



中国石化
SINOPEC

China Petroleum & Chemical Corporation **2023 Interim Results Announcement**

August 28, 2023
Hong Kong

中国石油化工股份有限公司
SINOPEC CORP.

Cautionary 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.

- **1H 2023 Performance Highlights**
- **1H 2023 Operational Results by Segment**
- **2H 2023 Operational Plan**
- **Chairman's Address**

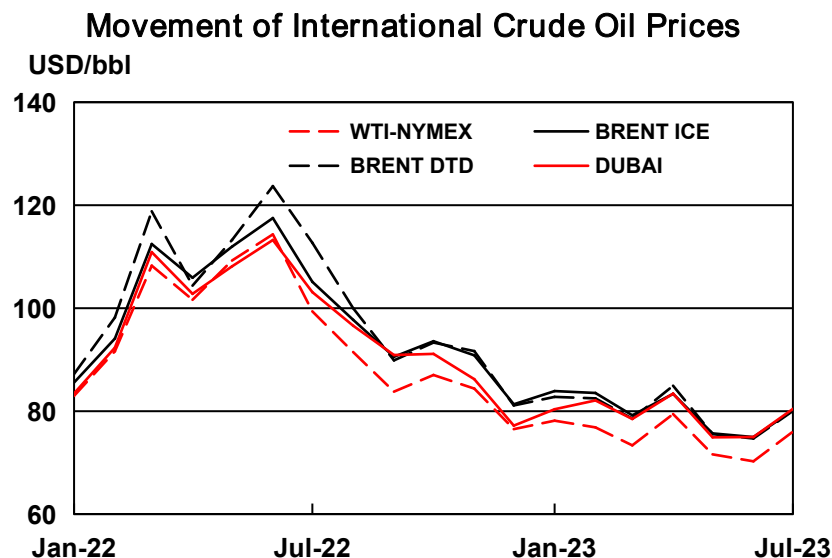
Content

1H 2023 Performance Highlights



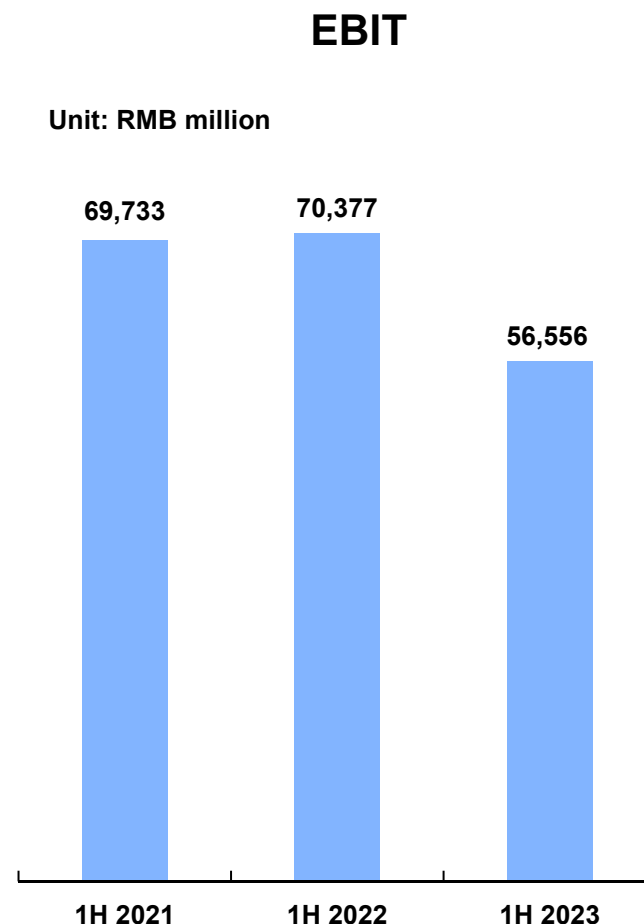
Market Environment in 1H 2023

- China's economy continued to recover and showed a good momentum
 - ◆ GDP up by 5.5% YoY
- International crude oil prices fluctuated with a downward trend and dropped by 25.8% YoY
- Domestic demand for natural gas picked up, refined oil products demand rebounded, chemicals demand was weak
 - ◆ Natural gas consumption up by 6.7% YoY
 - ◆ Refined oil products consumption up by 16.2% YoY
 - ◆ Ethylene equivalent consumption up by 2.4% YoY



