



2020 Interim Results Briefing

CONTENT

1 Financial Highlights

2 Business Review

3 Capital Expenditure

4 Future Outlook



1

Financial Highlights



RMB Million

| | 1H 2020 | 1H 2019 | Change |
|--|---------|---------|----------|
| Revenue | 35,628 | 51,955 | -31.43% |
| Gross Profit | -2,624 | 900 | -391.56% |
| Profit Before Taxation | -2,309 | 1,366 | -269.03% |
| Net Profit Attributable to Owners of the Company | -1,671 | 1,144 | -246.07% |
| EPS (RMB) | -0.154 | 0.106 | -245.28% |



RMB Million

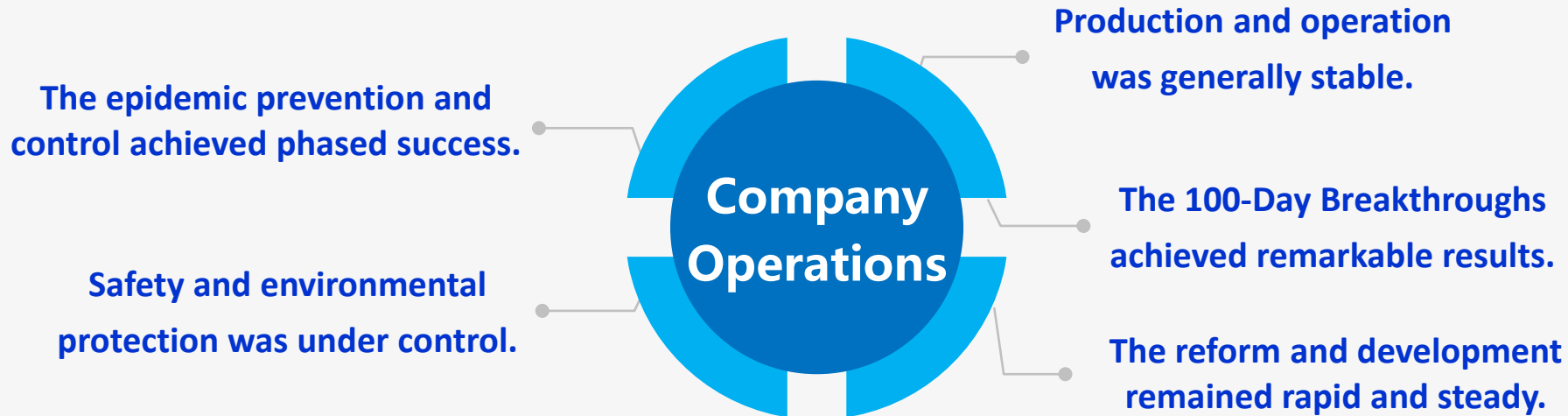
| | June 30, 2020 | Dec. 31, 2019 | Change |
|---|------------------|---------------|---------|
| Total Assets | 42,171.58 | 45,494.08 | -7.30% |
| Total Liabilities | 15,148.92 | 15,500.23 | -2.27% |
| Equity Attributable to Owners of the Company | 26,884.35 | 29,863.29 | -9.98% |
| Net Asset Value Per Share (RMB) Attributable to Owners of the Company | 2.484 | 2.759 | -9.97% |
| Liabilities/Total Assets | 35.92% | 34.07% | 1.85pt. |



