



# 2009 Interim Results Presentation



**SINOPEC SHANGHAI PETROCHEMICAL COMPANY LIMITED**

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



# Financial Highlights



**RMB Million**

	<b>1H2009</b>	<b>1H2008</b>	<b>1H2007</b>	<b>Change*</b>
<b>Turnover</b>	21,178	32,867	26,820	-35.6%
<b>Gross Profit</b>	1,479	-296	2,055	NA
<b>Profit before Taxation</b>	1,368	-433	2,469	NA
<b>Net Profit</b>	1,001	-358	1,786	NA
<b>EPS (RMB)</b>	0.139	-0.050	0.248	NA

**Prepared under IFRS**

\*Compared to 1H2008

**RMB Million**

	<b>Jun 30, 2009</b>	<b>Dec 31, 2008</b>	<b>Change</b>
<b>Total Assets</b>	27,651	27,533	+0.43%
<b>Total Liabilities</b>	12,846	13,772	-6.72%
<b>Shareholders' Equity</b>	14,805	13,761	+7.59%
<b>Net Assets Value (RMB Yuan/Share)</b>	2.06	1.91	+7.85%
<b>Debt/Total Assets</b>	46.46%	50.02%	-3.56%

**Prepared under IFRS**



# Business Review





**In the first half of 2009, the global financial crisis was still spreading and deepening. At present, the financial systems of the developed countries have shown signs of stabilization and the real economy is gradually bottoming out.**



**The Chinese national economy bottomed out and rebounded, exhibiting a marked positive trend of stabilization in the first quarter, with a better-than-expected GDP growth of 7.1% in the first half of 2009.**



**The Chinese petrochemical industry's economic operation has shown a trend of bottoming out, stabilizing and rebounding, the demand for certain bulk products has improved and the industry's profitability has improved distinctly.**



**The international crude oil prices dropped significantly year-on-year and a new pricing mechanism for refined oil products was introduced in china.**



**The Group continued to maintain stable production and operation, the major technical and economic targets were fulfilled, the output-to-sales ratio and the receivable recovery ratio remained at satisfactory levels.**



**Hit by the global economic crisis, the industry was faced with a downturn of the cycle, and the Group was affected by factors including overhaul and cutting back part of its production plants in the first quarter. As a result, production volume of the Group's products saw certain decreases over the same period last year.**

