand of refined oil and chemical products kept growth**

# Realised Full Benefits of Integrated Business Model

RMB million	1-	1-	YoY Change %
Turnover and Other Operating Revenues	414,061	582,185	40.6
EBIT	14,577	29,379	101.5
Profit Attributable to owners of the Company	6,668	17,199	157.9
EPS(RMB)	0.055	0.142	158.2

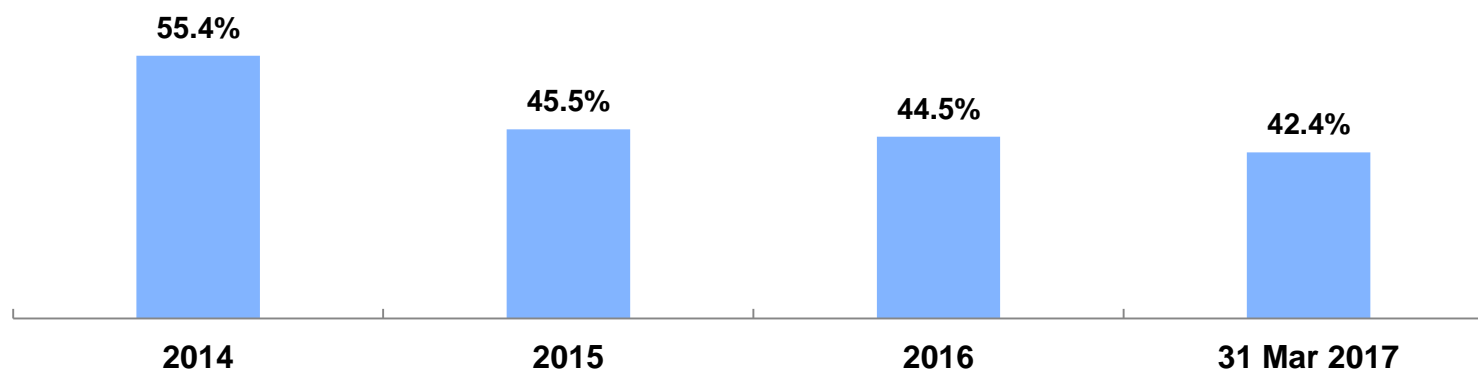


\* Change in elimination of inter-segment sales is not shown

# Solid Financial Position

RMB million	As of Dec. 31, 2016	As of Mar. 31, 2017	Change %
Total Assets	1,498,609	1,478,917	(1.3)
Short-term Interest-bearing Debt	74,819	66,498	(11.1)
Long-term Interest-bearing Debt	81,886	87,184	6.5
Total Equity Attributable to owners of the Company	710,994	727,404	2.3

## Liability to Asset Ratio



# Cash Flow

RMB million	1-	1-	YoY Change %
Net Cash Generated from Operating Activities	34,285	13,276	(61.3)
Net Cash Used in Investing Activities	(25,042)	(21,574)	(13.8)
Net Cash Generated from/(used in) Financing Activities	(14,208)	(5,131)	(63.9)

RMB million	As of Dec. 31, 2016	As of Mar. 31, 2017	Change %
Cash and Cash Equivalents (Incl. Time Deposits)	142,497	135,050	(5.2)

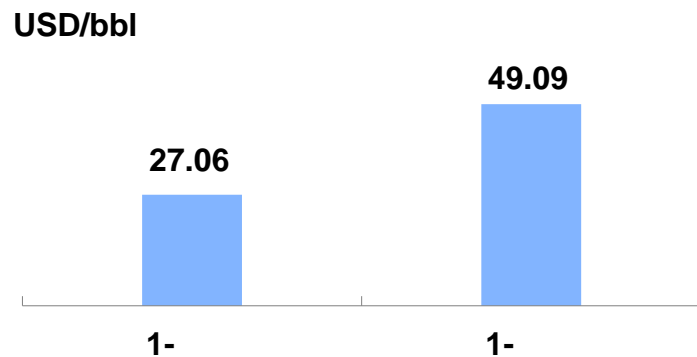


	1-	1-	YoY Change %
<b>Oil and Gas Production(mmboe)</b>	<b>114.68</b>	<b>111.93</b>	<b>(2.40)</b>
<b>Crude Oil Production(mmbbl)</b>	<b>79.42</b>	<b>72.08</b>	<b>(9.24)</b>
<b>China</b>	<b>66.35</b>	<b>60.67</b>	<b>(8.56)</b>
<b>Overseas</b>	<b>13.07</b>	<b>11.41</b>	<b>(12.70)</b>
<b>Natural Gas Production(bcf)</b>	<b>211.36</b>	<b>238.35</b>	<b>12.77</b>