2

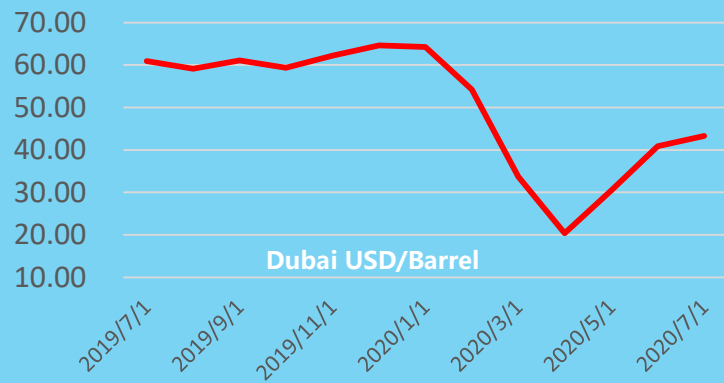
Business Review



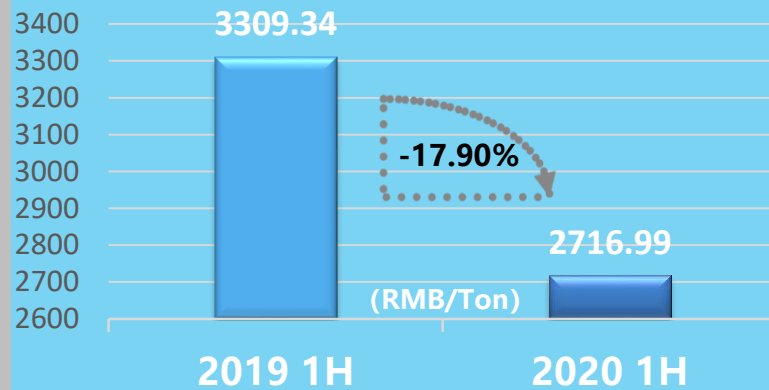


Crude Oil Processing Cost

International Crude Oil Price

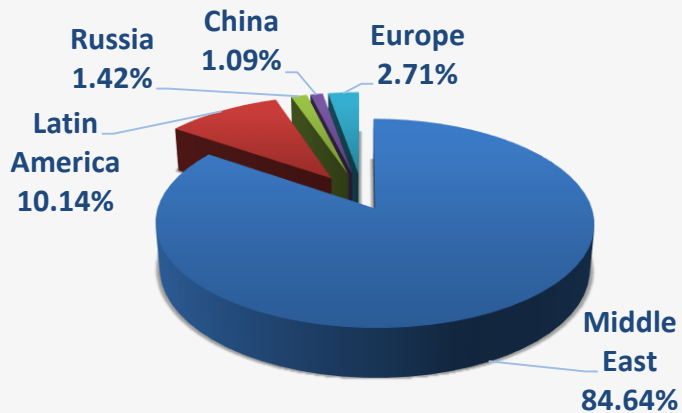


Crude Oil Unit Processing Cost

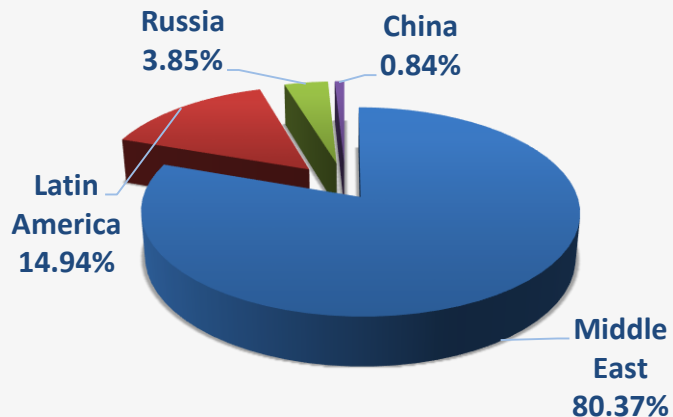


Source of Crude Oil

2020 1H

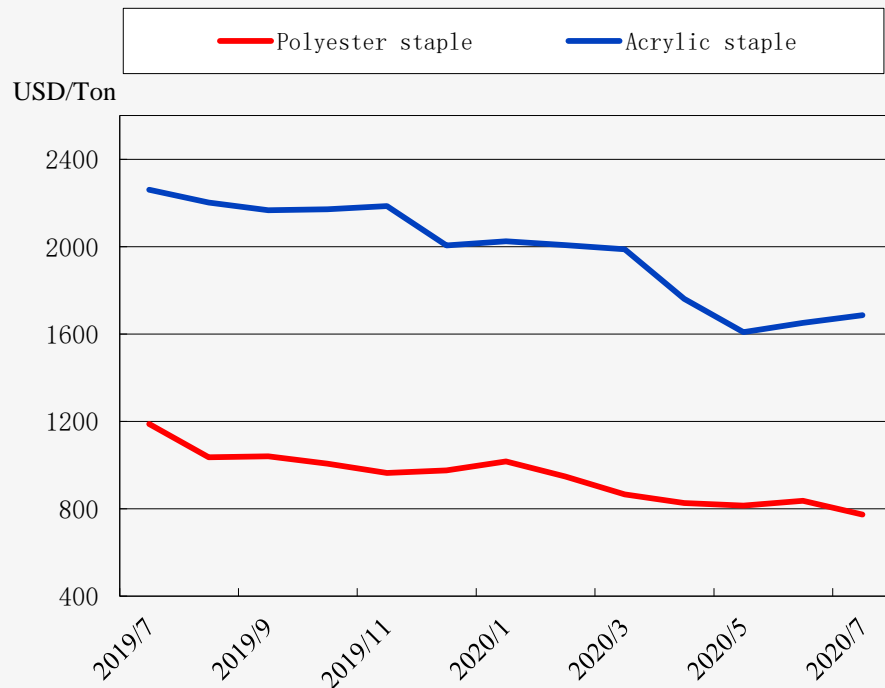
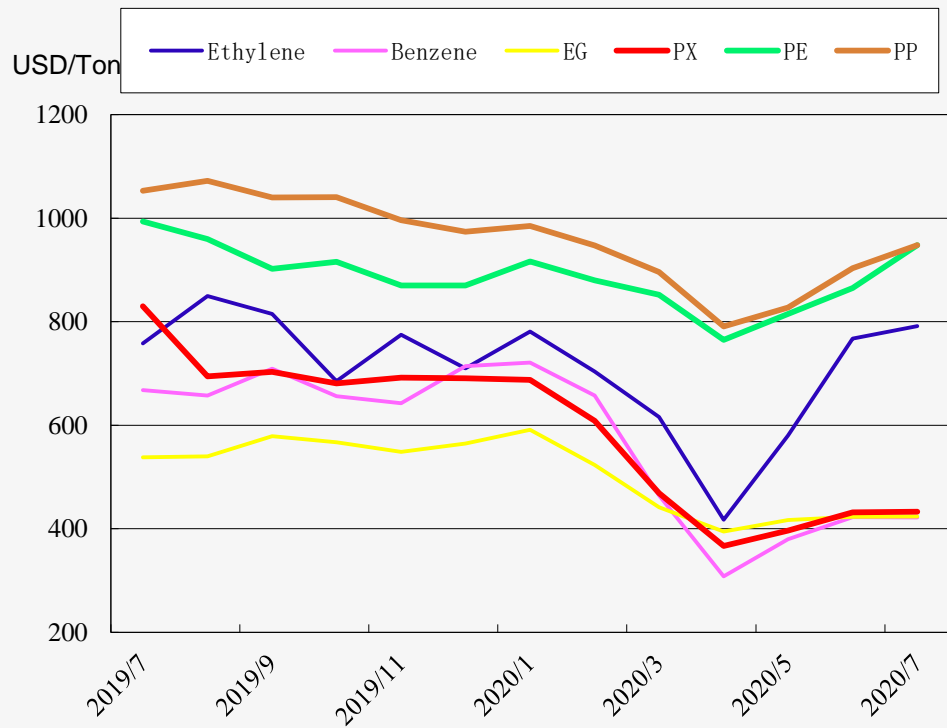


