



China Petroleum & Chemical Corporation 1Q 2020 Results Announcement

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SINOPEC CORP.
中国石油化工股份有限公司

Cautionary Statement

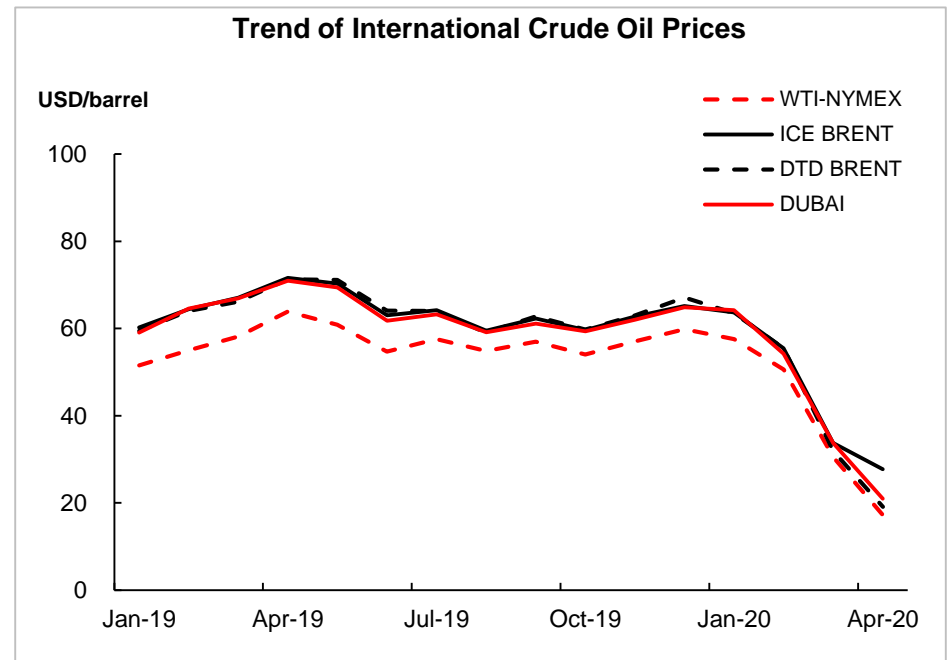
Financial data of the first quarter contained in the presentation and presentation materials are unaudited.

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 proved 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 2020

- The COVID-19 outbreak rampaged worldwide and significantly increased the downside risks of global economy
- China's GDP declined by 6.8% YoY in the first quarter
- International crude oil price plunged
- Domestic demand for oil products and petrochemicals slumped



Profitability

RMB million	1Q 2019	1Q 2020	YoY Change %
Turnover and Other Operating Revenues	717,579	555,502	(22.6)
EBIT	27,128	(25,804)	—
Profit Attributable to Shareholders of the Company	15,468	(19,145)	—
EPS(RMB)	0.128	(0.158)	—

Financial Position

RMB million	As of Dec. 31, 2019	As of Mar. 31, 2020	Change %
Total Assets	1,755,071	1,807,539	3.0
Short-term Interest-bearing Debt	48,250	135,206	180.2
Long-term Interest-bearing Debt	58,782	72,219	22.9
Total Equity Attributable to Shareholders of the Company	738,150	711,343	(3.6)
Liability to Asset Ratio	50.1	53.2	Increase by 3.1 percentage points

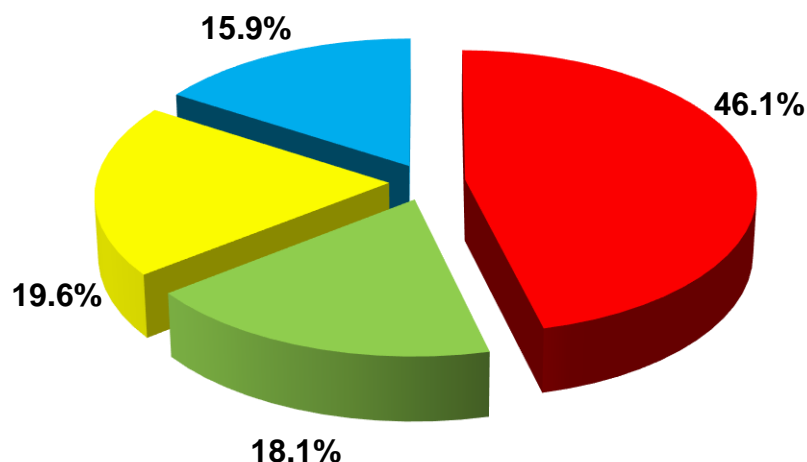
Cash Flow

RMB million	1Q 2019	1Q 2020	YoY Change %
Net Cash Generated from/ (Used in) Operating Activities	(14,609)	(68,125)	—
Net Cash Generated from/ (Used in) Investing Activities	(25,582)	(14,525)	—
Net Cash Generated from/ (Used in) Financing Activities	29,369	97,584	232.3

