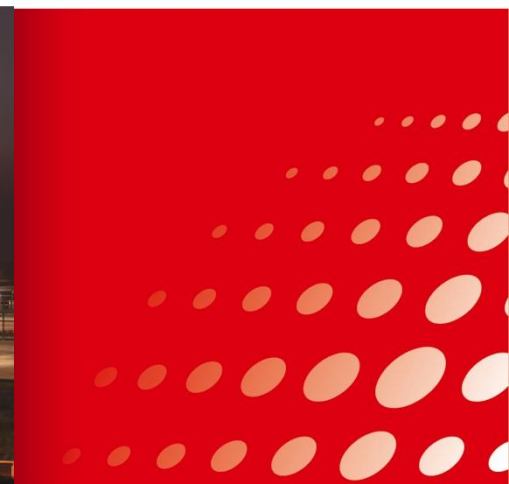




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China Petroleum & Chemical Corporation Q3 2017 Results Announcement

Oct 31, 2017



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.



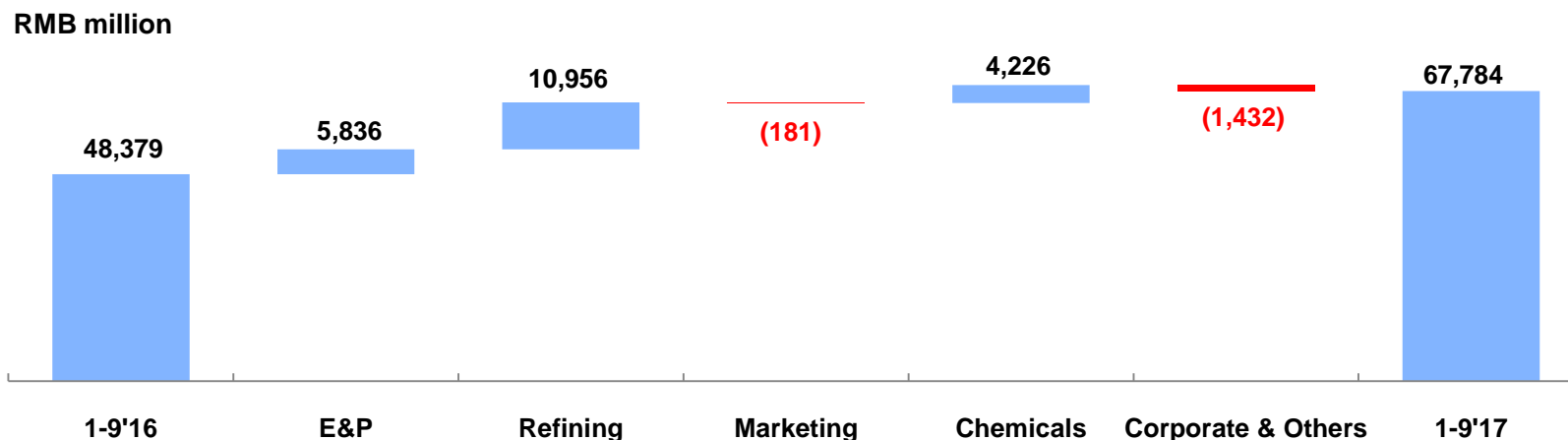
Market Environment in Q3 2017

- China's GDP grew by 6.9% YoY in the first three quarters
- Sustained growth in domestic demand for refined oil products and petrochemicals
 - ◆ Domestic consumption of oil products grew by 6.6% YoY
 - ◆ Domestic consumption of ethylene equivalent increased rapidly

Strong Profit Growth

RMB million	1-9'16	1-9'17	YoY Change %
Turnover and Other Operating Revenues	1,363,945	1,744,955	27.9
Profit for the Period	41,127	52,998	28.9
Profit Attributable to owners of the Company	30,107	39,404	30.9
EPS(RMB)	0.249	0.325	30.5