2019 1H

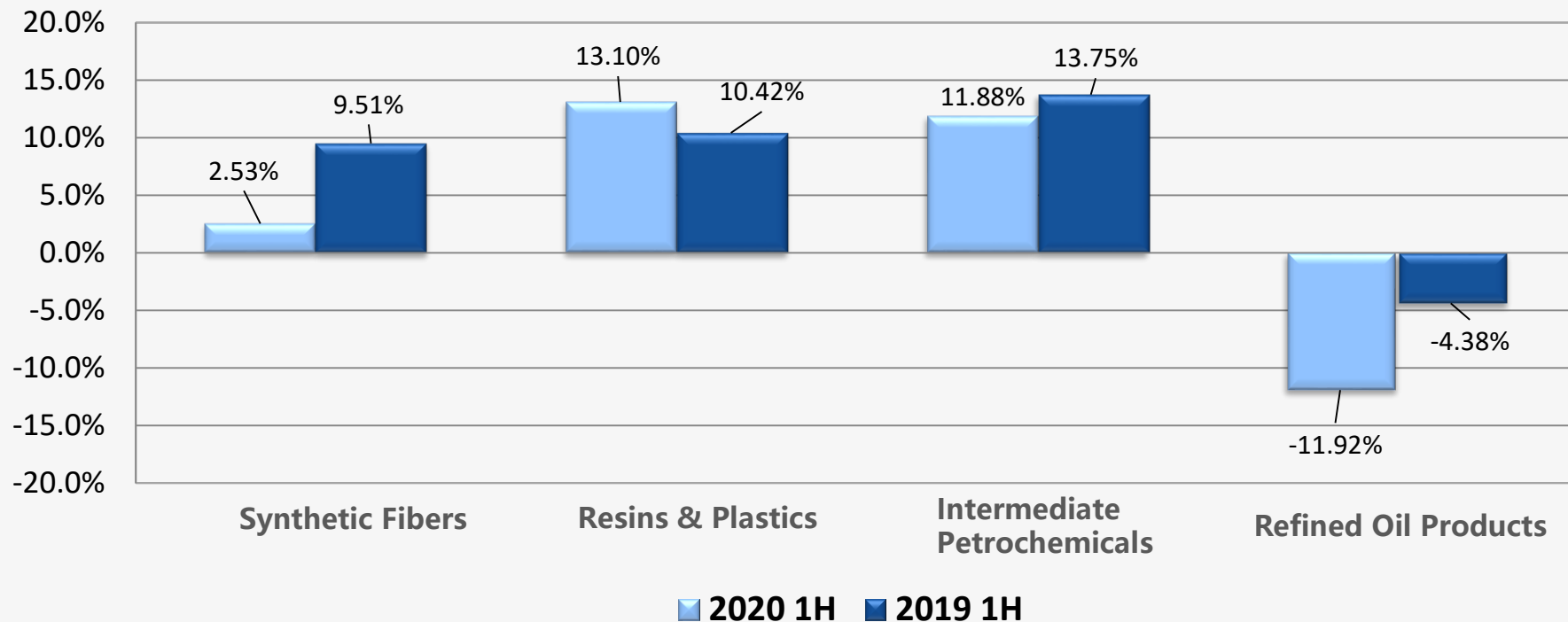


| | Middle East | Latin America | Russia | China | Europe |
|---------|-------------|---------------|--------|-------|--------|
| 2020 1H | 84.64% | 10.14% | 1.42% | 1.09% | 2.71% |
| 2019 1H | 80.37% | 14.94% | 3.85% | 0.84% | - |