Maintained Sound Profitability

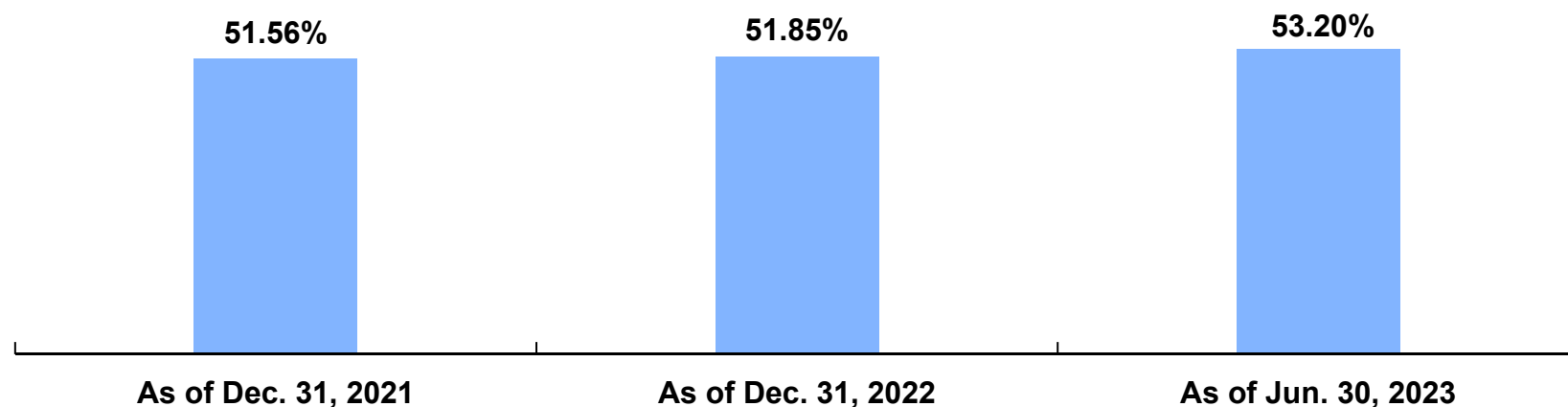
RMB million	1H 2021	1H 2022	1H 2023	YoY (%)
Revenue	1,260,773	1,612,126	1,593,682	(1.1)
EBIT	69,733	70,377	56,556	(19.6)
Profit Attributable to Shareholders of the Company	40,227	44,841	36,122	(19.4)
EPS (RMB)	0.332	0.370	0.301	(18.6)



Solid Financial Position

RMB million	As of Dec. 31, 2022	As of Jun. 30, 2023
Total Assets	1,951,121	2,026,902
Short-term Interest-bearing Debts	66,329	106,125
Long-term Interest-bearing Debts	107,961	173,147
Total Equity Attributable to Shareholders of the Company	787,600	795,720

Liability-to-Asset Ratio



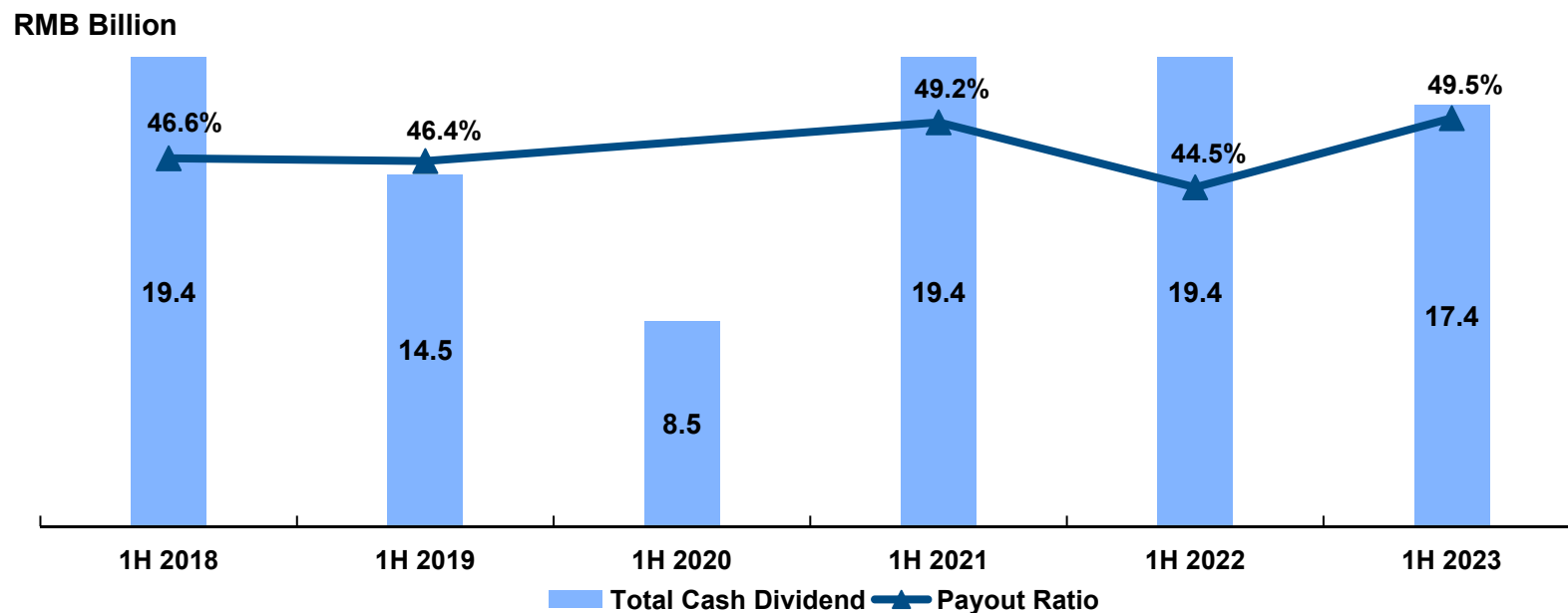
Cash Flow

RMB million	1H 2022	1H 2023
Net Cash Generated from Operating Activities	4,947	27,562
Net Cash Used in Investing Activities	(51,138)	(93,430)
Net Cash Generated from Financing Activities	75,212	66,861

RMB million	As of Dec. 31, 2022	As of Jun. 30, 2023
Cash and Cash Equivalents (Incl. Time Deposits)	145,052	151,348

