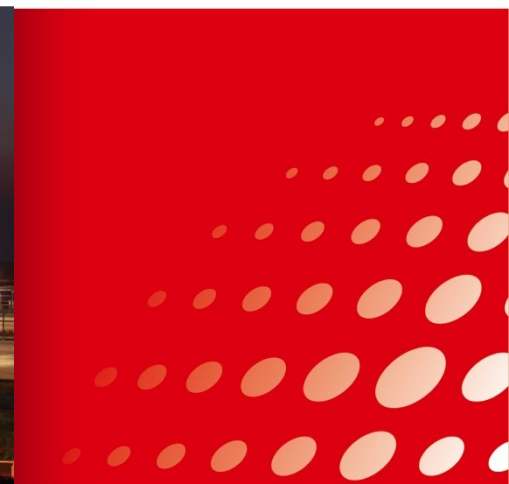




China Petroleum & Chemical Corporation Q3 2018 Results Announcement

Oct 31, 2018



SINOPEC CORP.

中国石油化工股份有限公司

Cautionary Statement

Financial data of the first three quarters 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.

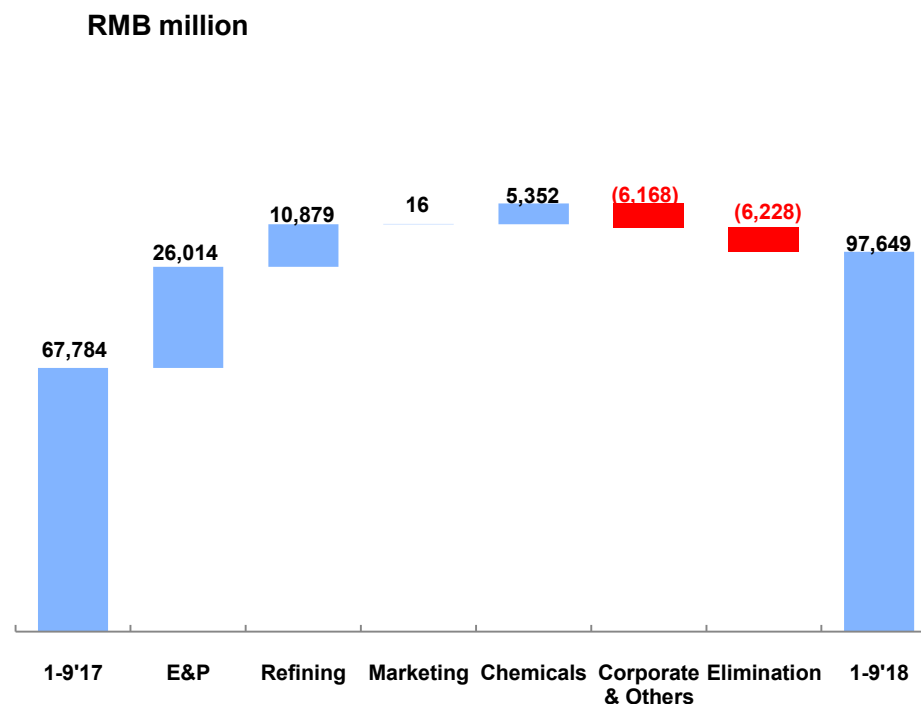
Market Environment in Q3 2018

- **China's economy realized steady growth**
 - ◆ GDP grew by 6.7% YoY
- **International oil price fluctuated with an upward trend**
- **Rapid growth in domestic demand for energy and petrochemicals**
 - ◆ Strong demand for natural gas
 - ◆ Apparent consumption of refined oil products grew by 5.4% YoY
 - ◆ Domestic chemicals demand kept rapid growth

Robust Profitability

RMB million	1-9'17	1-9'18	YoY (%)
Turnover and Other Operating Revenues	1,744,955	2,072,970	18.8
EBIT	67,784	97,649	44.1
Profit Attributable to owners of the Company	39,404	60,155	52.7
EPS(RMB)	0.325	0.497	52.7