\* 1 tonne=7.10 bbls for crude oil production in China, 1 tonne=7.21 bbls for overseas crude oil production; 1 cubic meter=35.31 cubic feet for natural gas production.

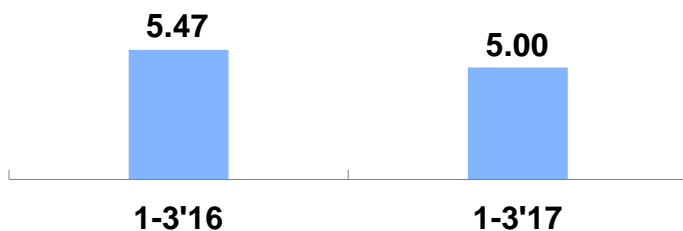
# Upstream Performance Improved

## Realised Price of Crude Oil

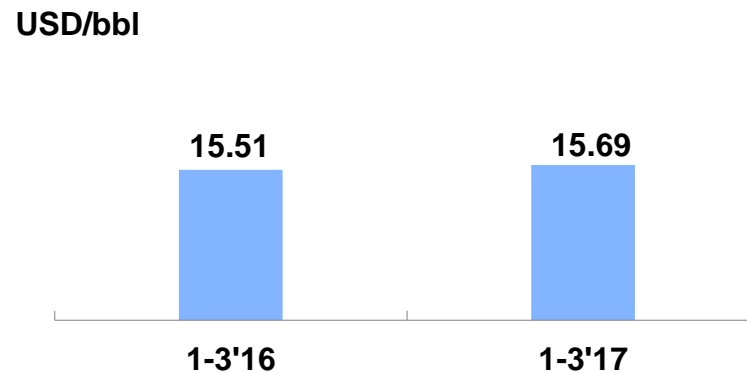


RMB million	1-	1-
EBIT	(12,923)	(5,351)

