



Sinopec Corp.

Q3 2016 Results Announcement

October 28, 2016



Disclaimer

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

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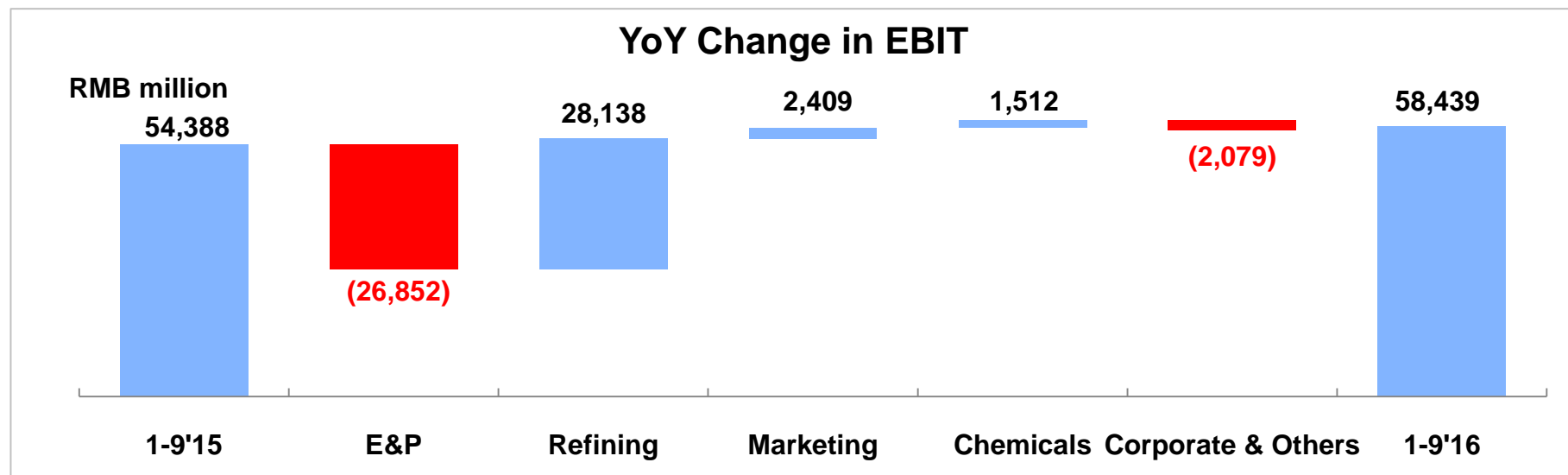
Market Environment in 3Q 2016

- **China's GDP grew by 6.7% YoY in the first three quarters**
- **International crude oil price fluctuated at low level**
- **Domestic apparent consumption of refined oil products grew by 4.4% YoY**
 - gasoline and kerosene maintained growth momentum
 - diesel consumption slightly declined
- **Domestic consumption of ethylene equivalent kept flat YoY**



