



SINOPEC SHANGHAI PETROCHEMICAL COMPANY LIMITED



2019 Interim Results

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01

Financial Highlights



RMB Million

	1H 2019	1H 2018	Change
Revenue	51,955	52,162	-0.40%
Gross Profit	900	3,935	-77.13%
Profit Before Taxation	1,366	4,542	-69.93%
Net Profit Attributable to Equity Shareholders	1,144	3,551	-67.78%
EPS (RMB)	0.106	0.328	-67.68%



RMB Million

	June 30, 2019	June 30, 2018	Change
Total Assets	43,839	45,623	-3.91%
Total Liabilities	14,936	16,766	-10.91%
Equity Attributable to Owners of the Company	28,780	28,569	0.74%
Net Asset Value Per Share (RMB) Attributable to Equity Shareholders	2.659	2.639	0.76%
Liabilities/Total Assets	34.07%	36.75%	-2.68pt.



02

Business Review



MACRO- ENVIRONMENT

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graph LR; A((MACRO-ENVIRONMENT)) --- B[World Economy]; A --- C[China's Economy]; A --- D[The Industry];
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World Economy

In the first half of 2019, the world economic situation remained complex and severe. International trade frictions and geopolitical tensions intensified. World economic growth and international trade all slowed down.

China's Economy

The downward pressure on Chinese economy has increased. Under the impetus of adhering to high-quality development and supply-side structural reforms, economic operations continued to remain within a reasonable range. GDP increased by 6.3% year-on-year.

The Industry

The downward stress upon the domestic petrochemical industry intensified. Investment in this industry grew fast, but the simultaneous commissioning of new capacity in short term and the triggered market expectations have caused significant fluctuation and decrease in product prices. The decline trend in corporate profit did not fundamentally improve.



Adhere to the bottom line of safety and environmental protection and ensure smooth operation of the plants

Continued to develop company and promoted technological innovation

Company Operations

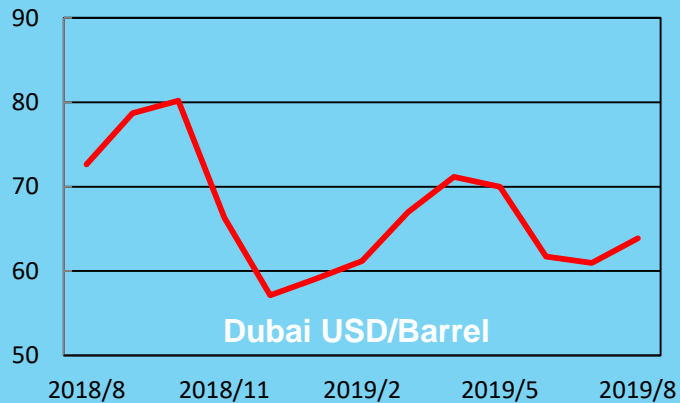
Continued to deepen the optimization of production and operation and strengthened market development and costs reduction

Further strengthened management and advanced corporate reform

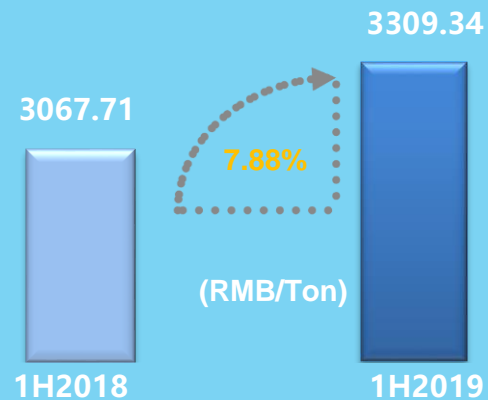




International crude oil price



Cost of crude oil processed

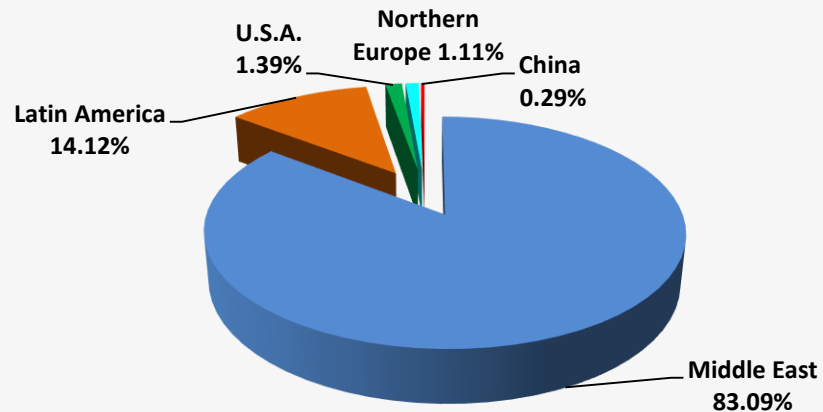
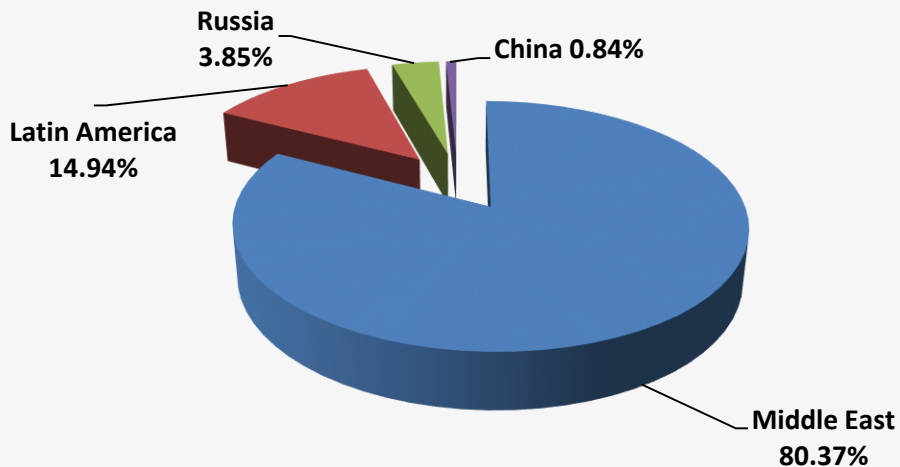




