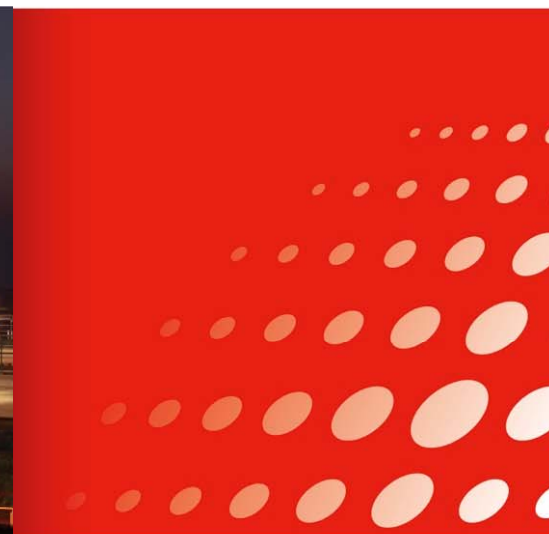




China Petroleum & Chemical Corporation 3Q 2020 Results Announcement

Oct 29, 2020



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 3Q 2020

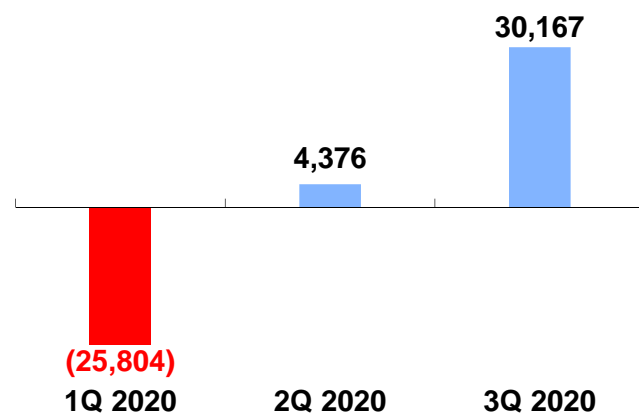
- China's economy kept a good recovery momentum with GDP grew by 4.9% yoy in the third quarter
- International crude oil price fluctuated within a narrow range in the third quarter
- Domestic demand for natural gas and chemical products maintained growth and demand for refined oil products recovered steadily quarter on quarter

Profitability

RMB million	1-9'19	1-9'20
Turnover and Other Operating Revenues	2,233,305	1,554,617
EBIT	77,216	45,536
Profit Attributable to Equity Shareholders of the Company	44,226	24,459
EPS(RMB)	0.365	0.202

