



中国石油化工股份有限公司 CHINA PETROLEUM & CHEMICAL CORPORATION

Company Profile

China Petroleum & 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. Sinopec Corp. is listed in Hong Kong, New York, London and Shanghai. The Company’s competitive strengths are mainly reflected in: its leading market position in the production and sales of refined oil products in China; its status as the largest petrochemical producer in China; its strategic market position in China’s highest economic growth areas; its well-established, highly efficient and cost effective sales and distribution network; its integrated business structure with strong resistance against industry cyclical risks; its well-recognised brand and its excellent reputation. The Company intends to fully implement strategies that are well balanced between the Company’s development, return to shareholders, and reward to society and to its employees, so that the Company will achieve sustained, effective and harmonious growth, and realise the goal of becoming a multinational energy and chemical corporation with strong competitiveness.

Business Breakdown

Exploration and Production:

Sinopec Corp. is the second largest producer of crude oil and natural gas in China. We produced 296.8 million barrels of crude oil and 293.06 billion cubic feet of natural gas in 2008. By the end of 2008, its proved reserves of crude oil and natural gas were 4,001 million barrels of oil equivalent. The exploration and production segment achieved steady growth in its oil and gas production in 2008, generating an operating profit of RMB 66.6 billion, an increase of 36.5% year on year.

Refining:

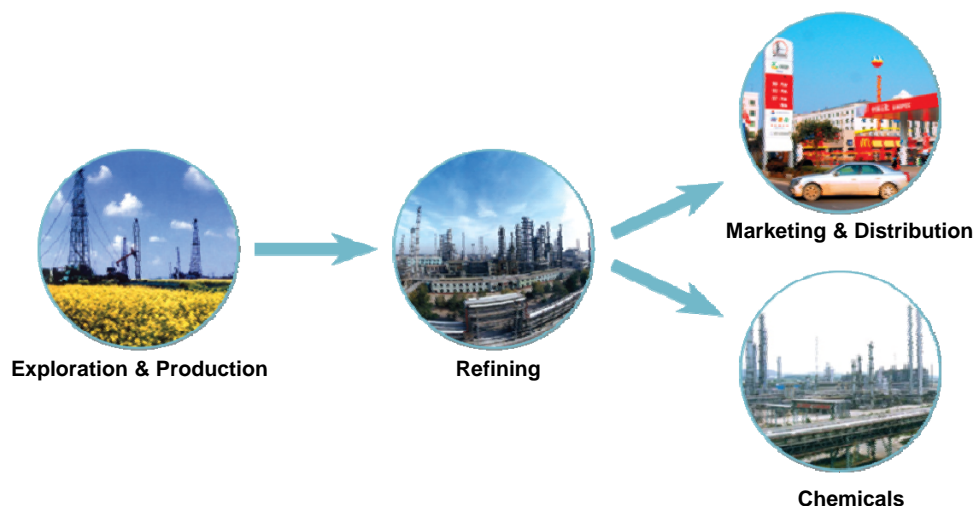
Sinopec Corp. is the largest oil refiner in China, producing gasoline, diesel, kerosene including jet fuel, lubricant, fuel oil, chemical feedstock and other petroleum products. By the end of 2008, its primary refining capacity was 206 million tonnes per year, ranking the third largest in the world. In 2008 the refining segment incurred an operating loss of RMB 61.5 billion, due to volatile oil prices in the international market and the strict domestic price control of refined oil products. The Company expects that the adoption of the new government pricing mechanism in 2009 will greatly improve refinery economics.

Marketing and distribution:

Sinopec Corp. has a well established sales network of oil products in China. By the end of 2008, there were 29,279 service stations marked with the Sinopec logo, of which 28,647 stations were owned and operated by Sinopec Corp., ranking the third in the world. The marketing and distribution sector generated an operating profit of RMB 38.2 billion in 2008, an increase of 6.9% year on year.

Chemicals:

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 fiber, synthetic fiber and synthetic rubbers. By the end of 2008, its ethylene capacity was 6.145 million tonnes per year, ranking the fifth in the world. Affected by the global economic downturn as well as the sliding sales prices of the chemical products, the chemicals segment incurred an operating loss of RMB 13.1 billion in 2008.



The Macro Situation

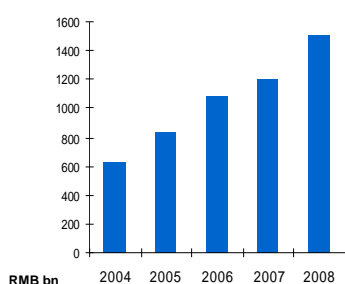
- With the Chinese government’s new pricing mechanism for oil products introduced in 2009, Sinopec Corp.’s refining segment is expected to reverse the recent policy-related losses and become the important source of the Company’s profits.
- The Chinese government stimulus plan will help Sinopec Corp. speed up its technological and industrial upgrades.
- The implementation of the VAT reform and easier monetary policy will allow the Company to reduce its costs, both of investment and financing.

