



SINOPEC

Q1 2017 Results Announcement

April 28, 2016



SINOPEC CORP.

中国石油化工股份有限公司

Cautionary Statement

Financial data of the first quarter 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.

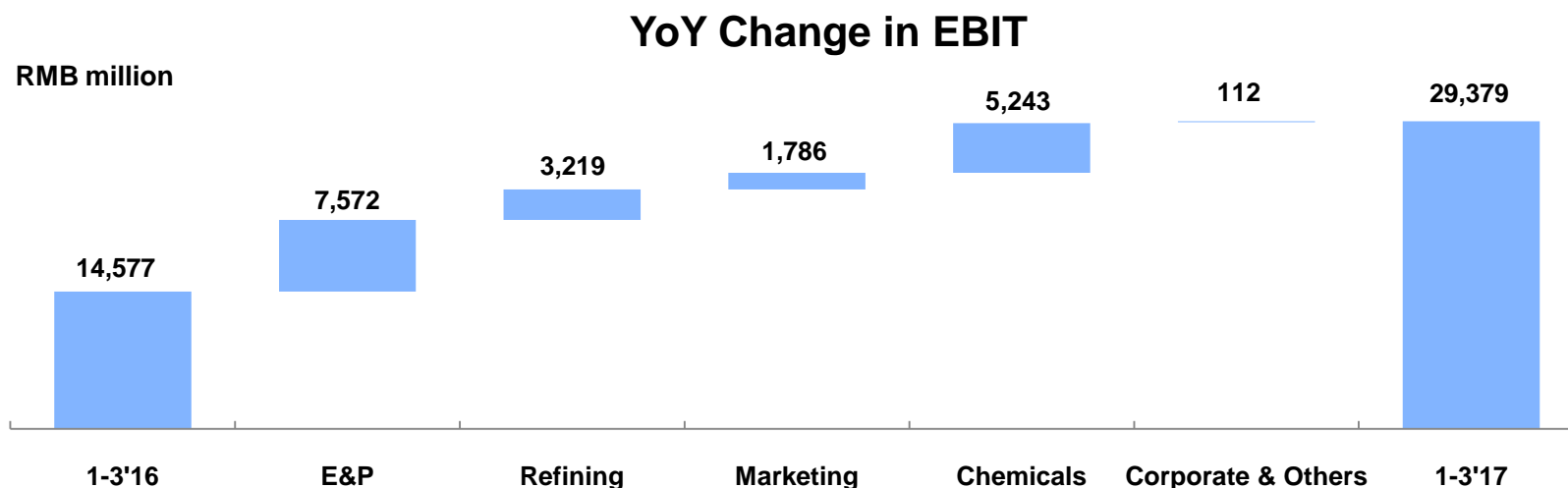


Market Environment in 1Q 2016

- **China's GDP grew by 6.9% YoY in the first quarter**
- **International crude oil price fluctuated within a narrow range**
- **Domestic demand of refined oil and chemical products kept growth**

Realised Full Benefits of Integrated Business Model

RMB million	1-3'16	1-3'17	YoY Change %
Turnover and Other Operating Revenues	414,061	582,185	40.6
EBIT	14,577	29,379	101.5
Profit Attributable to owners of the Company	6,668	17,199	157.9
EPS(RMB)	0.055	0.142	158.2

