



# 2008 Interim Results Presentation



**SINOPEC SHANGHAI PETROCHEMICAL COMPANY LIMITED**

-  **Financial Highlights**
-  **Business Review**
-  **Capital Expenditure**
-  **Future Outlook**



# Financial Highlights



**RMB Million**

	<b>1H2008</b>	<b>1H2007</b>	<b>1H2006</b>	<b>Change*</b>
<b>Turnover</b>	32,867	26,820	23,440	+22.6%
<b>Gross Profit</b>	-296	2,055	192	NA
<b>Profit Before Taxation</b>	-433	2,469	52.7	NA
<b>Net Profit</b>	-358	1,786	5.69	NA
<b>EPS (RMB)</b>	-0.05	0.248	0.001	NA

\*Compared with 1H2007

Prepared under IFRS

**RMB Million**

	<b>Jun 30, 2008</b>	<b>Dec 31, 2007</b>	<b>Change</b>
<b>Total Assets</b>	31,283	29,853	+4.8%
<b>Total Liabilities</b>	11,530	8,901	+29.5%
<b>Shareholders' Equity</b>	19,487	20,648	-5.6%
<b>Net Assets Value/Share (RMB YUAN)</b>	2.74	2.91	-5.7%
<b>Debt/Total Assets</b>	36.9%	29.8%	+7.1%

Prepared under IFRS



# Business Review





**Growth of the world economy slowed down markedly and China's economy, to some extent, grew at a relatively lower speed**



**Demand for petrochemicals kept growing and the prices of the most petrochemicals increased**



**The price of crude oil soared and the processing cost of SPC increased substantially**



**The prices of refined oil products had not been adjusted to a level high enough to cover the cost of crude oil processing and the price inversion between crude oil and refined oil products became more serious**



**Production and operation went on smoothly, the main economic and technological indices improved further**



**The total amount of government grants to the Company for refined oil products was increasing substantially, but not enough to cover the loss made from crude oil processing**

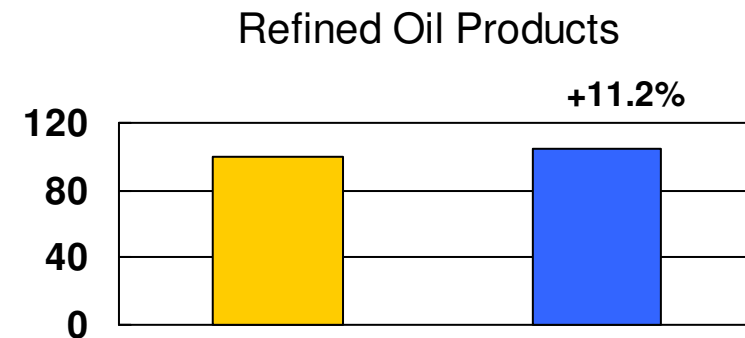
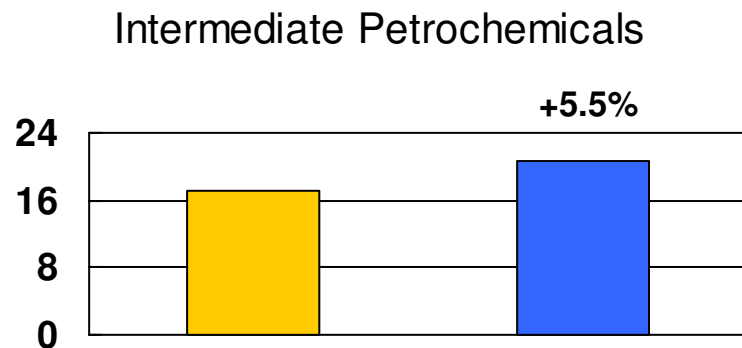
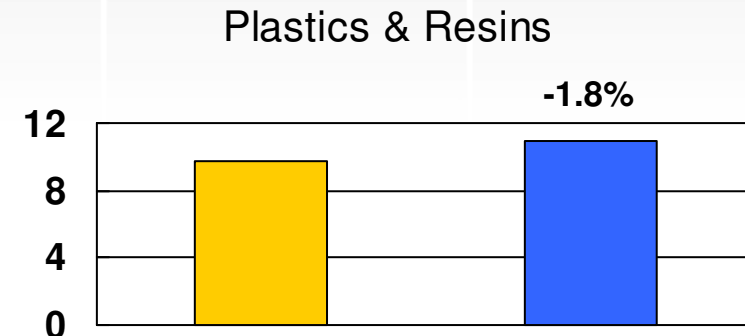
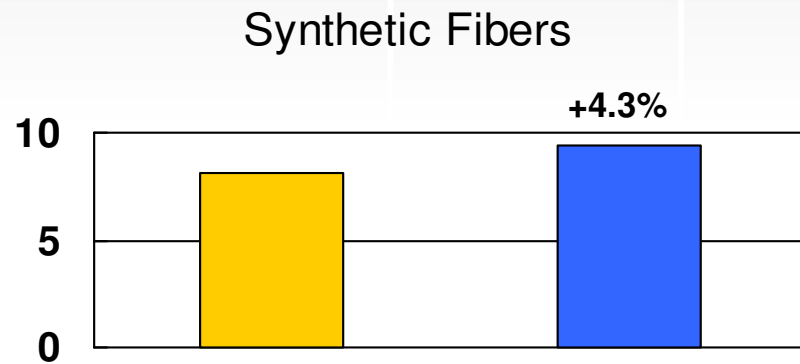