YoY Change in EBIT



* Excluding the influence of "Price Floor" Policy in 2016
Change in elimination of inter-segment sales is contained in Corporate & Others



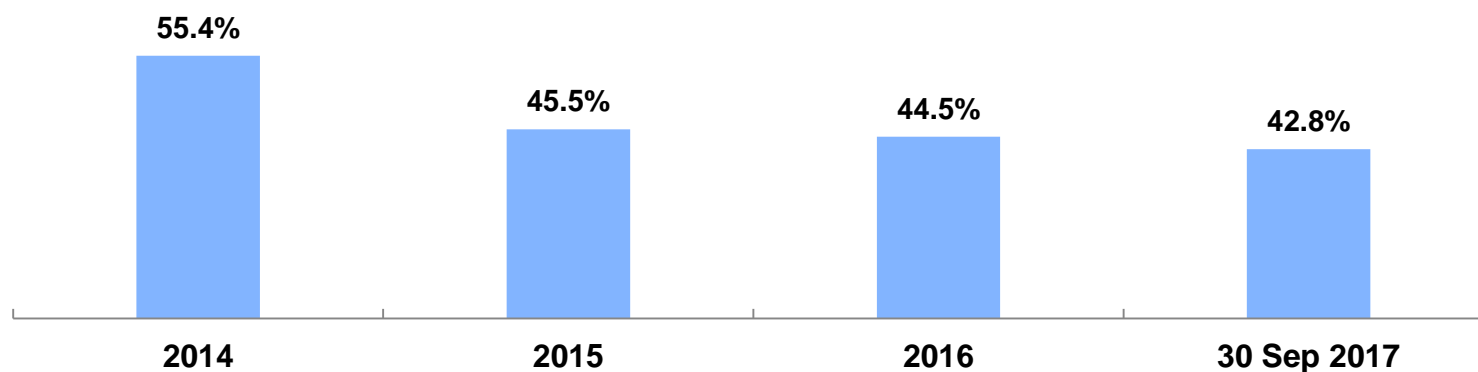
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Solid Financial Position

RMB million	As of Dec. 31, 2016	As of Sep. 30, 2017
Total Assets	1,498,609	1,476,655
Short-term Interest-bearing Debt	74,819	67,637
Long-term Interest-bearing Debt	81,886	80,921
Total Equity Attributable to owners of the Company	710,994	715,347

Liability to Asset Ratio



Strong Cash Flow

RMB million	1-9'16	1-9'17
Net Cash Generated from Operating Activities	131,700	111,193
Net Cash Used in Investing Activities	(41,219)	(70,105)
Net Cash Used in Financing Activities	(78,568)	(50,216)

RMB million	As of Dec. 31, 2016	As of Sep. 30, 2017
Cash and Cash Equivalents (Incl. Time Deposits)	142,497	161,903

Upstream – Focus on Reserve Increase and Development Returns

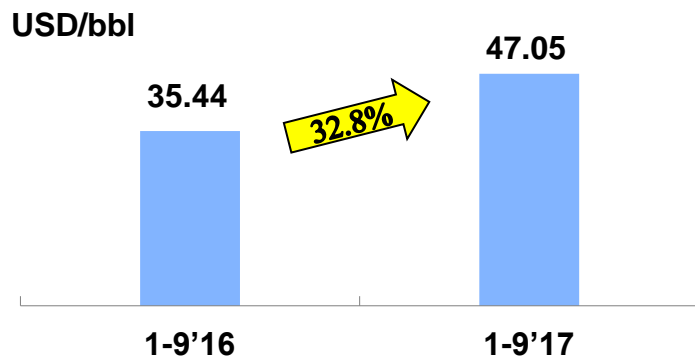
- Sustained exploration with new discoveries
- Adopted profit-oriented development
- Enhanced cost discipline
- Adjusted development plan with growth in natural gas production

