



中国石化
SINOPEC

China Petroleum & Chemical Corporation 2023 Annual Results Announcement

March 25, 2024
Hong Kong



中国石油化工股份有限公司
SINOPEC CORP.

Forward-looking Statement

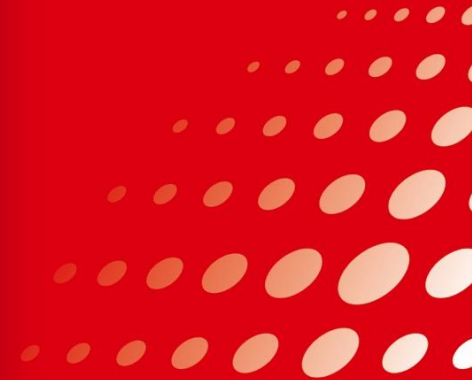
This presentation and the presentation materials distributed herein include forward-looking statements. All statements, other than statements of historical facts, that address activities, events or developments that Sinopec Corp. expects or anticipates will or may occur in the future (including but not limited to projections, targets, reserves and other 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 production outcomes, estimates of proved reserves, market shares, competition, environmental risks, changes in legal, financial and regulatory frameworks, international economic and financial market conditions, political risks, project deferral, 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.

- **2023 Performance Highlights**
- **2023 Operational Results by Segment**
- **2024 Operational Plan**

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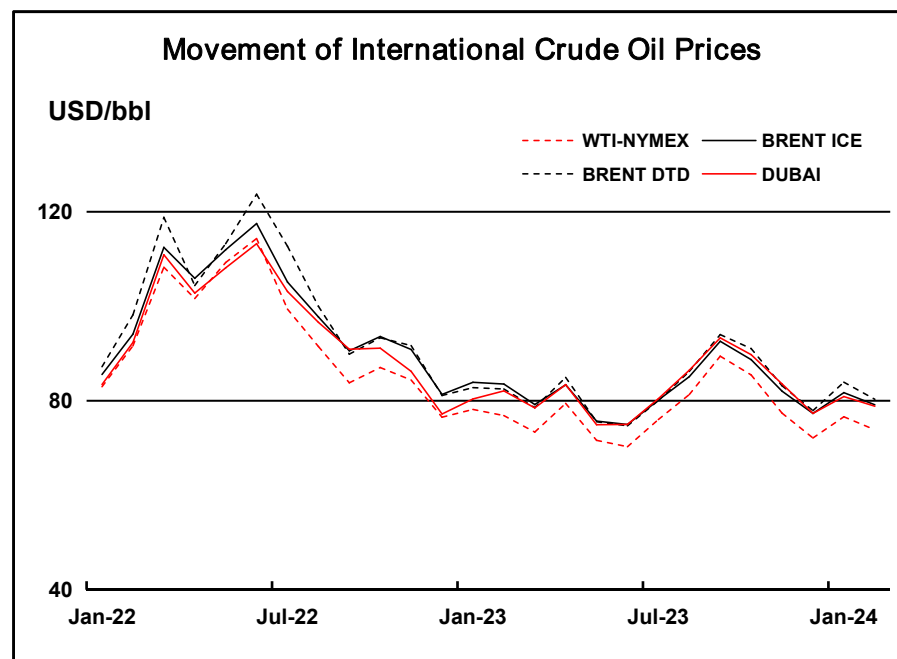


2023 Performance Highlights



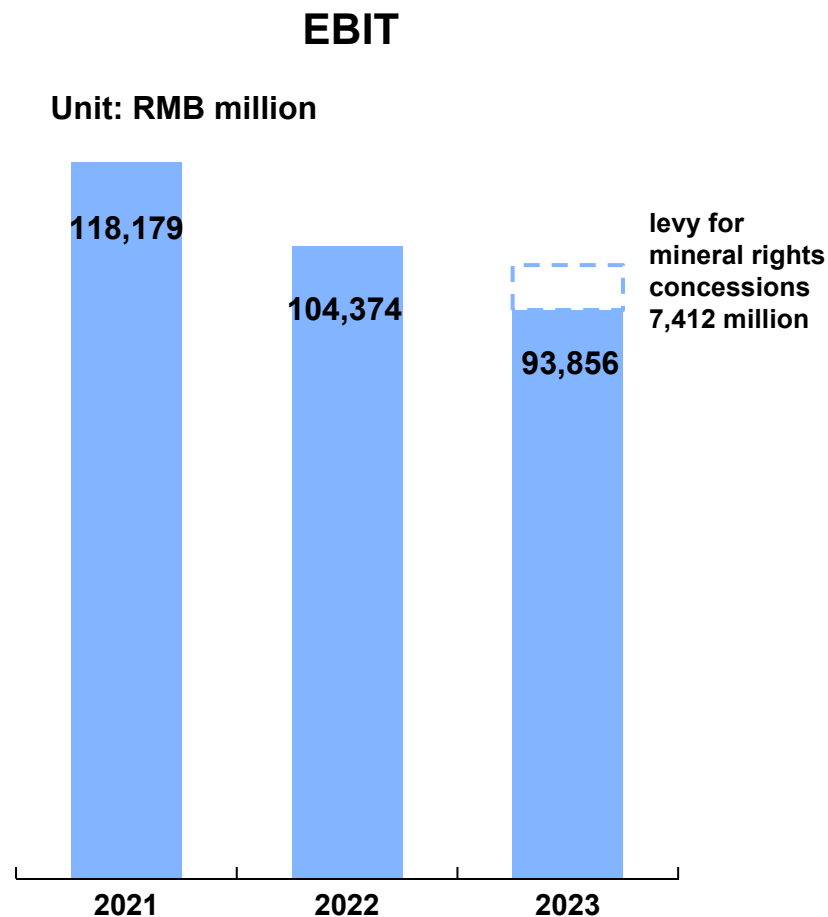
Market Environment in 2023

- Global economy recorded slow growth while China's GDP grew by 5.2% YoY
- International oil prices fluctuated widely, and averaged spot price of Platt's Brent went down by 18.4% year on year
- The domestic demand for major petrochemical products increased
 - ◆ Demand for refined oil products rebounded
 - ◆ Demand for natural gas kept growing
 - ◆ Demand for chemicals picked up, with new capacity continued increasing