Sources of Crude Oil

1H 2019

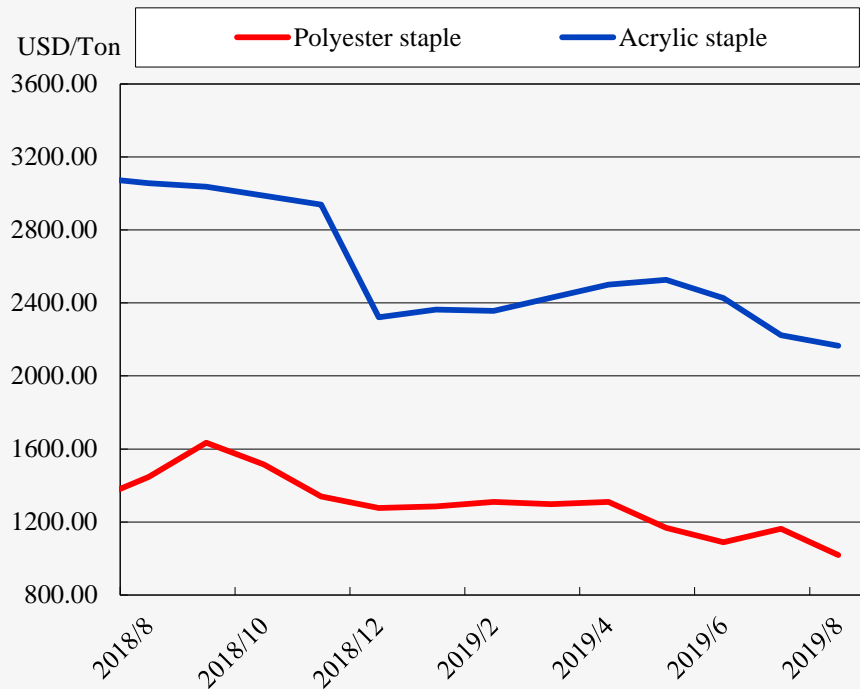
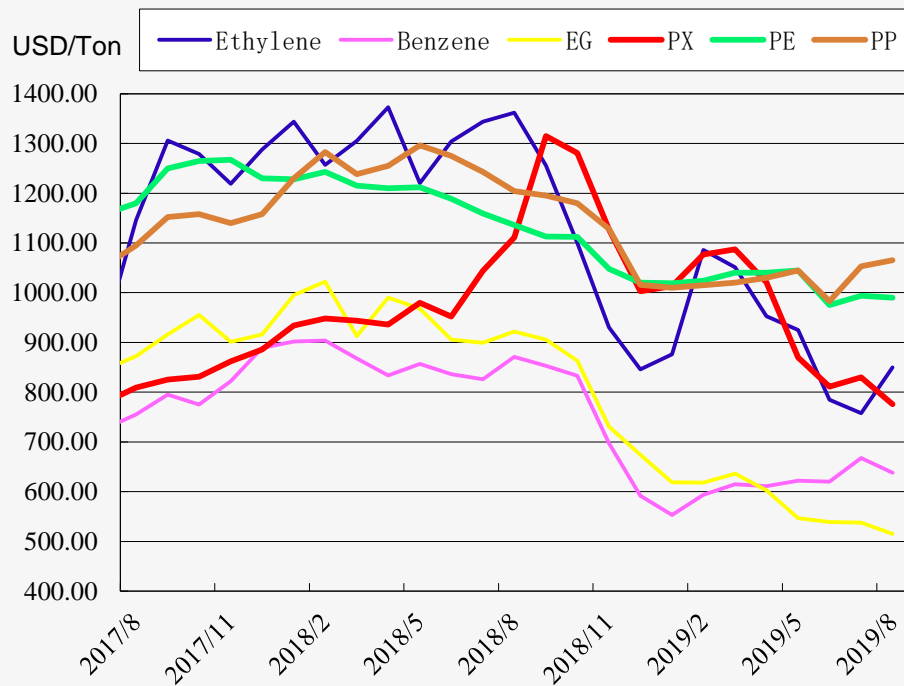
1H 2018