Dividend – Emphasis on Shareholders' Return

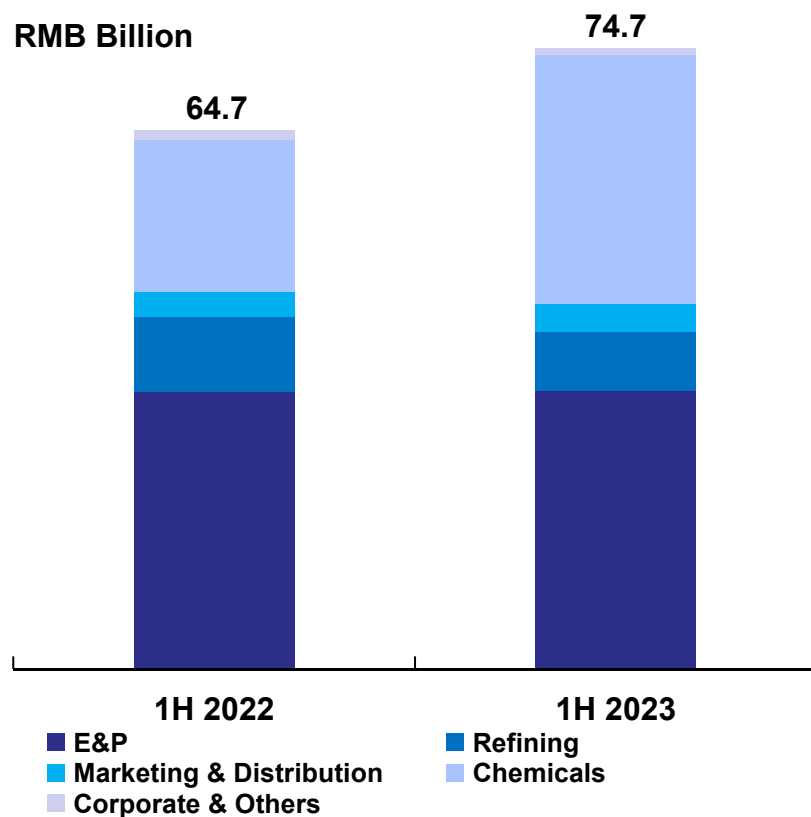
- The Board of Directors declared an interim dividend of RMB 0.145 per share
- Payout ratio was 49.5%
- The Board of Directors approved the share buy-back proposal



Note: In 1H 2020, the Company distributed a special dividend as it recorded a loss

Capital Expenditure

■ 1H 2023 CAPEX: RMB 74.7 Bn



■ E&P: RMB 33.4 Bn

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

■ Refining: RMB 7.1 Bn

Mainly for refining structural adjustment projects in Yangzi and Tianjin

■ Marketing & Distribution: RMB 3.3 Bn

Mainly for development of integrated energy station network and non-fuel business

■ Chemicals: RMB 30.0 Bn

Mainly for Luoyang and Tianjin Nangang ethylene projects as well as coal chemical projects

■ Corporate & Others: RMB 0.8 Bn

Mainly for R&D facilities and IT projects

Proactive Responds to Climate Change

- Implemented the Company's carbon peaking action plan

Major Emission Reduction Indicators	1H 2023
Greenhouse Gas Emissions Reduction (in '0000 tonnes of Carbon Dioxide equivalent)	226
CO2 recycled (in '000 tonnes)	843
Methane recovery (billion cubic meters)	0.43

Adhere to Strengthen HSE Management

- Carried out Special Rectification for hazardous chemical safety
- Improved the management model of public health
- Sustained efforts in the “Green Enterprise Action Plan”

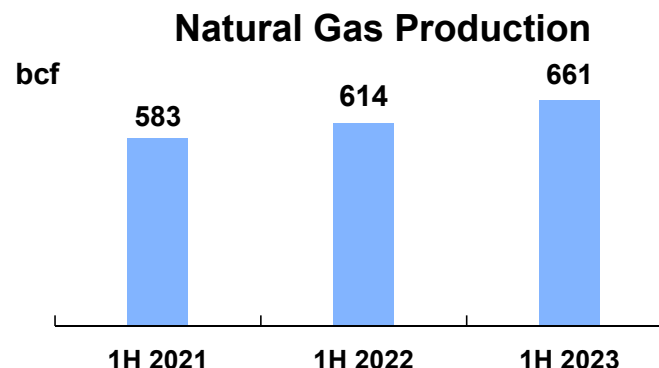
Major Environmental Indicators	YoY (%)
COD in Discharged Wastewater	(13)
Sulfur Dioxide Emissions	(2)
All solid waste was properly treated	-

1H 2023 Operational Results by Segment



Upstream – New Achievements In Increasing Reserves, Stabilizing Oil Production, Boosting Gas Output and Cutting Costs

- Intensified efforts in high quality exploration, achieved several oil and gas discoveries
- Efficient progress in oil and gas production capacity building
- Natural gas production grew by 7.6% YoY



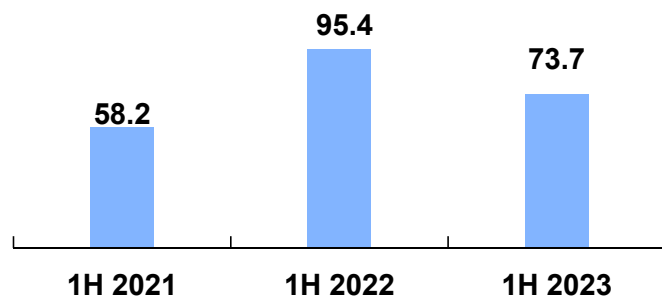
	1H 2022	1H 2023	YoY(%)
Oil and Gas Production (mmboe)	242.01	249.88	3.3
Crude Oil Production (mmbbls)	139.65	139.68	0.02
China	124.63	124.68	0.04
Overseas	15.02	15.00	(0.1)
Natural Gas Production (bcf)	613.92	660.88	7.6