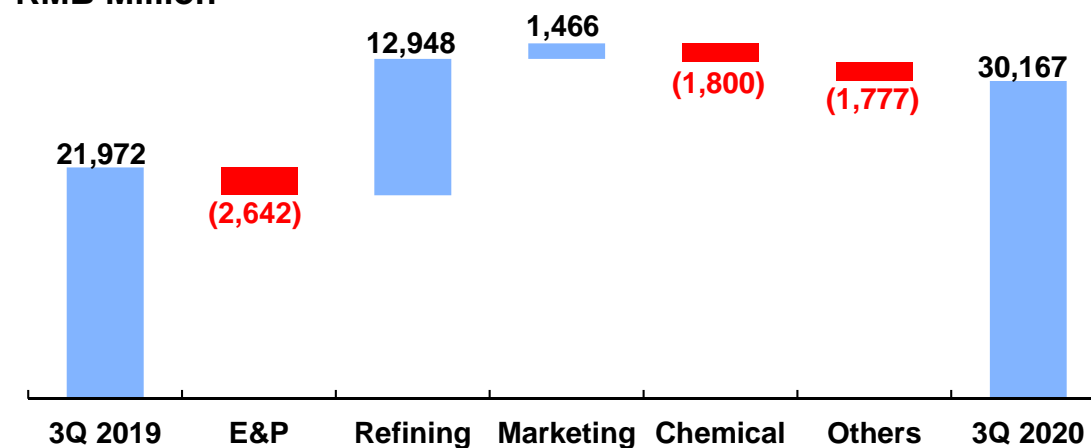
Quarterly EBIT in 2020 *

RMB Million



Y o Y change in 3Q EBIT *

RMB Million

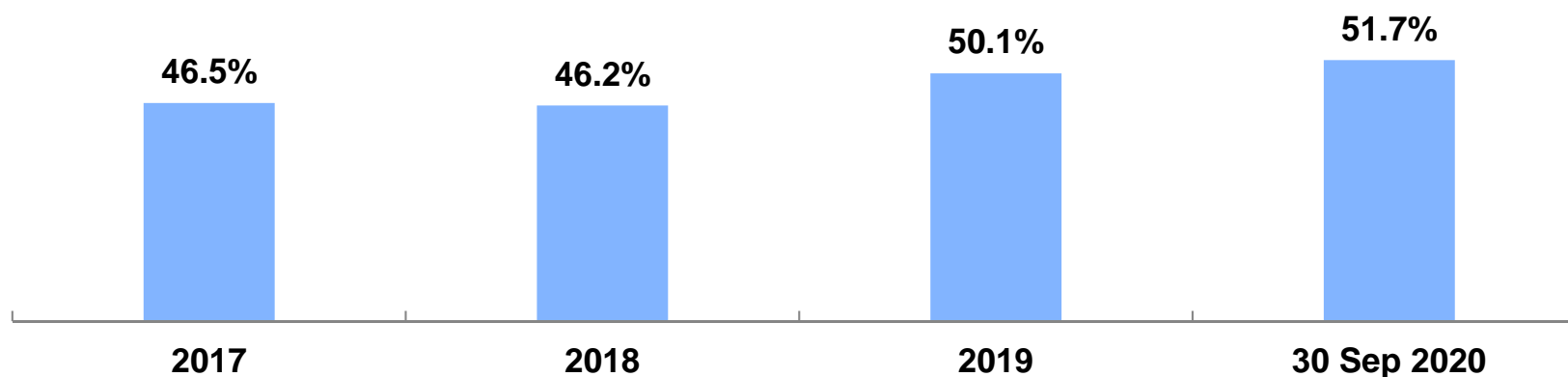


* Excluding the value accretion of pipeline transaction

Financial Position

RMB million	As of Dec. 31, 2019	As of Sep. 30, 2020
Total Assets	1,755,071	1,799,388
Short-term Interest-bearing Debt	48,250	60,474
Long-term Interest-bearing Debt	58,782	81,864
Total Equity Attributable to owners of the Company	738,150	728,198

Liability to Asset Ratio



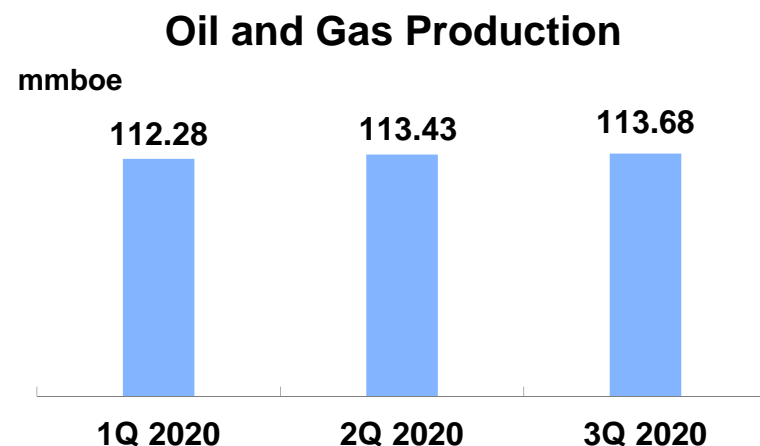
Cash Flow Status

RMB million	1-9'19	1-9'20	YoY (%)
Net Cash Generated from Operating Activities	81,398	83,639	2.8
Net Cash Used in Investing Activities	(70,752)	(103,264)	-
Net Cash Generated from/(used in) Financing Activities	(34,031)	46,856	-

RMB million	As of Dec. 31, 2019	As of Sep. 30, 2020
Cash and Cash Equivalents (Incl. Time Deposits)	127,927	179,945

Upstream – Oil and gas production remained stable

- Maintained high-quality exploration efforts
- Focused on profit-driven development
- Accelerated natural gas capacity building and achieved steady growth in market share