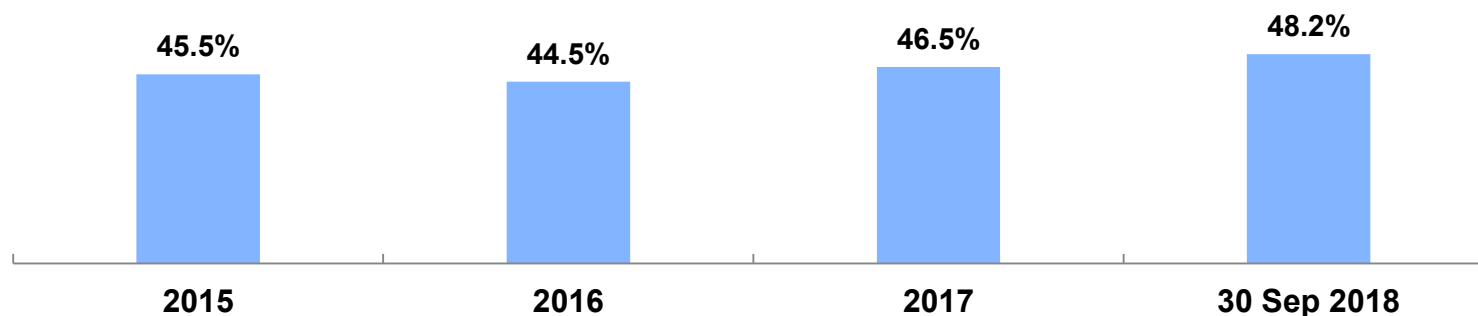
YoY Change in EBIT



Solid Financial Position

RMB million	As of Dec. 31, 2017	As of Sep. 30, 2018
Total Assets	1,595,504	1,662,760
Short-term Interest-bearing Debt	80,649	94,206
Long-term Interest-bearing Debt	63,564	67,389
Total Equity Attributable to owners of the Company	726,120	721,261

Liability to Asset Ratio



Strong Cash Flow

RMB million	1-9'17	1-9'18
Net Cash Generated from/(used in) Operating Activities	111,193	137,919
Net Cash Generated from/(used in) Investing Activities	(70,105)	(3,270)
Net Cash Generated from/(used in) Financing Activities	(50,216)	(75,898)

RMB million	As of Dec. 31, 2017	As of Sep. 30, 2018
Cash and Cash Equivalents (Incl. Time Deposits)	165,004	228,938

Upstream – Focus on Efficient Exploration and Profitable Development

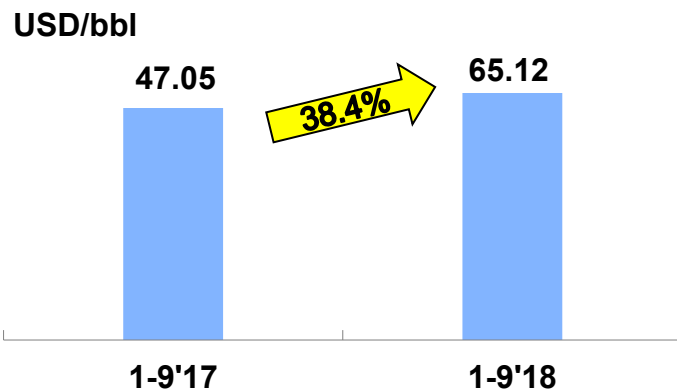
- Sustained exploration efforts with new domestic discoveries
- Adopted profit-oriented development and resumed profitable crude oil production
- Adjusted development pattern with sustained growth of natural gas production

	1-9'17	1-9'18	YoY (%)
Oil and Gas Production(mmboe)	332.63	335.34	0.8
Crude Oil Production(mmbbl)	220.21	216.32	(1.8)
China	186.09	186.50	0.2
Overseas	34.12	29.82	(12.6)
Natural Gas Production(bcf) *	674.15	713.78	5.9