* 1 cubic meter=35.31 cubic feet

Upstream – Sustained Improvement in Profitability

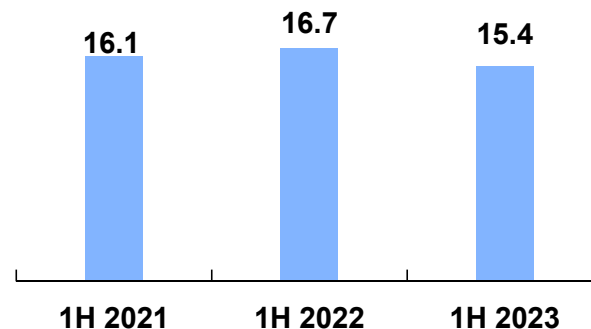
Realized Price of Crude Oil

USD/bbl



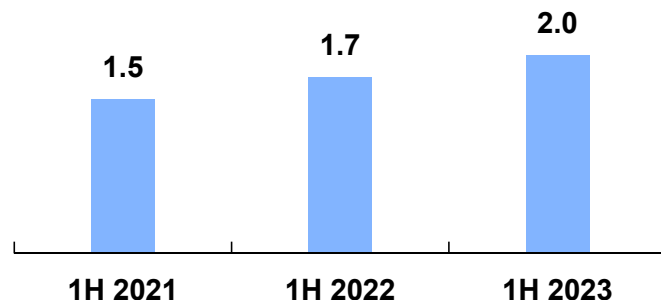
Lifting Cost

USD/boe



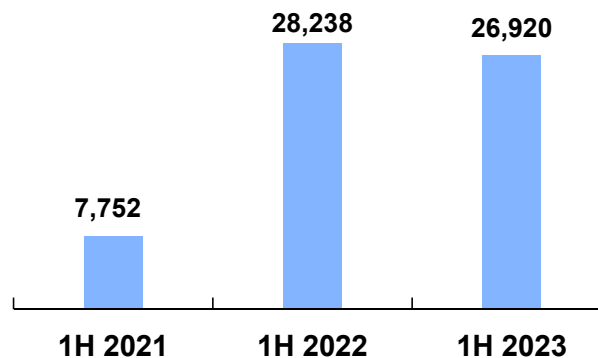
Realized Price of Natural Gas

CNY/cubic meter



E&P EBIT

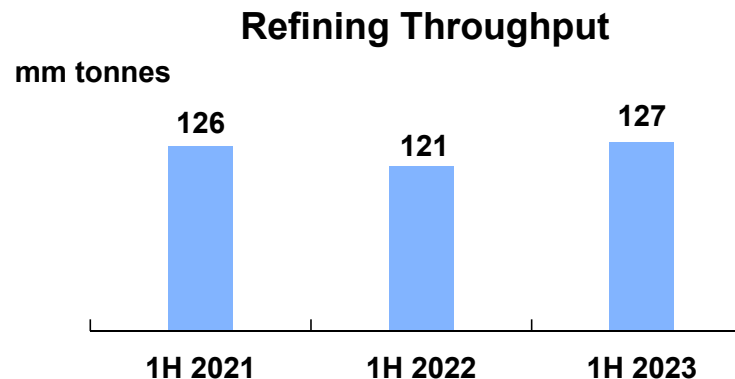
RMB Million



Note: The average FX rate is 1 USD = 6.9291 CNY for 1H 2023, 1 USD = 6.4835 CNY for 1H 2022 and 1 USD = 6.4718 CNY for 1H 2021

Refining – Flexible Adjustment of Business Strategy

- Vigorously increased facility utilization rate
- Optimised the rhythm of converting refined oil products to chemical feedstock and refining specialties
- The output of refined oil products increased by 10.3%



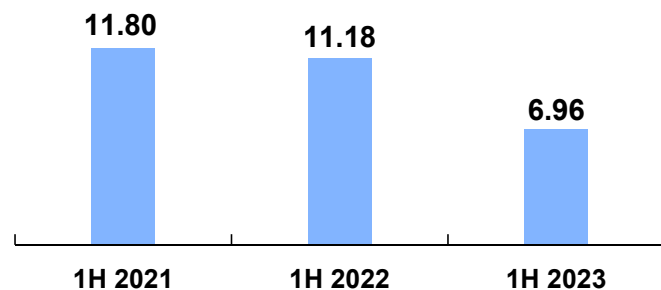
mm tonnes	1H 2022	1H 2023	YoY(%)
Refining Throughput	120.76	126.54	4.8
Gasoline, Diesel and Kerosene Production	68.99	76.07	10.3
Gasoline Production	30.03	30.33	1.0
Diesel Production	30.65	32.15	4.9
Kerosene Production	8.31	13.59	63.5
Light Chemical Feedstock Production	22.01	21.36	(3.0)