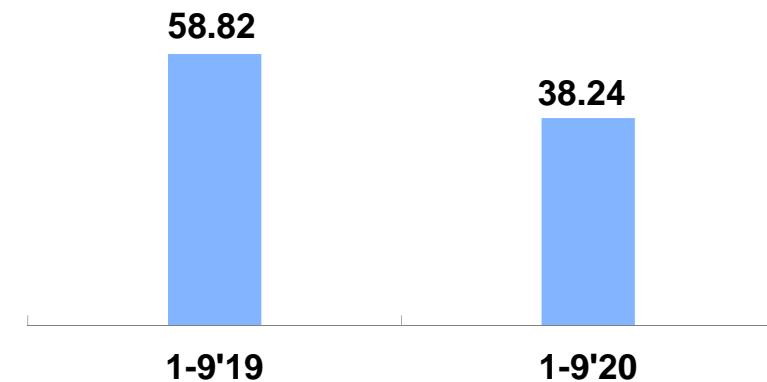
	1-9'19	1-9'20
Oil and Gas Production (mmboe)	341.74	339.39
Crude Oil Production(mmbbl)	212.78	210.65
China	186.69	186.69
Overseas	26.09	23.96
Natural Gas Production (bcf) *	773.41	772.14

* 1 cubic meter=35.31 cubic feet

Upstream – Made Turnaround in the Third Quarter

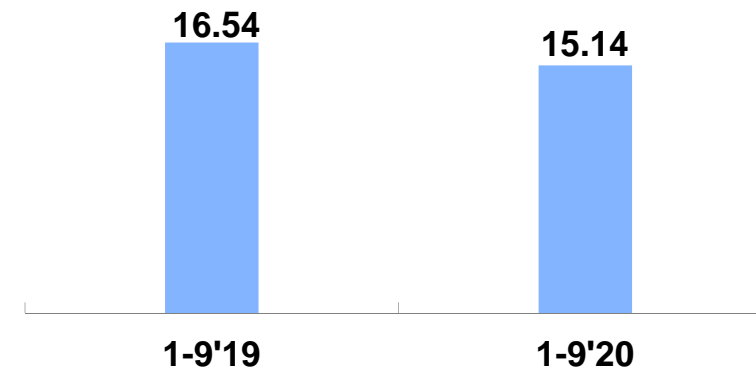
Realised Price of Crude Oil

USD/bbl



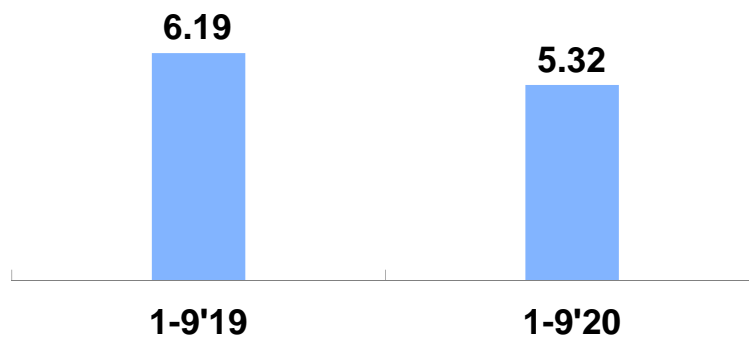
Lifting Cost

USD/bbl



Realised Price of Natural Gas

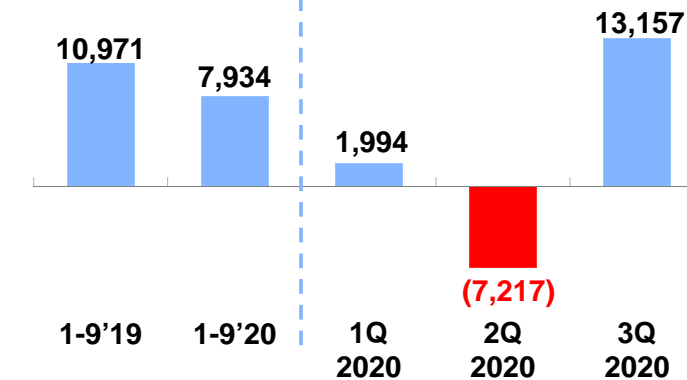
USD/mcf



* 1-9'2020 USD 1=RMB 6.9917; 1-9'2019 USD 1=RMB 6.8541

EBIT of E&P Segment *

RMB Million