	1-9'16	1-9'17	YoY Change %
Oil and Gas Production(mmboe)	322.29	332.63	3.2
Crude Oil Production(mmbbl)	229.36	220.21	(4.0)
Natural Gas Production(bcf) *	557.15	674.15	21.0

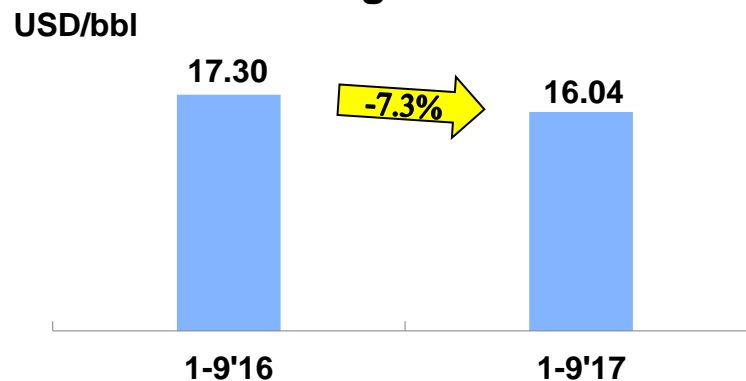
* 1 cubic meter=35.31 cubic feet for natural gas production.

Upstream – Realized Positive Free Cash Flow

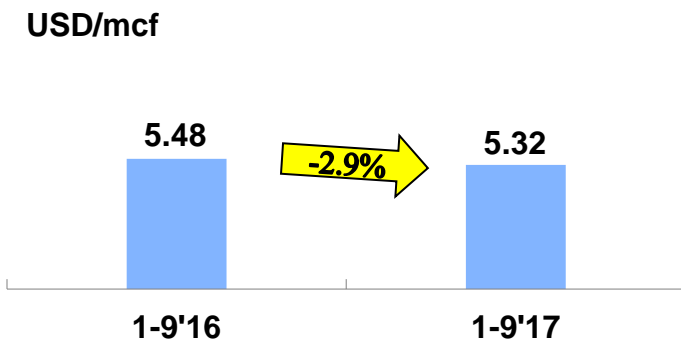
Realized Price of Crude Oil



Lifting Cost



Realized Price of Natural Gas



EBIT of E&P Segment

RMB million	1-9'16	1-9'17
EBIT	(30,865)	(25,029)

* 1-9'2016 USD 1=RMB 6.5771; 1-9'2017 USD 1=RMB 6.7983



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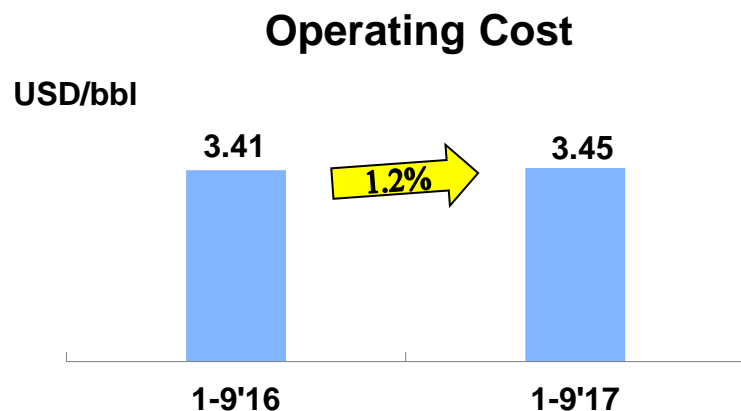
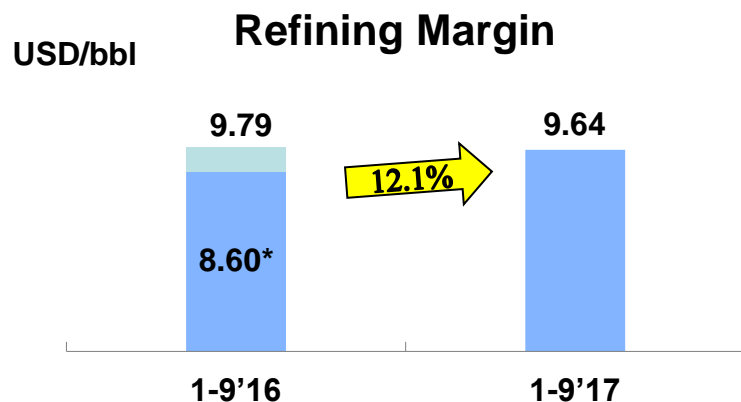
Refining – Remarkable Results of Structural Upgrade

