



北京2022年冬奥会官方合作伙伴
Official Partner of the Olympic Winter Games Beijing 2022

China Petroleum & Chemical Corporation 2021 Annual Results Announcement

March 28, 2022



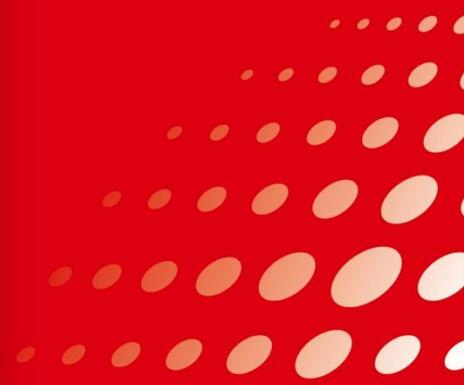
中国石油化工股份有限公司
SINOPEC CORP.

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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.

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2021 Performance Highlights

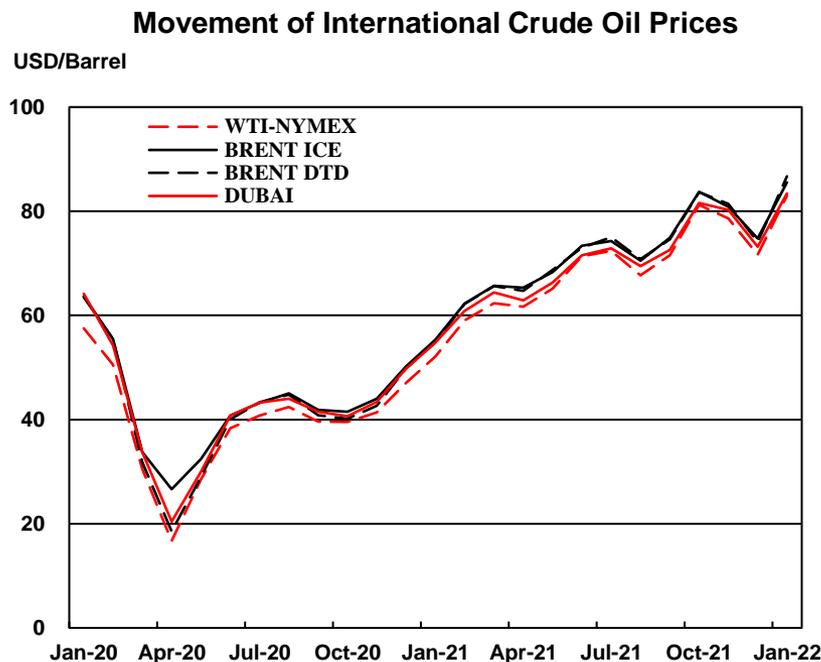


Market Environment in 2021

- COVID-19 pandemic continued and the global economic recovery was slow
- China achieved remarkable results in pandemic prevention and control, and its economy continued to grow with a GDP increase of 8.1% YoY
- International crude oil price fluctuated with an upward trend
- Domestic refined oil and chemical products

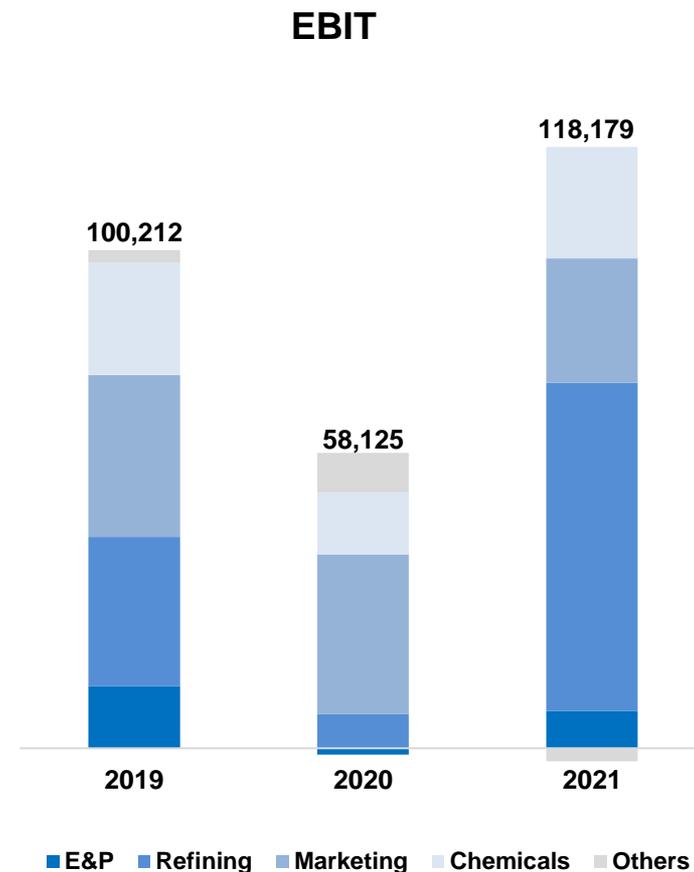
demand picked up

- ◆ Apparent consumption of refined oil products increased by 3.2% YoY
- ◆ Demand for natural gas increased by 12.7% YoY
- ◆ Demand for chemicals remained stable



Profit Attributable to Shareholders of the Company for 2021 Achieved a 10-year Record High