* Including the value accretion of pipeline transaction

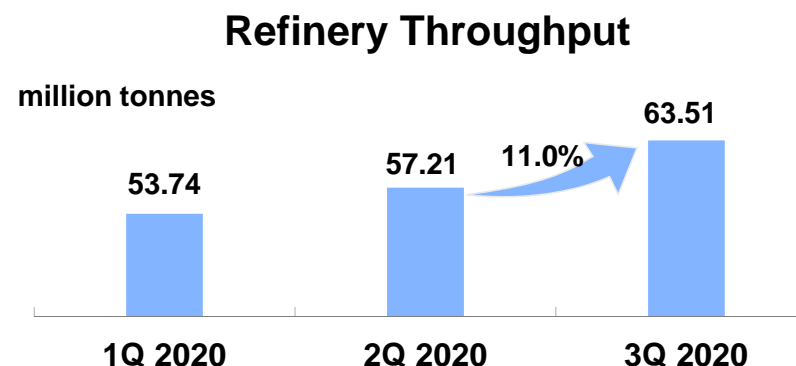


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Refining – Dynamic Optimisation in Product Slate

- Brought the advantages of integrated production and marketing into full play and maximised the value of the business chain
- Optimised product slate based on market demand
- Maintained high utilisation rate



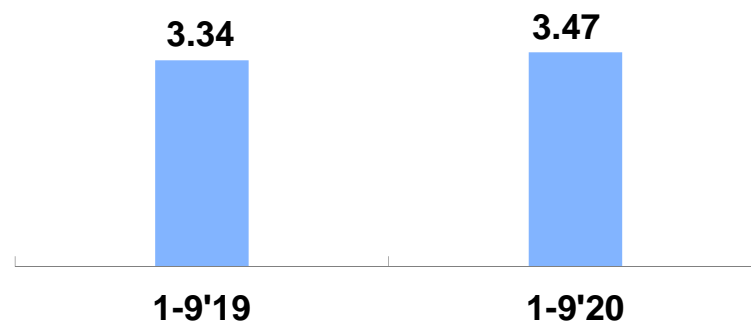
(mm tonnes)	1-9'19	1-9'20
Refinery Throughput	186.26	174.46
Gasoline, Diesel and Kerosene Production	119.54	105.19
Gasoline	47.20	42.46
Diesel	49.01	47.86
Kerosene	23.33	14.87
Light Chemical Feedstock Production	30.05	29.54