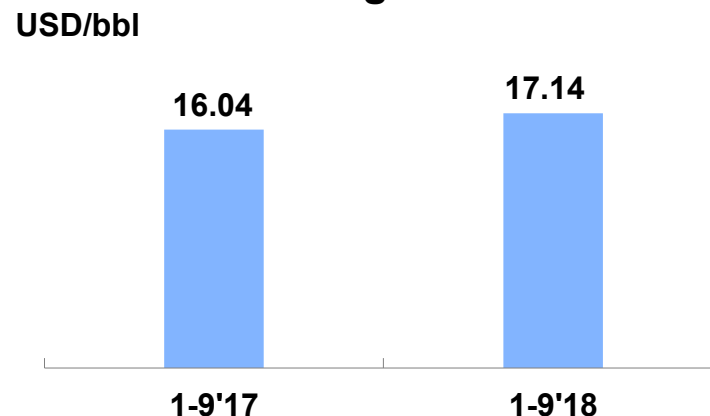
* 1 cubic meter=35.31 cubic feet

Upstream – Significant Performance Improvement

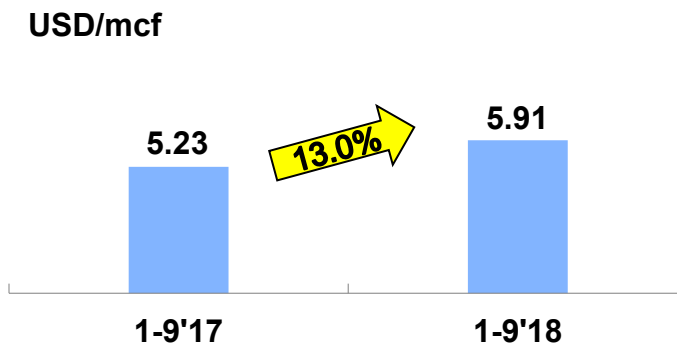
Realized Price of Crude Oil



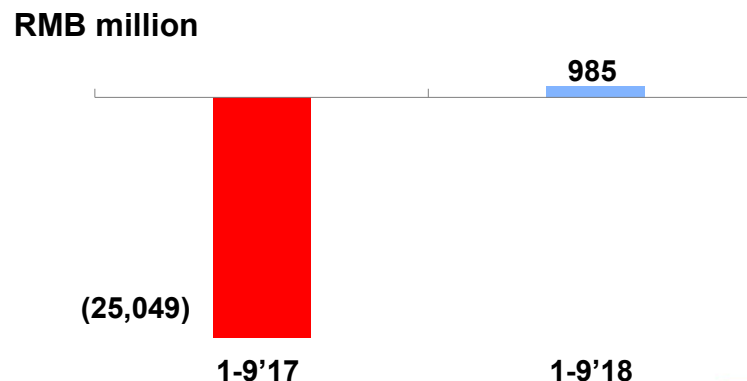
Lifting Cost



Realized Price of Natural Gas



EBIT of E&P Segment



* 1-9'2016 USD 1=RMB 6.5771; 1-9'2017 USD 1=RMB 6.7983



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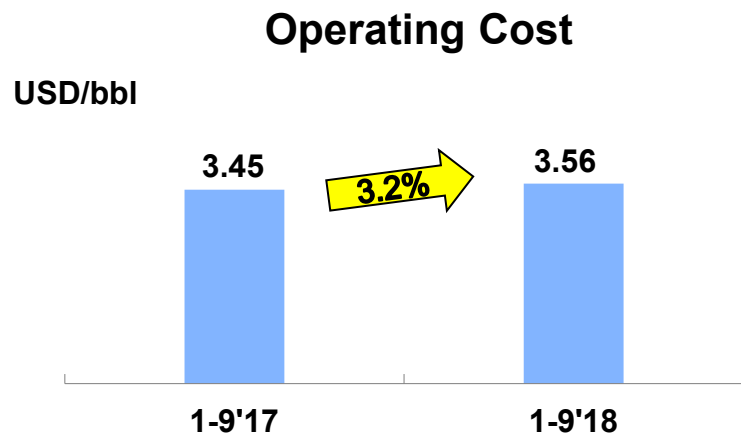
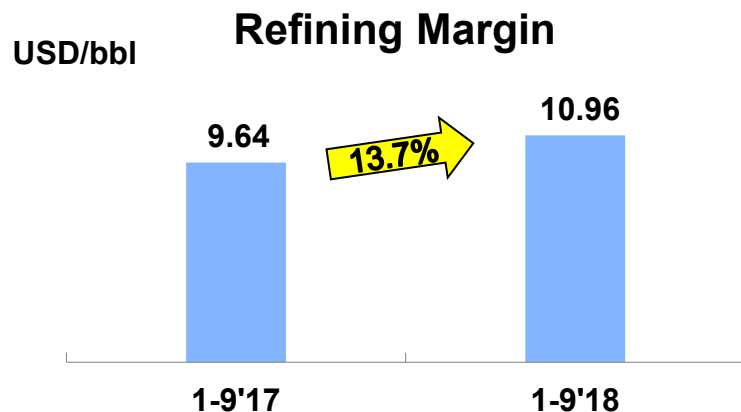
Refining – Sustained Optimization in Product Mix

- Optimized product mix with diesel to gasoline ratio further declined to 1.06
- Actively promoted refined oil products quality upgrading to GB VI
- Maintained high utilization of refining facilities
- Maintained good profitability of LPG, asphalt and sulfur, etc.