Realised Full Benefits of Integrated Business Model

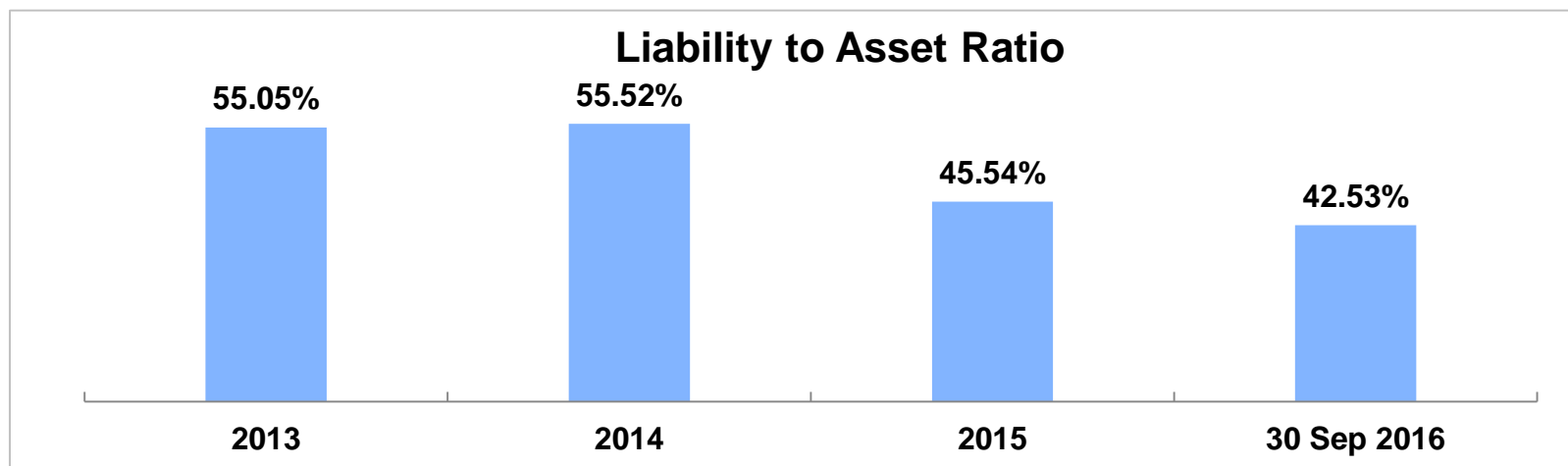
RMB million	1-9'15	1-9'16	YoY Change %
Turnover and Other Operating Revenues	1,537,956	1,363,945	(11.3)
EBIT	54,388	58,439	7.4
Profit for the Reporting Period	35,960	41,127	14.4
Profit Attributable to owners of the Company	27,075	30,107	11.2
EPS(RMB)	0.224	0.249	11.2





Solid Financial Position

RMB million	1-9'15	1-9'16	YoY Change %
Total Assets	1,447,268	1,413,148	(2.4)
Short-term Interest-bearing Debt	115,446	71,380	(38.2)
Long-term Interest-bearing Debt	104,185	96,771	(7.1)
Total Equity Attributable to owners of the Company	676,197	691,447	2.3





Strong Cash Flow

RMB million	1-9'15	1-9'16	YoY Change %
Net Cash Generated from Operating Activities	116,239	131,700	13.3
Net Cash Used in Investing Activities	(74,134)	(41,219)	(44.4)
Net Cash Generated from/(used in) Financing Activities	4,796	(78,568)	-

RMB million	As of Dec. 31, 2015	As of Sep. 30, 2016	Change %
Cash and Cash Equivalents (Incl. Time Deposits)	69,666	86,383	24.0



Upstream – New Discoveries in Exploration, Further Optimisation in Development

- Sustained investment in exploration with new discoveries
- Rapid growth in natural gas production
- Considerable reduction in high-cost crude production

	1-9'15	1-9'16	YoY Change %
Oil and Gas Production(mmmboe)	350.82	322.29	(8.1)
Crude Oil Production(mmbbl)	262.38	229.36	(12.6)
China	222.42	191.26	(14.0)
Overseas	39.96	38.10	(4.7)
Natural Gas Production(bcf)	530.14	557.15	5.1

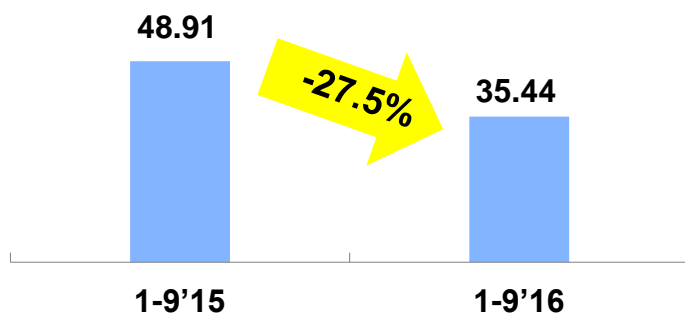
* In the first three quarters of 2016, 1 tonne=7.10 bbls for crude oil production in China, 1 tonne=7.20 bbls for overseas crude oil production; 1 cubic meter=35.31 cubic feet for natural gas production.



