



# China Petroleum & Chemical Corp. Investor Fact Sheet

Stock Code: A Share: 600028; H Share: 0386; ADR: SNP)

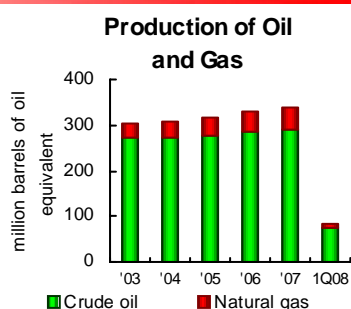


China Petroleum and Chemical Corporation ("Sinopec Corp." or "the Company") is an integrated energy and chemical Company with principal businesses of exploration, production and trading of petroleum and natural gas, refining and sales of petroleum products and production and sales of chemical products. The major assets of the Company are mainly in eastern and southern districts of China, which are enjoying the fastest economic growth in China.

Since its listing, Sinopec Corp. has been expanding its operating scale, improving its assets quality and enhancing profitability through continuous reforms. Its crude oil production exceeded 41 million tonnes. The Company is the third largest oil refiner in the world and is ranked No. 5 in terms of ethylene capacity and No. 3 in terms of number of service stations in the world.

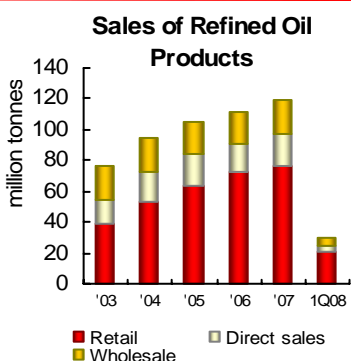
## Exploration and Production

Sinopec Corp. is the second largest producer of petroleum and natural gas in China. In the end of 2007, its proved reserves of oil and gas were 4,079 million barrels of oil equivalent.



## Marketing and Distribution

Sinopec Corp. has a well-established sales network of refined oil product in China. In the end of March 2007, there were 29,130 service stations under Sinopec brand, of which 28,477 were operated by the Company.



## Financial Highlights

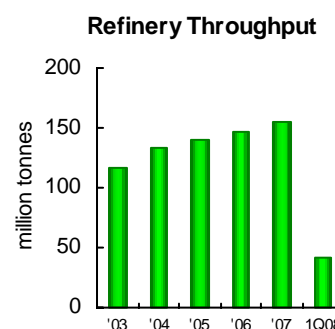
In RMB millions	2005	2006	2007	1Q 07	1Q 08
Turnover, other operating revenues and other income	826,825	1,066,902	1,209,706	277,149	339,284
EBITDA	99,124	114,186	129,179	38,304	14,374
Operating profit	67,977	80,632	85,864	28,635	3,031
Net profit attributable to shareholders of the Company	41,354	53,603	56,533	19,609	6,062
EPS (RMB)	0.477	0.618	0.652	0.226	0.070

In RMB millions	2005-12-31	2006-12-31	2007-12-31	2008-3-31
Short-term debts	42,339	56,467	44,654	60,777
Long-term debts	63,630	61,617	83,134	99,467
Equity attributable to shareholders of the Company	226,099	264,334	307,433	320,374

In RMB millions	2005	2006	2007	1Q 2008
Net cash flow from operating activities	78,663	92,507	119,594	2,663
Net cash flow from investing activities	(78,113)	(103,385)	(113,587)	(15,474)
Net cash flow from financing activities	(4,257)	2,878	(5,310)	32,663

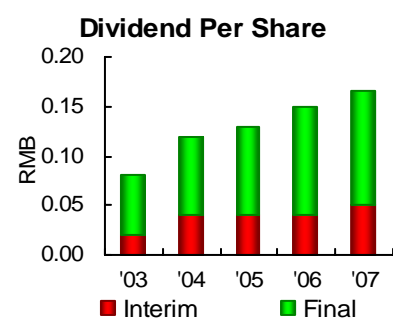
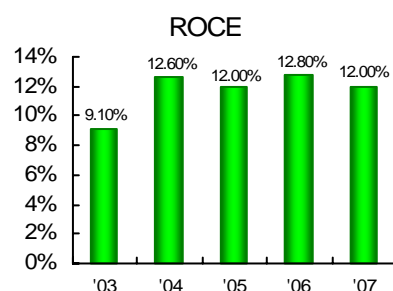
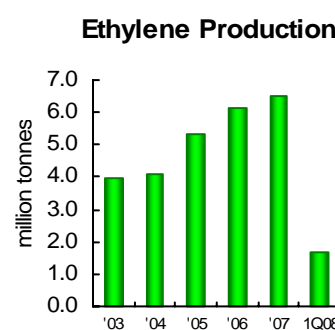
## Refining

Sinopec Corp. is the largest oil refiner in China, producing gasoline, diesel, kerosene including jet fuel, lubricant, fuel oil, chemical feedstock and other petroleum products. In the end of 2007, its primary refining capacity was 190 million tonnes per year.



## Chemical

Sinopec Corp. is the largest producer and distributor of chemical products in China. The Company's major chemical products include ethylene, synthetic resins, monomers and polymers for synthetic fibers, synthetic fibers and synthetic rubbers. In the end of 2007, its ethylene capacity were 6.145 million tonnes per year.