Maintained Good Profitability

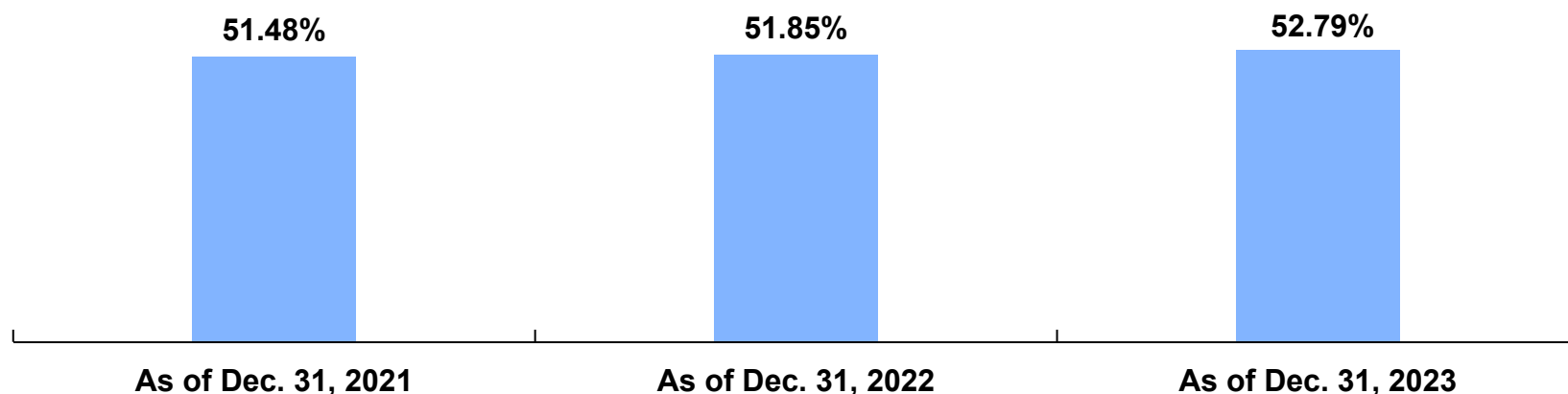
RMB million	2021	2022	2023	YOY(%)
Revenues	2,740,884	3,318,168	3,212,215	(3.2)
EBIT	118,179	104,374	93,856	(10.1)
Profit Attributable to Shareholders of the Company	72,483	66,933	58,310	(12.9)
EPS (RMB)	0.599	0.554	0.487	(12.1)



Solid Financial Position

RMB million	As of Dec. 31, 2021	As of Dec. 31, 2022	As of Dec. 31, 2023
Total Assets	1,890,964	1,951,121	2,024,696
Short-term Interest-bearing Debts	38,125	66,329	70,971
Long-term Interest-bearing Debts	91,990	107,961	187,860
Total Equity Attributable to Shareholders of the Company	776,296	787,600	802,989