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

Refining – Significant Growth in Profit in the Third Quarter

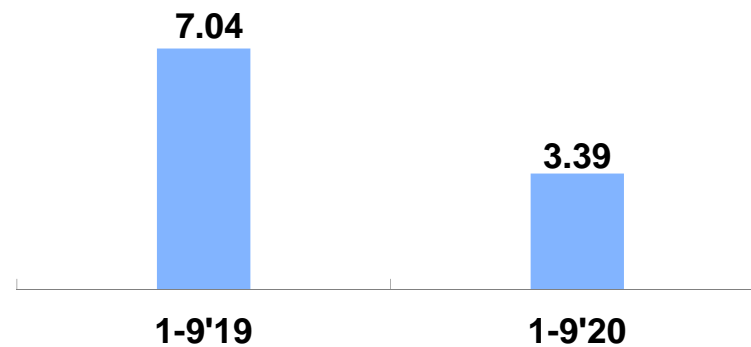
Cash Operating Cost

USD/bbl



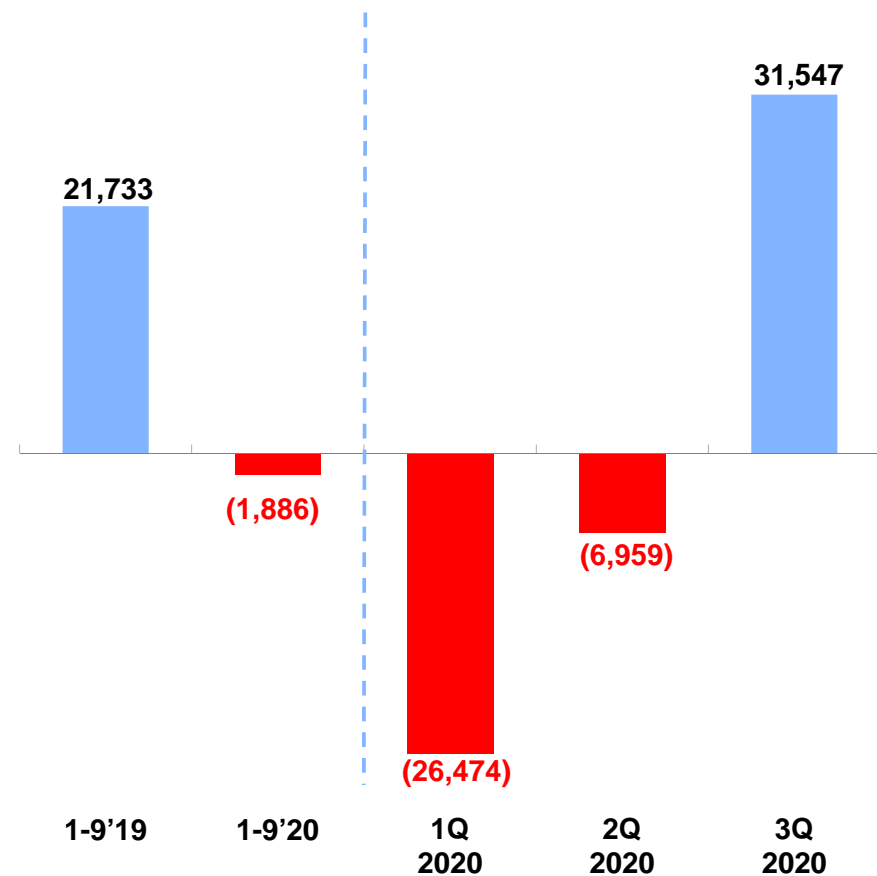
Refining Margin

USD/bbl



EBIT of Refining Segment *

RMB million



* Including the value accretion of pipeline transaction



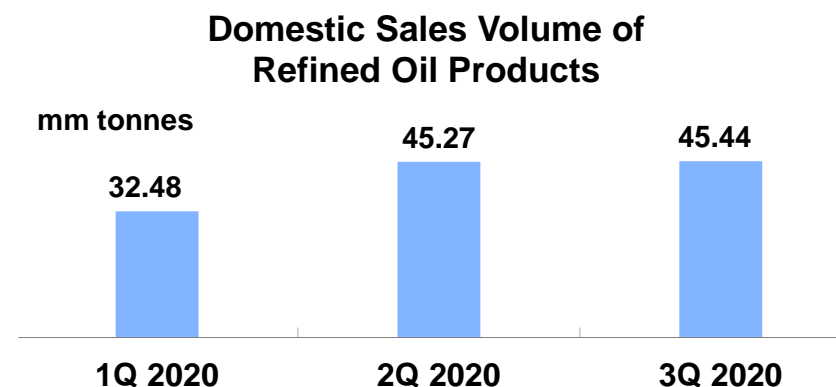
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Marketing – Effectively Responded to Competition

- Sustained recovery in domestic sales volume
- Optimized the layout of service stations and leveraged network advantage
- Innovated marketing models and improved services quality



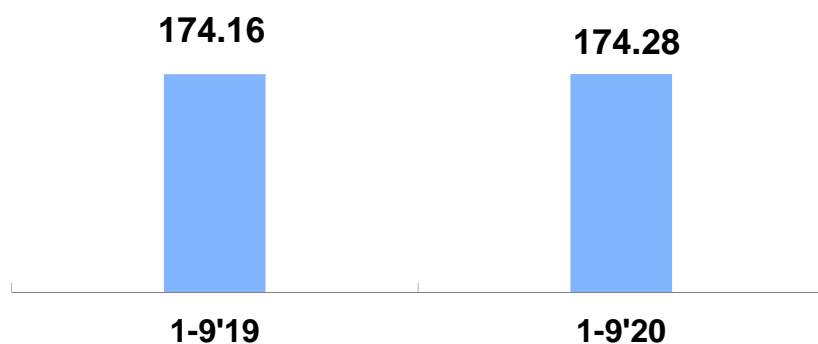
(mm tonnes)	1-9'19	1-9'20
Total Sales Volume of Refined Oil Products	192.42	162.25
Domestic Sales Volume of Refined Oil Products	139.25	123.19
Retail	91.80	83.06
Direct Sales and Distribution	47.45	40.13
Annualized Average Throughput per Station (tonne/station)	3,991	3,605