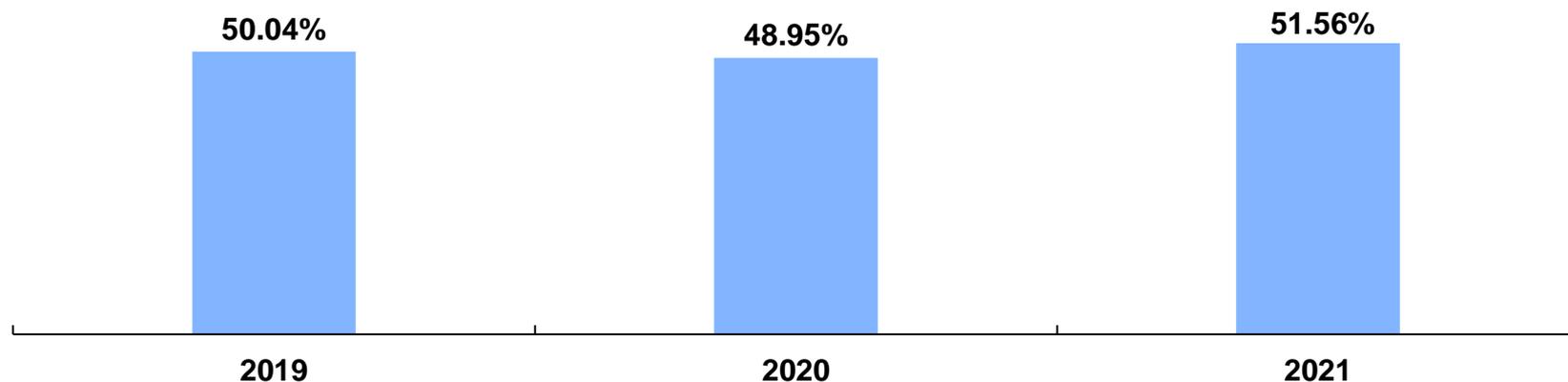
RMB million	2019	2020	2021	YoY (%)
Turnover and Other Operating Revenues	2,957,868	2,104,724	2,740,884	30.2
EBIT	100,212	58,125	118,179	103.3
Profit Attributable to Shareholders of the Company	57,517	33,443	71,975	115.2
EPS (RMB)	0.475	0.276	0.594	115.2



Solid Financial Position

RMB million	As of Dec. 31, 2019	As of Dec. 31, 2020	As of Dec. 31, 2021
Total Assets	1,765,702	1,738,896	1,889,255
Short-term Interest-bearing Debts	48,250	29,033	38,125
Long-term Interest-bearing Debts	58,834	83,815	91,990
Total Equity Attributable to Shareholders of the Company	743,732	746,325	774,182

Liability-to-Asset Ratio



Net Cash Flow from Operating Activities Hit Historical High

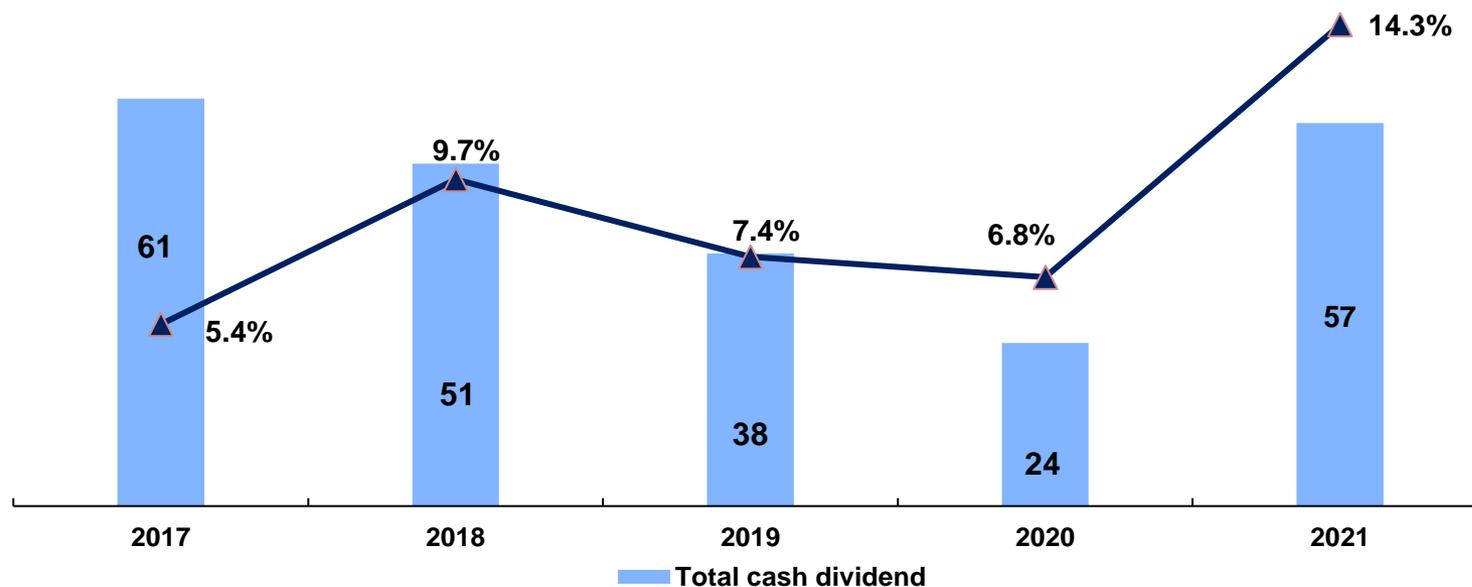
RMB million	2019	2020	2021
Net Cash Generated from Operating Activities	154,380	168,520	225,174
Net Cash Used in Investing Activities	(121,314)	(102,650)	(145,198)
Net Cash Used in Financing Activities	(84,702)	(37,510)	(57,942)

RMB million	As of Dec. 31, 2019	As of Dec. 31, 2020	As of Dec. 31, 2021
Cash and Cash Equivalents (Incl. Time Deposits)	128,052	188,057	221,989

Dividend – Emphasizing on Shareholder Return

- The Board of Directors proposed a final dividend of RMB 0.31 per share
- Total dividend for the year will be RMB 0.47 per share
- Payout ratio was appr. 80% with a dividend yield of 14.3%*