In 2007, China's economy continued to grow rapidly, leading to a growth in domestic demand for oil and petrochemical products. Under severe market conditions featured by the sharp rise in international crude oil prices and increasing pressure due to domestic price control for refined oil products, Sinopec Corp. was still able to achieve sound operating results by taking full advantage of its strengths, improving its management skill, promoting technological innovation, and implementing safety, energy conservation and effluent control measures. The Company has consolidated its upstream resources leading to steady increases in oil and gas production. Its natural gas business is expanding with the Sichuan-East China Gas project. The Company operated its refineries at full capacity in 2007, and witnessed steady growth in sales of refined oil and chemical products.

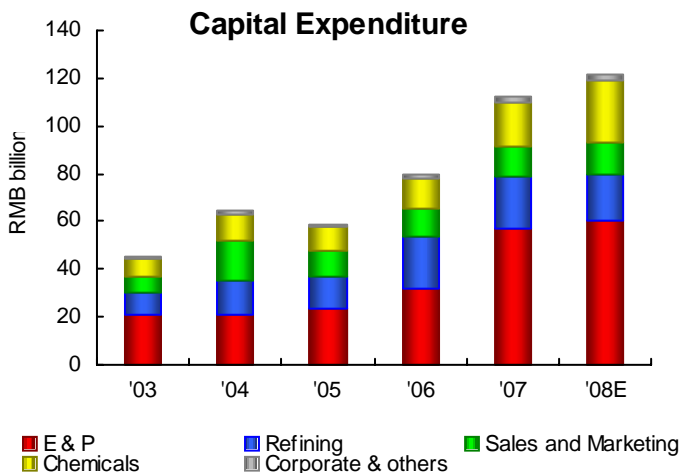
During last year, Sinopec Corp. successfully issued zero-coupon convertible bonds, corporate bonds, and short-term financing debentures in both domestic and overseas markets in order to meet its capital expenditure requirements for important projects, to improve debts structure, and to reduce financial costs. The successful fund raising has increased its proportion of direct financing and strengthened its ability to execute development plans and significantly reduced its financial costs.

Sinopec Corp. committed RMB 109.3 billion in capital expenditure in 2007, based on its assessment of market trends and its strategic needs. Major upstream projects, including Sichuan-East China Gas Project, were progressing smoothly. A number of large-scale refinery and chemical projects started on schedule and its refining and chemical capacities were further expanded. The Company also continued the construction of oil terminals and pipelines for crude and refined oil products and improved its marketing network for refined oil and chemical products. Furthermore, its business was expanded through acquisition of five refineries and 63 service stations from its parent company, Sinopec Group Company, in 2007. In addition, Sinopec Corp. expanded its marketing network of refined oil products in Hong Kong by acquiring all of China Resources oil product business in Hong Kong.

In 2007, Sinopec Corp. successfully promoted technological innovation throughout its business. In the upstream, new technologies, such as those to enhance the recovery rate for oilfields, were applied. In oil refining, the technology for processing low-quality crude oil has made important breakthroughs. The Company also commercialized technology that ensure the production of gasoline and diesel to meet new emission specifications which are equivalent to Euro IV. The Company developed proprietary technology for 300 thousand tonnes per annum polypropylene production. In response to the high oil prices, the Company conducted research on new and alternative fuels and conducted pilot tests of syngas-to-oil and biofuels. In 2007, the Company applied for 905 domestic patents and 122 foreign patents and were granted 616 domestic patents and 61 foreign patents.

In 2007, Sinopec Corp. continued pushing ahead with its health, safety and environment (HSE) program and sustainable development strategies. The company introduced strict safety procedures in production and conducted programs to raise employee's safety awareness to ensure safe and full-load operations while at the same time delivered clean and premium quality fuel to the market. Through technical innovation, process optimization, and effective management, the Company made progress in energy conservation and effluent reduction. Specifically, its energy intensity has dropped by 6.1%, industrial water consumption fell by 4.3%, and Chemical Oxygen Demand (COD) in discharged waste water decreased by 5.4% compared with 2006.

Looking into 2008, the Company has the opportunities provided by the rapid growth of China's economy and also faces challenges brought by the slowdown of the global economy, fluctuation of crude oil price at high level, and China's tight monetary policy and firm control over the prices of refined oil products. The Company will fully play its unique strengths in oil and gas exploration and development, competitive advantages in refining and chemical production and product marketing, and supply advantages in international trade. It will also take advantage of the strengths of its controlling shareholder, Sinopec Group Company, in its engineering services of oil and petrochemical business and in its overseas assets, which may bring synergy effects for Sinopec Corp.. The Company's strategy for 2008 is to improve oil and gas resources and product marketing, integration and globalization, as well as to optimize its operations and promote management efficiency. In addition, the Company will enhance exploration and development efforts, and particularly, push ahead with the construction of Sichuan-East China Gas project, which is expected to become a new source of profit growth. The Company also plans to improve the location of its refining capacities, and to improve its product portfolio in order to increase production of high value-added products. The Company is also working towards a modern logistics system for marketing of refined oil and chemical products. In the meantime, Sinopec Corp. will focus on innovation to create a management model for a sustainable development and evolve towards a multinational energy and chemical corporation with competitive strengths.



**For more information, please contact**

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