**Operating results dropped sharply, the pressure upon the operation became greater**

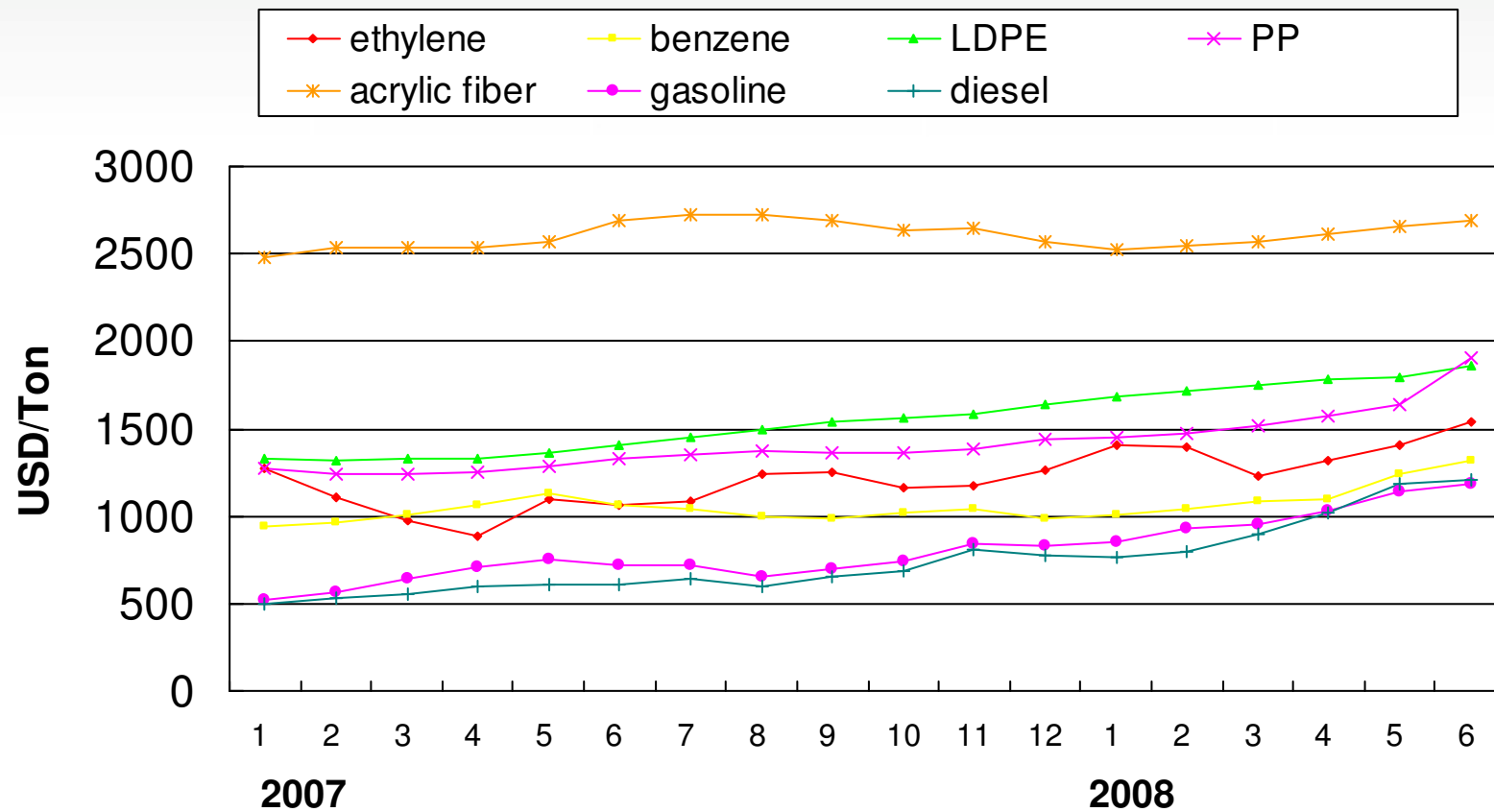


**Restructuring and development advanced