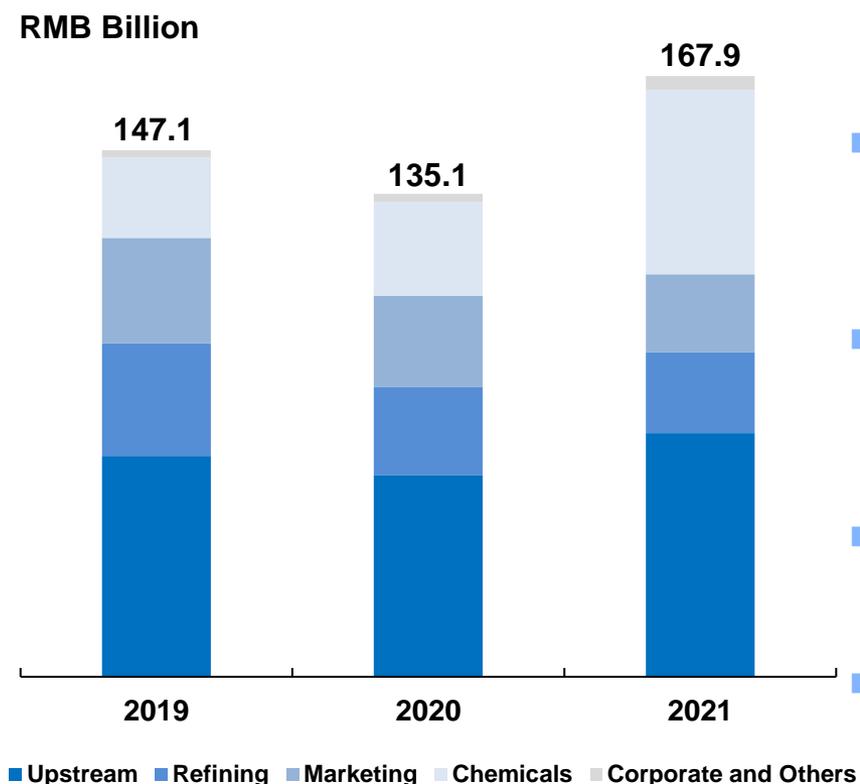
RMB Billion



*Based on the volume weighted average share price of the company's H-Share in 2021

Capital Expenditure – Promoting High-quality Development

■ 2021 Capital Expenditure: RMB167.9 Bn



■ Upstream: RMB 68.1Bn

Mainly for the construction of oil and gas production capacity and storage and transportation facilities

■ Refining: RMB 22.5Bn

Mainly for Zhenhai, Anqing, Yangzi refining upgrading projects

■ Marketing: RMB 21.9Bn

Mainly for the construction of service stations, integrated energy stations and logistics facilities

■ Chemicals: RMB 51.6Bn

Mainly for Zhenhai, Hainan, Gulei projects, etc

■ Corporate and Others: RMB 3.8Bn

Mainly for R&D facilities and information technology projects

Innovation – Supporting and Leading the Company’s Development

■ Upstream

- ◆ Achieved major breakthroughs in continental facies shale oilfields exploration
- ◆ Proved reserves continued to grow with high efficient technology breakthroughs in oil and gas exploration

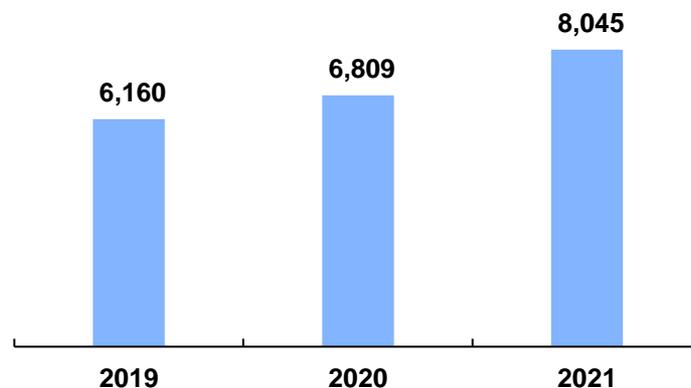
■ Refining

- ◆ Completed the world’s first industrial test of full distillates crude oil catalytic cracking technology
- ◆ Realized breakthrough in industrial application of MFP technology, producing more propylene and low-sulfur fuel

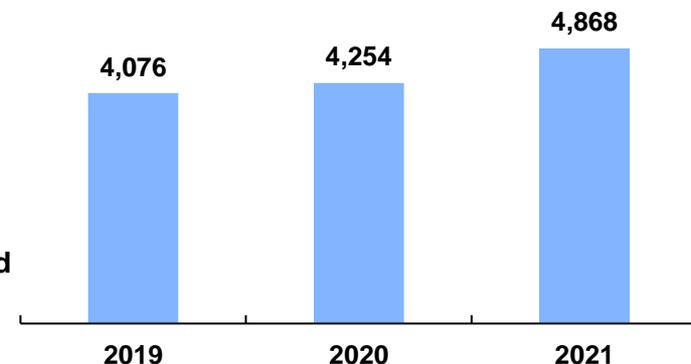
■ Chemicals

- ◆ Completed industrial test of direct cracking of crude oil to ethylene
- ◆ Made breakthroughs in developing a series of hydrogenated styrenic thermal-plastic elastomer

No. of Patents Applied



No. of Patents Granted



Continued to Strengthen HSE Management

- Strengthened COVID-19 prevention and control and improved emergency response capacity to protect health and well-being of employees
- Carried out special actions for production safety and ensured overall stable and safe production
- Adhered to green and low-carbon development strategy and consistently carried out “Green Enterprise Campaign”

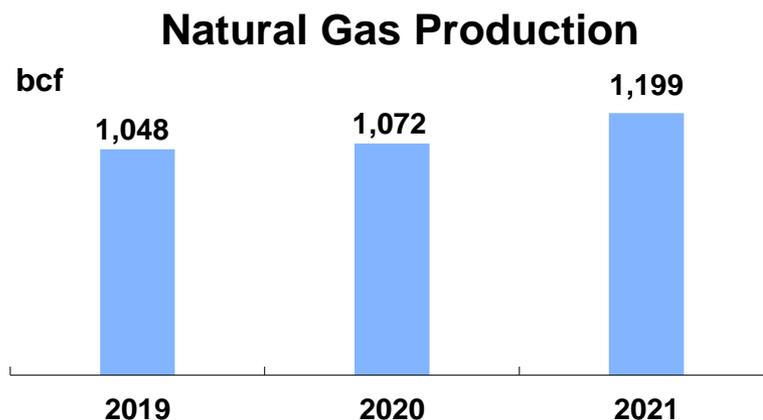
Major Environmental Indicators	YoY change of 2021 (%)
Energy Consumption Intensity	(1.3)
Fresh Water for Industrial Use	(1.1)
COD of Discharged Waste Water	(2.1)
Sulphur Dioxide Emission	(4.2)

2021 Operational Results by Segment



Upstream – Significant Achievements in Increasing Reserves, Stabilizing Oil Production, Increasing Gas Output, and Improving Efficiency

- Achieved major breakthroughs in continental facies shale oilfields exploration
- Domestic oil and gas reserve replacement ratio reached 154%
- Natural gas production grew by 11.9% YoY