Liability-to-Asset Ratio



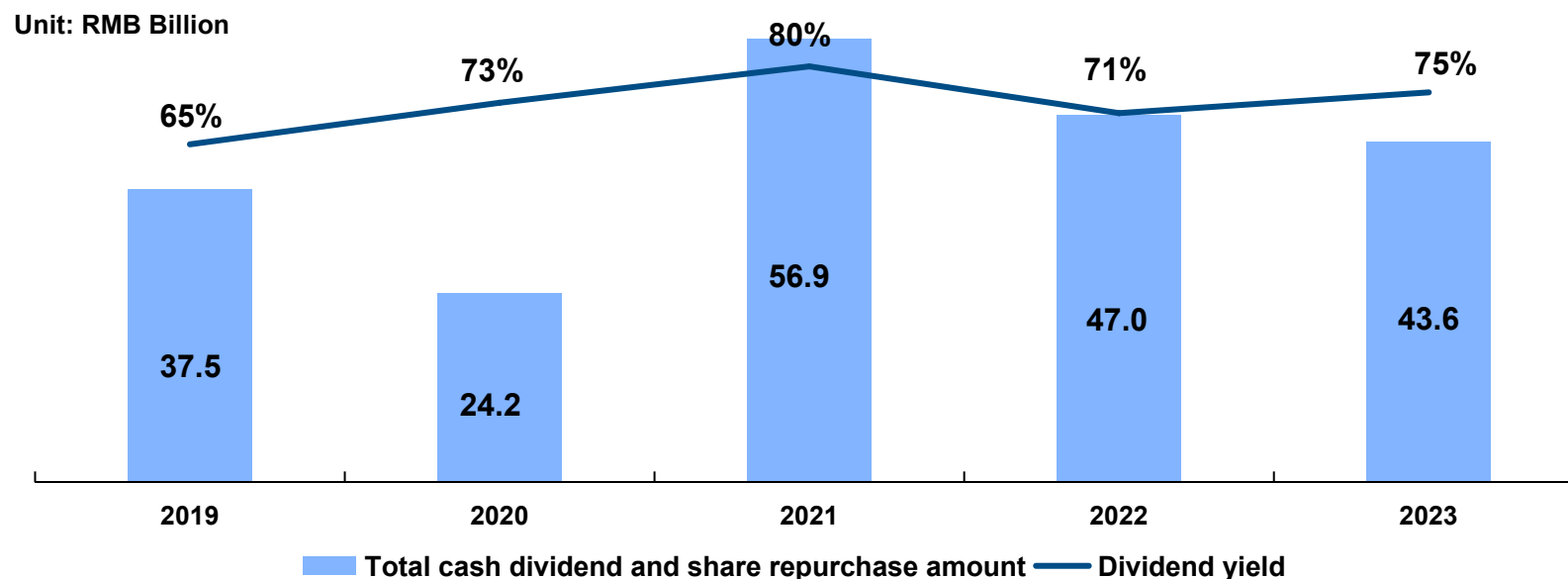
Strong Cash Flow

RMB million	2021	2022	2023
Net Cash Generated from Operating Activities	225,174	116,269	161,475
Net Cash Used in Investing Activities	(145,198)	(95,010)	(155,865)
Net Cash Used in Financing Activities	(57,942)	(39,699)	22,732

RMB million	As of Dec. 31, 2021	As of Dec. 31, 2022	As of Dec. 31, 2023
Cash and Cash Equivalents (Incl. Time Deposits)	221,989	145,052	163,537

Dividend – Emphasis on Shareholders' Return

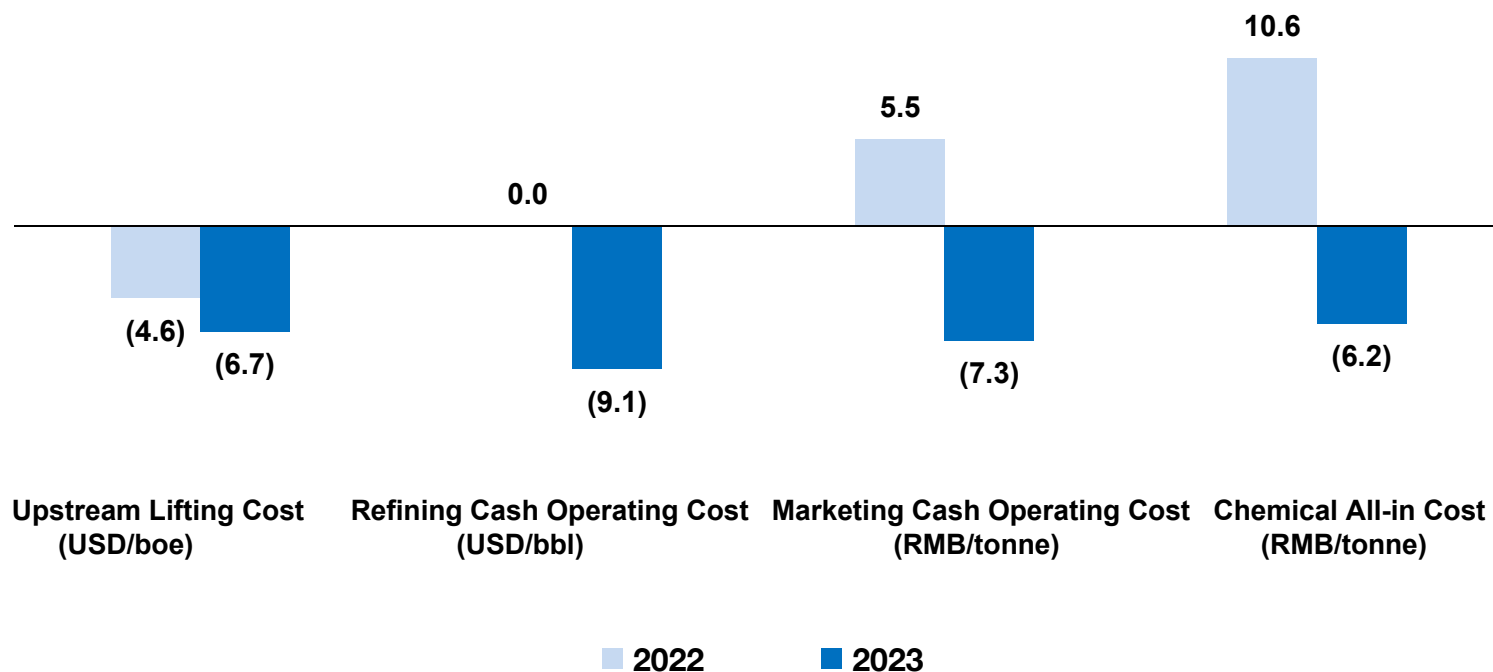
- The Board of Directors proposed a final dividend of RMB 0.2 per share
- Total dividend of RMB 0.345 per share for the whole year
- Dividend distribution ratio was 75%, dividend yield was 9.0%*



*Based on the volume weighted average share price of the company's H-Share in 2023

Achieved Unit Cost Reduction in All Segments

Change in Unit Cost (%)