stably, optimization and exploiting the potentials were in full swing**

# Domestic Demands

**Million Ton**

 **1H2007**
 **1H2008**

# Asia Prices Movements



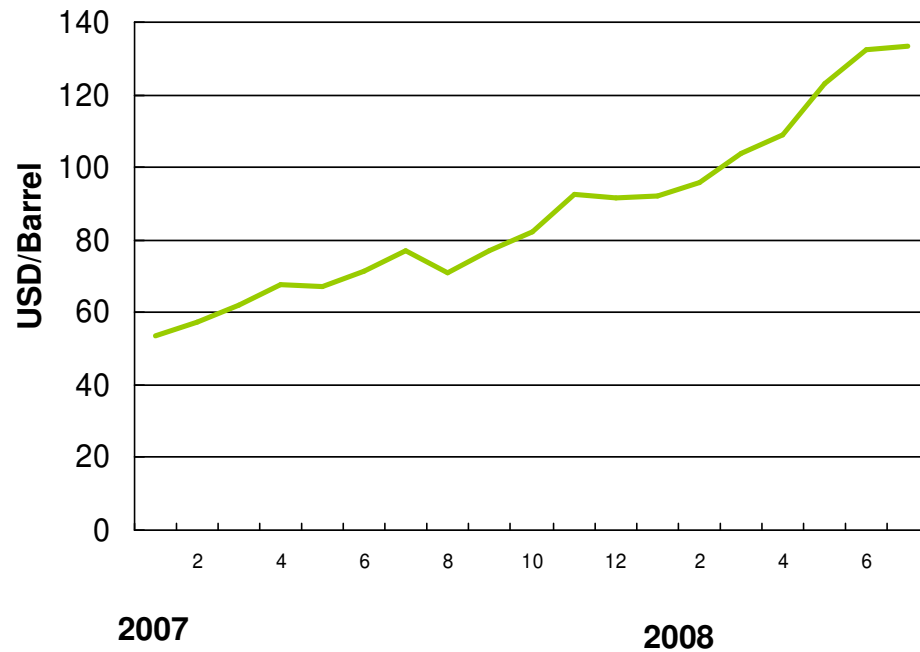