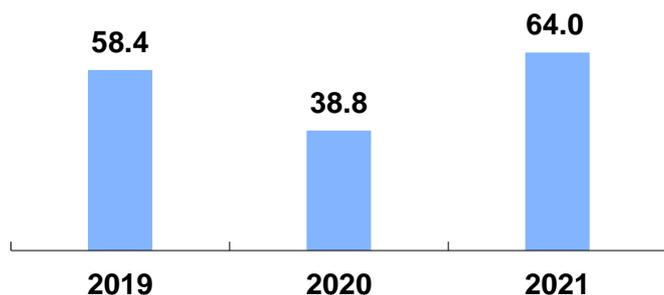
	2019	2020	2021	YoY(%)
Oil and Gas Production (mmboe)	458.92	459.02	479.74	4.5
Crude Oil Production (mmbbls)	284.22	280.22	279.76	(0.2)
China	249.43	249.52	249.60	0.0
Overseas	34.79	30.70	30.16	(1.8)
Natural Gas Production (bcf)	1,047.78	1,072.33	1,199.44	11.9
Oil and Gas Reserves (mmboe)	2,945	2,907	3,158	8.6

* 1 cubic meter=35.31 cubic feet

Upstream – Profitability Improved Significantly

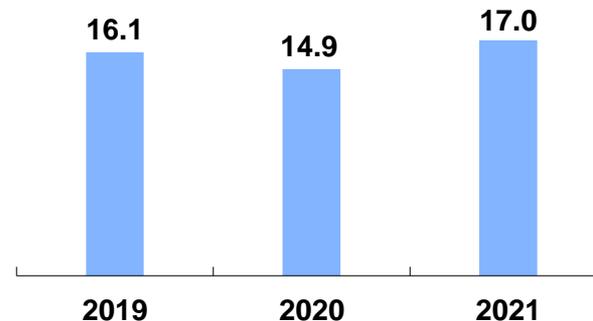
Realized Price of Crude Oil

USD/bbl



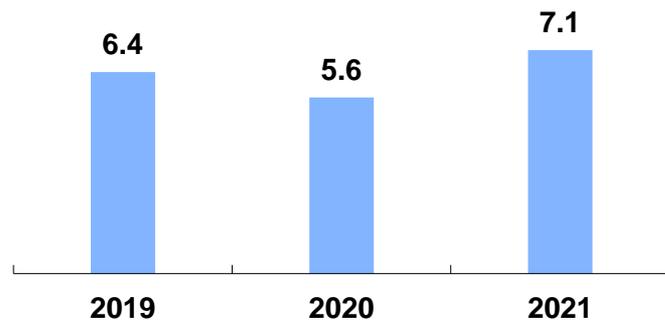
Lifting Cost

USD/bbl



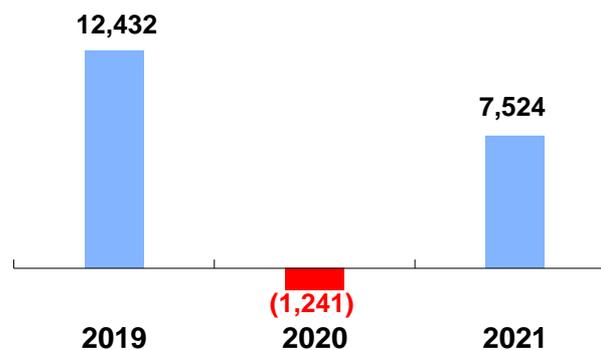
Realized Price of Natural Gas

USD/thousand cubic feet



Upstream EBIT

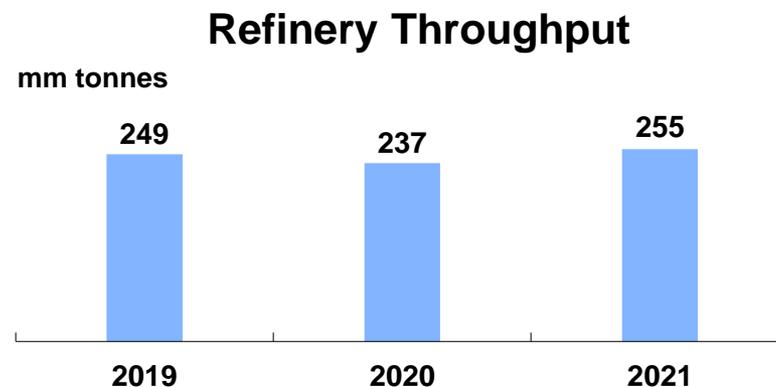
RMB Million



Note: The average FX rate is 1 USD = 6.4515 CNY for 2021, 1 USD = 6.8976 CNY for 2020, and 1 USD = 6.8985 CNY for 2019