- Optimized crude oil sourcing and allocation to lower feedstock cost
- Accelerated quality upgrading of refined oil products
- Improved product mix with higher proportion of premium products
- Maintained high utilization rate by tapping domestic and overseas market and moderately increased export
- Focused on the marketing of LPG and asphalt, etc.

(mm tonnes)	1-9'16	1-9'17	YoY Change %
Refinery Throughput	175.25	177.46	1.3
Gasoline, Diesel and Kerosene Production	111.02	112.20	1.1
Gasoline Production	42.09	42.73	1.5
Diesel Production	50.15	49.50	(1.3)
Kerosene Production	18.78	19.97	6.3
Light Chemical Feedstock Production	28.45	28.54	0.3

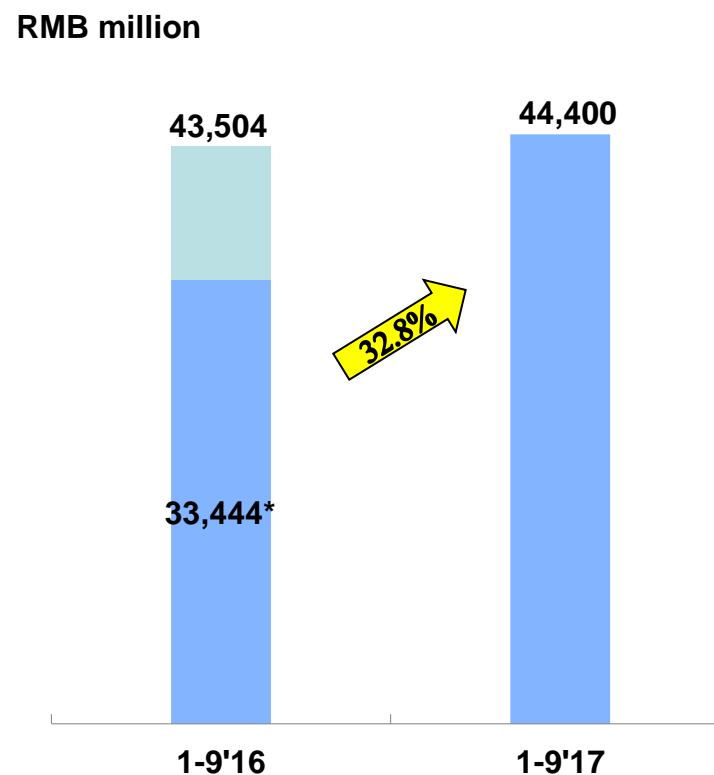
* Refinery throughput is calculated based on 1 tonne= 7.35 bbls
100% production of domestic JVs included