## Realised Price of Natural Gas



## Lifting Cost





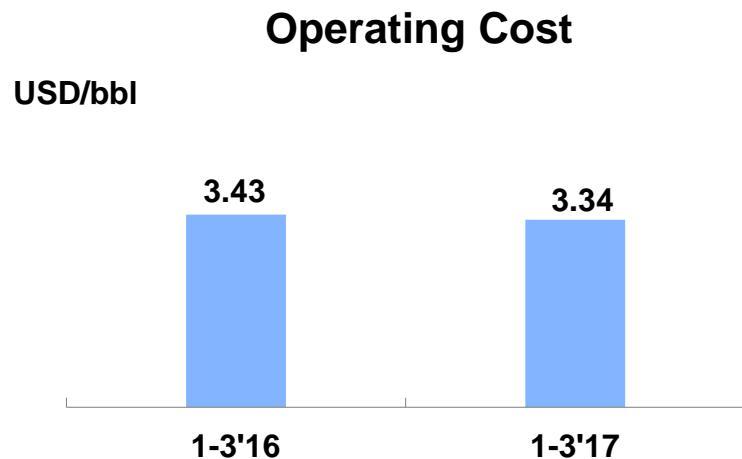
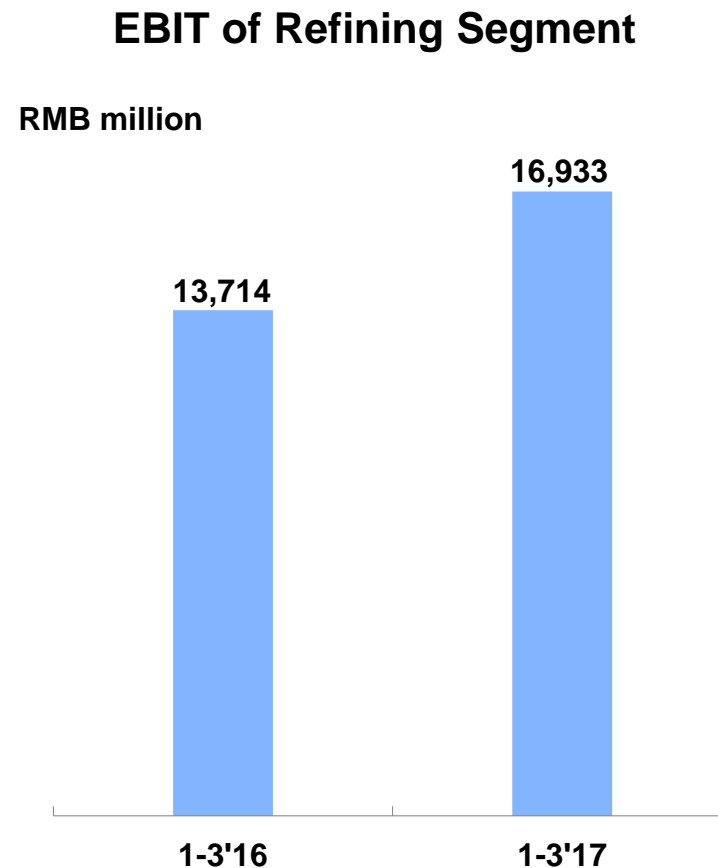
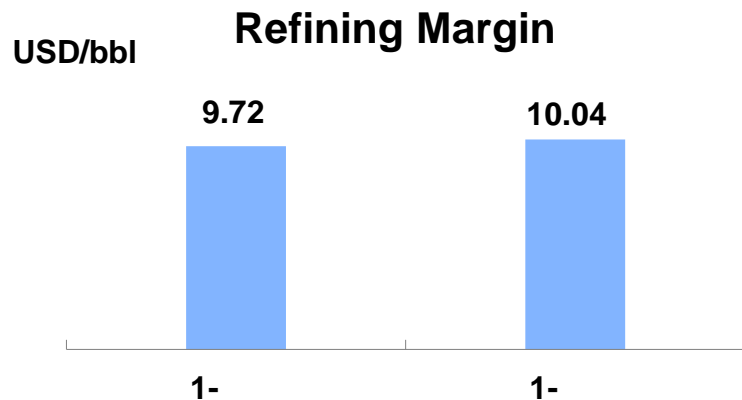
## Refining Good Results from Structural Adjustment with High Utilisation

- Optimised product mix, increased gasoline, jet fuel and light chemical feedstock production
- Promoted quality upgrading of refined oil products
- Optimised resource allocation and further cut crude procurement cost
- Improved margins for LPG, and asphalt

	1-	1-	YoY Change %
Refining Throughput(mm tonnes)	57.18	58.95	3.10
Gasoline Production(mm tonnes)	13.92	14.31	2.80
Diesel Production(mm tonnes)	16.32	16.21	(0.67)
Kerosene Production(mm tonnes)	6.08	6.51	7.07
Light Chemical Feedstock Production(mm tonnes)	9.74	9.97	2.36
Light Yield (%)	77.05	76.30	(75)bps
Refining Yield (%)	94.93	95.29	36bps

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

# Refining Record High Refining Margin



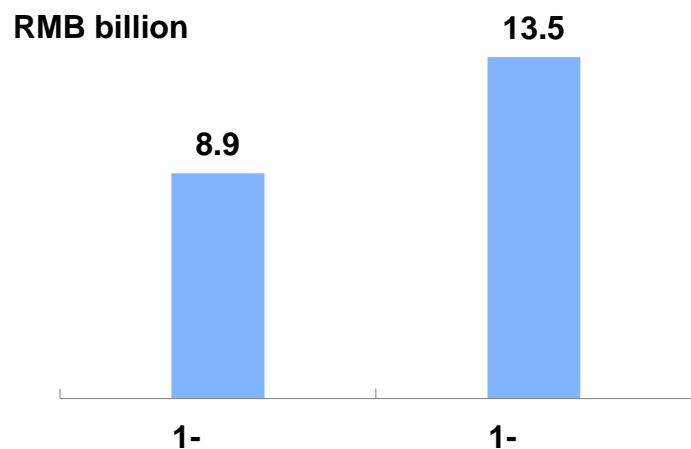
## Marketing Continued Growth in Total Sales Volume