	Middle East	Latin America	Russia	U.S.A.	Northern Europe	China
1H 2019	80.37%	14.94%	3.85%	-	-	0.84%
1H 2018	83.09%	14.12 %	-	1.39%	1.11%	0.29%

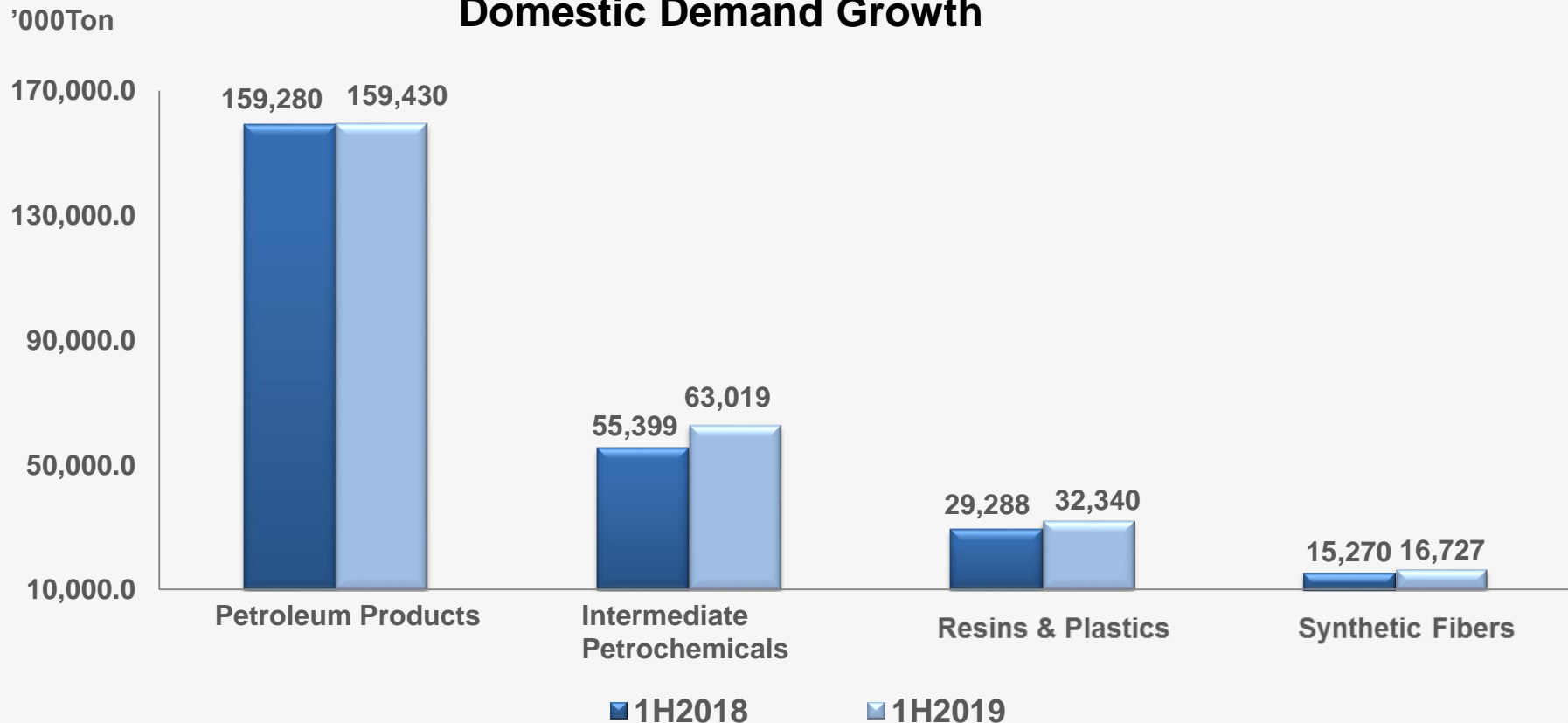


Price Movements in Asia Market



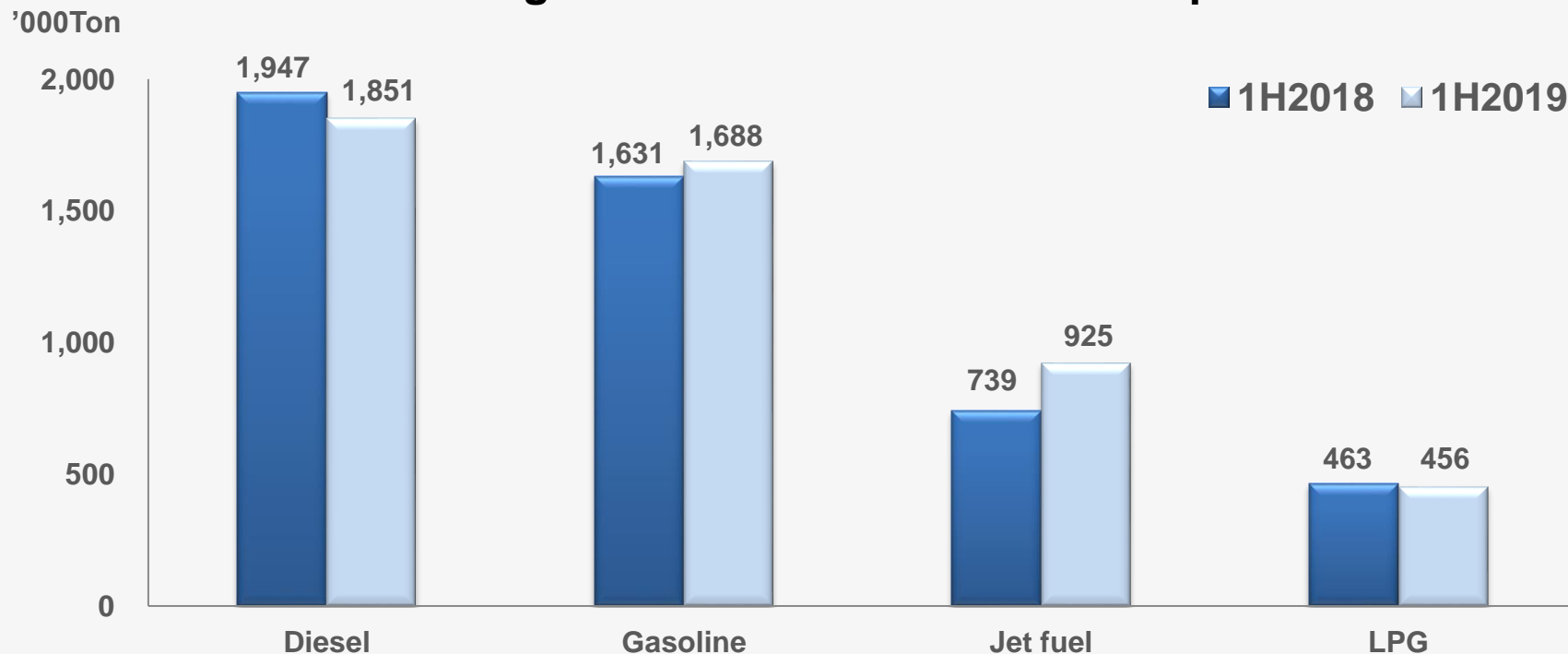


Domestic Demand Growth



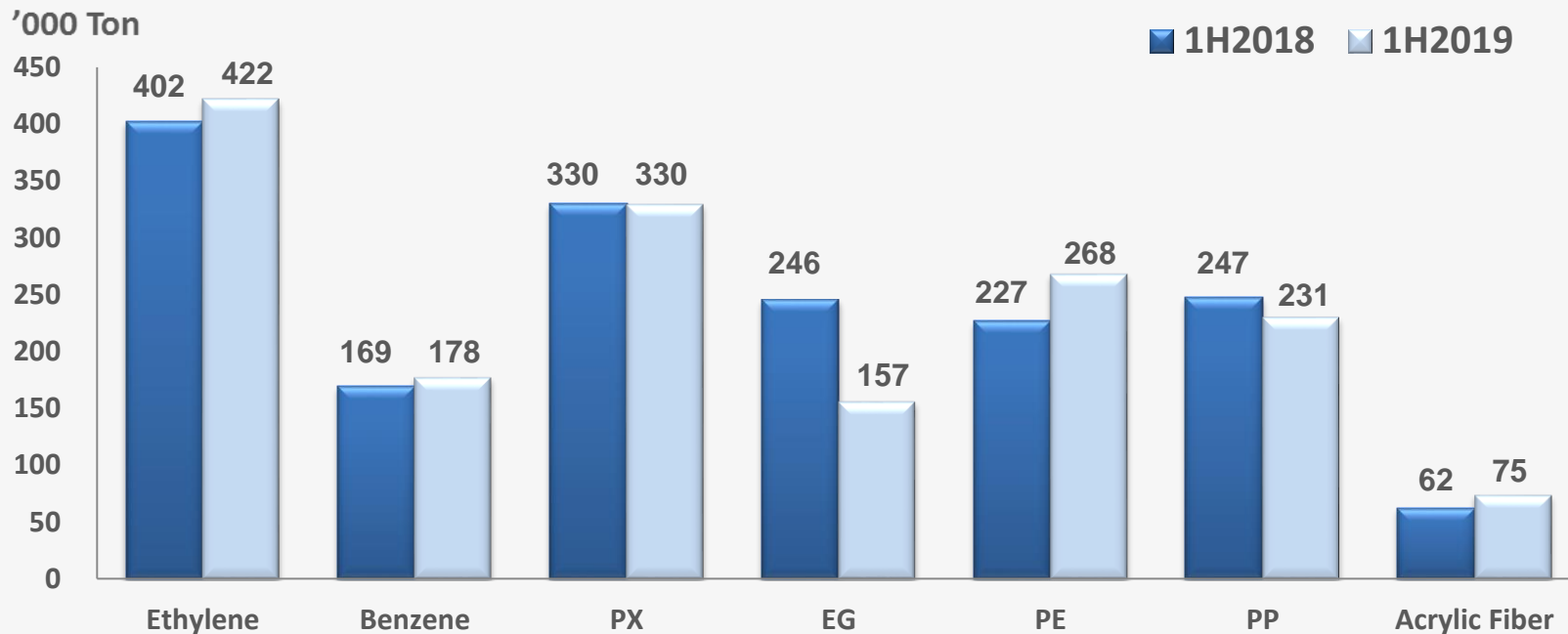


Changes in Refined Oil Products Output



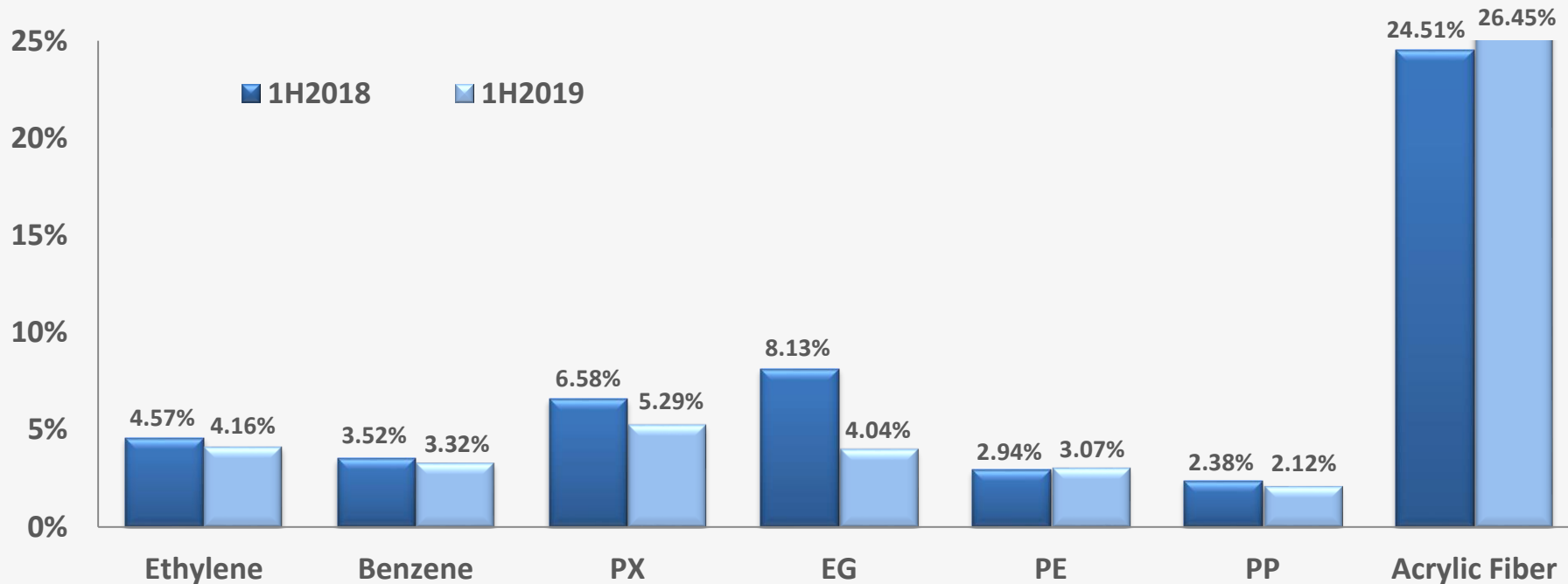


Changes in Major Chemicals Output



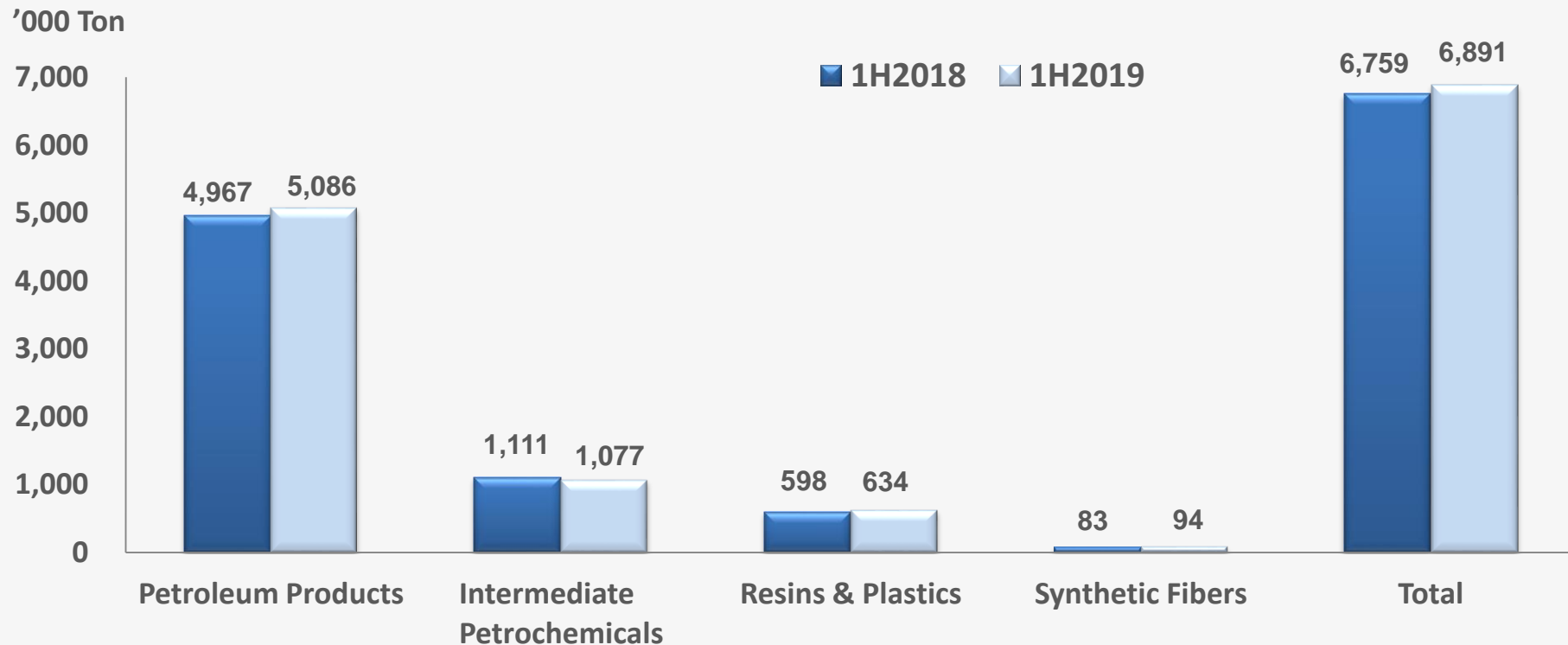


Domestic Output Shares of the Chemicals



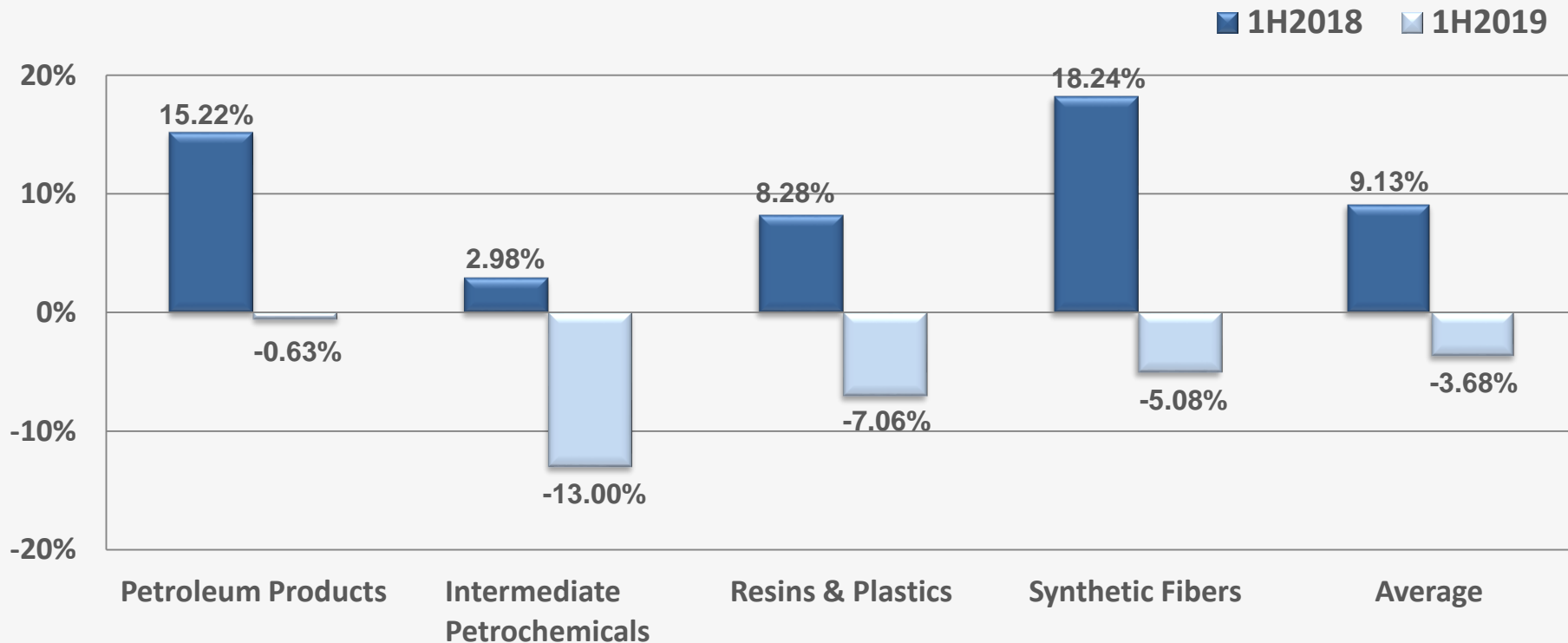


Changes in Sales Volumes