Refining – Sustained Strong Refining Margin



* Excluding the influence of "Price Floor" Policy

EBIT of Refining Segment



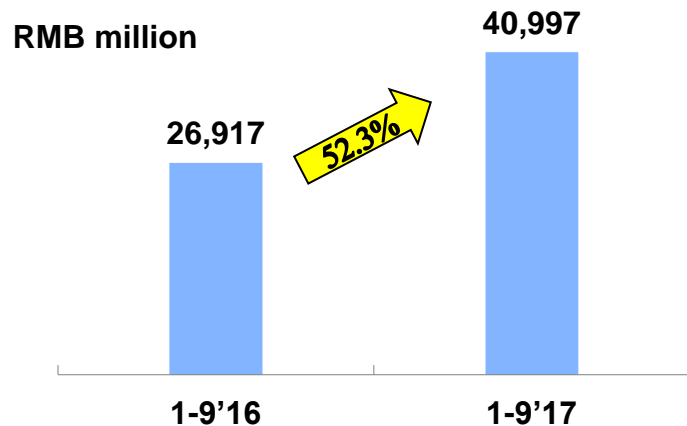
Marketing – Continued Growth in Total Sales Volume

- Total sales and retail volume continued to grow
- Ratio of high-octane gasoline in retail up by 240 bps YoY
- Sales volume of vehicle natural gas grew by 32.9% YoY
- Optimized layout of service stations and refined oil product pipelines

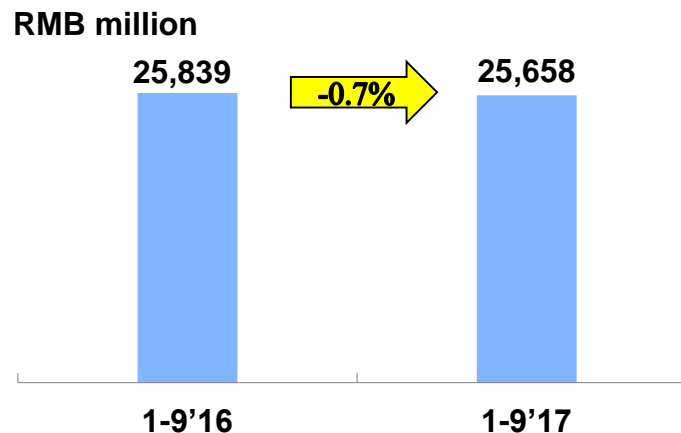
(mm tonnes)	1-9'16	1-9'17	YoY Change %
Total Sales Volume of Refined Oil Products	145.72	150.23	3.1
Domestic Sales Volume of Refined Oil Products	129.58	133.26	2.8
Retail	89.79	90.67	1.0
Direct Sales and Distribution	39.79	42.60	7.1
Annualized Average Throughput per Station (tonne/station)	3,899	3,935	0.9
	As of Dec. 31 2016	As of Sep.30 2017	Change %
Number of Service Stations under Sinopec Brand	30,603	30,728	0.4
Number of Convenience Stores	25,591	25,687	0.4