- Further increased the retail volume of high octane number gasoline
- Improved marketing network and optimised the layout of service stations and refined oil product pipelines

(mm tonnes)	1-	1-	YoY Change %
<b>Total Sales Volume of Refined Oil Products</b>	<b>47.21</b>	<b>47.44</b>	<b>0.49</b>
<b>Domestic Sales Volume of Refined Oil Products</b>	<b>43.29</b>	<b>41.94</b>	<b>(3.12)</b>
Retail	29.66	28.63	(3.47)
Direct Sales and Distribution	13.63	13.31	(2.35)
<b>Annualised Average Throughput per Station (tonne/station)</b>	<b>3,879</b>	<b>3,725</b>	<b>(3.97)</b>
	<b>As of Dec. 31 2016</b>	<b>As of Mar.31 2017</b>	<b>Change %</b>
<b>Number of Service Stations under Sinopec Brand</b>	<b>30,603</b>	<b>30,752</b>	<b>0.49</b>

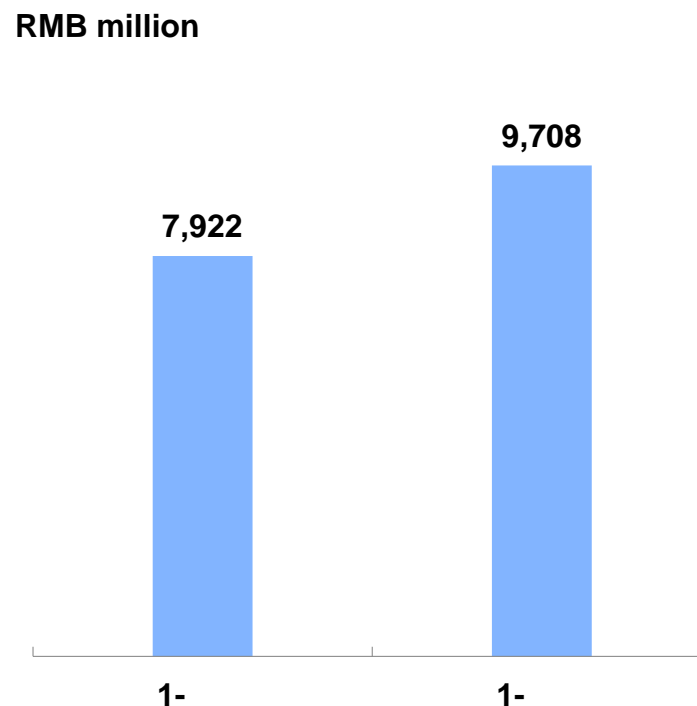
# Marketing Rapid Growth in Non-fuel Business

## Transaction from Non-fuel Business



RMB/tonne	1-	1-
Operating Cost	189.16	194.86

## EBIT of Marketing Segment





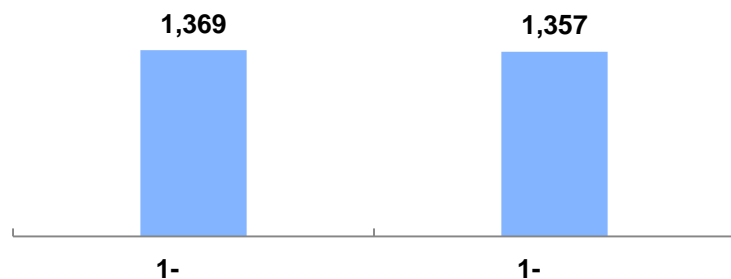
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# Chemicals Record Quarterly High Performance