Financial Highlights

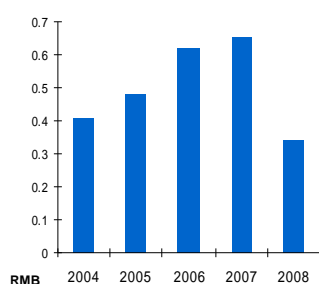
(under IFRS)

(RMB million)	2006	2007	2008
Turnover, other operating revenues and other income	1,066,902	1,209,706	1,502,443
EBITDA	114,186	129,179	73,946
Operating Profit	80,632	85,864	28,123
Net profit attributable to equity shareholders of the company	53,603	56,533	29,769
EPS (RMB)	0.618	0.652	0.343
	31 st Dec. 2006	31 st Dec. 2007	31 st Dec. 2008
Total assets	610,832	732,725	767,827
Total liabilities	327,175	399,967	418,505
Short term debts	56,467	44,654	74,896
Long term debts	61,617	83,134	90,254
Total equity attributable to equity shareholders of the company	264,334	307,433	328,669
	2006	2007	2008
Net cash generated from operating activities	92,507	119,594	67,712
Net cash used in investing activities	(103,385)	(113,587)	(110,158)
Net cash (used in)/ generated from financing activities	2,878	(5,310)	41,777

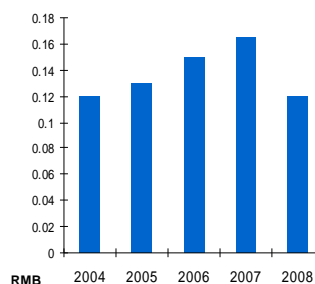
TURNOVER



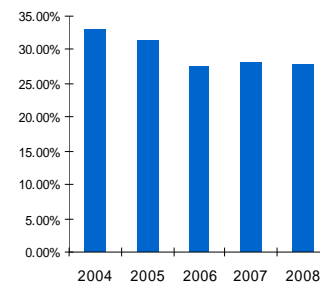
EARNINGS PER SHARE



DIVIDEND PER SHARE



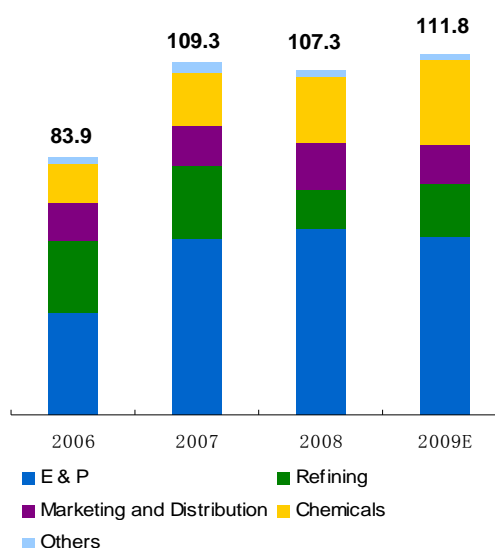
DEBT/ EQUITY RATIO



Looking Forward – 2009 Goals

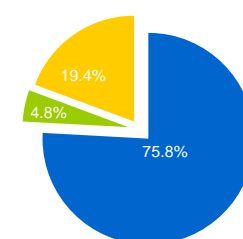
- E&P: we plan to produce 42.4 million tonnes of crude oil and 10 billion cubic feet of gas in 2009, up 1.3% and 20% yoy respectively.
- Refining: we plan to process 184 million tonnes of crude oil in 2009, up 8.9% yoy. Output of gasoline, diesel and jet fuel is expected to rise 8.6% to 115 million tonnes.
- Marketing and Distribution: our domestic sales volume of oil products is expected to be 125 million tonnes in 2009.
- Chemicals: we plan to produce 6.83 million tonnes of ethylene in 2009.
- Capex: our capital expenditure estimate for 2009 is RMB111.8 billion.

CAPEX (RMB bn)



SHARE OWNERSHIP STRUCTURE

Total Number of Shares= 86,702,439,000



- China Petrochemical Corporation
- Other RMB Ordinary Shares
- Shares Listed Overseas

Market Data

Sinopec Corp. is listed in:
 Hong Kong: **386.HK**
 New York: **SNP**
 Shanghai: **600028**
 London: **SNP**

Contact Us:

Beijing

Telephone: (8610) 59960028
 Fax: (8610) 59960386
 Email: ir@sinopec.com

Hong Kong

Telephone : (852) 28242638
 Fax : (852) 28243669
 Email: ir@sinopechk.com

New York

Telephone : (212) 759 5085
 Fax : (212) 7596882
 Email: fangzq@sinopecusa.com