Marketing – Strong Growth Momentum of Non-fuel Business

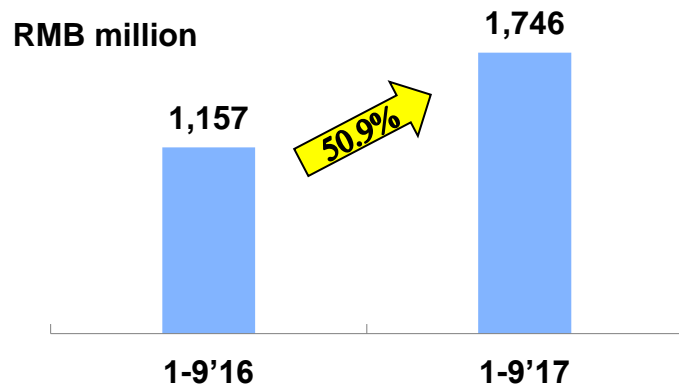
Transaction from Non-fuel Business



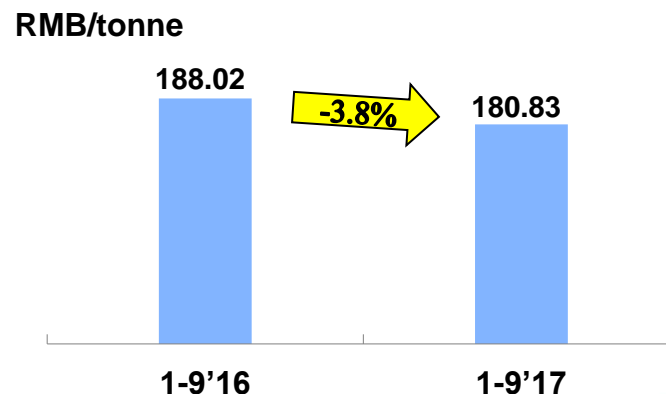
EBIT of Marketing Segment



Profit of Non-fuel Business



Marketing Cash Operating Cost



Chemicals – Strengthen Structural Adjustment

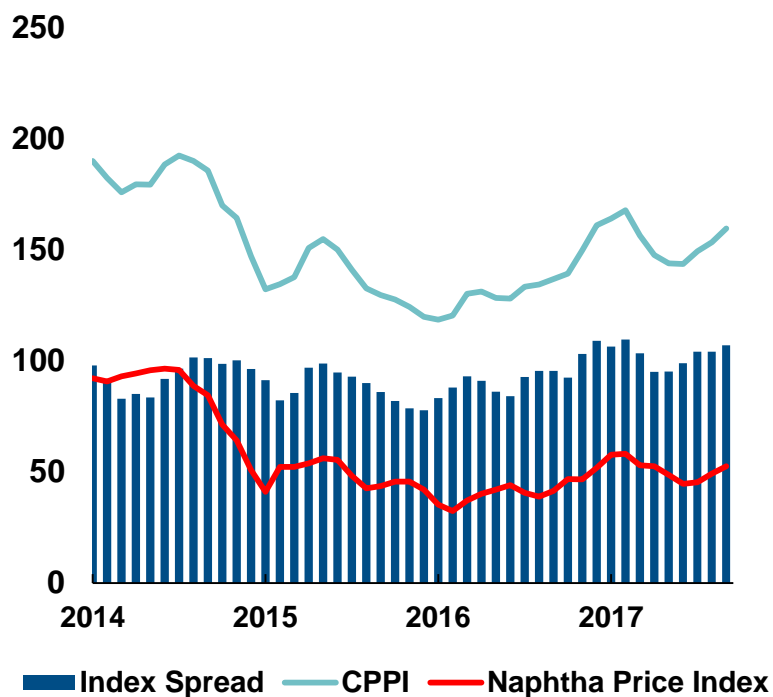
- Adjusted feedstock and product mix, optimized facility structure
- Adjusted products mix with larger proportion of high value added products
- Total sales volume of chemical products increased by 14.1%

'000 tonnes	1-9'16	1-9'17	YoY Change %
Ethylene Production	8,115	8,534	5.2
Synthetic Resin Production	11,138	11,791	5.9
Synthetic Rubber Production	619	642	3.7
Synthetic Fiber Monomers & Polymers Production	6,830	7,061	3.4
Synthetic Fiber Production	934	923	(1.2)