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

Refining – Profitability

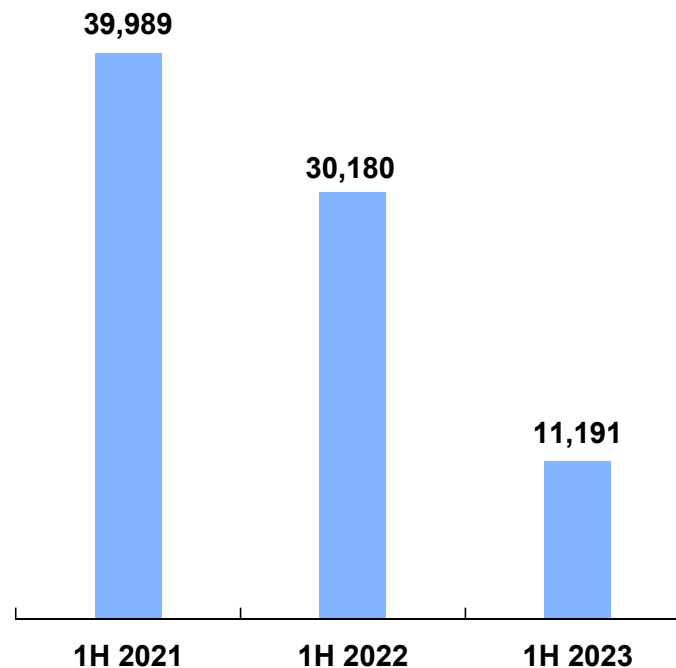
Refining Margin

USD/bbl



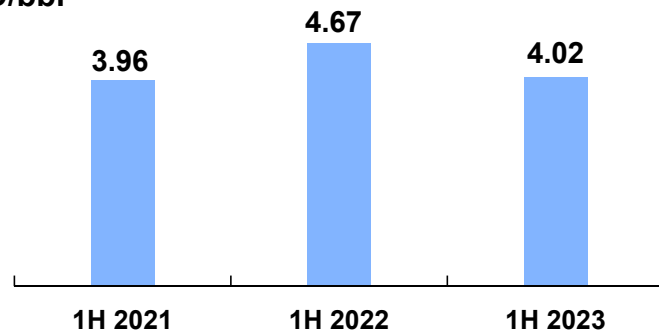
EBIT of Refining

RMB million



Cash Operating Cost

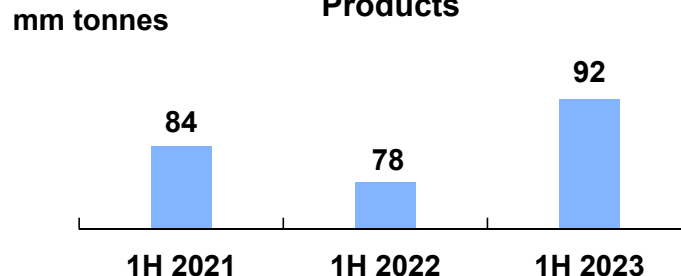
USD/bbl



Marketing – Gave Full Play to Integration and Network Advantages

- Expanded the market and sales, and improved the quality and scale of operations
- Promoted the development of EV charging and battery swapping services and explore hydrogen energy application scenarios
- Actively transformed into a comprehensive energy services provider of *Petro-Gas-Hydrogen-Power-Services*

Domestic Sales Volume of Refined Oil Products



mm tons	1H 2022	1H 2023	YoY(%)
Total Sales Volume of Refined Oil Products*	98.42	116.60	18.5
Domestic Sales of Refined Oil Products	78.46	92.47	17.9
Retail	51.23	59.76	16.7
Wholesale and Distribution	27.23	32.71	20.1
Annualized Average Throughput per Station (tonnes/station)	3,333	3,866	16.0

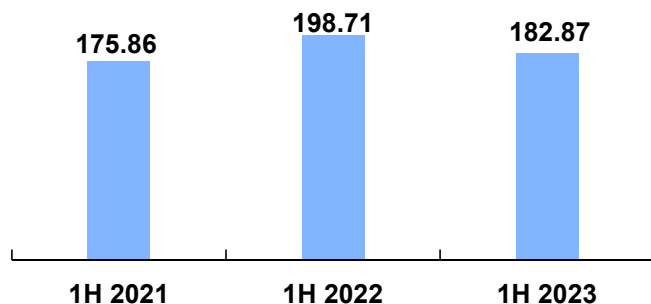
Station	As of Jun. 30, 2023
Number of Service Stations with Sinopec Brand	30,918
Number of Easy Joy convenient stores	28,364
Number of EV Charging and Battery Swapping Stations	2,650
Number of Hydrogen Stations	104