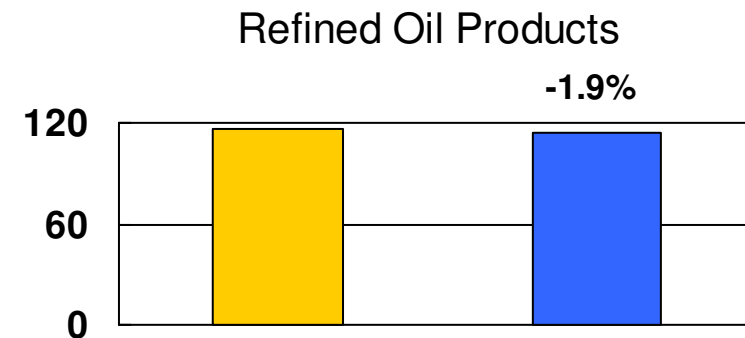
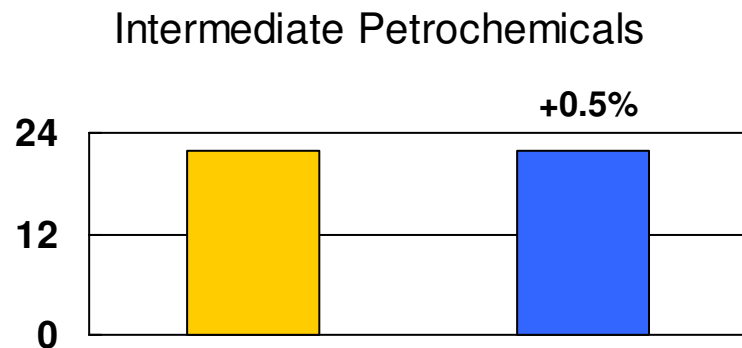
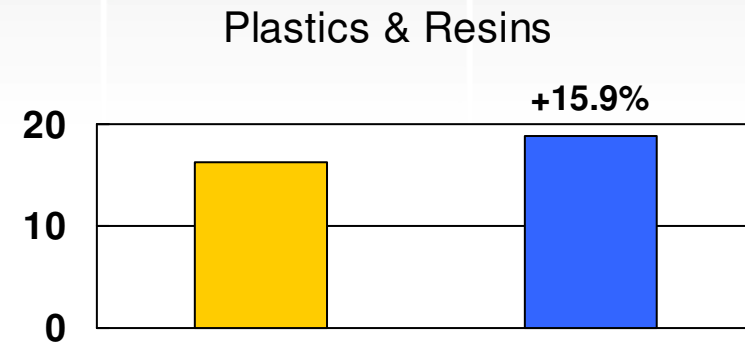
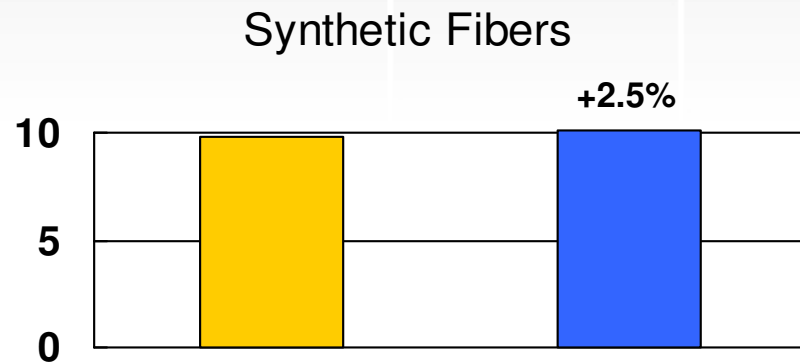


**In the first half of 2009, the Group achieved a profit before taxation of RMB 1,368.7 million representing an increases of RMB 1,802.5 million over the same period last year.**