# Crude Oil Price

**International crude oil price**

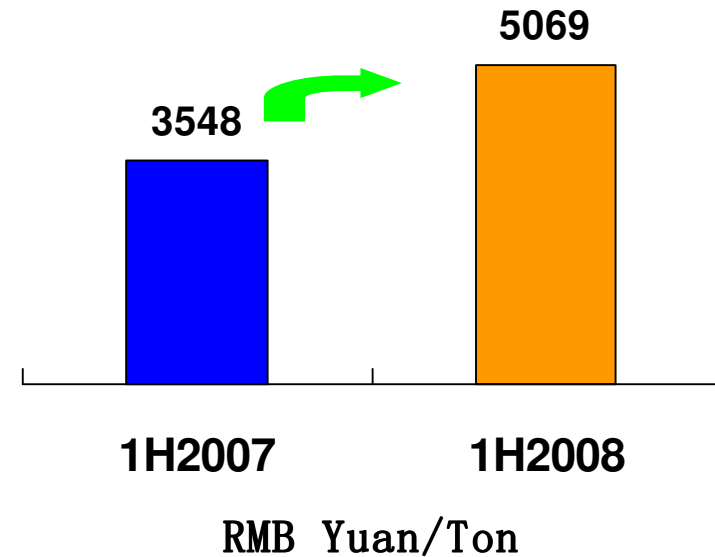
**VS.**

**Cost of crude oil processed**

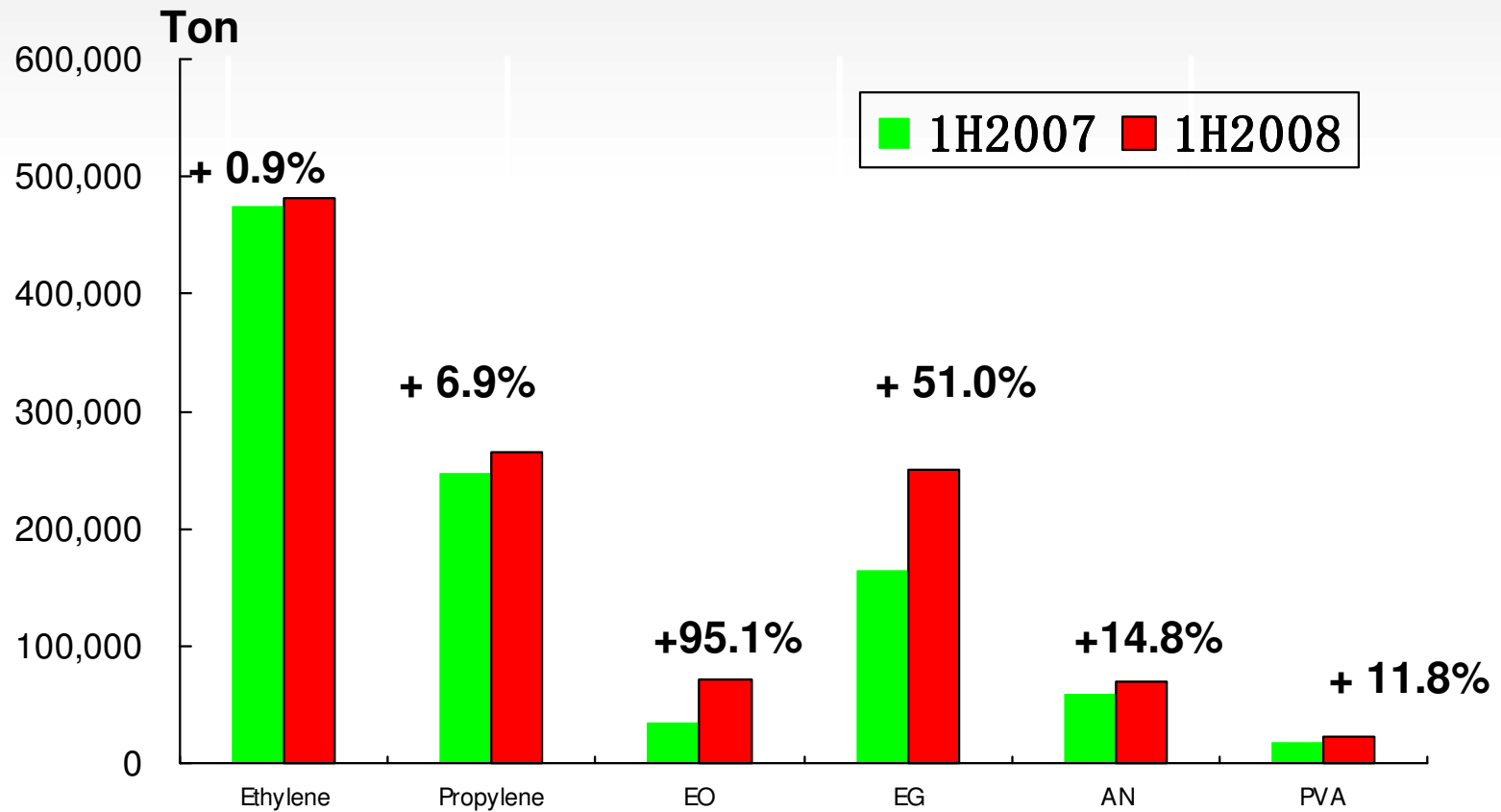