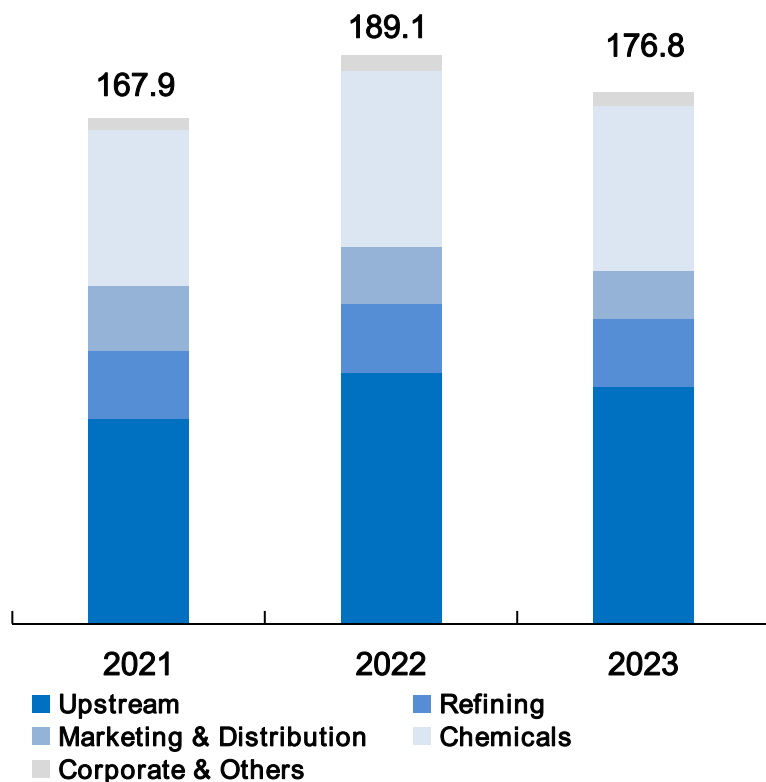


Note: The average FX rate is 1USD = 7.0467 CNY for 2023, 1 USD = 6.7261 CNY for 2022

Capital Expenditure

■ 2023 CAPEX: RMB 176.8 Bn

Unit: RMB Billion



■ Upstream: RMB 78.6 Bn

Mainly for building crude oil and gas capacity and construction of storage and transportation facilities

■ Refining: RMB 22.9 Bn

Mainly for expansion of Zhenhai project and Yangzi structural adjustment project

■ Marketing & Distribution: RMB 15.7 Bn

Mainly for the development of integrated energy station network, revamping of the existing stations and non-fuel business development

■ Chemicals: RMB 55.1 Bn

Mainly for phase II of Zhenhai project, Tianjin Nangang, Hainan and Maoming ethylene and derivatives projects and coal chemical projects

■ Corporate & Others: RMB 4.5Bn

Mainly for R&D facilities and IT projects

Innovation – Achieved Positive Progress

■ Upstream

- ◆ Breakthroughs in the exploration and development theoretical understanding for ultra-deep oil & gas and continental facies shale oil & gas

■ Refining

- ◆ World's first 3 mtpa catalytic cracking unit for heavy oil (RTC) started commercial operation
- ◆ A full range of bio fuel products successfully passed the RSB certification

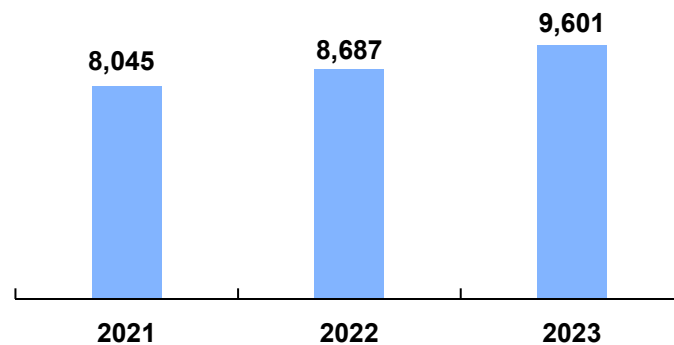
■ Chemicals

- ◆ The first independently-developed epoxy butane unit using CHP process was put into production
- ◆ The industrial unit for high-performance liquid rubber started successfully startup

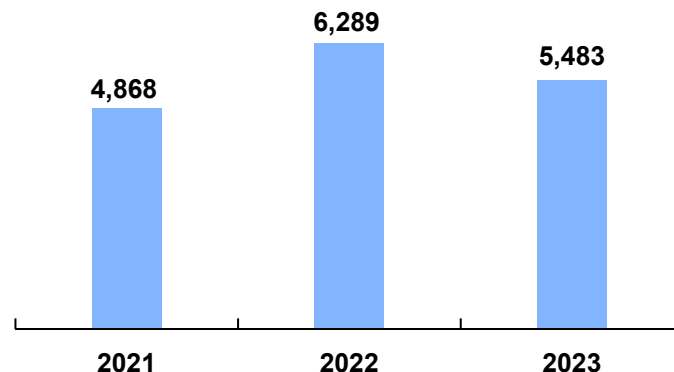
■ Hydrogen

- ◆ Accelerated research and development of technologies for the whole hydrogen value chain and independently developed key materials for fuel cells

Patents Applied



Patents Granted



Emphasis on Environmental Protection

- Actively responded to climate change and enhanced management of greenhouse gas emissions
- Successfully completed "Green Enterprise Action Plan" phase I
- Further promoted "Energy Efficiency Improvement Plan"
- Action on energy conservation and efficiency achieved initial success

Major Environmental Indicators	YoY (%)
Amount of CO2 captured	14.0
Amount of recovered methane	4.8
Energy Consumption Intensity	(2.6)
Fresh Water for Industrial Use	(1.0)
COD of Discharged Waste Water	(4.3)
Sulphur Dioxide Emission	(5.0)

Corporate Governance Improved and Social Responsibilities Fulfilled

■ The Board of Directors and Specialized Committees strengthened ESG governance

- ◆ Strictly executed internal controls and audits
- ◆ Deepened the construction of integrity and compliance
- ◆ Comprehensively prevented risks