(mm tonnes)	1-9'17	1-9'18	YoY (%)
Refinery Throughput	177.46	182.74	3.0
Gasoline, Diesel and Kerosene Production	112.20	116.13	3.5
Gasoline	42.73	45.74	7.0
Diesel	49.50	48.62	(1.8)
Kerosene	19.97	21.77	9.0
Light Chemical Feedstock Production	28.54	29.01	1.6

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

Refining –Refining Margin Maintained at High Level



Marketing – Response to Competition with Leverage of Network Advantages

- Sustained growth in domestic sales of refined oil products
- Sustained growth in the number of convenience stores

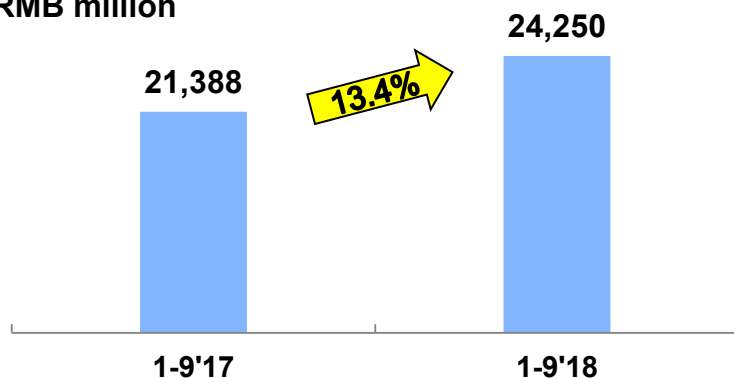
(mm tonnes)	1-9'17	1-9'18	YoY (%)
Total Sales Volume of Refined Oil Products	150.23	147.78	(1.6)
Domestic Sales Volume of Refined Oil Products	133.26	135.02	1.3
Retail	90.67	90.82	0.2
Direct Sales and Distribution	42.60	44.20	3.8
Annualized Average Throughput per Station (tonne/station)	3,935	3,953	0.5

	As of Dec. 31 2017	As of Sep.30 2018	Change %
Number of Service Stations under Sinopec Brand	30,633	30,643	0.03
Number of Convenience Stores	25,775	26,981	4.68