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

Marketing – Sustained Growth in Profit

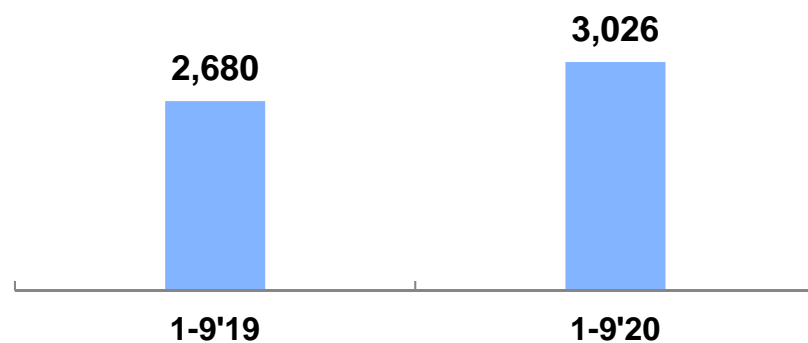
Marketing Cash Operating Cost

RMB/ tonne



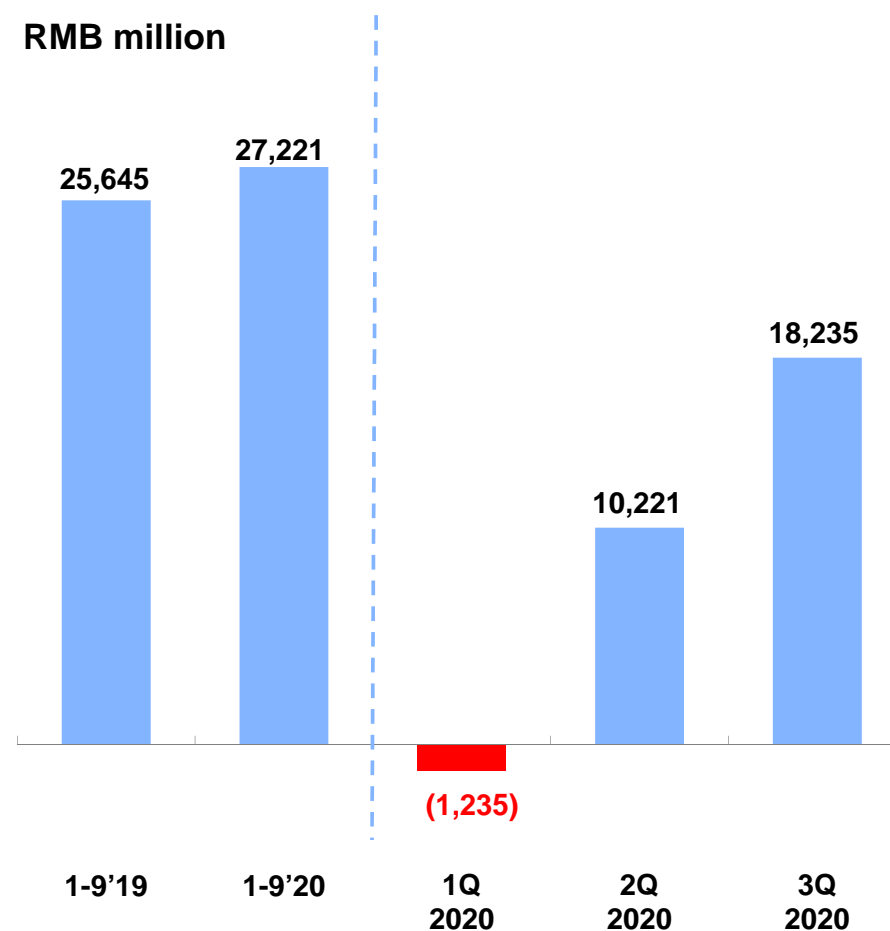
Profit of Non-fuel Business

RMB million



EBIT of Marketing Segment *

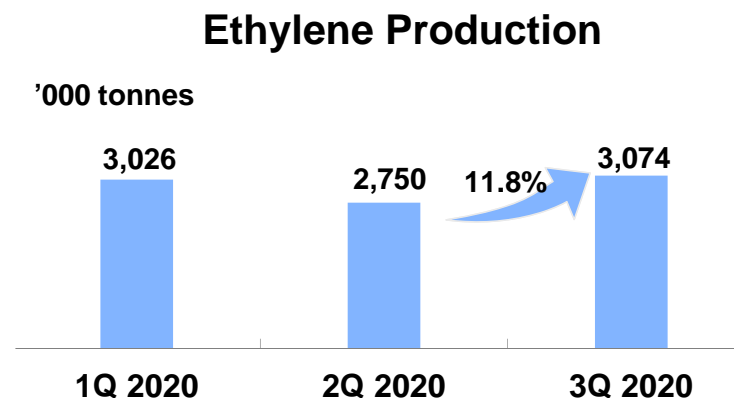
RMB million



* Including the value accretion of pipeline transaction

Chemicals – Strengthened Structural Adjustment

- Optimised feedstock mix to further reduce costs
- Optimised operation and product slate to increase the proportion of high value-added products
- Accelerated expanding high-end products to enhance profitability of business chain