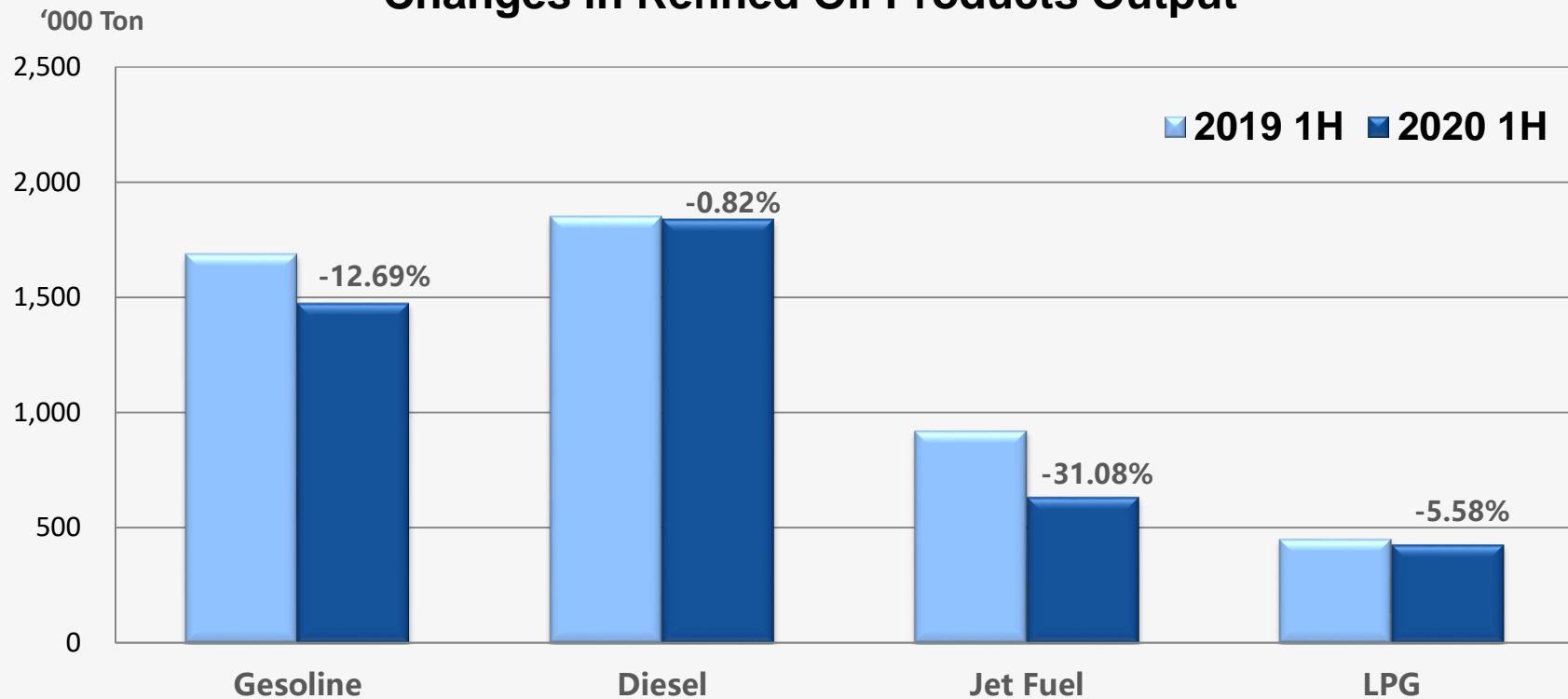
Chemical Price Tendency in Asia Market



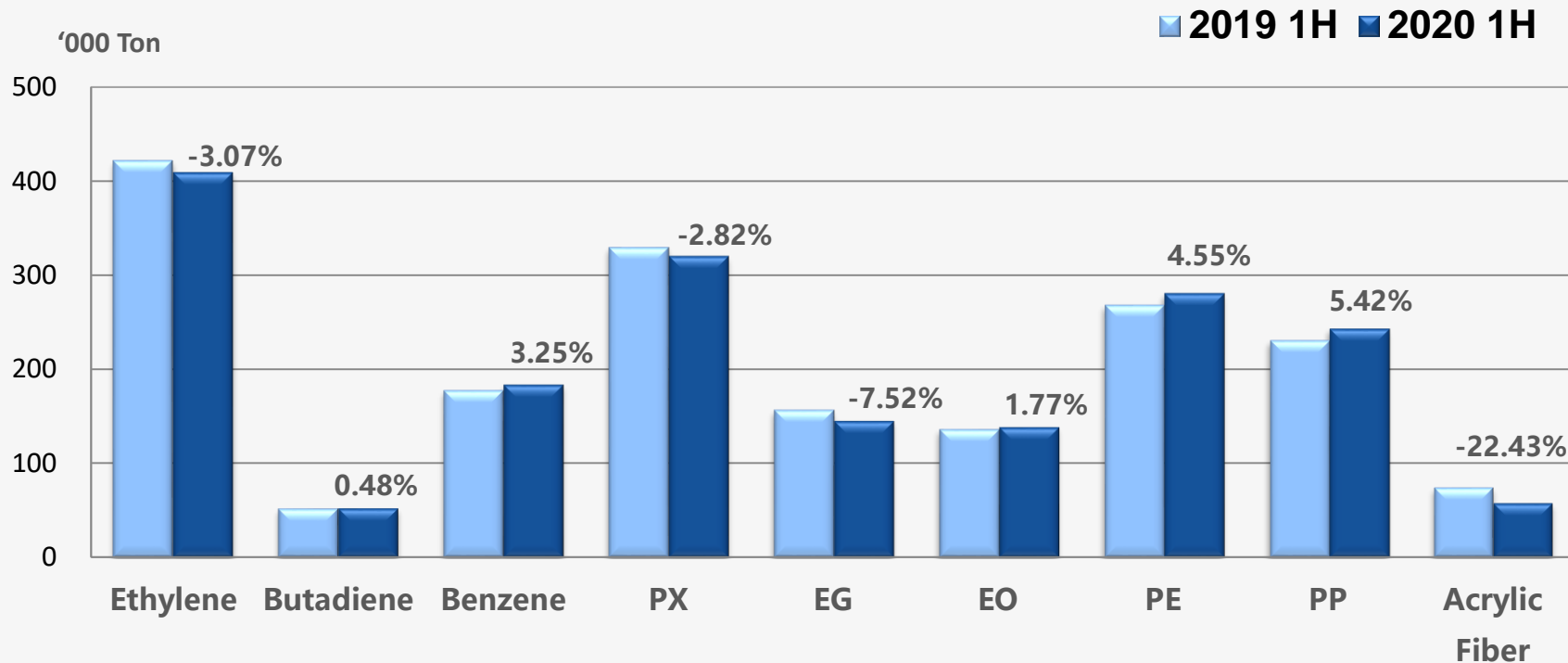