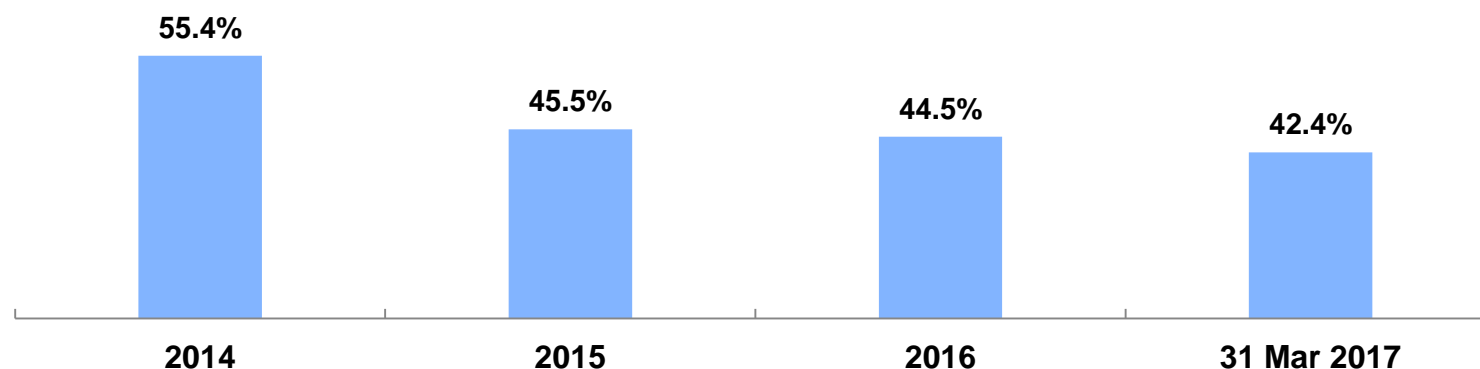


* Change in elimination of inter-segment sales is not shown

Solid Financial Position

RMB million	As of Dec. 31, 2016	As of Mar. 31, 2017	Change %
Total Assets	1,498,609	1,478,917	(1.3)
Short-term Interest-bearing Debt	74,819	66,498	(11.1)
Long-term Interest-bearing Debt	81,886	87,184	6.5
Total Equity Attributable to owners of the Company	710,994	727,404	2.3

Liability to Asset Ratio



Cash Flow

RMB million	1-3'16	1-3'17	YoY Change %
Net Cash Generated from Operating Activities	34,285	13,276	(61.3)
Net Cash Used in Investing Activities	(25,042)	(21,574)	(13.8)
Net Cash Generated from/(used in) Financing Activities	(14,208)	(5,131)	(63.9)

RMB million	As of Dec. 31, 2016	As of Mar. 31, 2017	Change %
Cash and Cash Equivalents (Incl. Time Deposits)	142,497	135,050	(5.2)

Upstream – Further Optimisation in Development

- Sustained investment in exploration with new oil discoveries and natural gas findings
- Adopted profit-oriented development and enhanced cost discipline
- Adjusted development plan with growth in natural gas production

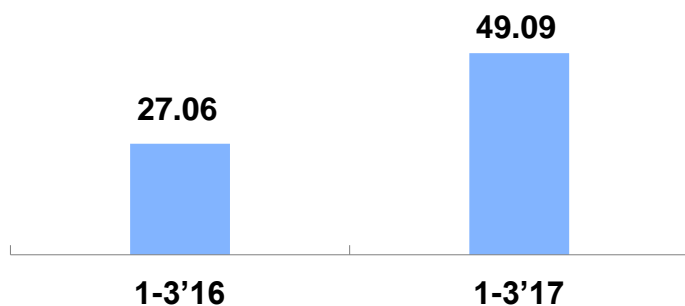
	1-3'16	1-3'17	YoY Change %
Oil and Gas Production(mmboe)	114.68	111.93	(2.40)
Crude Oil Production(mmbbl)	79.42	72.08	(9.24)
China	66.35	60.67	(8.56)
Overseas	13.07	11.41	(12.70)
Natural Gas Production(bcf)	211.36	238.35	12.77

* 1 tonne=7.10 bbls for crude oil production in China, 1 tonne=7.21 bbls for overseas crude oil production; 1 cubic meter=35.31 cubic feet for natural gas production.