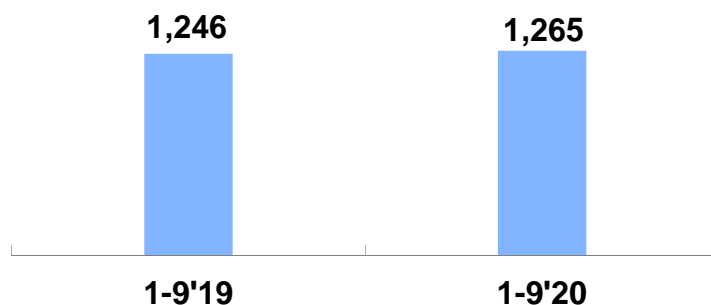
'000 tonnes	1-9'19	1-9'20
Ethylene Production	9,295	8,850
Synthetic Resin Production	12,749	12,773
Synthetic Fiber Monomers & Polymers Production	7,511	6,711
Synthetic Fiber Production	968	935
Synthetic Rubber Production	794	790

* 100% production domestic of JVs included

Chemicals – Stable Profitability in the Third Quarter

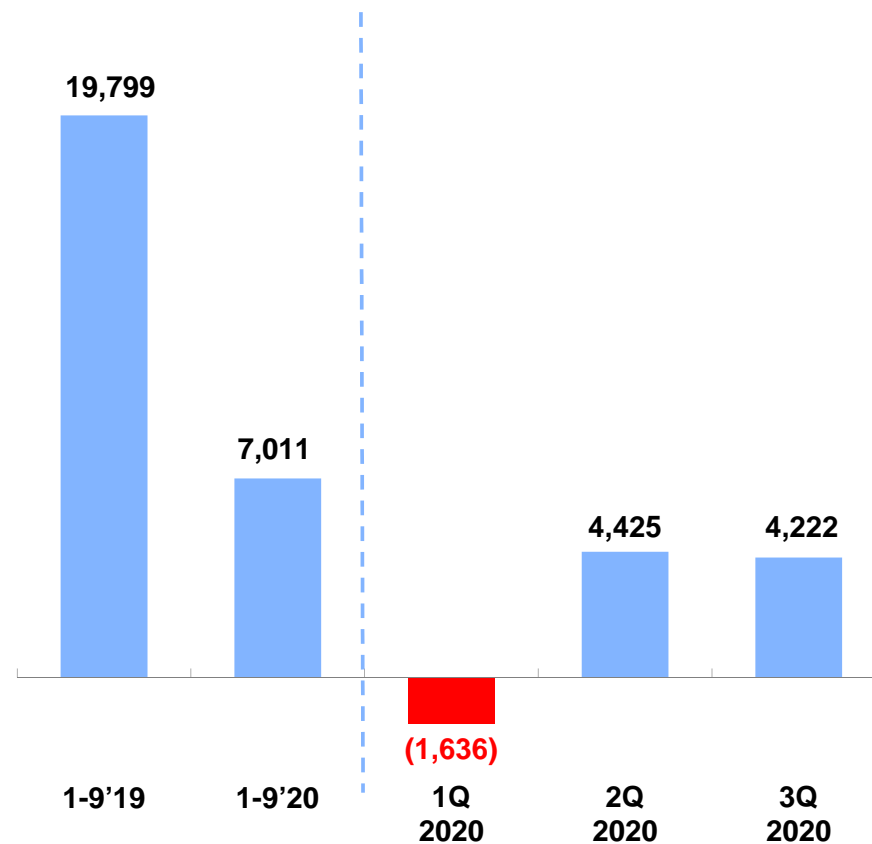
Chemical All-in Cost

RMB/tonne

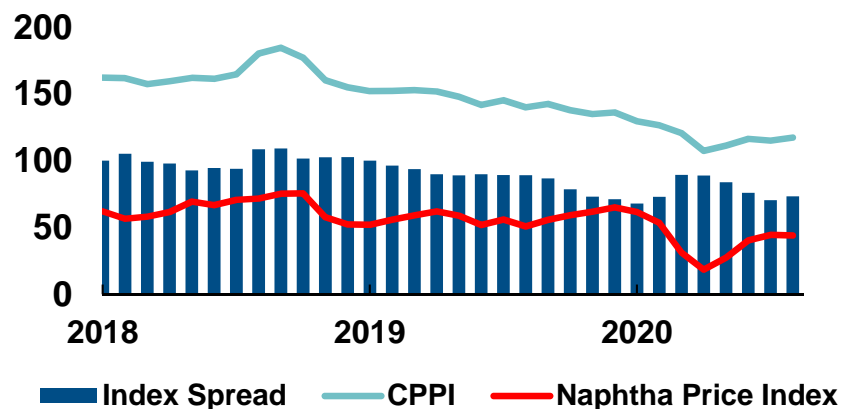


EBIT of Chemical

RMB million



Chemical Products Price Index (CPPI)



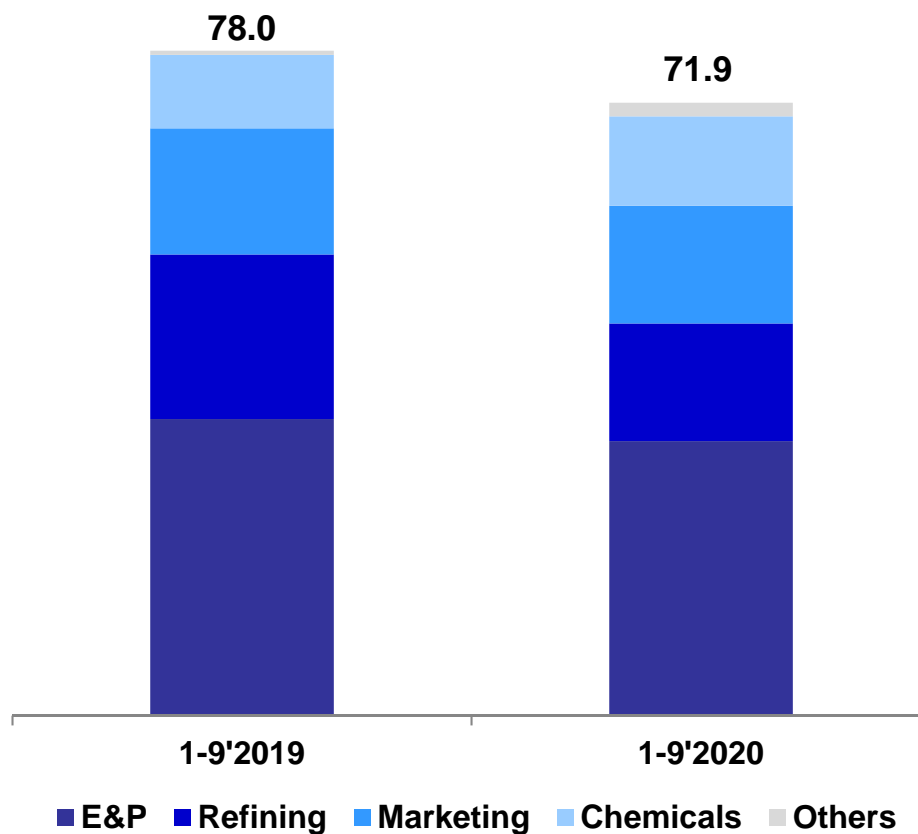
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Capital Expenditure – Focus on Quality and Profitability

■ Capex for 1-9'2020: RMB 71.9 Bn

RMB billion



■ E&P: RMB 32.2 Bn

Oil & Gas capacity building

■ Refining: RMB 13.8 Bn

Construction of Zhongke Project, and adjustment of product slate

■ Marketing: RMB 13.8Bn

Construction of service stations, refined oil product storage facilities, and non-fuel business development

■ Chemicals: RMB 10.5 Bn

Construction of Zhongke, Zhenhai and Gulei ethylene projects and melt-blown fabrics projects

■ Corporate & Others: RMB 1.6 Bn

Construction of R&D facilities and IT system

Q&A

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