Upstream – Remarkable Achievements in Cost Control

Realised Price of Crude Oil

USD/bbl



RMB million

1-9'15

1-9'16

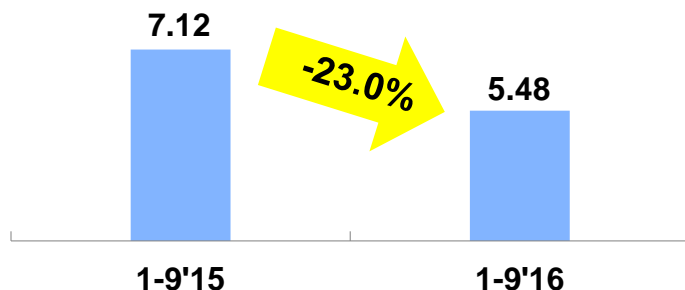
EBIT

(4,013)

(30,865)

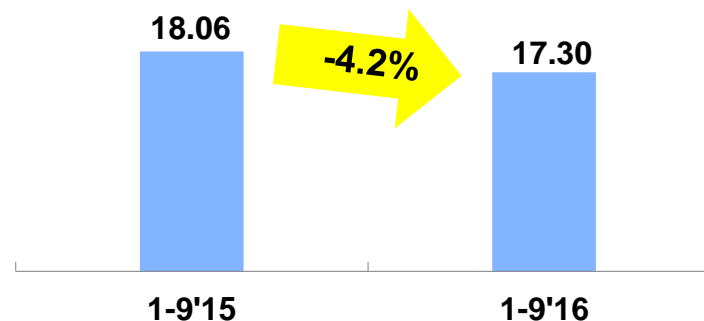
Realised Price of Natural Gas

USD/'000 cubic feet



Lifting Cost

USD/bbl





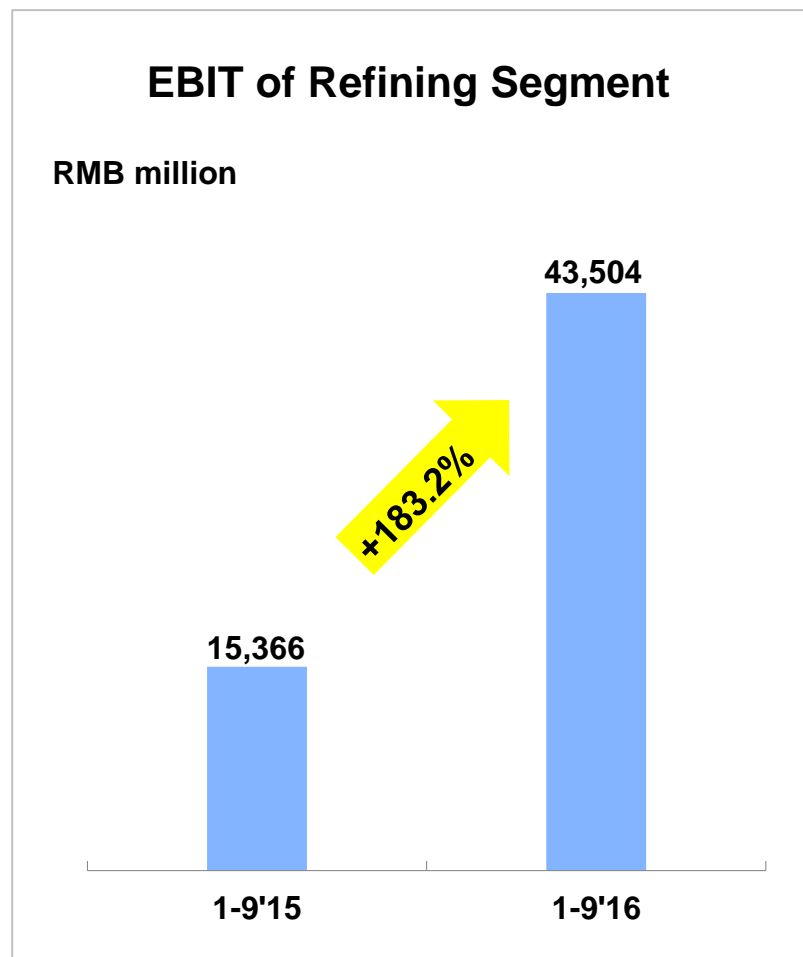
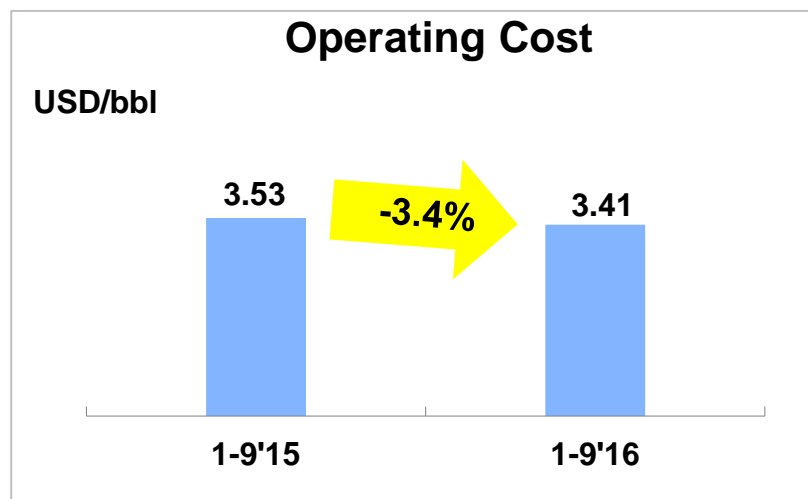
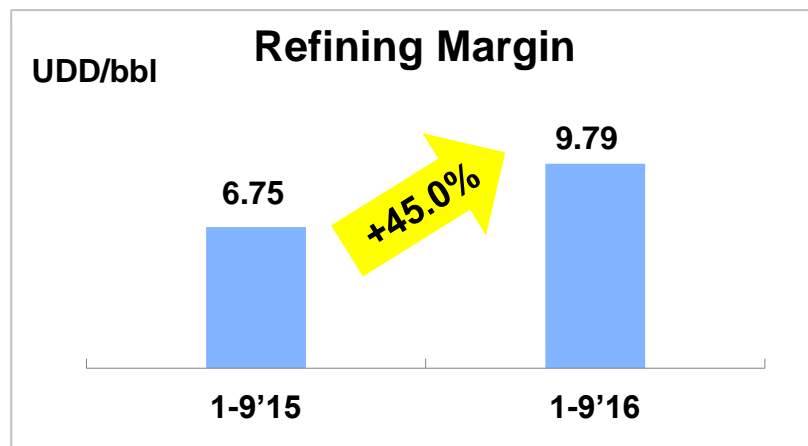
Refining – Impressive Results in Product Mix Adjustment

- Optimised product mix, increased gasoline and jet fuel production
- Steadily promoted quality upgrading
- Strengthened marketing service of LPG, asphalt and other refined oil products

	1-9'15	1-9'16	YoY Change %
Refining Throughput(mm tonnes)	178.32	175.25	(1.7)
Gasoline Production(mm tonnes)	40.85	42.09	3.0
Diesel Production(mm tonnes)	53.32	50.15	(5.9)
Kerosene Production(mm tonnes)	18.01	18.78	4.3
Light Chemical Feedstock Production(mm tonnes)	29.40	28.45	(3.2)
Light Yield (%)	76.62	76.35	(27)bps
Refining Yield (%)	94.78	94.47	(31)bps