Upstream – Performance Improved

Realised Price of Crude Oil

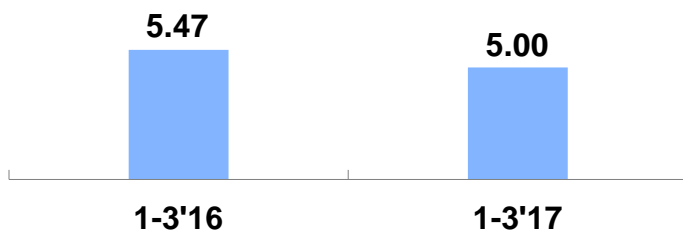
USD/bbl



RMB million	1-3'16	1-3'17
EBIT	(12,923)	(5,351)

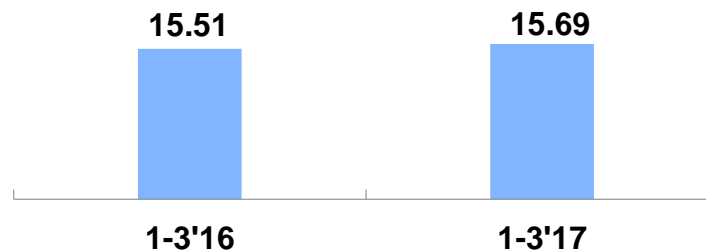
Realised Price of Natural Gas

USD/'000 cubic feet



Lifting Cost

USD/bbl



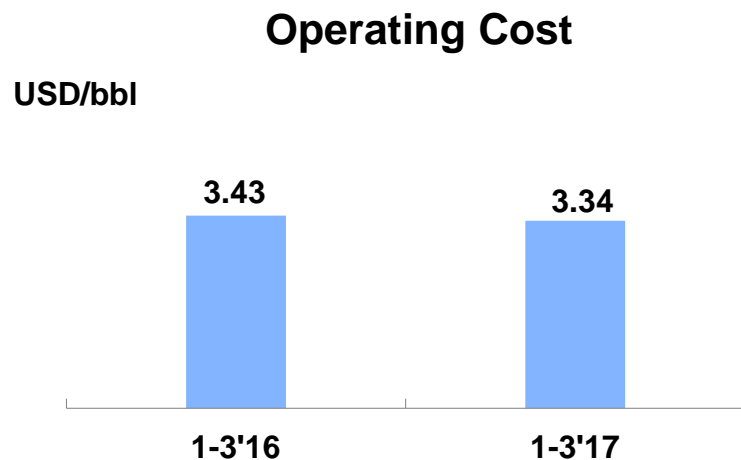
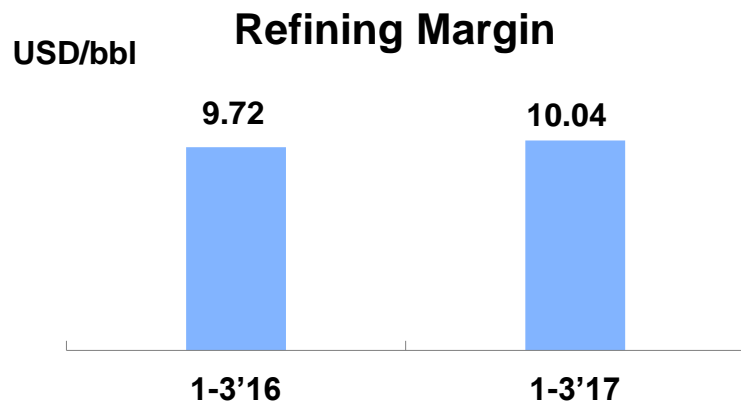
Refining – Good Results from Structural Adjustment with High Utilisation

- Optimised product mix, increased gasoline, jet fuel and light chemical feedstock production
- Promoted quality upgrading of refined oil products
- Optimised resource allocation and further cut crude procurement cost
- Improved margins for LPG, and asphalt

	1-3'16	1-3'17	YoY Change %
Refining Throughput(mm tonnes)	57.18	58.95	3.10
Gasoline Production(mm tonnes)	13.92	14.31	2.80
Diesel Production(mm tonnes)	16.32	16.21	(0.67)
Kerosene Production(mm tonnes)	6.08	6.51	7.07
Light Chemical Feedstock Production(mm tonnes)	9.74	9.97	2.36
Light Yield (%)	77.05	76.30	(75)bps
Refining Yield (%)	94.93	95.29	36bps