Refining – Structural Adjustment Further Strengthened

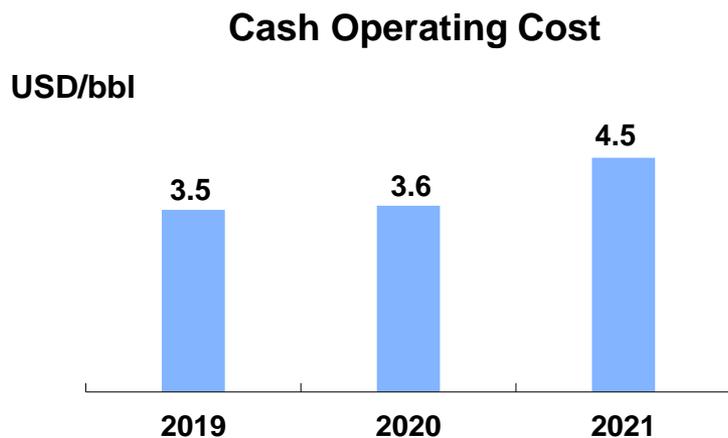
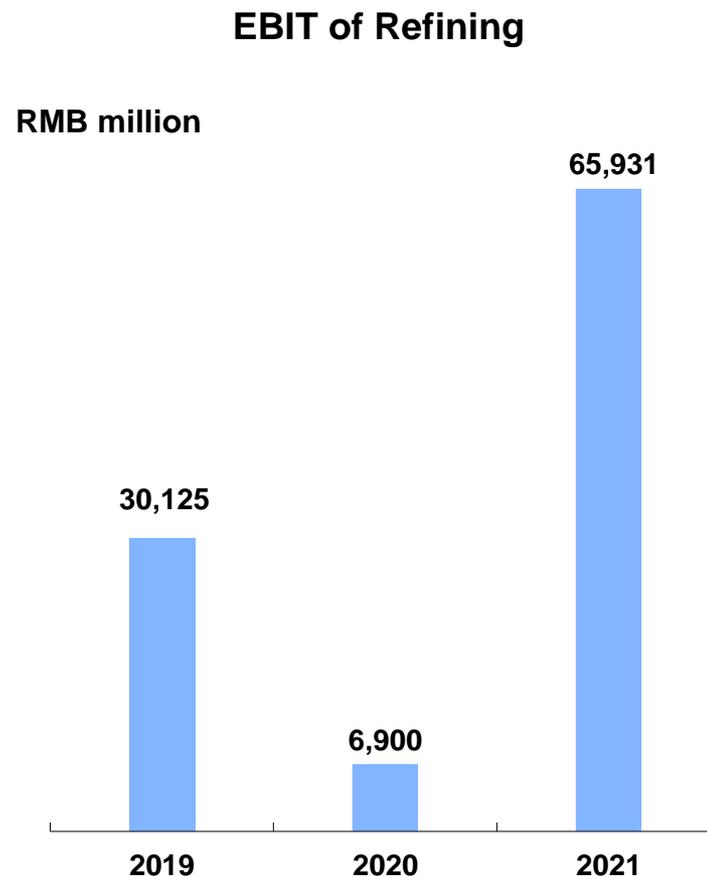
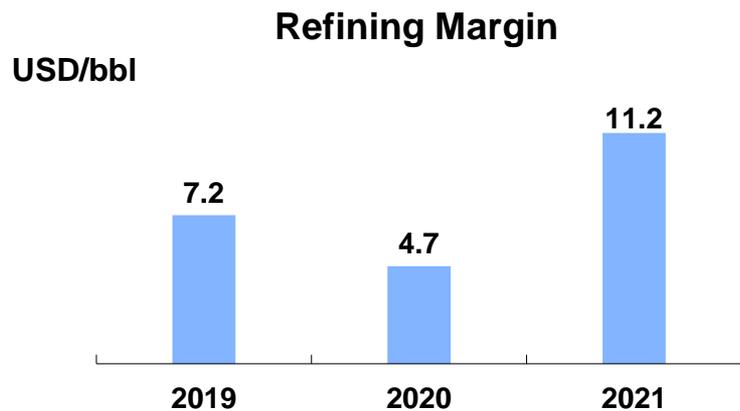
- Maintained high utilization rate and realized significant growth in throughput
- Implemented Initiatives to shift from refined oil products to chemical feedstock and refining specialties
- Optimized the allocation of crude oil resources and reduced procurement costs
- Accelerated the construction of advanced production capacity and promoted structural adjustment in an orderly manner



mm tonnes	2019	2020	2021	YoY(%)
Refinery Throughput	248.52	236.91	255.28	7.8
Gasoline, Diesel and Kerosene Production	159.99	141.50	146.21	3.3
Gasoline Production	62.77	57.91	65.21	12.6
Diesel Production	66.06	63.21	59.85	(5.3)
Kerosene Production	31.16	20.38	21.15	3.8
Light Chemical Feedstock Production	39.78	40.22	45.41	12.9
Diesel-to-gasoline Ratio	1.05	1.09	0.92	(15.6)

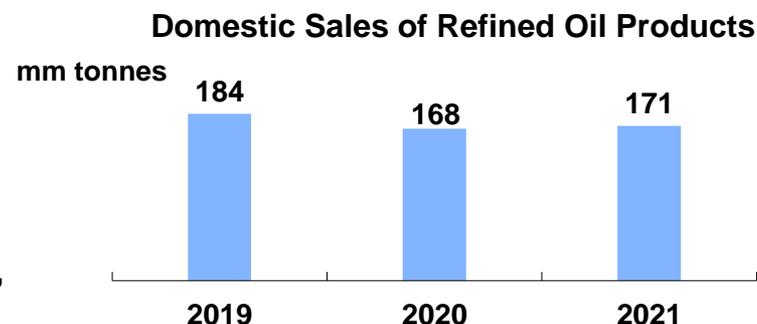
* Refinery throughput is calculated based on 1 tonne= 7.35 bbls; 100% production of domestic joint ventures included

Refining – Profit Hit Record High



Marketing – Business Quality and Scale Further Improved

- Gave full play to the advantages of integration and marketing network
- Implemented targeted marketing strategy and made efforts to expand market and sales
- Established a new model of comprehensive energy supply and services, providing refined oil products, natural gas, hydrogen, EV charging & battery swapping, and non-fuel businesses



mm tonnes	2019	2020	2021	YoY(%)
Total Sales Volume of Refined Oil Products*	254.95	217.91	220.79	1.3
Domestic Sales of Refined Oil Products	184.45	167.99	171.31	2.0
Retail	122.54	113.19	114.30	1.0
Wholesale and Distribution	61.91	54.80	57.01	4.0
Annual Average Throughput per Station (tonne/station)	3,992	3,686	3,720	0.9

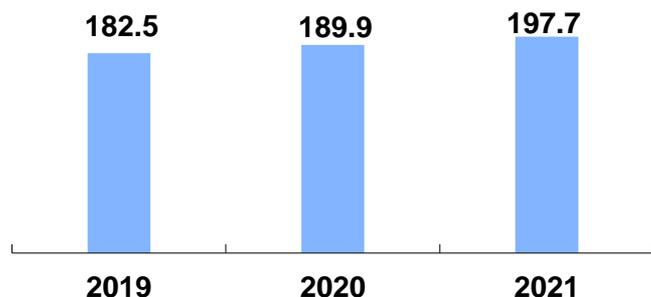
As at December 31, 2021

Number of Service Stations under the Sinopec Brand	30,725
Number of Easy Joy convenient stores	27,950
Number of EV Charging and Battery Swapping Stations	1,295
Number of Hydrogen Stations	74