China Association of Listed Companies
"ESG Best Practices"

S&P Global
"The best progressive enterprise in the
ESG rating for Chinese intra-industry
enterprises"

■ Excellently fulfilled social responsibilities

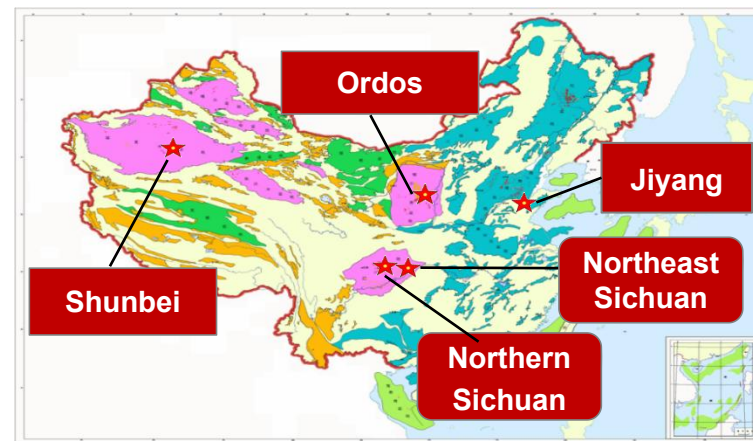
- ◆ Actively supported rural revitalization
- ◆ Carried out charity projects such as "Sinopec Lifeline Express" "Spring Bud service station" and "Drivers' Home Programme"
- ◆ Promoted mutual growth of the company and its employees as a whole

2023 Operational Results by Segment



Upstream – New Achievements In Increasing Reserves, Boosting Production, Cutting Costs and Improving Profitability

- Enhanced high quality exploration, and achieved a number of oil & gas new discoveries
- Domestic oil & gas reserve replacement ratio reached 131% with output achieved steady increase
- LNG business made profit in 2023



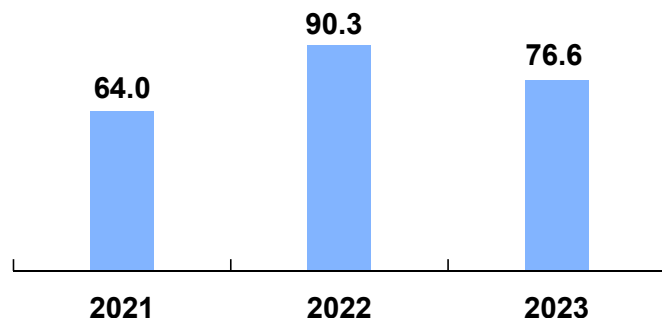
	2021	2022	2023	YoY(%)
Oil and Gas Production (mmboe)	479.74	488.99	504.09	3.1
Crude Oil Production (mmbbls)	279.76	280.86	281.12	0.1
China	249.60	250.79	251.63	0.3
Overseas	30.16	30.07	29.49	(1.9)
Natural Gas Production (bcf)	1,199.44	1,248.75	1,337.82	7.1
Oil and Gas Reserves (mmboe)	3,158	3,429	3,555	3.7

* 1 cubic meter=35.31 cubic feet

Upstream – Profitability Improved

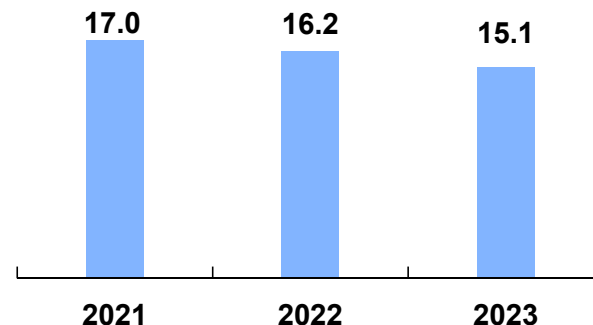
Realised Price of Crude Oil

USD/bbl



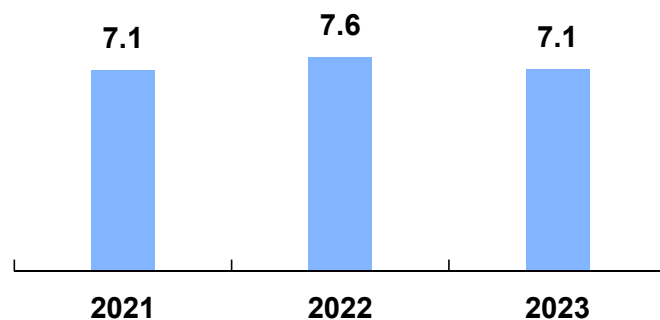
Lifting Cost

USD/boe



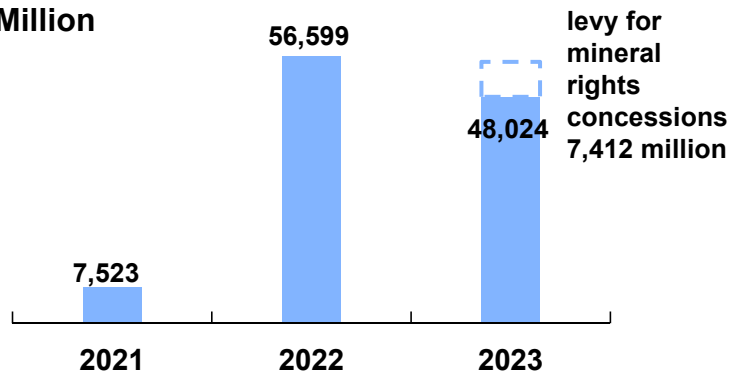
Realised Price of Natural Gas

USD/kcf



E&P EBIT

RMB Million



Note: The average FX rate is 1USD = 7.0467 CNY for 2023, 1 USD = 6.7261 CNY for 2022, and 1 USD = 6.4515 CNY for 2021