RMB million	As of Dec. 31, 2019	As of Mar. 31, 2020	Change %
Cash and Cash Equivalents (Incl. Time Deposits)	127,927	138,773	8.5

Capital Expenditure

- Capital expenditure in the first quarter was RMB 13.2 billion



■ E&P ■ Refining ■ Marketing ■ Chemicals

- **E&P: RMB 6.1 Bn**

- ◆ Oil & Gas production capacity construction

- **Refining: RMB 2.4 Bn**

- ◆ Construction of Zhongke project, product mix adjustment projects, and LSFO projects

- **Marketing: RMB 2.6 Bn**

- ◆ Construction of refined oil products storage facilities and service stations, as well as non-fuel business development

- **Chemicals: RMB 2.1 Bn**

- ◆ Construction of Zhongke, Zhenhai and Gulei ethylene projects

Fulfilment of Social Responsibility

- **Contributed great efforts in the battle against the epidemic**
 - ◆ Donated funds and materials to the affected areas
 - ◆ Secured energy supply
 - ◆ Increased production of medical-use materials
 - ◆ Innovated new business models to facilitate customers
- **Enhanced epidemic prevention and exerted full efforts to promote resuming operations of whole value chain**
 - ◆ The operation resumption rate reached 100%

Upstream – Operating Results

- Kept high-quality exploration efforts and reinforced profit-oriented development
- Promoted a coordinated growth of natural gas value chain
- Intensified cost control and achieved continued decline in All-In cost

	1Q 2019	1Q 2020	YoY Change %
Oil and Gas Production(mmboe)	113.46	112.28	(1.0)
Crude Oil Production(mmbbl)	70.81	70.65	(0.2)
China	61.55	62.11	0.9
Overseas	9.26	8.54	(7.8)
Natural Gas Production(bcf)	255.79	249.68	(2.4)
Realized Price of Crude Oil (USD/bbl)	57.66	49.15	(14.8)
Realized Price of Natural Gas (USD/mcf)	7.07	6.43	(9.2)
Lifting Cost (USD/bbl)	16.54	15.66	(5.3)
EBIT of Upstream (RMB million)	2,919	1,994	(31.7)

* 1 tonne=7.1 bbls for domestic crude oil production; 1 tonne=7.21bbls for overseas crude oil production; 1 cubic meter=35.31 cubic feet for natural gas production.

Refining – Operating Results

- Leveraged integrated advantage and maintained stable operations
- Focused on optimization of production and operation
- Steadily implemented the production plan for LSFO

(mm tonnes)	1Q 2019	1Q 2020	YoY Change %
Refinery Throughout	61.78	53.74	(13.0)
Gasoline, Diesel and Kerosene Production	39.44	33.00	(16.3)
Gasoline Production	15.87	13.02	(18.0)
Diesel Production	16.03	14.19	(11.5)
Kerosene Production	7.54	5.79	(23.2)
Light Chemical Feedstock Production	10.07	9.84	(2.2)
Refining Margin (USD/bbl)	8.38	(3.67)	—
EBIT (RMB million)	11,569	(26,474)	—

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

Marketing – Operating Results

- Focus on market expansion to bring whole value chain synergies into full play
- Innovated new business models and improved service quality

(mm tonnes)	1Q 2019	1Q 2020	YoY Change %
Total Sales Volume of Refined Oil Products	62.37	48.61	(22.1)
Domestic Sales Volume of Refined Oil Products	45.61	32.48	(28.8)
Retail	30.20	21.83	(27.7)
Wholesale and Distribution	15.41	10.65	(30.9)
Annualized Average Throughput per Station (tonne/station)	3,939	2,844	(27.8)
EBIT (RMB million)	8,158	(1,235)	—

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

Chemicals – Operating Results

- Optimized the utilization and scheduling of facilities based on market need
- Enhanced R&D of new and high value-add products, extended value chain, and increased production of medical-use materials

'000 tonnes	1Q 2019	1Q 2020	YoY Change %
Ethylene Production	3,049	3,026	(0.8)
Synthetic Resin Production	4,178	4,293	2.8
Synthetic Rubber Production	271	256	(5.5)
Synthetic Fiber Monomers & Polymers Production	2,575	2,333	(9.4)
Synthetic Fiber Production	322	266	(17.4)
Total sales volume of chemical products ('0000 tonnes)	2,337	1,795	(23.2)
EBIT (RMB million)	8,015	(1,636)	—

* 100% production domestic of JVs included

Business Prospects

- Initiate the *Hundred Days Campaign* to take on the tough challenges and improve performance
 - ◆ Focus on market expansion
 - ◆ Focus on system optimization
 - ◆ Focus on potential tapping and cost reduction
- Dynamically optimize production and investment plan based on market changes

Q&A

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