Domestic Demand Growth



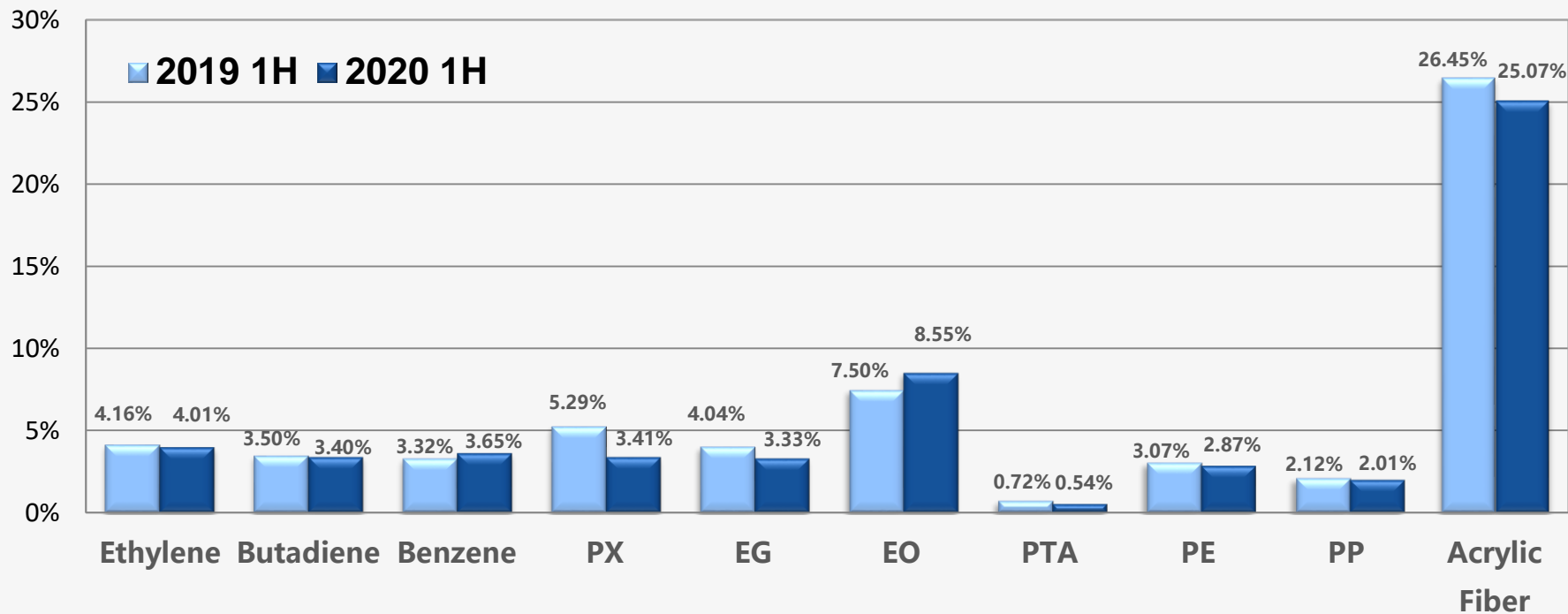
Changes in Refined Oil Products Output

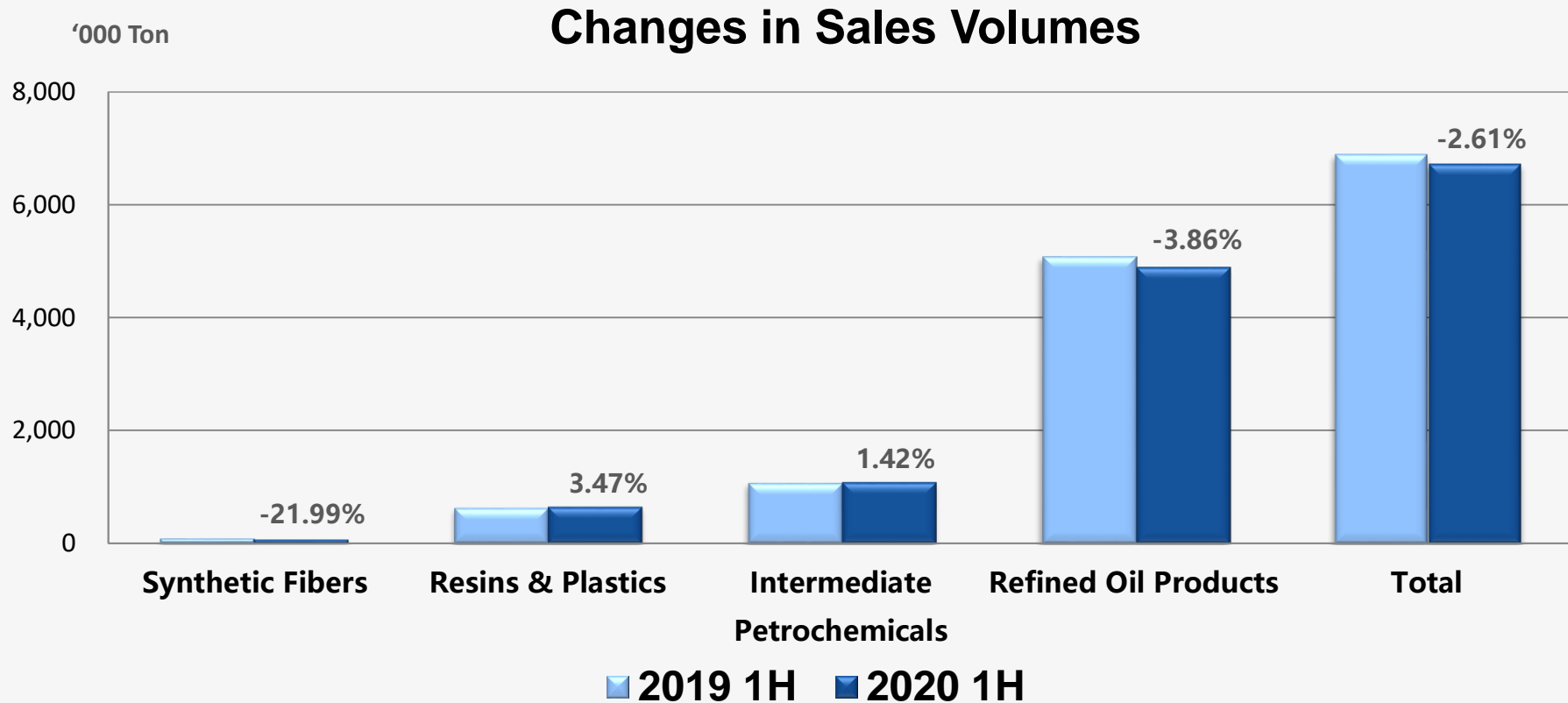