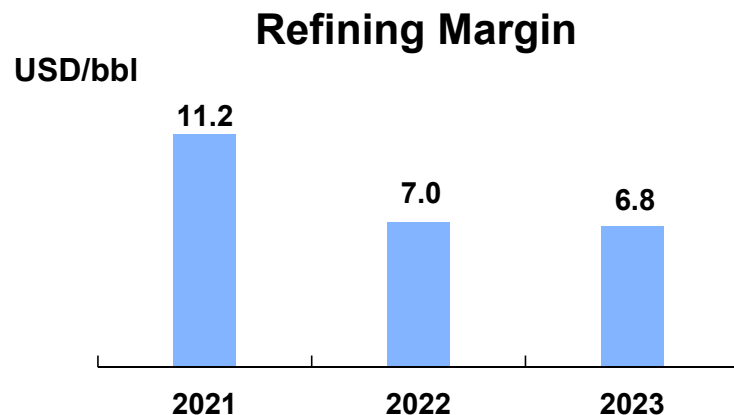
Refining – Optimization based on Market Needs

- Refinery Throughput hit record high
- Increased production of marketable products according to market need
- Scaled up export volume and optimized export arrangement

mm tonnes	2021	2022	2023	YoY(%)
Refinery Throughput	255.28	242.27	257.52	6.3
Gasoline, Diesel and Kerosene Production	146.21	140.15	156.00	11.3
Gasoline Production	65.21	59.05	62.51	5.9
Diesel Production	59.85	63.09	64.54	2.3
Kerosene Production	21.15	18.01	28.95	60.7
Light Chemical Feedstock Production	45.41	42.65	43.29	1.5

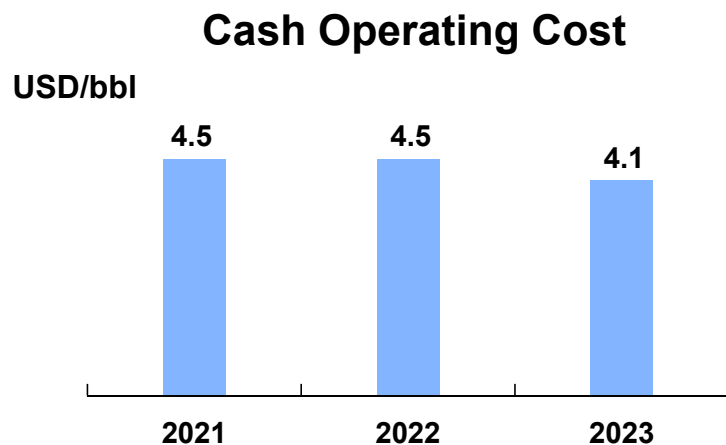
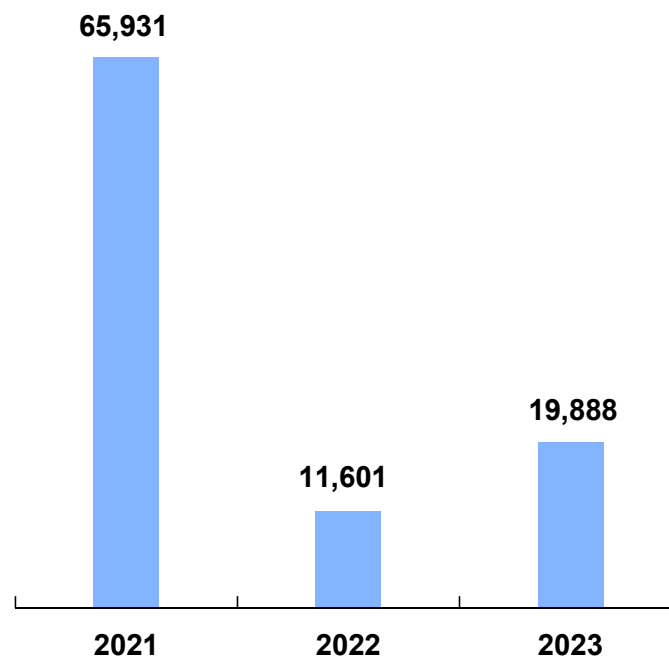
*Refinery throughput is calculated based on 1 tonne= 7.35 bbls; 100% production of domestic joint ventures included

Refining – Focus on Cost Reduction



EBIT of Refining

RMB million



Marketing – Gave Full Play to Network Advantages

- Adhered to customer-centered and domestic refined oil products sales volume hit a record high
- Transformed into a comprehensive energy services provider of *Petro-Gas-Hydrogen-Power-Services*
- Became the world's second largest bunker fuel supplier

mm tones	2021	2022	2023	YoY(%)
Total Sales Volume of Refined Oil Products*	220.79	206.74	239.05	15.6
Domestic Sales of Refined Oil Products	171.31	162.55	188.17	15.8
Retail	114.30	106.91	120.12	12.4
Wholesale and Distribution	57.01	55.65	68.05	22.3
Annual Average Throughput per Station (tonne/station)	3,720	3,470	3,880	11.8