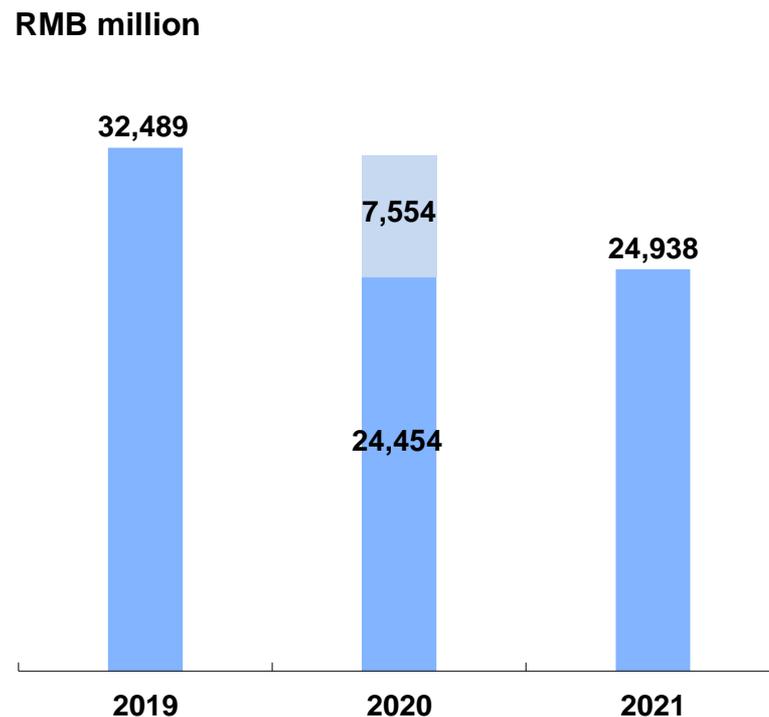
* The total sales volume of refined oil products includes the amount of refined oil marketing and trading sales volume.

Marketing – Operational Profitability Remained Stable

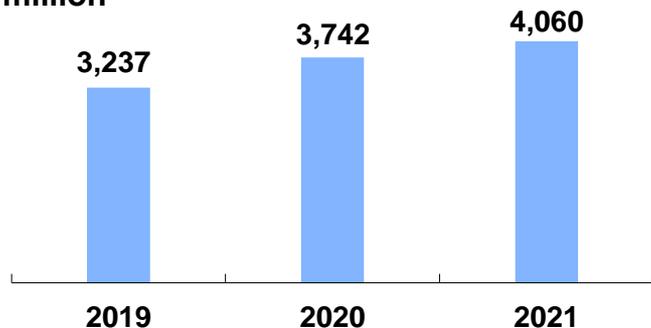
Marketing Cash Operating Cost RMB/tonne



EBIT of Marketing RMB million



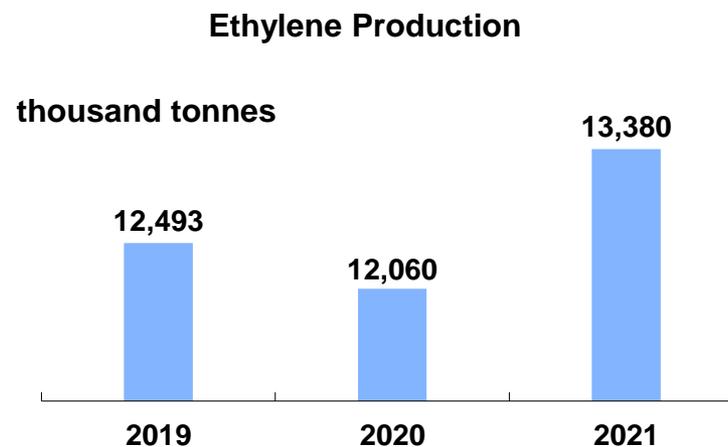
Profit of Non-fuel Business RMB million



* Including RMB 7.6 billion of value accretion of pipeline transaction in 2020

Chemicals – Business Scale Continuously Expanded

- Diversified raw materials continuously
- Optimized structure and maintenance scheduling of facilities, and maintained high utilization rates for profitable production units
- Integrated process of production, marketing, research and application, and increased output of high value-added products
- Accelerated construction of advanced production capacity

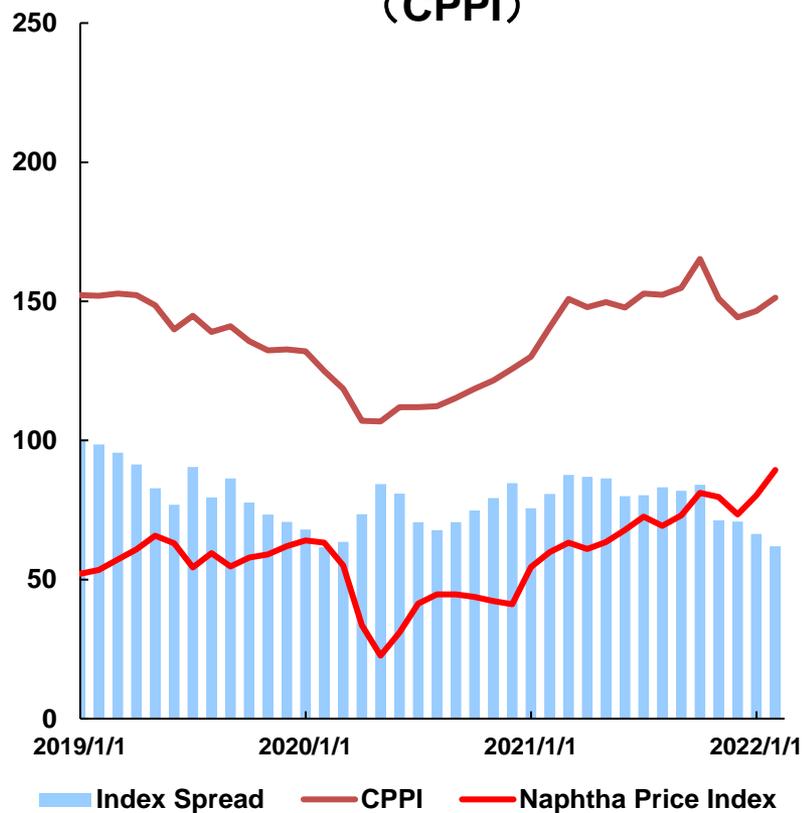


'000 tonnes	2019	2020	2021	YoY(%)
Ethylene Production	12,493	12,060	13,380	10.9
Synthetic Resin Production	17,244	17,370	18,999	9.4
Synthetic Fiber Monomer and Polymer Production	10,029	9,057	9,201	1.6
Synthetic Fiber Production	1,289	1,313	1,357	3.4
Synthetic Rubber Production	1,047	1,067	1,252	17.3