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

Marketing – Steady Growth in Profitability

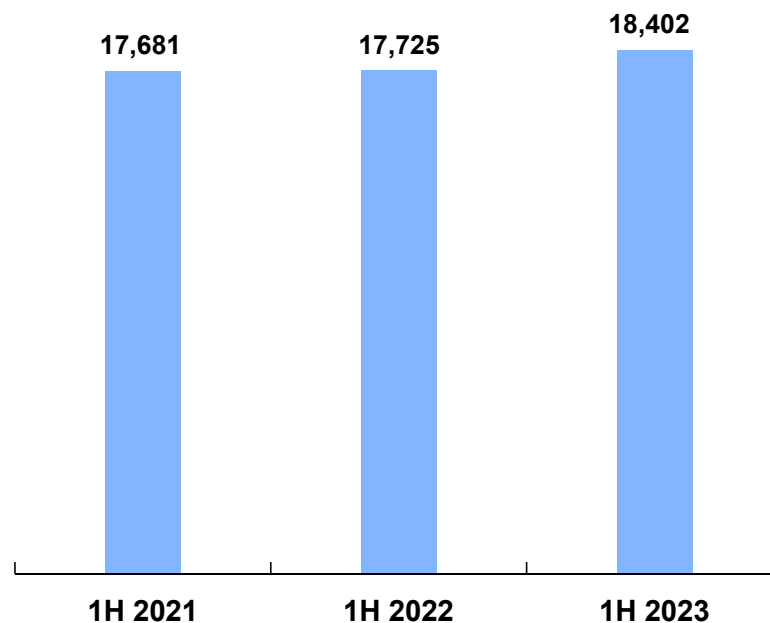
Marketing Cash Operating Cost

RMB/tonne



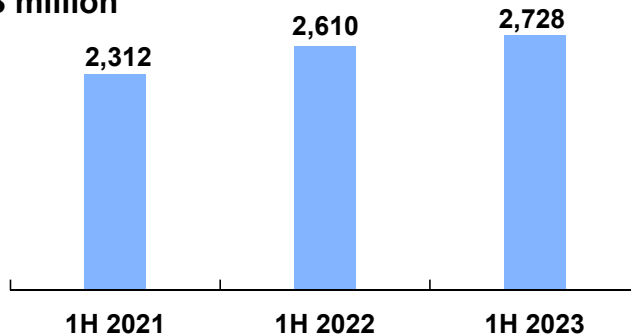
EBIT of Marketing

RMB million



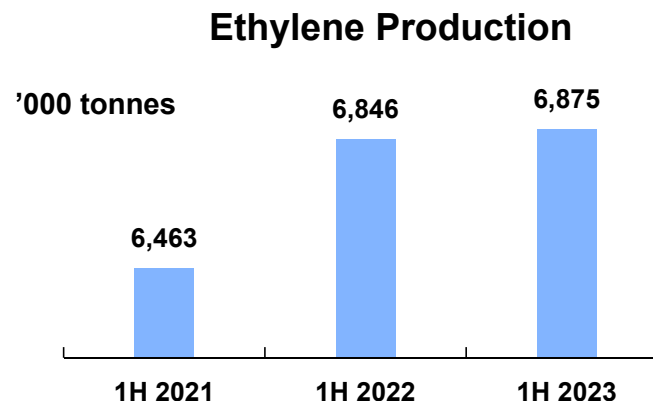
Profit of Non-fuel Businesses

RMB million



Chemicals – Strengthened Structural Adjustment

- Implemented profit-oriented optimization of raw materials, product slate and facilities utilization
- Strengthened the integration of production, marketing, research and application, and increased high value-added products proportion
- Promoted the construction of scaled capacity in an orderly manner

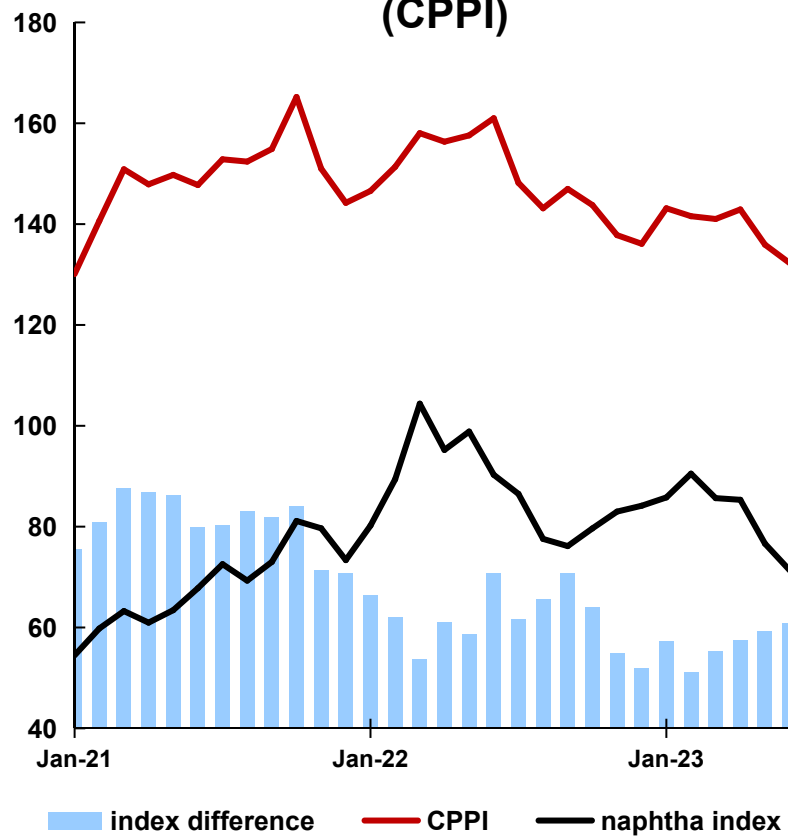


'000 tonnes	1H 2022	1H 2023	YoY(%)
Ethylene Production	6,846	6,875	0.4
Synthetic Resin Production	9,275	9,793	5.6
Synthetic Fiber Monomers & Polymers Production	4,656	3,903	(16.2)
Synthetic Fiber Production	555	519	(6.5)
Synthetic Rubber Production	646	670	3.7
Total Chemical Sales Volume ('0000 tonnes)	4,038	4,163	3.1