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

Refining – Substantial Increase in Gross Margin





Marketing – Optimisation of Resources and Growth in Retail Volume

- Total sales volume and retail volume continued to grow
- Further increased the retail volume of high octane number gasoline
- Improved refined oil pipelines layout, enhanced marketing network

(mm tonnes)	1-9'15	1-9'16	YoY Change %
Total Sales Volume of Refined Oil Products	140.75	145.72	3.5
Domestic Sales Volume of Refined Oil Products	126.71	129.58	2.3
Retail	88.19	89.79	1.8
Direct Sales and Distribution	38.52	39.79	3.3
Annualised Average Throughput per Station (tonne/station)	3,857	3,899	1.1

	As of Dec. 31 2015	As of Sep.30 2016	Change %
Total Number of Sinopec-branded Service Stations	30,560	30,721	0.5
Company-operated	30,547	30,708	0.5

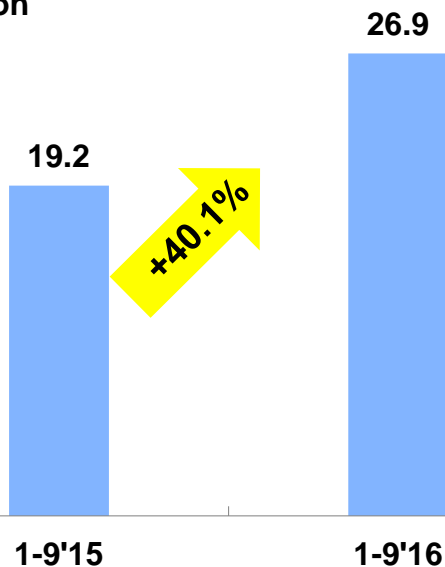


Marketing – Rapid Growth in Non-fuel Business, Segment Profit Increased

- Exploit synergy between fuel and non-fuel businesses with sustained and rapid growth in non-fuel business