**Brent**



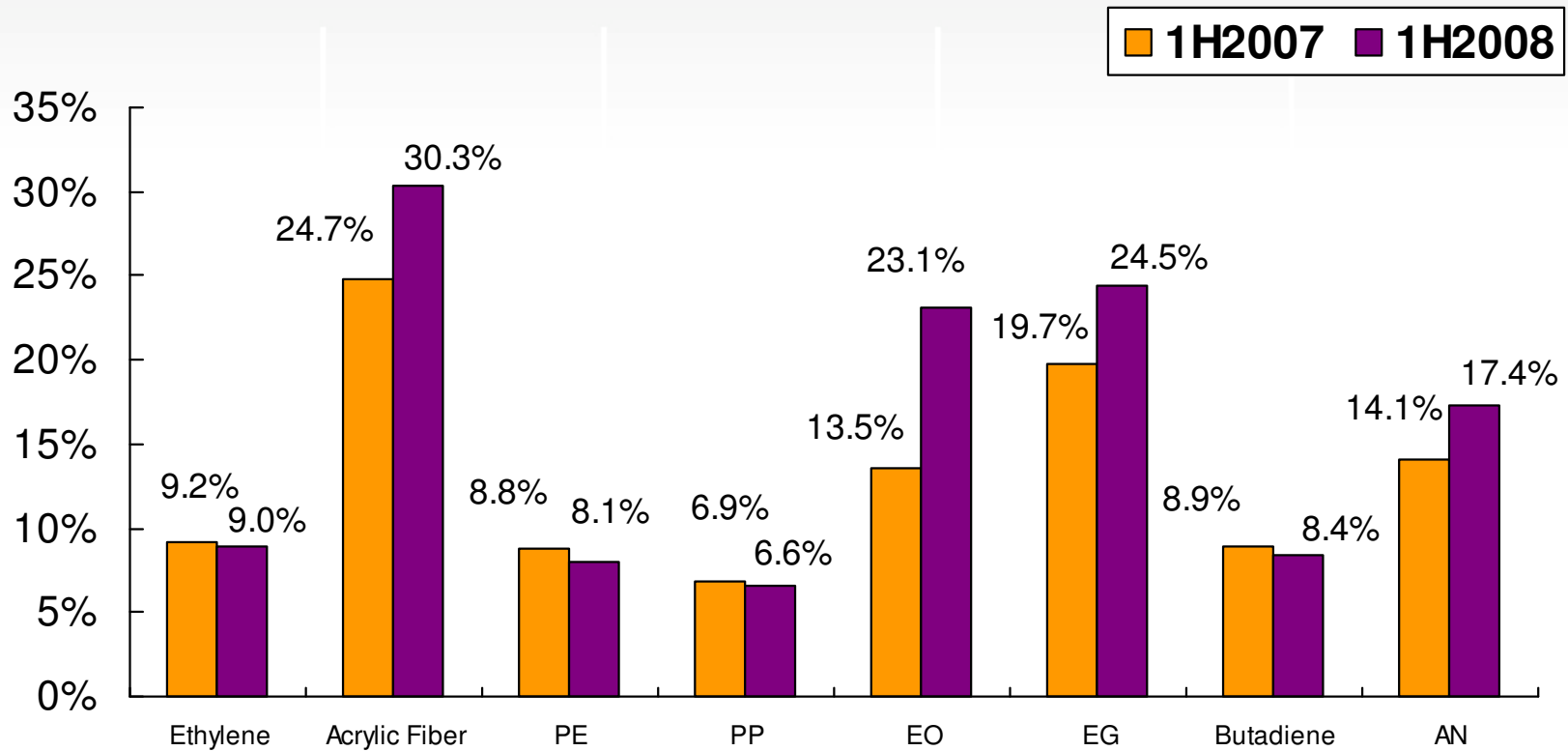
**raise 43%**



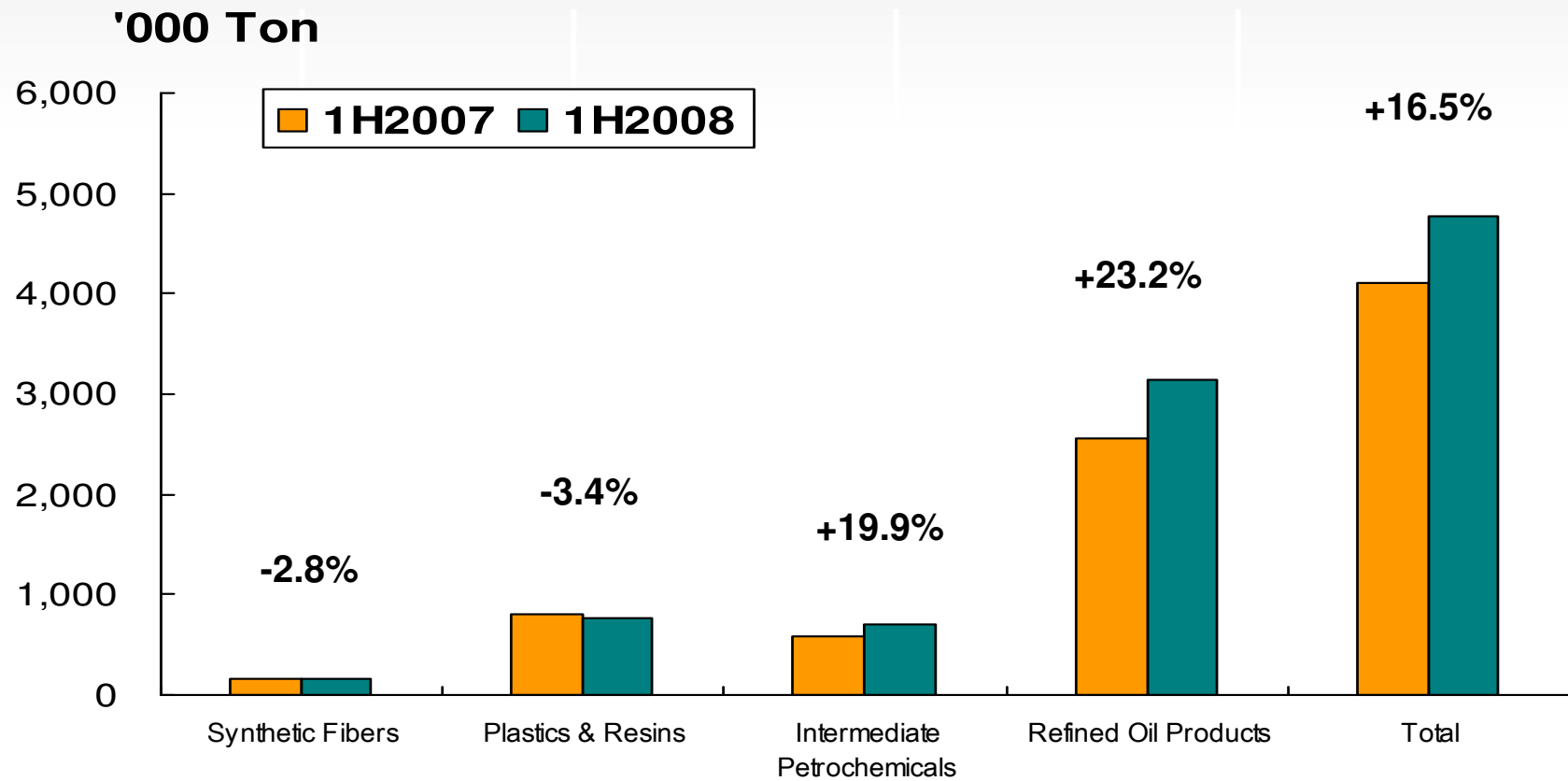
# Increases in Major Petrochemicals Output