* 100% production of domestic joint ventures included

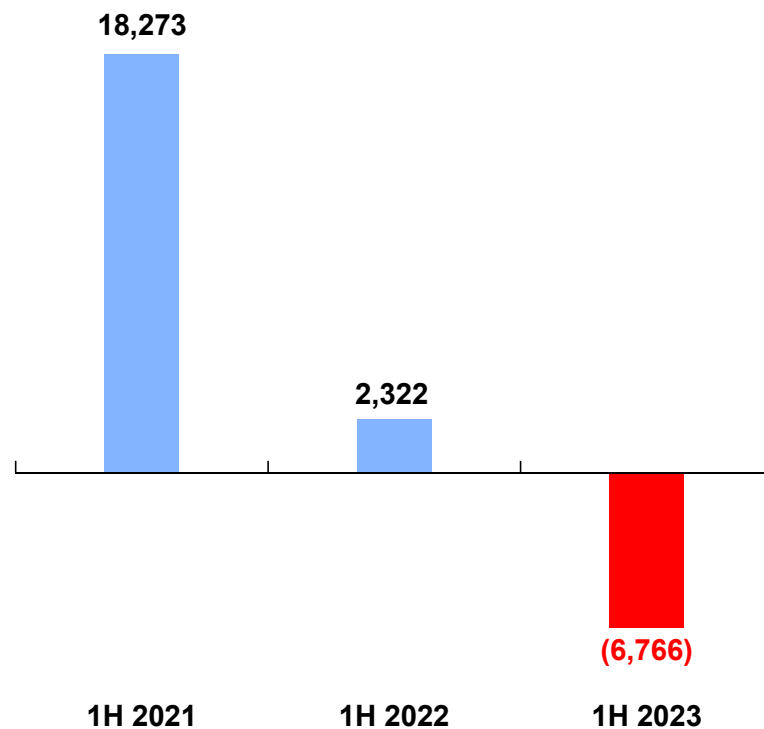
Chemicals – Profitability

Chemical Product Price Index (CPPI)



EBIT of Chemicals

RMB million



2H 2023 Operational Plan



Market Outlook for 2H 2023

- **China's economy will continue to improve**
 - ◆ Demand for natural gas will keep growth
 - ◆ Demand for refined oil products will remain strong
 - ◆ Demand for petrochemical products will recover gradually
- **International oil price is expected to fluctuate at a moderately high level**

2023 Production Plan

	1H 2023	2H 2023E	2023E
Oil and Gas Production (mmboe)	250	246	496
Crude Oil Production (mmbbls)	140	141	281
Natural Gas Production (bcf)	661	631	1,292
Refinery Throughput* (mm tonnes)	127	127	254
Total Domestic Sales Volume of Refined Oil Products (mm tonnes)	92	94	186
Ethylene Production* (thousand tonnes)	6,870	7,150	14,020

*100% production of domestic joint ventures included

Chairman's Address



1H 2023 Highlights – Achieved Resilient Performance



- Brought integration advantages into full play and achieved resilient performance



- Strengthened cost control and achieved cost reduction in major operational segments