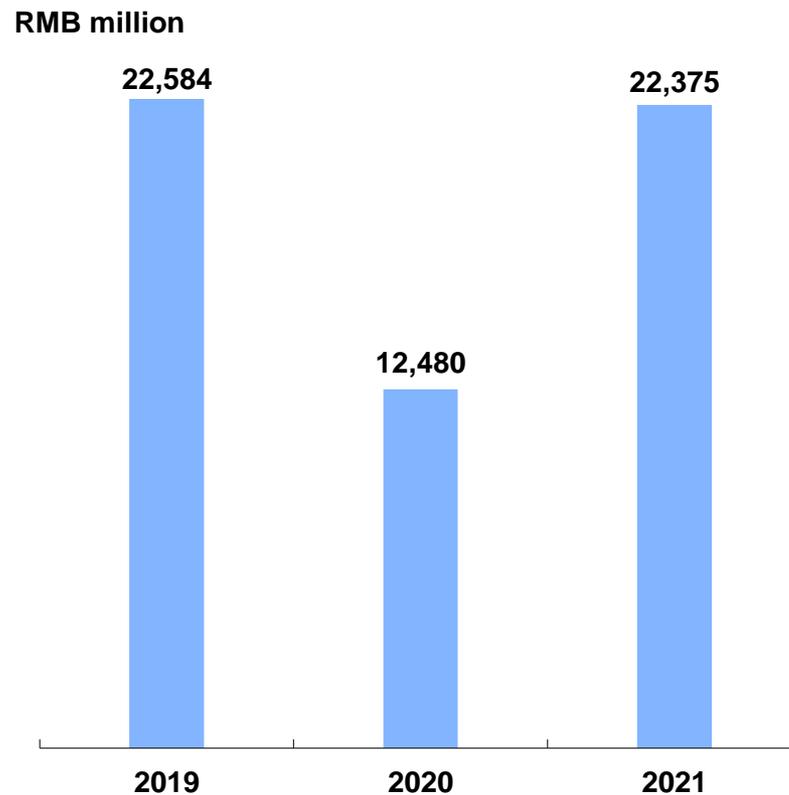
* 100% production of domestic joint ventures included

Chemicals – Profitability Improved Substantially

Chemical Products Price Index (CPPI)



EBIT of Chemicals



2022 Operational Plan



Market Outlook of 2022

- **The world economic growth expects continuous recovery**
- **China's economy will achieve stable growth**
 - **Domestic demand for natural gas, refined oil and petrochemical products are expected to grow**
- **International crude oil price may fluctuate at an elevated level**

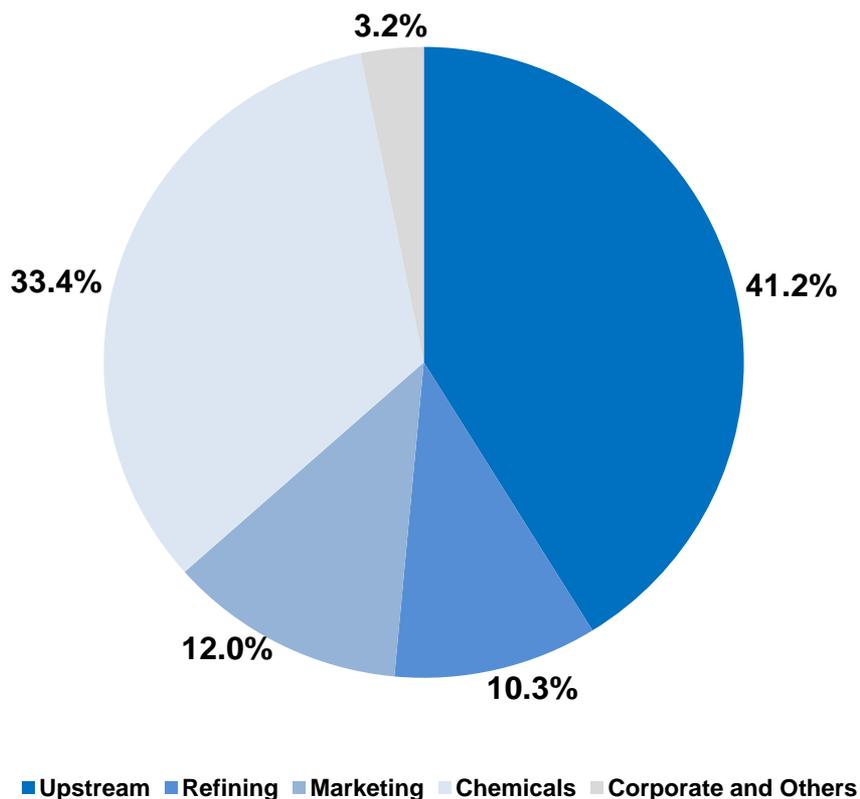
2022 Production Plan

	2021	2022E	YoY (%)
Oil and Gas Production (mmboe)	479.74	490.65	2.3
Crude Oil Production (mmbbls)	279.76	281.20	0.5
Natural Gas Production (bcf)	1,199.44	1,256.70	4.8
Refinery Throughput* (mm tonnes)	255	258	1.1
Total Domestic Sales Volume of Refined Oil Products (mm tonnes)	171	174	1.6
Ethylene Production* (ten thousand tonnes)	1,338	1,525	14.0

*100% production of domestic joint ventures included

Capital Expenditure Plan for 2022

■ Capex Plan: RMB 198.0Bn



■ Upstream: RMB 81.5 Bn

Mainly for capacity building of oil and gas, and LNG projects

■ Refining: RMB 20.4Bn

Mainly for construction of Anqing and Yangzi refinery structural adjustment projects and Zhenhai expansion

■ Marketing: RMB 23.7 Bn

Mainly for construction of service stations, integrated energy stations and logistics facilities

■ Chemicals: RMB 66.1 Bn

Mainly for Hainan and Tianjin Nangang ethylene projects, Jiujiang Aromatics project, Shanghai large-tow carbon fiber project, Yizheng PTA project, Guizhou PGA project, Zhenhai Refinery Phase II