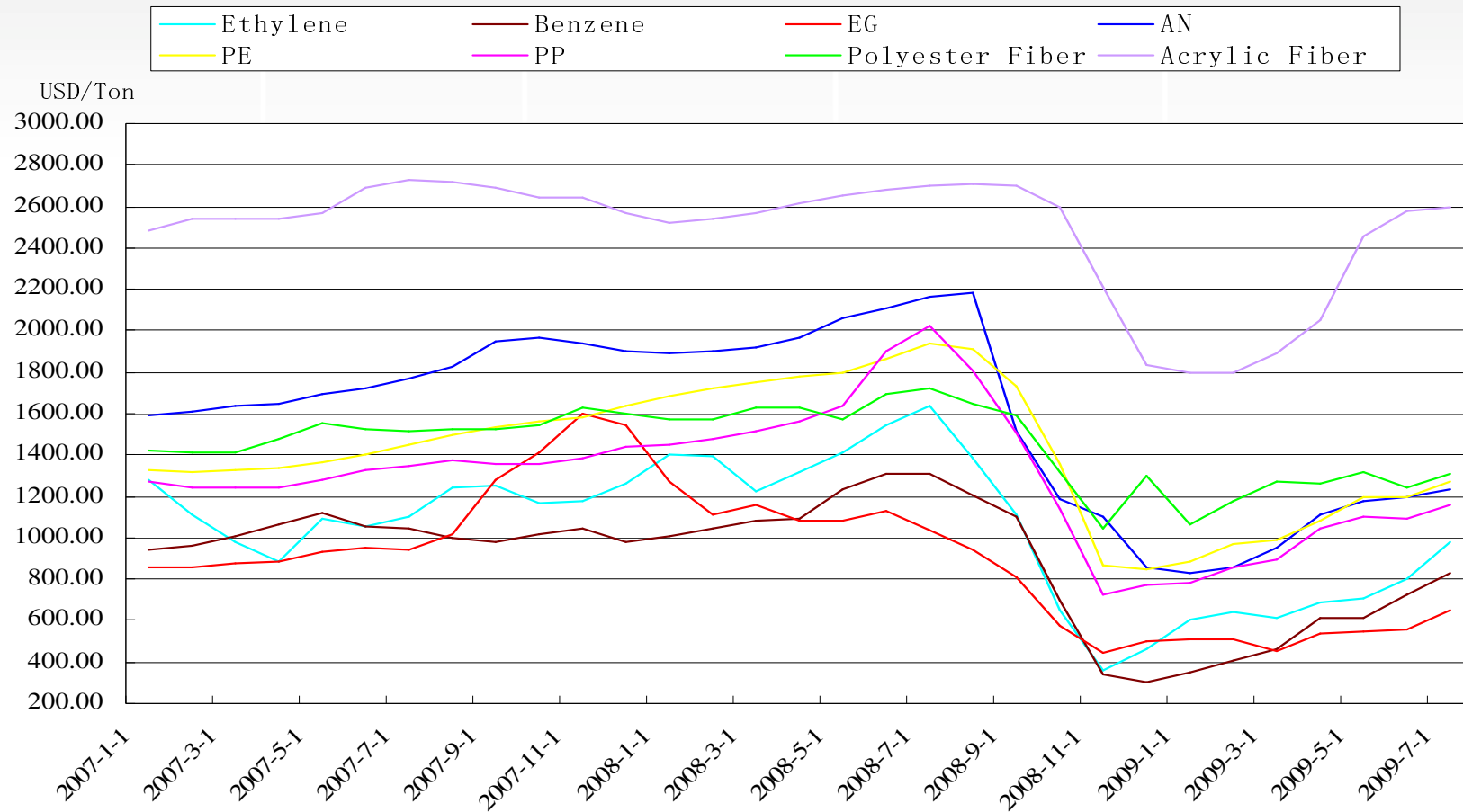


**The Group continuously strengthen its internal control, carry out a targets-matching campaign, further reduce costs and improve efficiency.**