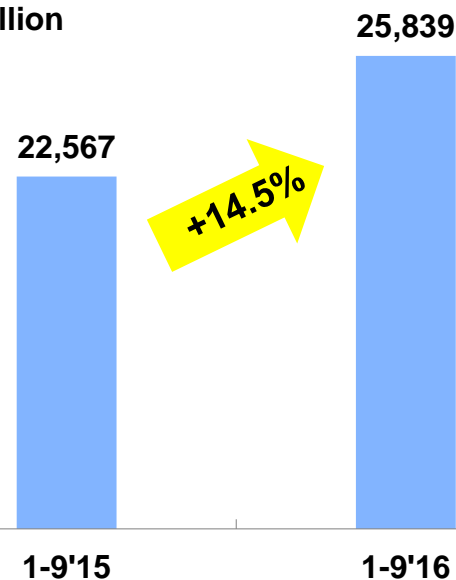
Transaction from Non-fuel Business

RMB billion



EBIT of Marketing Segment

RMB million





Chemicals – Strengthen Structural Adjustment

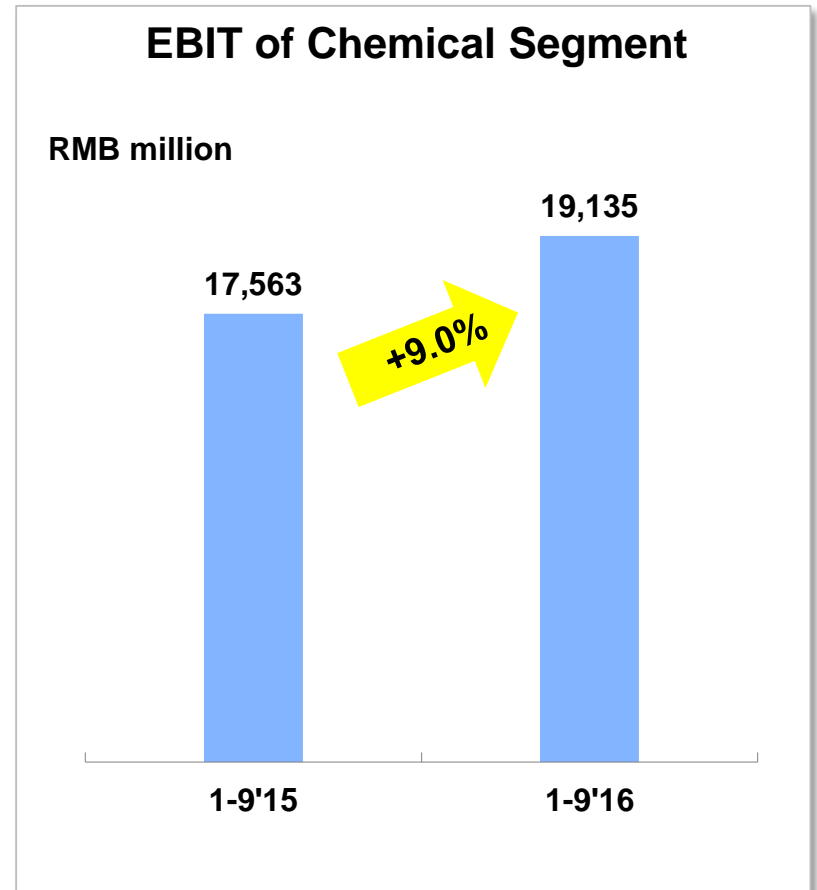
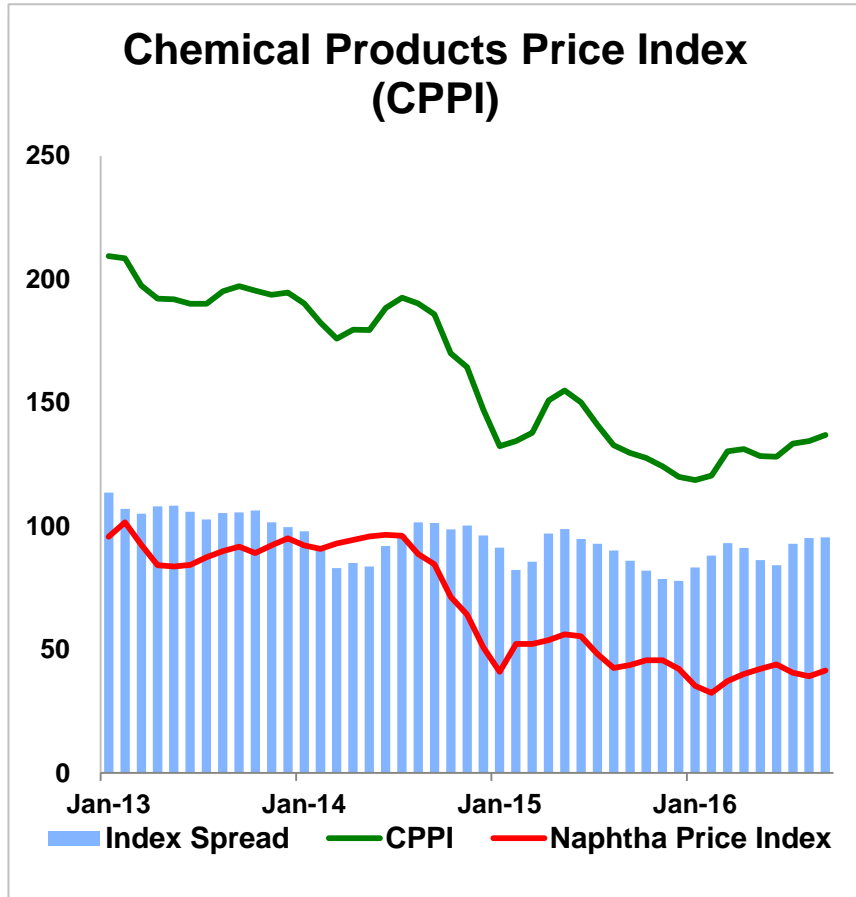
- Adjusted feedstock and product mix, optimised facility structure
- Higher proportion of high value-added products
- Total sales volume of chemical products increased by 11.2% YoY