Marketing – Sustained Growth of Non-fuel Business

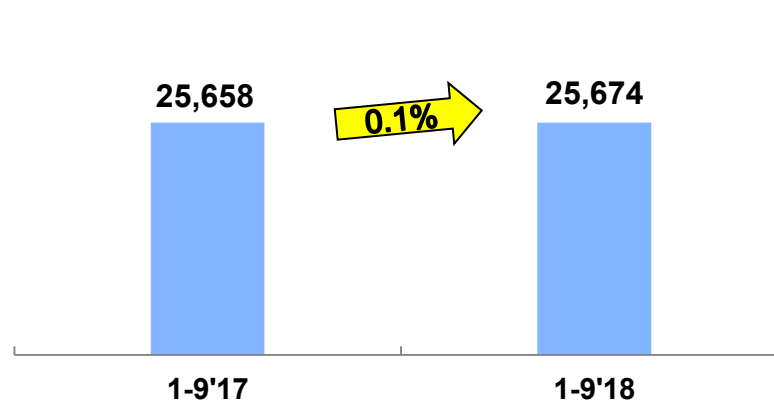
Revenue of Non-fuel Business

RMB million



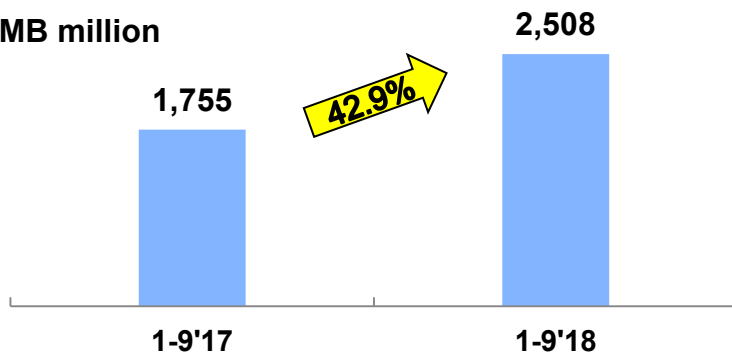
EBIT of Marketing Segment

RMB million



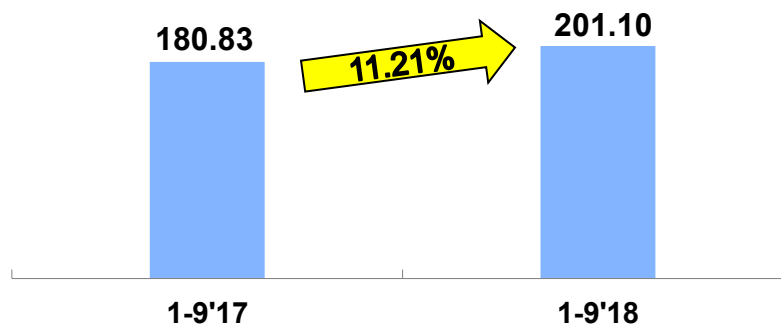
Profit of Non-fuel Business

RMB million



Marketing Cash Operating Cost

RMB/ tonne



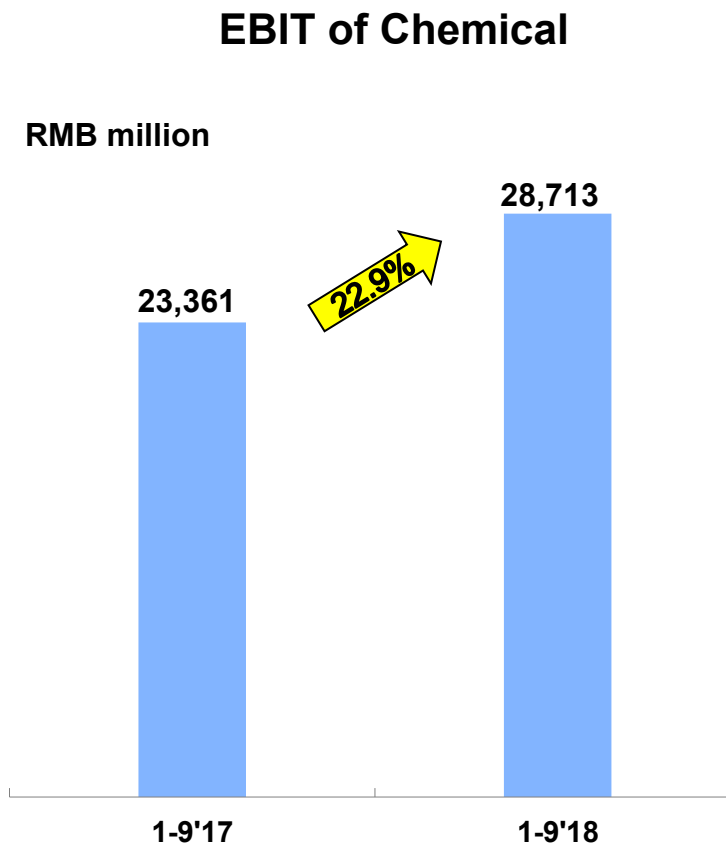
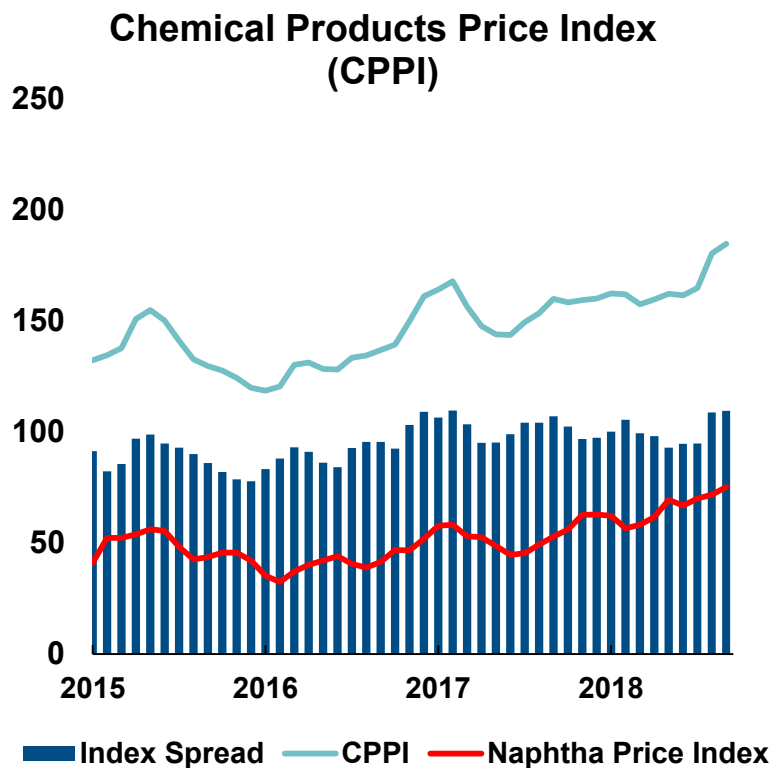
Chemicals – Strengthened Structural Adjustment