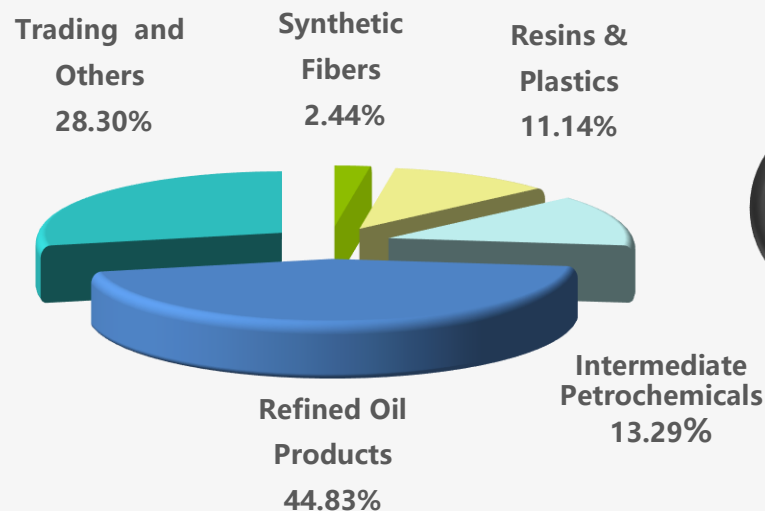
Changes in Average Product Prices





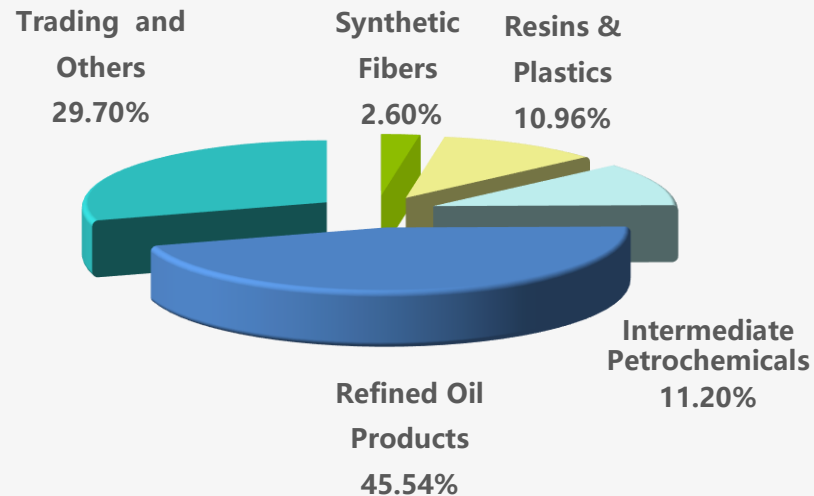
Net Sales Structure

1H 2018



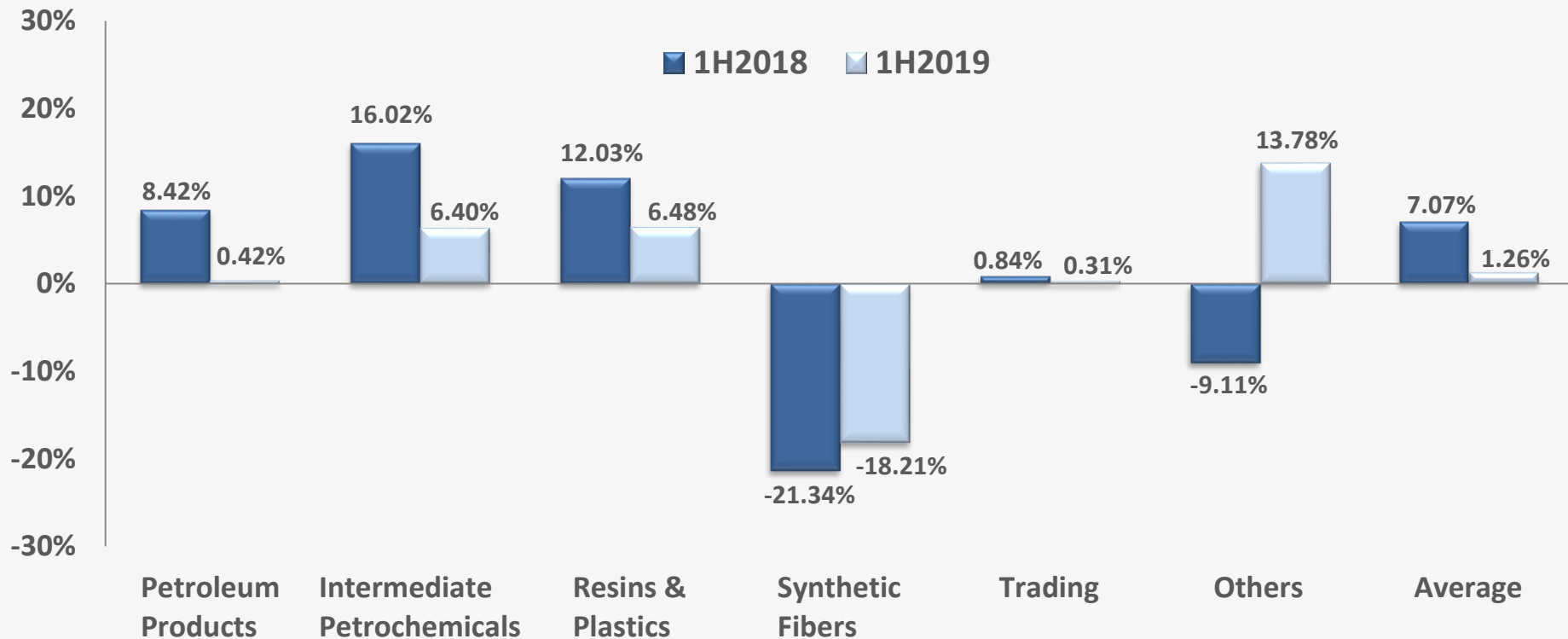
VS

1H 2019





Changes in Operating Profit Margin





Changes in Operating Profit



A 3D bar chart with four bars of increasing height (white, light blue, medium blue, dark blue) and a 3D pie chart with a blue slice. The background is a financial report with various charts and tables.

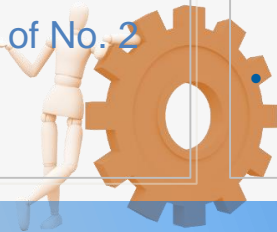
03

Capital Expenditure



In 1H2019, the Group's capital expenditure is RMB 350 million.