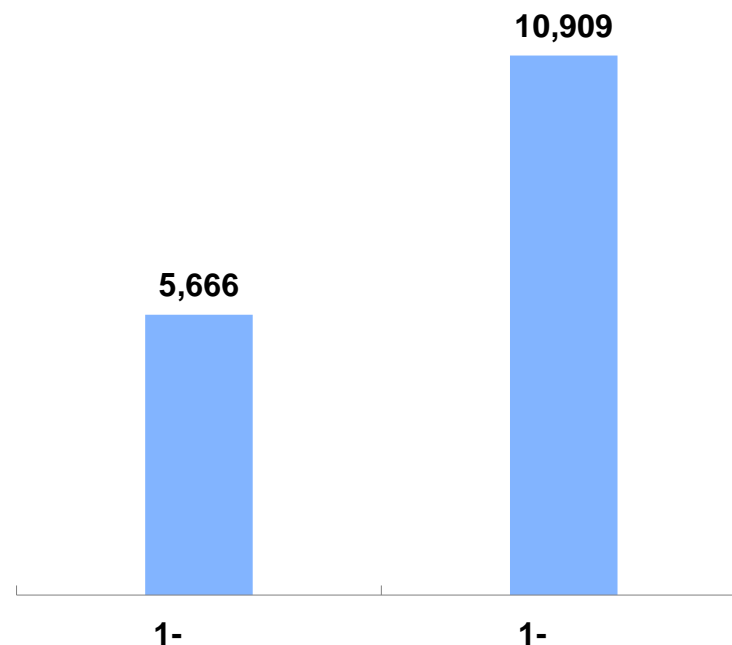
## Unit Chemical All-in Cost

RMB/tonne



## EBIT of Chemical Segment

RMB million



## Chemical Products Price Index (CPPI)

250

200

150

100

50

0

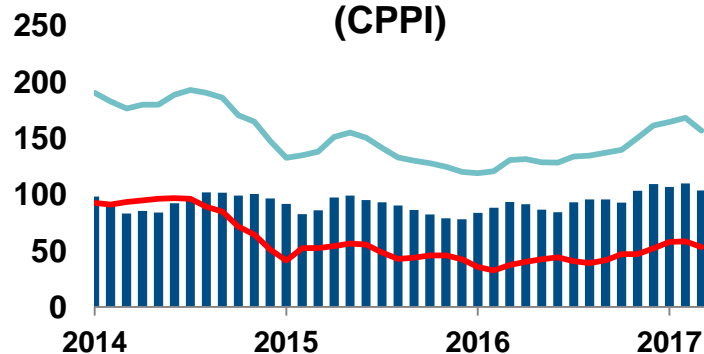
2014

2015

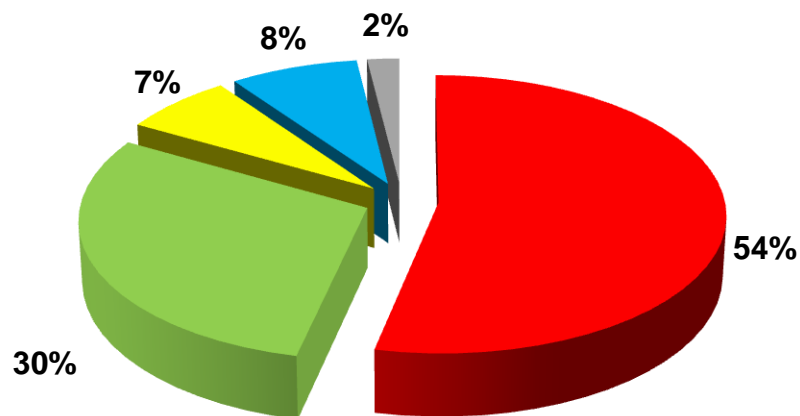
2016

2017

■ Index Difference — CPPI — Naphtha Price Index



# Capital Expenditure



- E&P
- Refining
- Marketing
- Chemicals
- Corporate & Others

- **E&P: RMB 1.5Bn**
  - ◆ Shale gas exploration and development, LNG projects construction
- **Refining: RMB 0.8Bn**
  - ◆ Quality upgrade of gasoline and diesel, and refining mix adjustment
- **Marketing: RMB 0.2Bn**
  - ◆ Renovation of service stations and construction of refined oil product pipelines and storage facilities
- **Chemicals: RMB 0.2Bn**
  - ◆ Adjustments in feedstock and product mix, optimisation of facility structure and construction of Hainan aromatics project
- **Corporate & Others: RMB 0.05Bn**
  - ◆ R&D facilities and IT projects

## Investor Relations

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