■ Corporate and Others: RMB 6.3 Bn

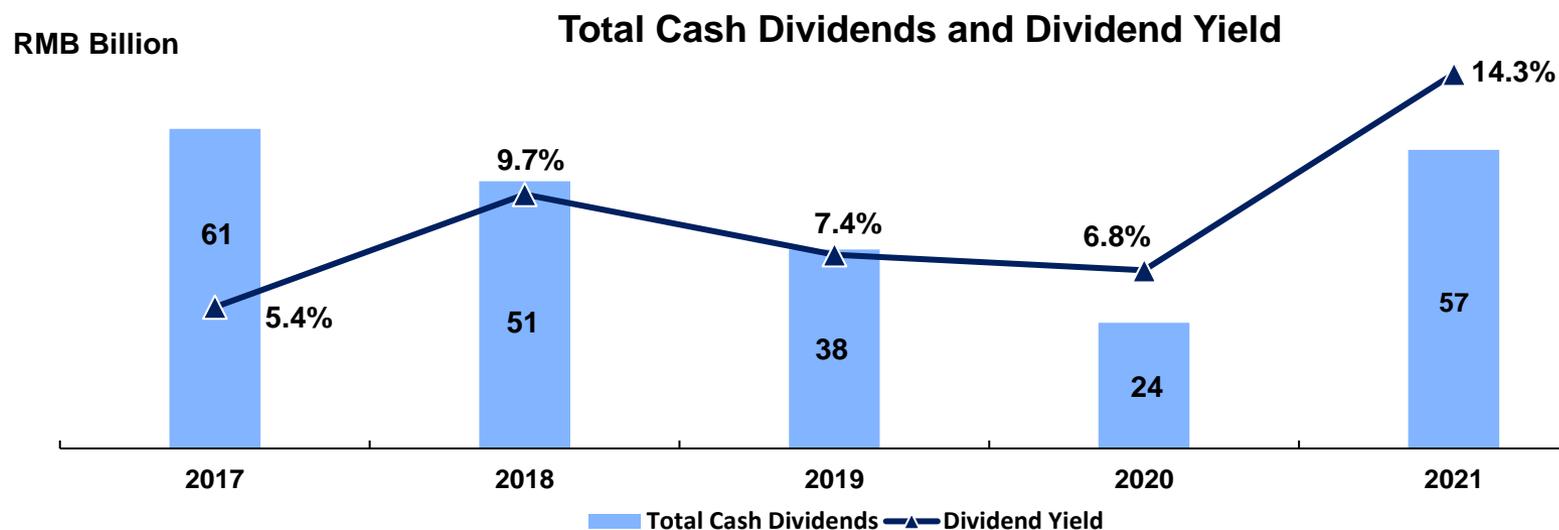
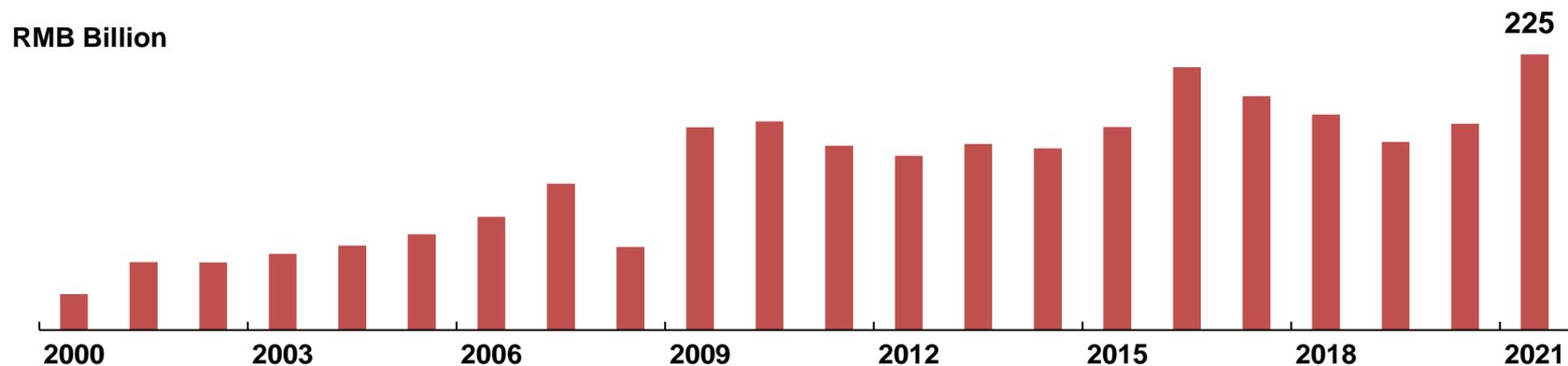
Mainly for R&D facilities and information technology projects

Chairman's Address



Back in 2021 - Achieved High-Quality Business Results

Hit a New Record in Cash Flow from Operating Activities



*Based on the volume weighted average share price of the company's H-Share in 2021

Back in 2021 - Focused on ESG Management



Composition of the Board of Directors is more diversified



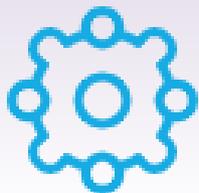
Continuously addressing climate change, proactively promoting energy conservation, pollution and carbon emission reduction

Supported Rural Revitalization Programs and Philanthropy Programs with Various Measures



Sponsored and Supported the Beijing Winter Olympics and Paralympics

Looking Forward - Focus on Promoting Corporate Governance



Make further improvements on corporate governance system



Enhance risk control in safety, environmental protection, operation and management



Deeply integrate ESG with business operation and development

Looking Forward - Focus on Innovation-Driven Strategy

**Implement innovation-driven strategies,
turn technological achievements into
competitive business advantages**

**Promote R&D of
advanced oil and gas
exploration technologies
with self-developed new
technologies**

**Enhance technological
breakthrough in refining,
high-end chemicals, new
materials, and new energy
resource products**

**Reinforce key, generic
and advanced industry
technologies**

Looking Forward - Focus on Improving Energy Supply Capacity



Increase in gas and oil exploration

Maintain a steady growth of oil and gas reserves and production



Actively and steadily plan new energy businesses layout such as hydrogen energy



Improve international trading capacity

Explore a sustainable multi-energy supply system

Looking Forward - Focus on Refining and Chemical Business Upgrades



Optimizing in refining business and expanding and improving chemicals business

Ramp up development of initiatives to shift from refined oil products to chemical feedstock and refining specialties



Gradually transform to a comprehensive provider of refined oil products, natural gas, hydrogen, EV charging & battery swapping, and non-fuel businesses



Commit to implementing digital transition in existing businesses

Further develop E-commerce platforms

Looking Forward - Focus on Enhancing Green and Low-Carbon Competitiveness



**Set net zero carbon emission as environmental goal
Create low-carbon competitiveness**



**Optimize industrial and energy structure
Enhance energy utilization efficiency**



**Accelerate research and innovation in green and
low-carbon technologies**

**Cultivate a green, low-carbon and recyclable
development industry system**

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