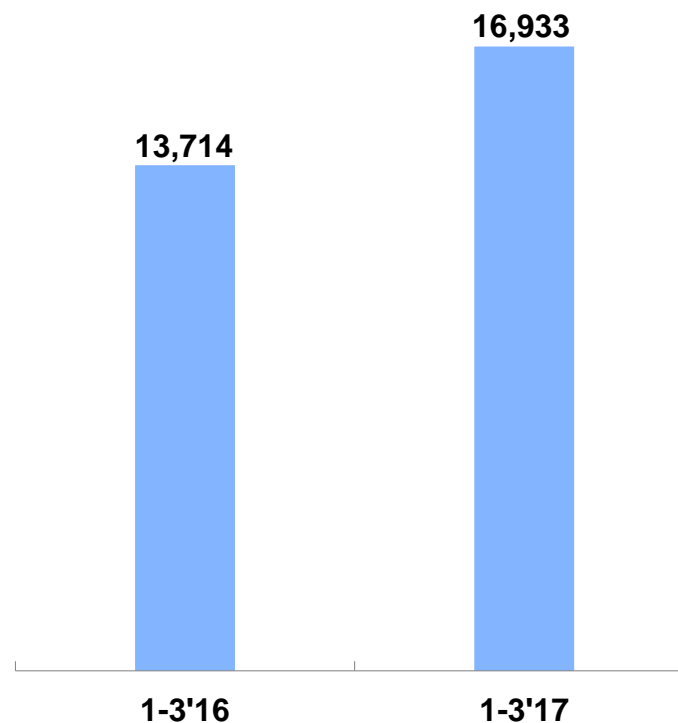
* Refinery throughput is calculated based on 1 tonne= 7.35 bbls
100% production of domestic JVs included

Refining – Record High Refining Margin



EBIT of Refining Segment

RMB million



Marketing – Continued Growth in Total Sales Volume

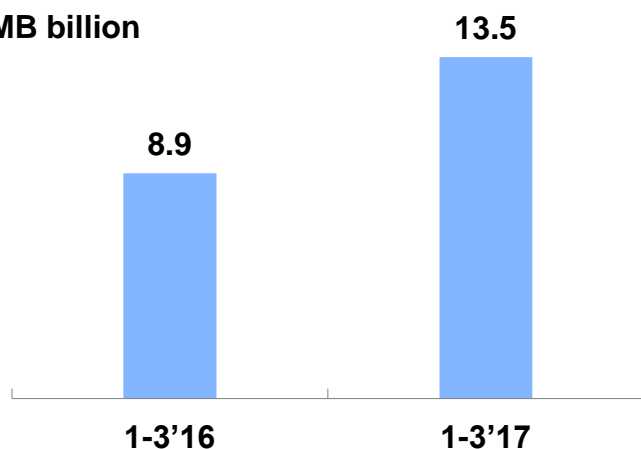
- Further increased the retail volume of high octane number gasoline
- Improved marketing network and optimised the layout of service stations and refined oil product pipelines

(mm tonnes)	1-3'16	1-3'17	YoY Change %
Total Sales Volume of Refined Oil Products	47.21	47.44	0.49
Domestic Sales Volume of Refined Oil Products	43.29	41.94	(3.12)
Retail	29.66	28.63	(3.47)
Direct Sales and Distribution	13.63	13.31	(2.35)
Annualised Average Throughput per Station (tonne/station)	3,879	3,725	(3.97)
	As of Dec. 31 2016	As of Mar.31 2017	Change %
Number of Service Stations under Sinopec Brand	30,603	30,752	0.49