- Sustained optimization of feedstock structure to reduce feedstock cost
- Deepened product structure adjustment and increased production of market needed products
- Promoted research, production and marketing of high-end chemical products
- Achieved 12.8% YoY growth in total sales volume of chemicals

'000 tonnes	1-9'17	1-9'18	YoY Change %
Ethylene Production	8,534	8,784	2.9
Synthetic Resin Production	11,791	12,171	3.2
Synthetic Rubber Production	642	646	0.6
Synthetic Fiber Monomers & Polymers Production	7,061	7,100	0.6
Synthetic Fiber Production	923	940	1.8

* 100% production domestic of JVs included

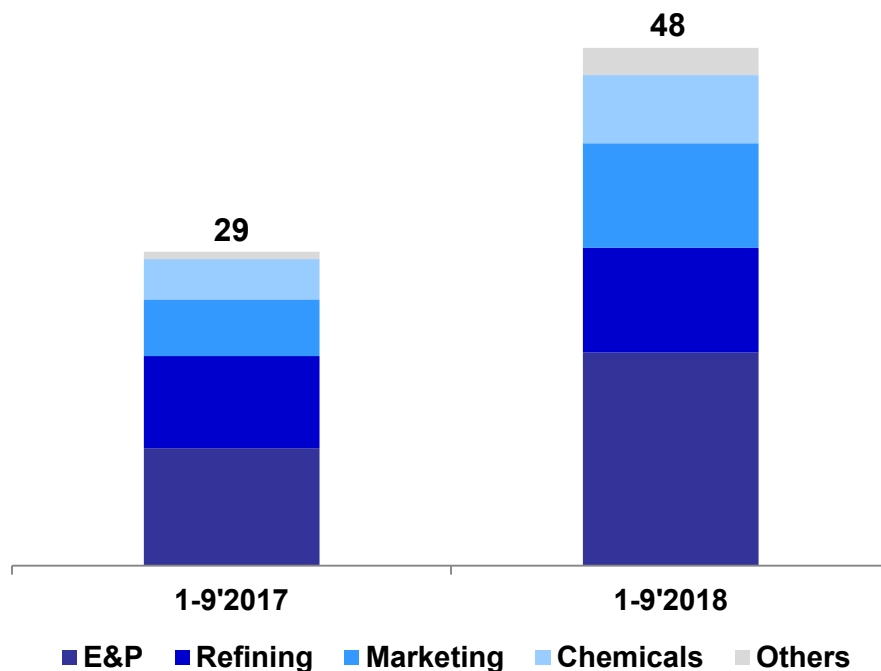
Chemicals – Sustained Strong Profitability



Capital Expenditure – Focus on Quality and Profitability

Capex for 1-9'2018: RMB 48 Bn

RMB billion



- **E&P: RMB 19.8Bn**
Oil & Gas capacity building, gas storage and natural gas pipeline construction
- **Refining: RMB 9.7Bn**
Construction of regional refining center, product mix adjustment and quality upgrading projects
- **Marketing: RMB 9.7Bn**
Constructions of oil products depots, pipelines, service stations and renovations of underground oil tanks
- **Chemicals: RMB 6.3Bn**
Structural improvements of facilities, feedstock, product slate and constructions of coal chemical facilities
- **R&D and IT facilities: RMB 2.5Bn**

Q&A

Investor Relations

Beijing: Tel: (8610) 59960028 Fax: (8610) 59960386

Email: ir@sinopec.com

Hong Kong: Tel: (852) 28242638 Fax: (852) 28243669

Email: ir@sinopechk.com

New York: Tel: (212) 759 5085 Fax: (212) 759 6882

Email: alpinewu@sinopec.com

www.sinopec.com



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SINOPEC