* 100% production domestic of JVs included

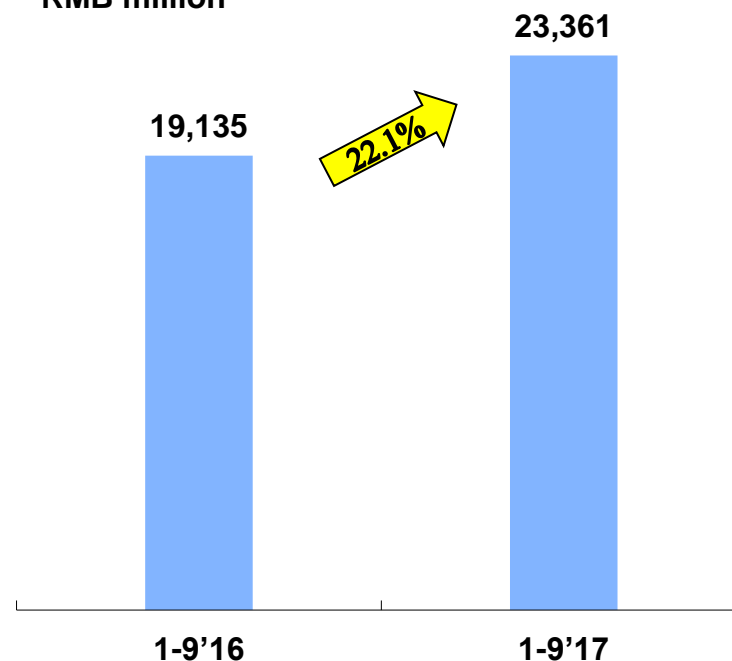
Chemicals – Sustained Strong Results

Chemical Products Price Index (CPPI)

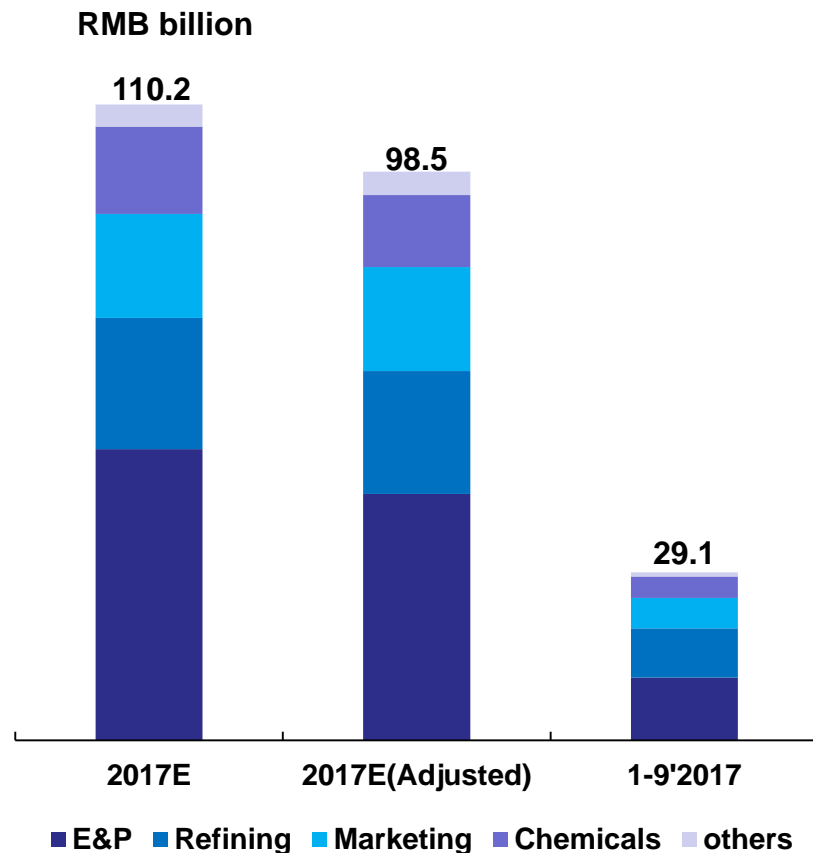


EBIT of Chemical

RMB million



Capital Expenditure – Focus on Quality and Profitability



- **E&P: RMB 10.9Bn**
Oil & Gas production capacity, LNG projects, gas storage, natural gas pipeline construction
- **Refining: RMB 8.5Bn**
Construction of regional refining center, quality upgrading for oil products and adjustment of product
- **Marketing: RMB 5.3Bn**
Constructions of oil products depots, pipelines and service stations
- **Chemicals: RMB 3.7Bn**
Structural improvements of facilities, feedstock and product slate
- **R&D and IT facilities: RMB 0.69Bn**

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