Changes in Major Petrochemicals Output



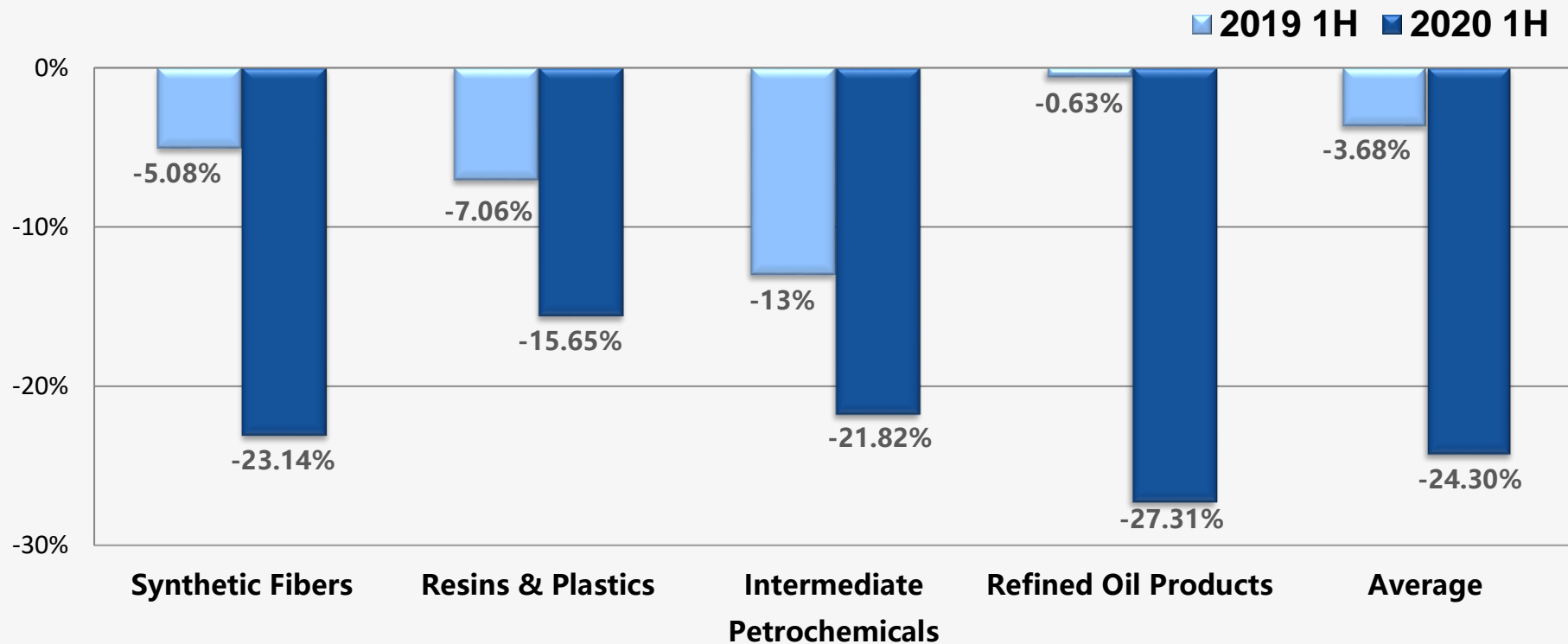
Domestic Output Shares of the Petrochemicals