'000 tonnes	1-9'15	1-9'16	YoY Change %
Ethylene Production	8,273	8,115	(1.9)
Synthetic Resin Production	11,265	11,138	(1.1)
Synthetic Rubber Production	668	619	(7.3)
Synthetic Fibre Monomers & Polymers Production	6,684	6,830	2.2
Synthetic Fibre Production	967	934	(3.4)

* 100% production domestic of JVs included



Chemicals – Strong Margin

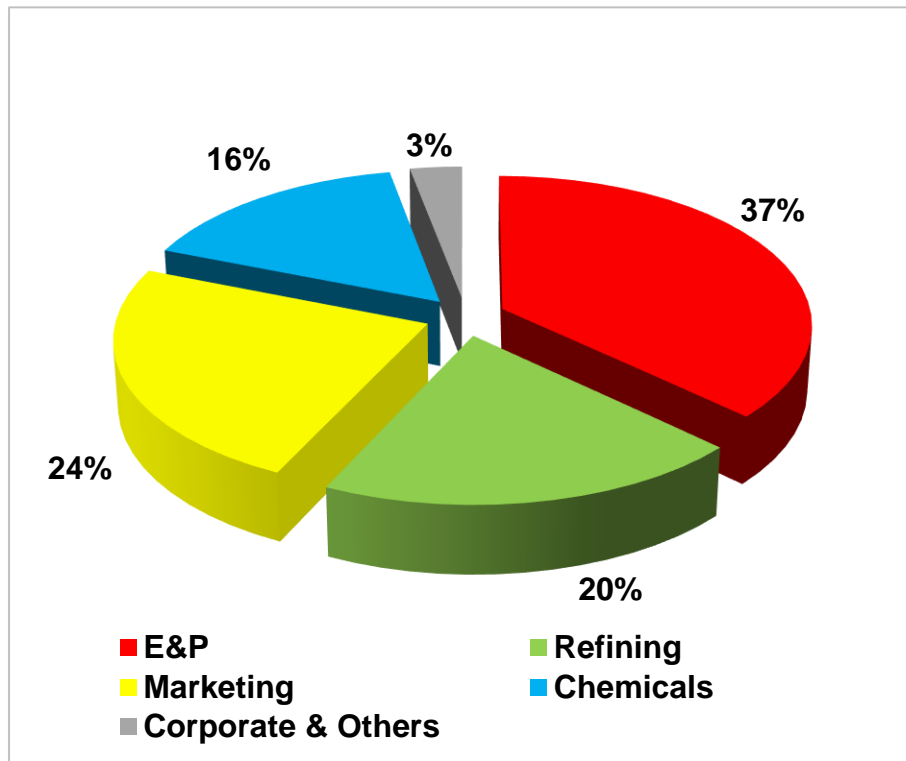


Source: Sinopec Corp.



Capital Expenditure

■ Total Capex for 3Q: RMB 25 billion



■ E&P: RMB 9.2Bn

- ◆ Shale gas exploration and development, LNG projects and natural gas pipeline construction

■ Refining: RMB 5.0Bn

- ◆ Quality upgrade of gasoline and diesel, and refining mix adjustment

■ Marketing: RMB 6.0Bn

- ◆ Renovation of service stations and construction of refined oil pipelines and storage facilities

■ Chemicals: RMB 4.0Bn

- ◆ Structural improvement and coal chemical projects

■ Corporate & Others: RMB 0.8Bn

- ◆ R&D facilities and IT projects



For Further Information



<http://www.sinopec.com>

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