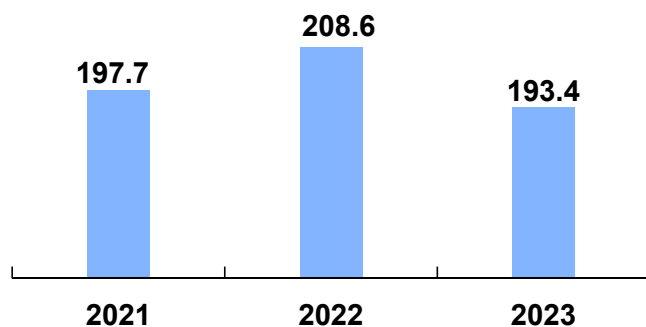
As of Dec. 31, 2023	
Number of Service Stations with Sinopec Brand	30,958
Number of Easy Joy convenient stores	28,431
Number of EV Charging and Battery Swapping Stations	6,504
Number of Hydrogen Stations	128

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

Marketing – Profitability Steadily Increased

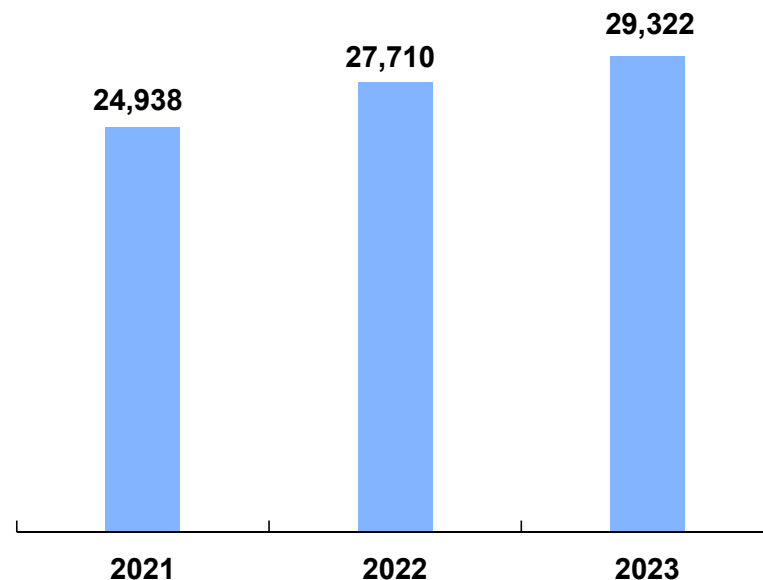
Marketing Cash Operating Cost

RMB/tonne



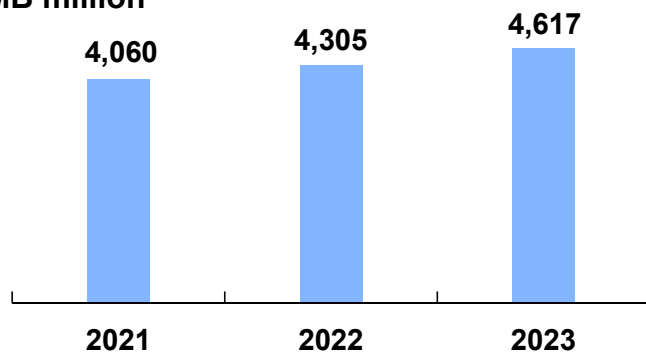
EBIT of Marketing

RMB million



Profit of Non-fuel Business

RMB million



Chemicals – Strengthened Structural Adjustment

- Optimised feedstock, facilities and product slate based on profitability
- Strengthened the combination of production, marketing, research and application, and increased proportion of high value-added products
- Adhered to customer-centered and met customers' differentiated and customised needs

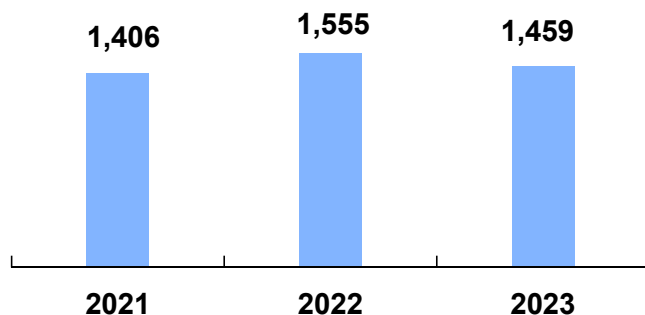
thousand tonnes	2021	2022	2023	YoY(%)
Ethylene Production	13,380	13,437	14,314	6.5
Synthetic Resin Production	18,999	18,544	20,574	10.9
Synthetic Fiber Monomers & Polymers Production	9,201	8,886	7,866	(11.5)
Synthetic Fiber Production	1,357	1,112	1,113	0.1
Synthetic Rubber Production	1,252	1,284	1,424	10.9