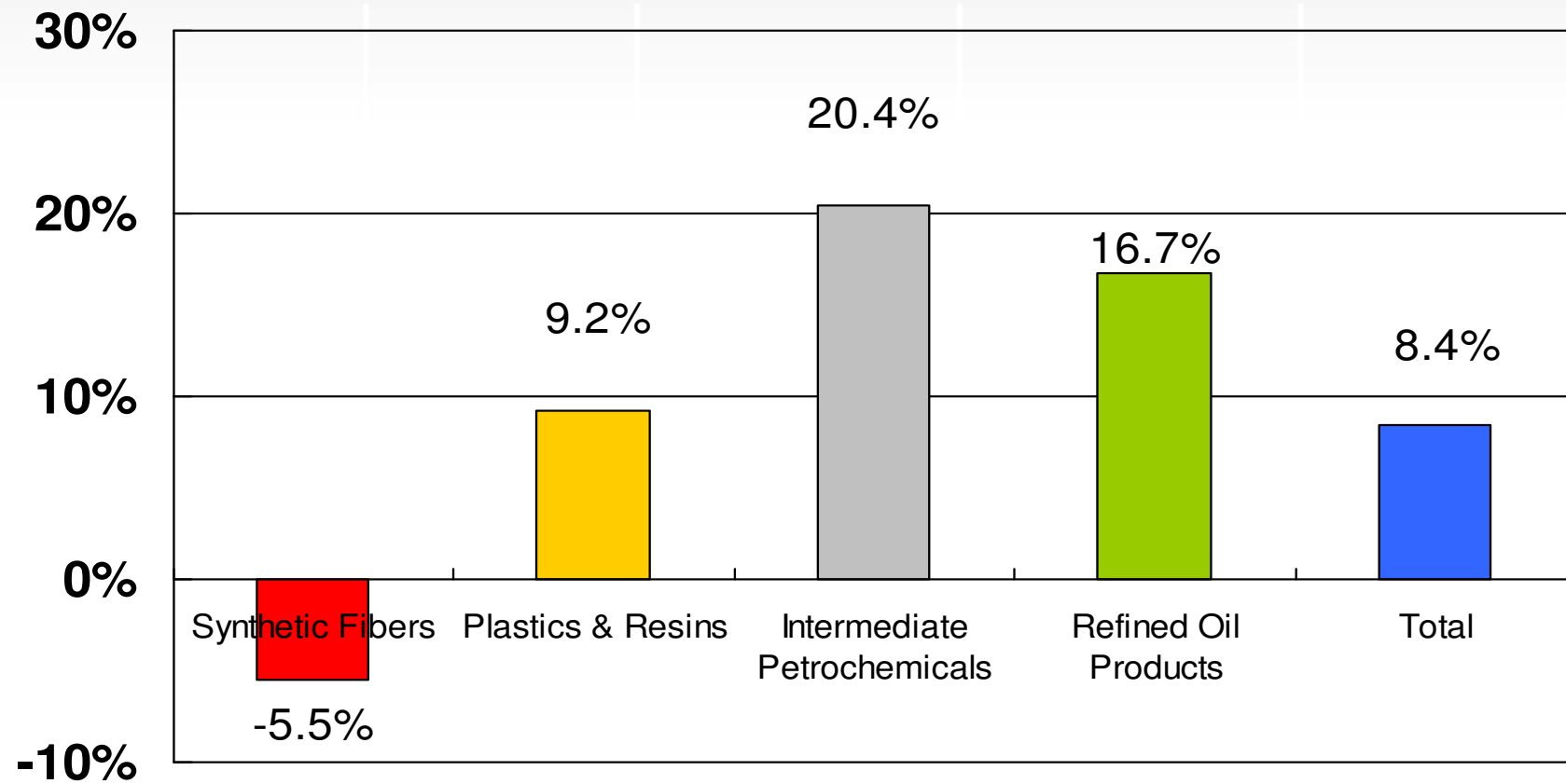
# Domestic Output Shares



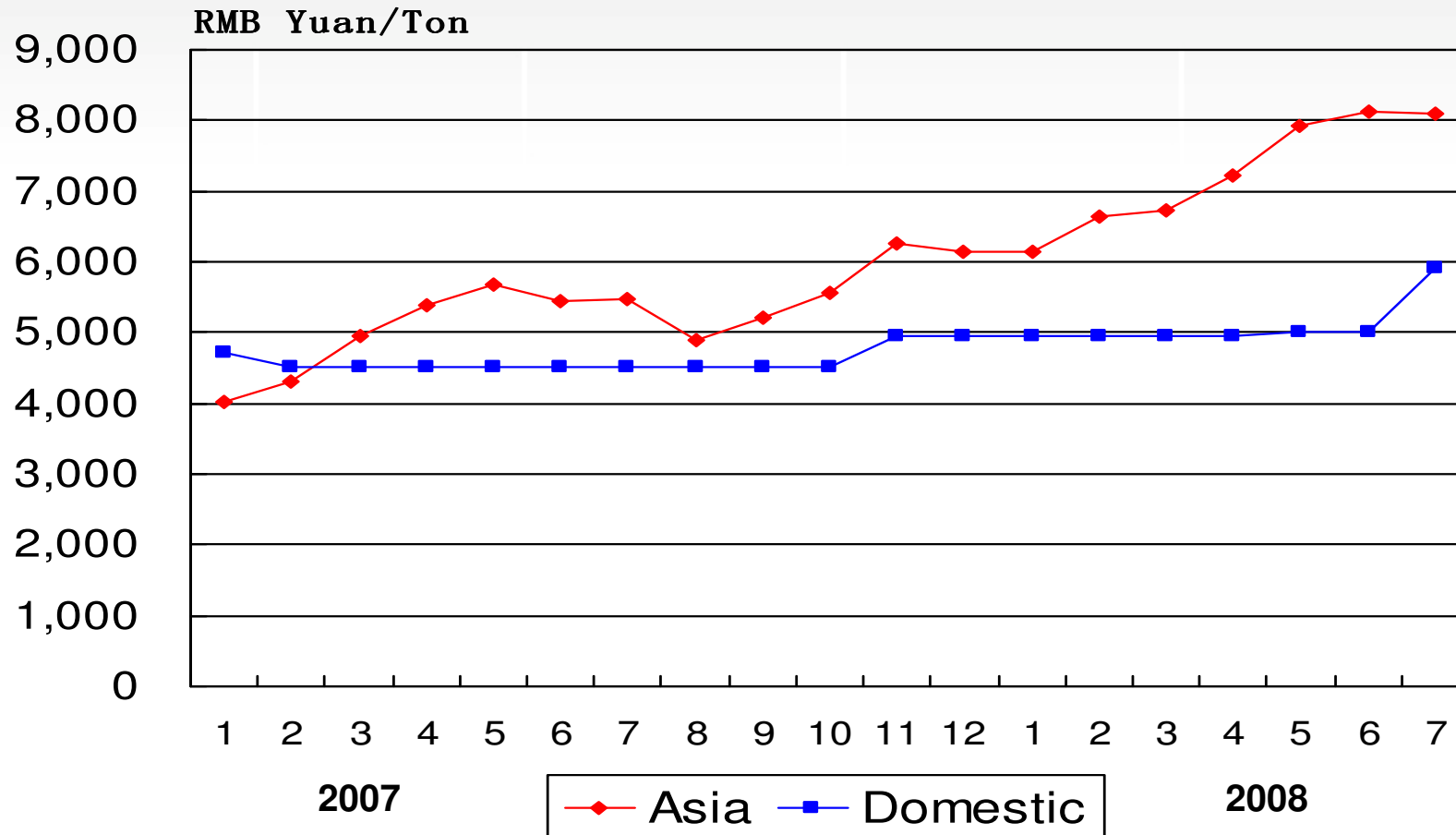
# Changes in Sales Volumes



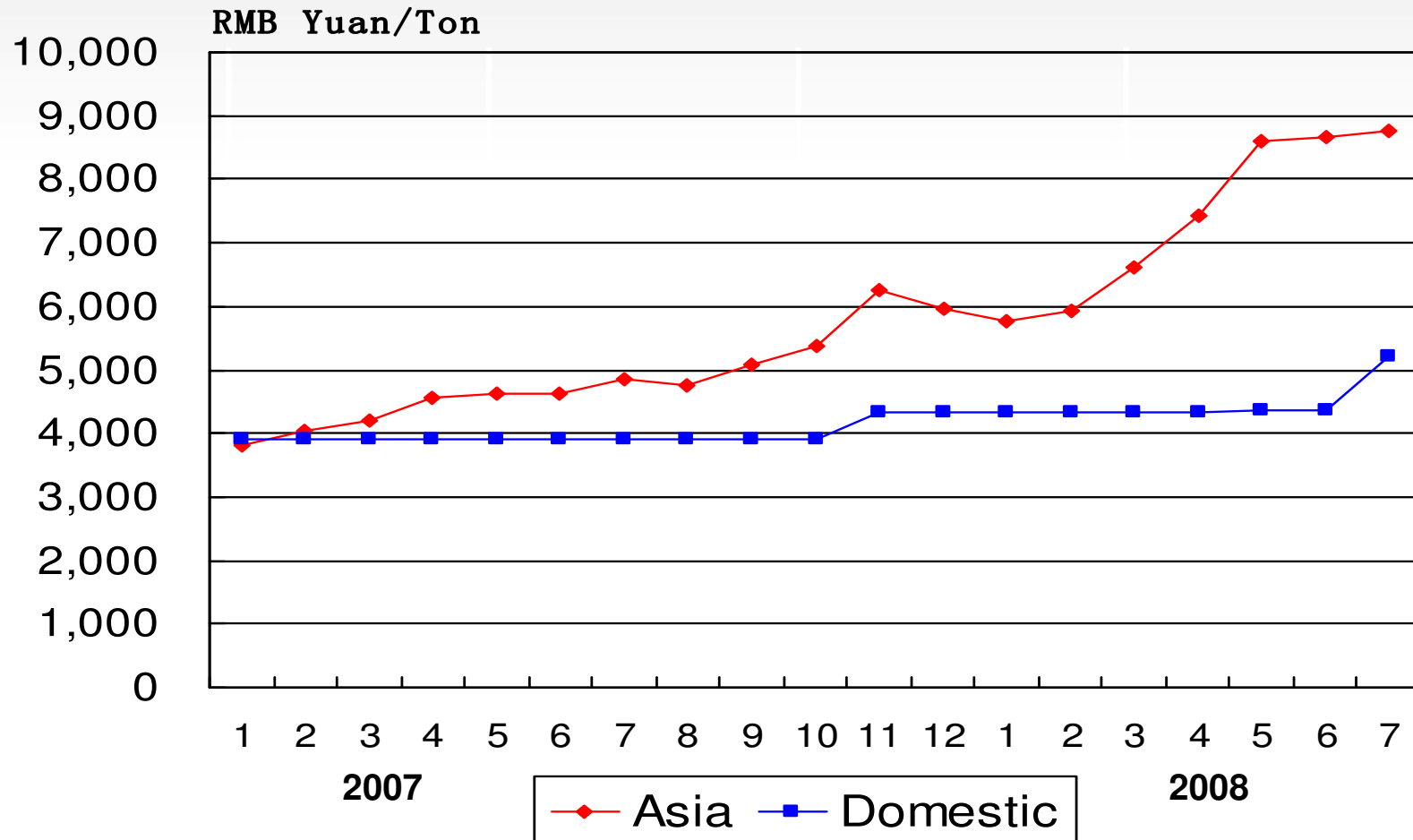
# Changes in Average Product Prices



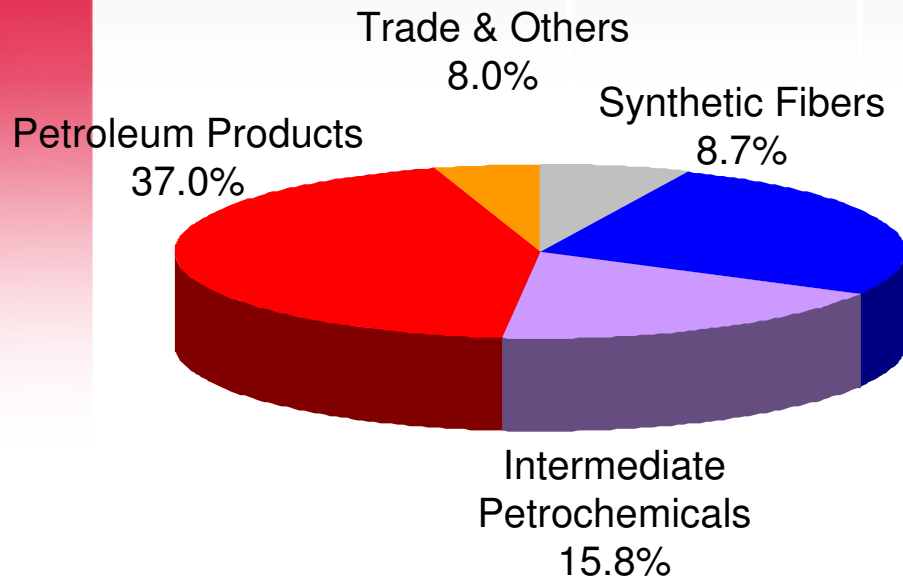
# Gasoline Price Movement



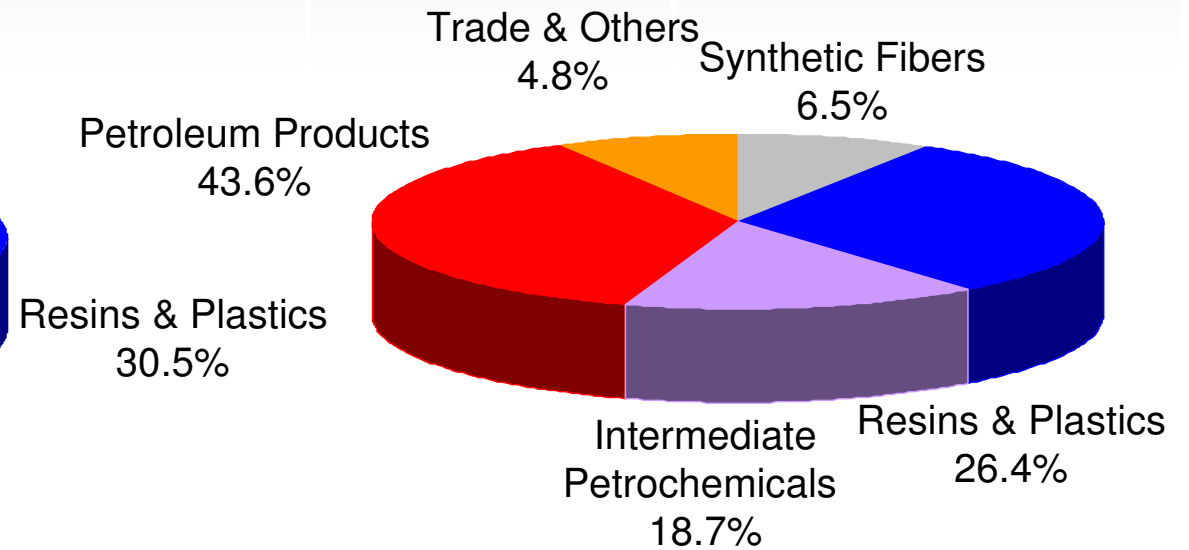
# Diesel Price Movement



# Sales Structure



**1H2007**



**1H2008**



# Capital Expenditure



**600,000 T/Y PX Aromatics Complex is scheduled to be completed basically in 2Q 2009**

**150,000 T/Y C5 Fraction Separation Plant is scheduled to be completed basically in 2Q 2009**

**Thermal Power Plant Flue Gas Desulfurization Project (The 2nd Phase) is scheduled to be completed basically in 1Q 2009**

**Technical renovation projects such as Increasing the flare gas recovery rate are scheduled to be completed basically in 2008**



# Future Outlook



- **Uncertainties about the world economy increased and China's economy will be affected to a certain extent**
- **Crude oil price will remain at a high level, resulting in greater operational pressure upon petrochemical enterprises**
- **New pricing mechanism for refined oil products and government grants policy are yet to be known**
- **The cycle of the petrochemical industry has entered the adjustment period, Profit margin is expected to be further squeezed**
- **Further efforts will be made to carry forward the Structural Adjustment Project and to intensify overall optimization and cost & fee reduction**