Marketing – Rapid Growth in Non-fuel Business

Transaction from Non-fuel Business

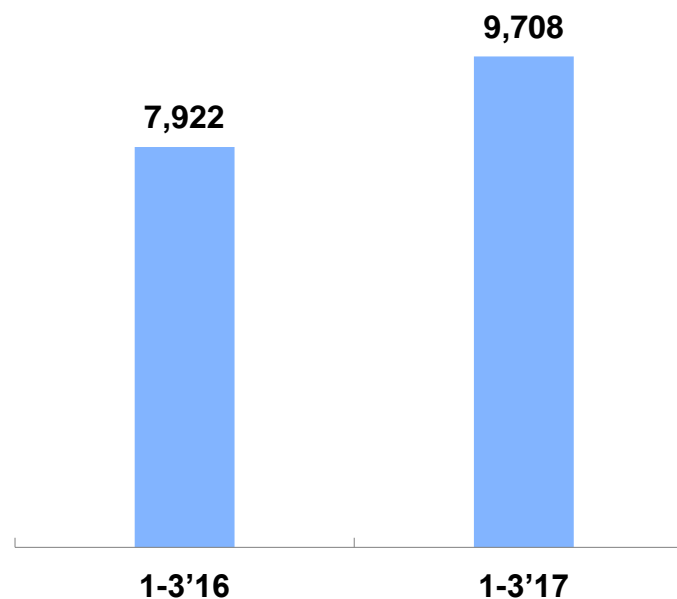
RMB billion



RMB/tonne	1-3'16	1-3'17
Operating Cost	189.16	194.86

EBIT of Marketing Segment

RMB million



Chemicals – Strengthen Structural Adjustment

- Adjusted feedstock and product mix, optimised facility structure
- Adjusted products mix with larger proportion of high value added products
- Total sales volume of chemical products increased by 19% YoY

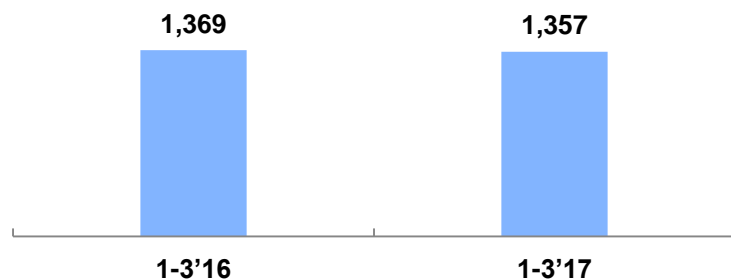
'000 tonnes	1-3'16	1-3'17	YoY Change %
Ethylene Production	2,823	2,941	4.18
Synthetic Resin Production	3,840	4,074	6.09
Synthetic Rubber Production	205	227	10.73
Synthetic Fibre Monomers & Polymers Production	2,328	2,424	4.12
Synthetic Fibre Production	311	308	(0.96)

* 100% production domestic of JVs included

Chemicals – Record Quarterly High Performance

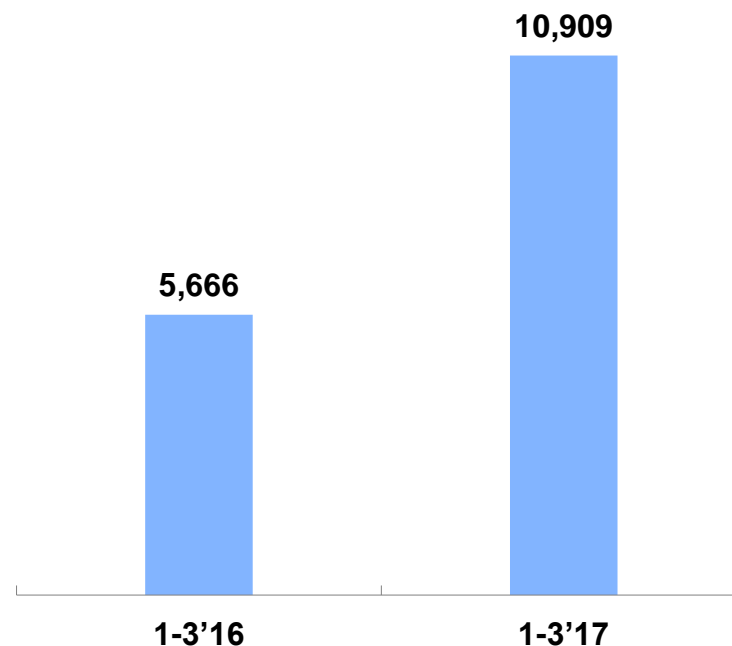
Unit Chemical All-in Cost

RMB/tonne



EBIT of Chemical Segment

RMB million



Chemical Products Price Index (CPPI)