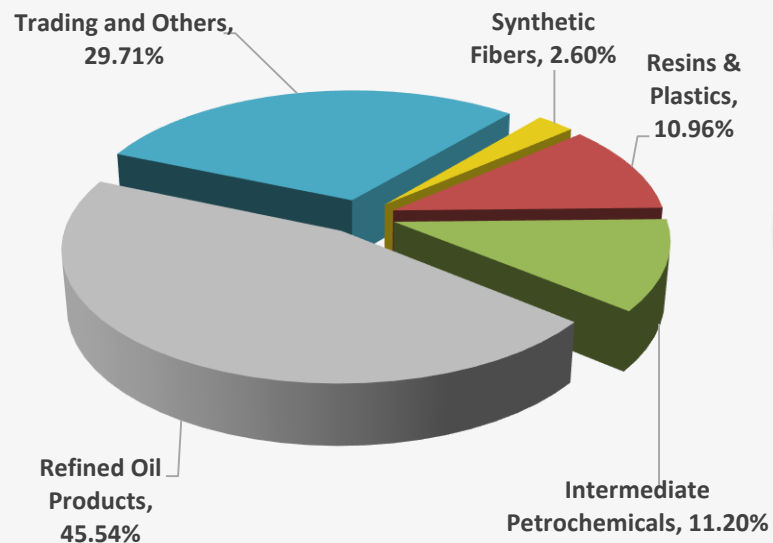


Changes in Average Product Prices



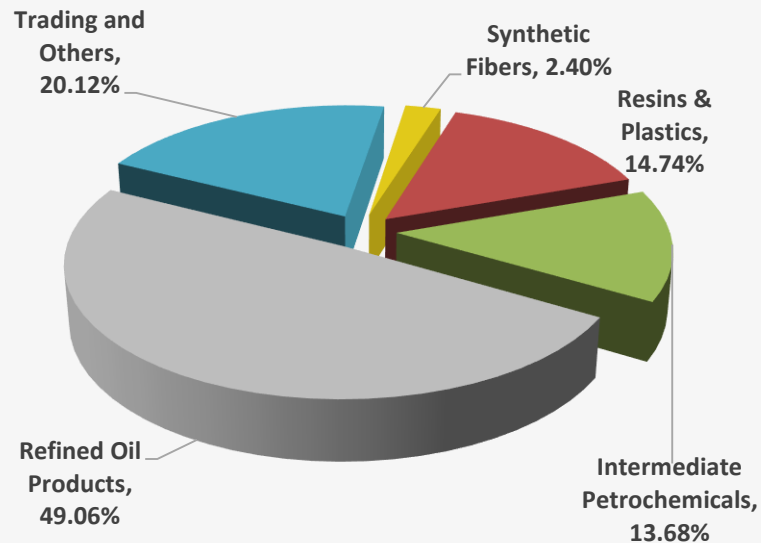
Net Sales Structure

2019 1H

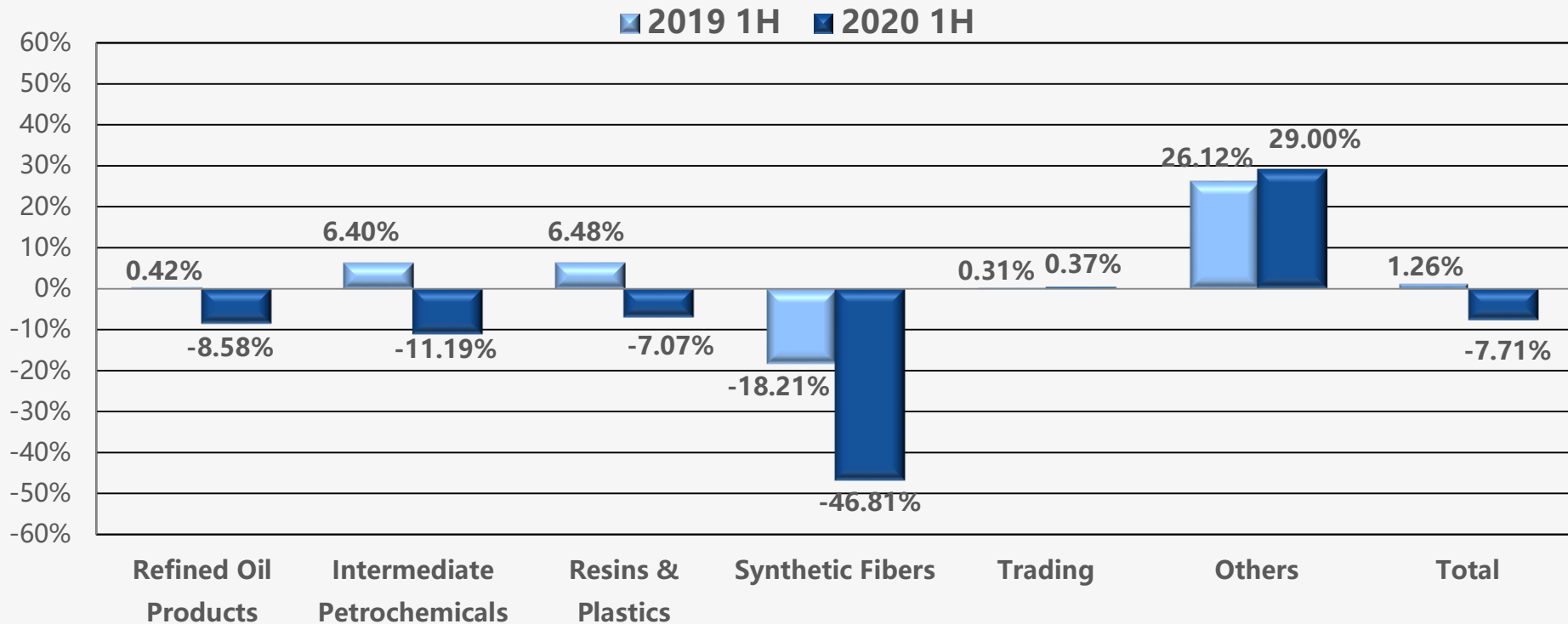


VS

2020 1H



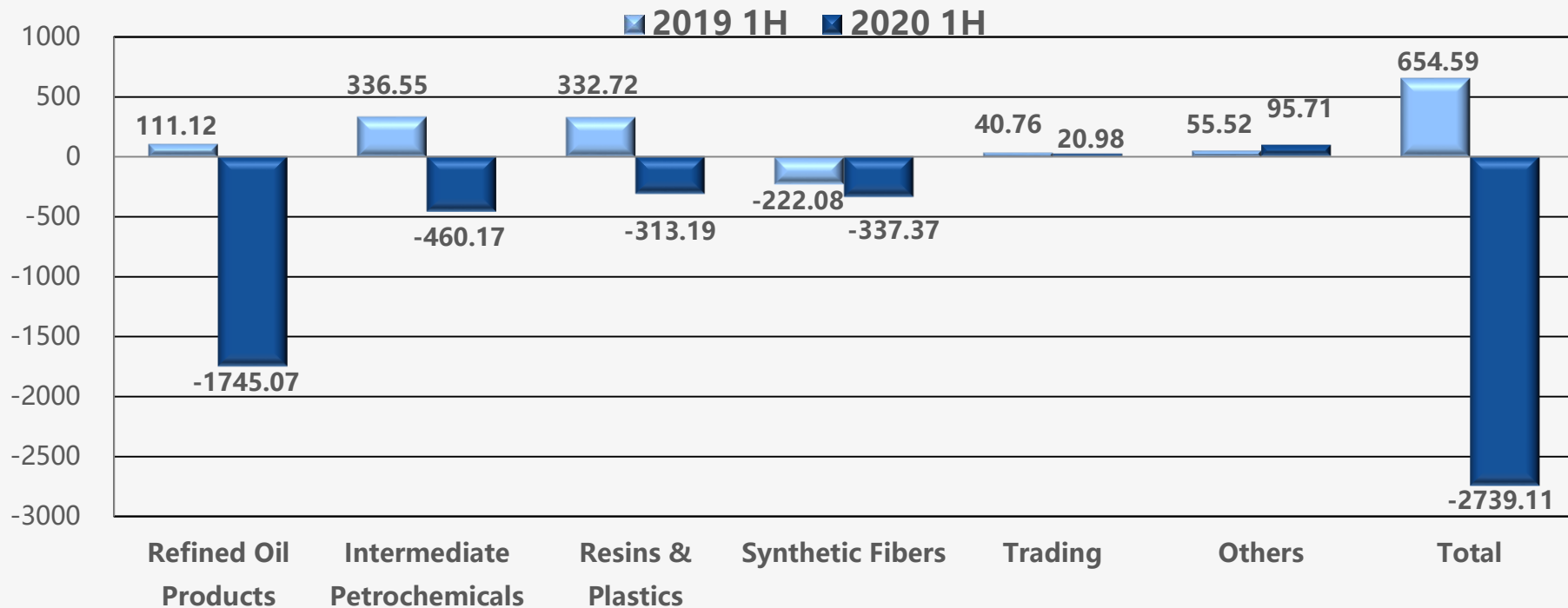
Profit Margin by Product





Profit by Product

Million RMB



3

Capital Expenditure



In 2020 1H, the Group's capital expenditure is RMB 417 million.

- Oil cleaning project 400,000 tons/year clean gasoline components units
- Separation improvement of waste and clear water project of Storage and Transportation Department
- Function reconstruction of emergency shut (off) valve (ESV)
- Upgraded factory facilities reconstruction of bunker fuel oil project
- T-104 tank security risk management project
- drying and reduction of oil sludge project of the Environmental Water Department.



Major Projects in 2020 2H

- 24,000 tons/year precursor, 12,000 tons/year 48K large tow carbon fiber project
- PAN-based carbon fiber project with annual production capacity of 1,500 tons (2nd stage)
- The third loop of 220kV power supply line engineering
- Jinyang spinning process optimization project
- Central control room security risks rectification project of the Olefin Department
- No. 5 and No. 6 equipment relocation project of the Thermal Power Department
- Domestic water pipe network optimization project of Sinopec Shanghai



4

Future Outlook

Macro-environment Outlook for 2020 2H

Industry

The energy and chemical industry ushers in an accelerated period of strategic transformation, the refining industry witnesses intensified competition and the chemical industry sees more prominent pressure on transformation and upgrading. The Company faces both pressure and risk as well as opportunities and challenges, and therefore the overall production and operation will be more severe and complex.

China

China is in a critical period of transforming the development pattern, optimizing economic structure and shifting growth drivers. However, the interlacing of structural, institutional and cyclical problems confronted will increase the downward pressure on the economy.

World

In 2020, there is still great uncertainty in the global spread of COVID-19 which may trigger recession of the global economy. The “long-tail effect” of the pandemic and geopolitical games have a profound impact on both the supply and demand sides. International oil price is likely to fluctuate at a low level.

Business Plans for 2020 2H



Focus on stable operation and consolidate the foundation for profit generation



Focus on transformation and upgrading and accelerate the pace of profit generation

01

02

03

04

05



Focus on continuous breakthroughs and drive the engine of profit generation



Focus on delicate management and improve the efficiency of profit generation



Focus on talent optimization and stimulate the vitality of profit generation



Thank You!



SINOPEC SHANGHAI PETROCHEMICAL COMPANY LIMITED