- Oil cleaning project 400,000 ton/year clean gasoline components units.
- Second phase of PAN-based carbon fiber project with annual production capacity of 1,500 tons.
- Light oil storage tank and trestle oil vapor recovery project of the Storage and Transportation Division.
- Safe and eco-friendly airtight decoking, transportation and waste gas control project of No. 2 delay coking facility.
- Low nitrogen combustion reform project of No. 2 olefin cracking furnace.



Expenditure in 2H 2019

- Oil cleaning project 400,000 ton/year clean gasoline components units.
- Second phase of PAN-based carbon fiber project with annual production capacity of 1,500 tons.
- Separation of waste and clear water project in tank area of Storage and Transportation Division.
- Drying and reduction of oil sludge project of Environmental protection and Water Division.
- Function reconstruction of emergency shut-off valve project in the tank area of Storage and Transportation Department
- Factory facilities reconstruction of low-sulfur heavy bunker fuel of Storage and Transportation Department



04

Future Outlook



Macro-environment Outlook for 2H 2019

World

- The uncertainties of world economy is constantly increasing with the global trade tensions intensifying. Monetary policies turn eased globally. It is expected that the world economic growth will further slow down.

China

- The downward pressure of China's economy further increases, but the resilience of economic growth remains strong. It is estimated that the domestic economic growth will remain in a reasonable range in the second half of the year.

Industry

- The launch of a series of new environmental protection policies renders the domestic petrochemical industry to face costs rise and pressure. With changes in domestic petrochemical market pattern, petrochemical bulk commodity tend to become saturated. Demand growth rate for