250

200

150

100

50

0

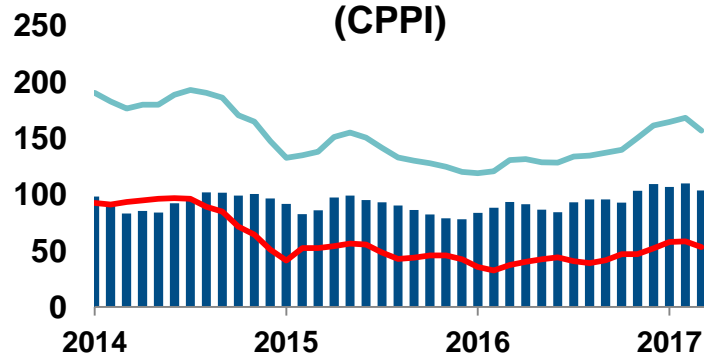
2014

2015

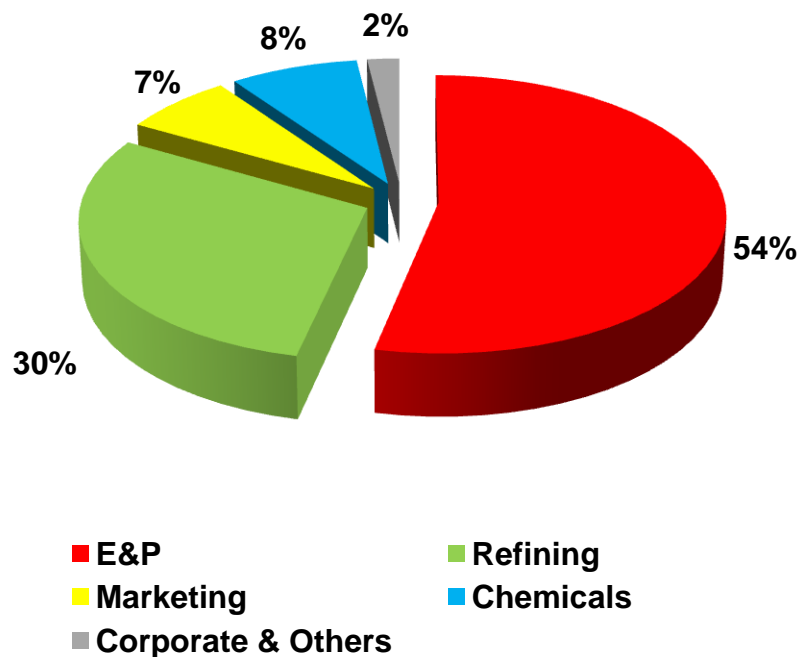
2016

2017

Index Difference CPPI Naphtha Price Index



Capital Expenditure



- **E&P: RMB 1.5Bn**
 - ◆ Shale gas exploration and development, LNG projects construction
- **Refining: RMB 0.8Bn**
 - ◆ Quality upgrade of gasoline and diesel, and refining mix adjustment
- **Marketing: RMB 0.2Bn**
 - ◆ Renovation of service stations and construction of refined oil product pipelines and storage facilities
- **Chemicals: RMB 0.2Bn**
 - ◆ Adjustments in feedstock and product mix, optimisation of facility structure and construction of Hainan aromatics project
- **Corporate & Others: RMB 0.05Bn**
 - ◆ R&D facilities and IT projects

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