- Accelerated transition and upgrading, promoted technology innovation

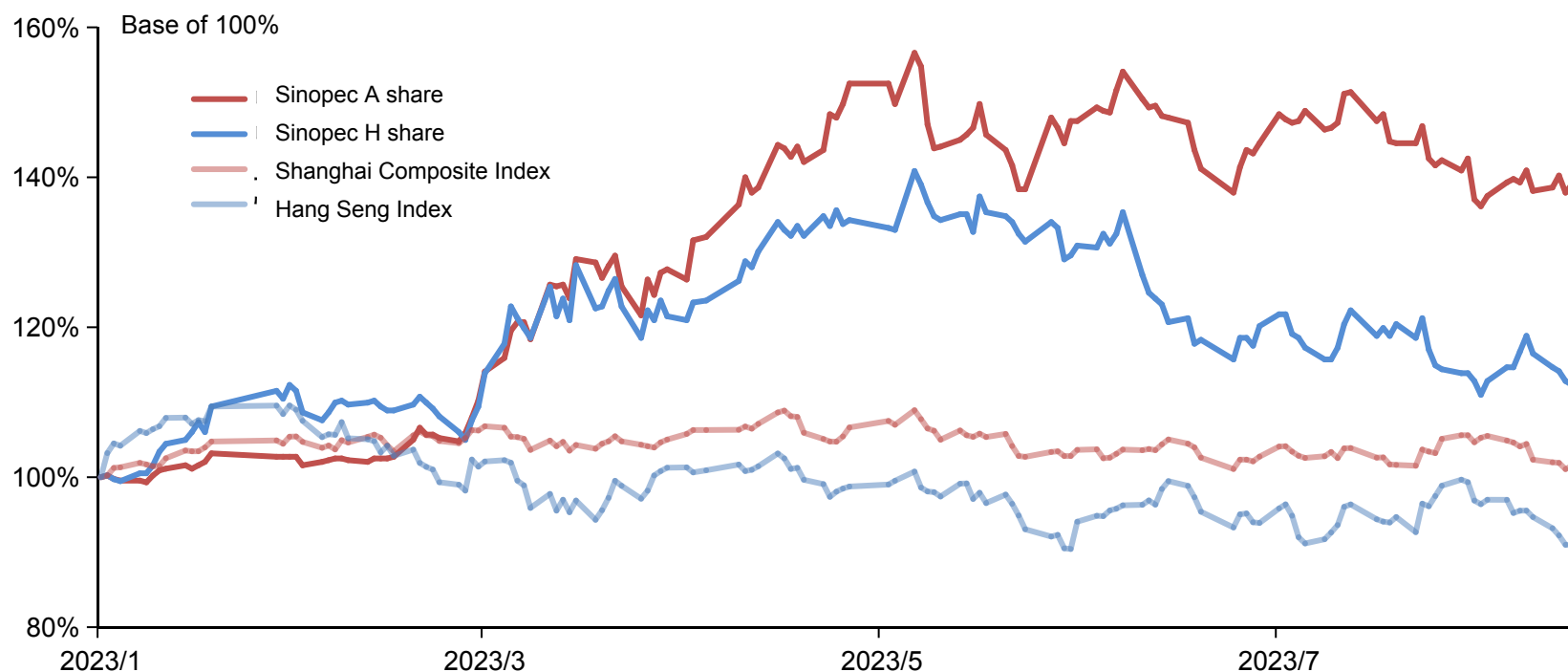


- Focused on ESG management, enhanced sustainable development capability

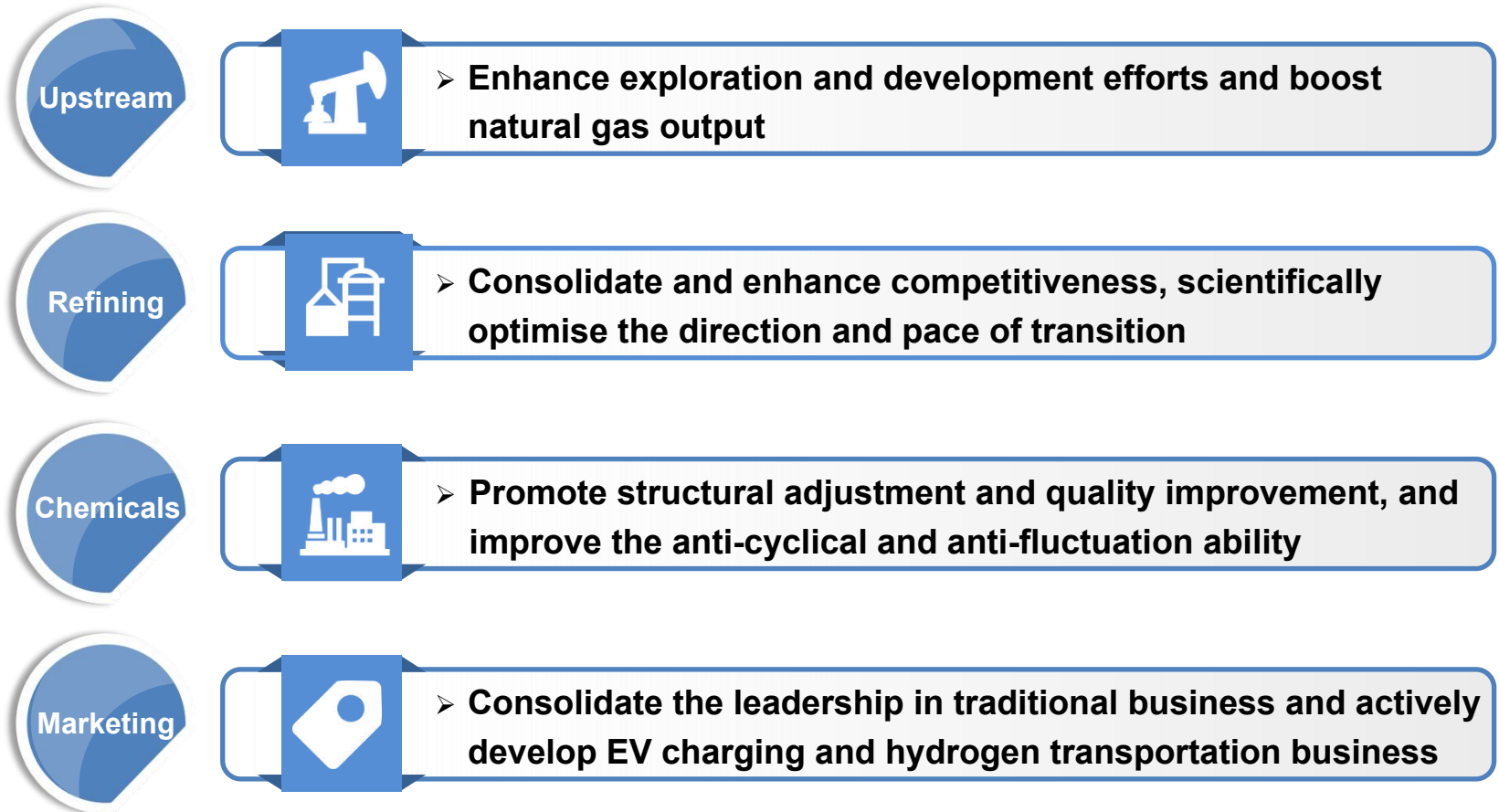
1H 2023 Highlights – Emphasis on Shareholders' Return

Maintained the continuity and stability of dividend payout,
and implemented value management on a regular basis

Sinopec Share Prices



Looking Ahead – Build the First-class Industrial Chain



Looking Ahead – Build the First-class Innovation Capabilities

Innovation-Driven Strategy

01

Build Four Systems

- Oil and gas E&P
- Petrochemical technologies
- Green technologies
- Technologies on utilities

Shale
oil and
gas

High-end
grease

High-end
graphite

EVA
POE

02

Improve the innovation model

- Promote whole value chain innovation from basic research to industrialization

α
olefin

Metallocene
Polyolefin

Lithium
Battery
Diaphragm

Carbon
fiber

Looking Ahead – Focus on ESG Management

Environment

- Steadily implement the carbon peak action plan
- Expand CCUS scale and reduce operating costs



**ESG
Management**

Social Responsibilities

- Actively fulfill social responsibilities, enhance brand value and promote sustainable development

Corporate Governance

- Focus on improving governance effectiveness and enhance modern corporate governance capability

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