* 100% production of domestic joint ventures included

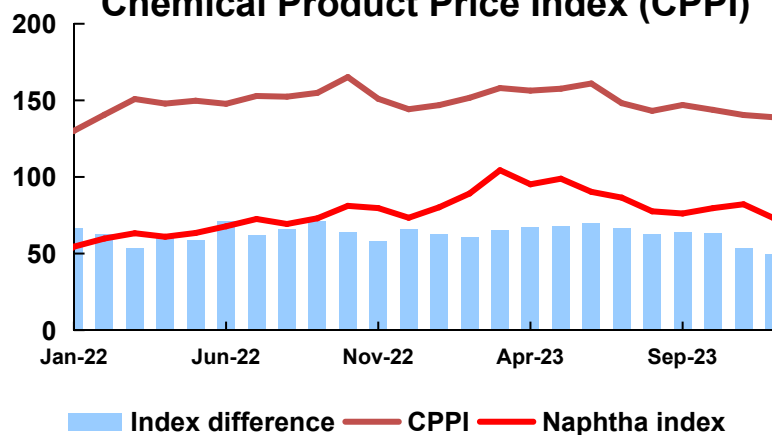
Chemicals – Focus on Cost Reduction

All-in Cost

RMB/tonne

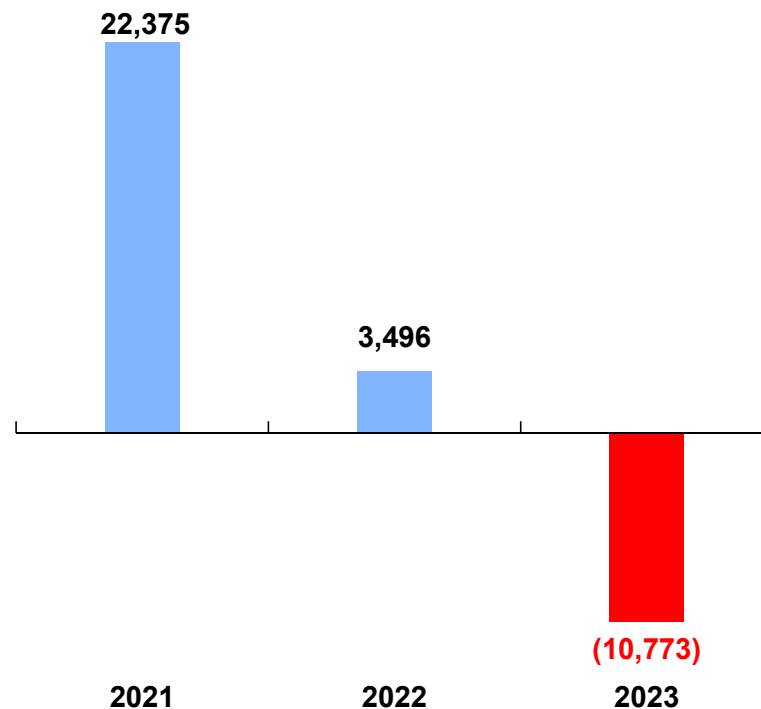


Chemical Product Price Index (CPPI)



EBIT of Chemicals

RMB million



2024 Operational Plan



Market Outlook of 2024

- **China's economy will maintain the trend of recovery**
- **Domestic demand for natural gas, refined oil products and chemicals is expected to continue growing**
- **International oil price is expected to fluctuate at medium to high level**

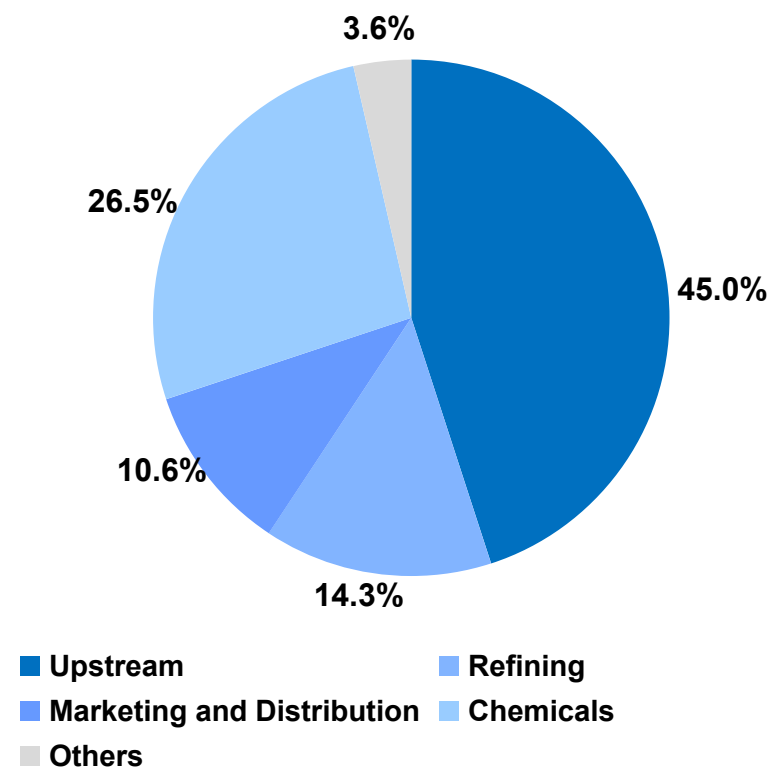
2024 Production Plan

	2023	2024E	YoY(%)
Oil and Gas Production (mmboe)	504.09	509.01	1.0
Domestic Crude Oil Production (mmbbls)	251.63	252.41	0.3
Natural Gas Production (bcf)	1,337.82	1,379.70	3.1
Refinery Throughput* (mm tonnes)	258	260	0.8
Total Domestic Sales Volume of Refined Oil Products (mm tonnes)	188	191	1.6
Ethylene Production* ('0000 tonnes)	1,431	1,435	0.3

*100% production of domestic joint ventures included

Capital Expenditure Plan for 2024

■ Capex Plan: RMB 173.0 Bn



■ Upstream: RMB 77.8 Bn

Mainly for crude oil & gas production capacity building and construction of storage and transportation facilities

■ Refining: RMB 24.8 Bn

Mainly for the construction of refining bases and structural adjustment projects

■ Marketing and Distribution: RMB 18.4 Bn

Mainly for comprehensive energy station network development, revamping of existing station and non-fuel business development

■ Chemicals: RMB 45.8 Bn

Mainly for ethylene, aromatic and high-end material projects construction

■ Others: RMB 6.2 Bn

Mainly for R&D facilities and IT projects

Contact Information

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