petrochemical products will further slow down, and market competition grow fiercer. The pressure on international oil price is still expected to accumulate in the next half year.



Business Outlook



Pay adequate attention to system optimization and improve operation and efficiency



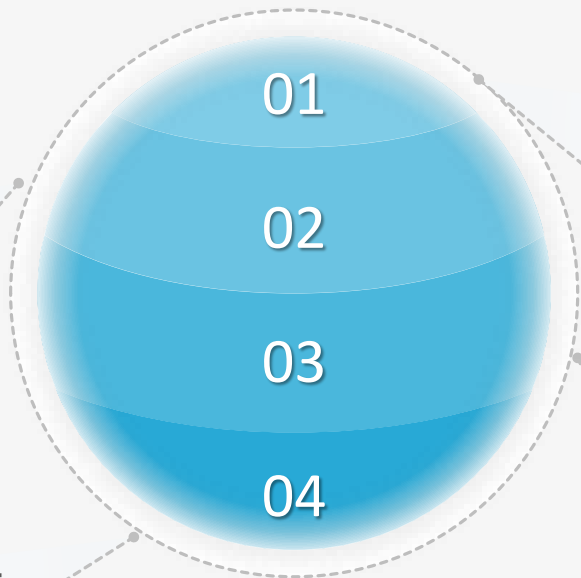
Accelerate reform and optimize the structure of the workforce. Promote scientific development



Put efforts in safety & environmental protection and build up a favorable environment for development



Grasp well the project construction and product R&D, accelerate development pace





THANK YOU!