# Domestic Demands

**Million Ton**

 **1H2008**
 **1H2009**

# Asia Prices Movements

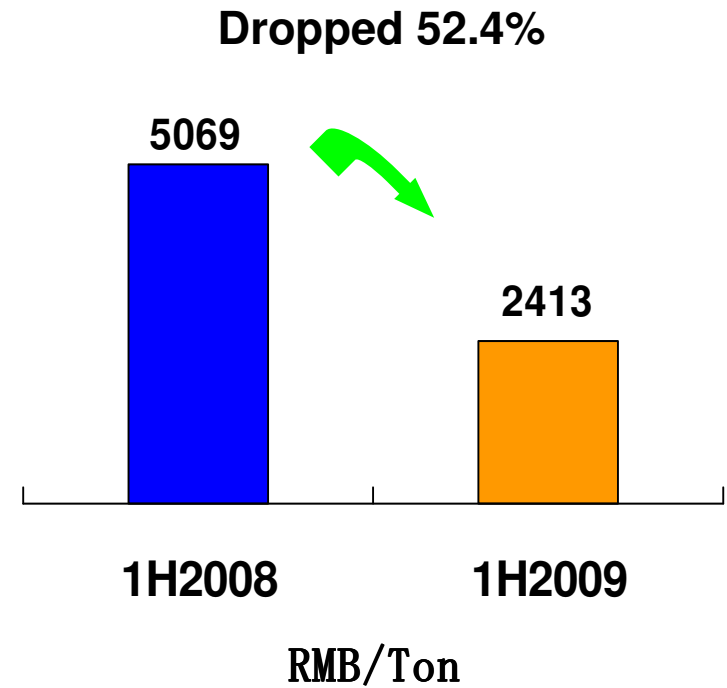


# Crude Oil Price

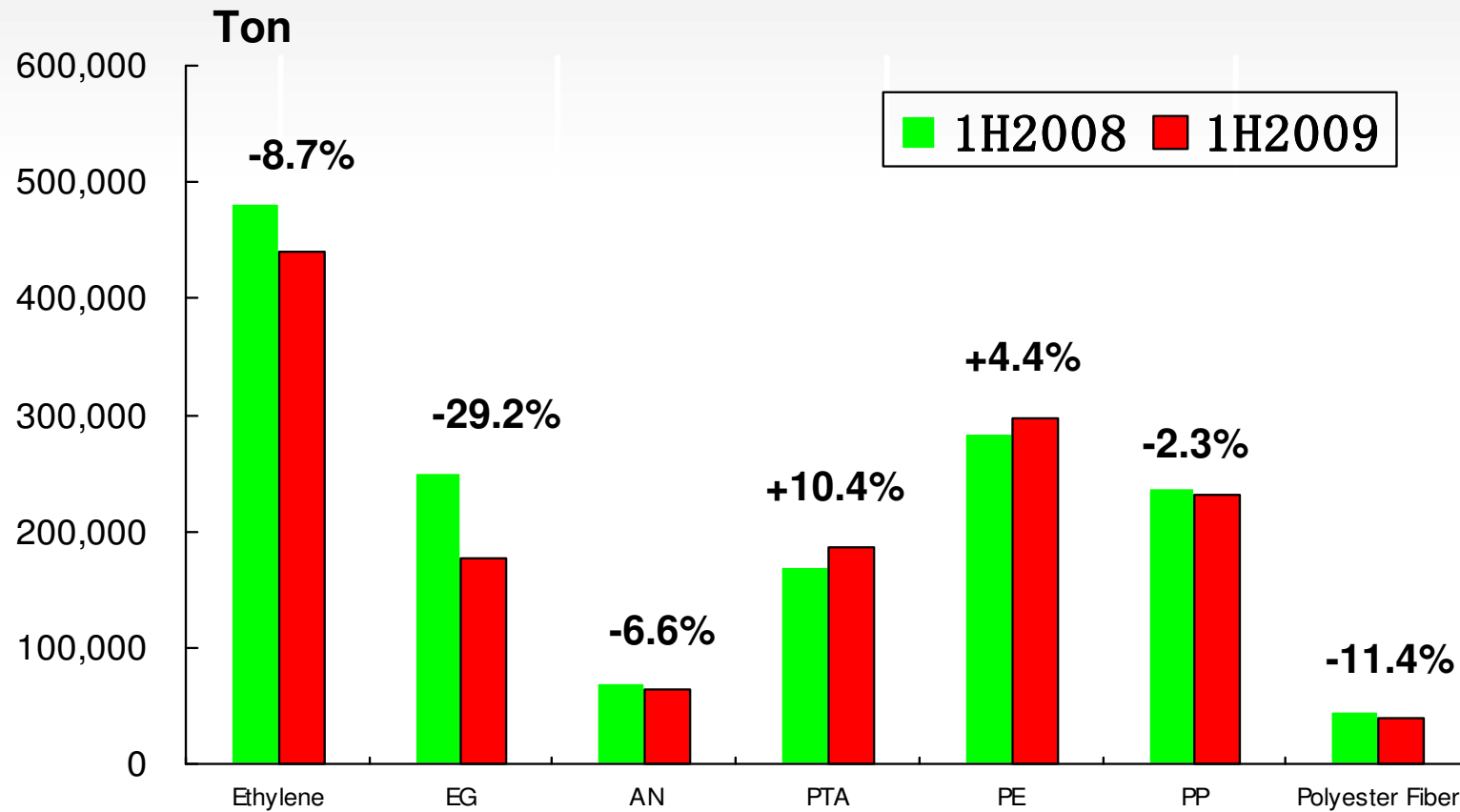
**International crude oil price**

**VS.**

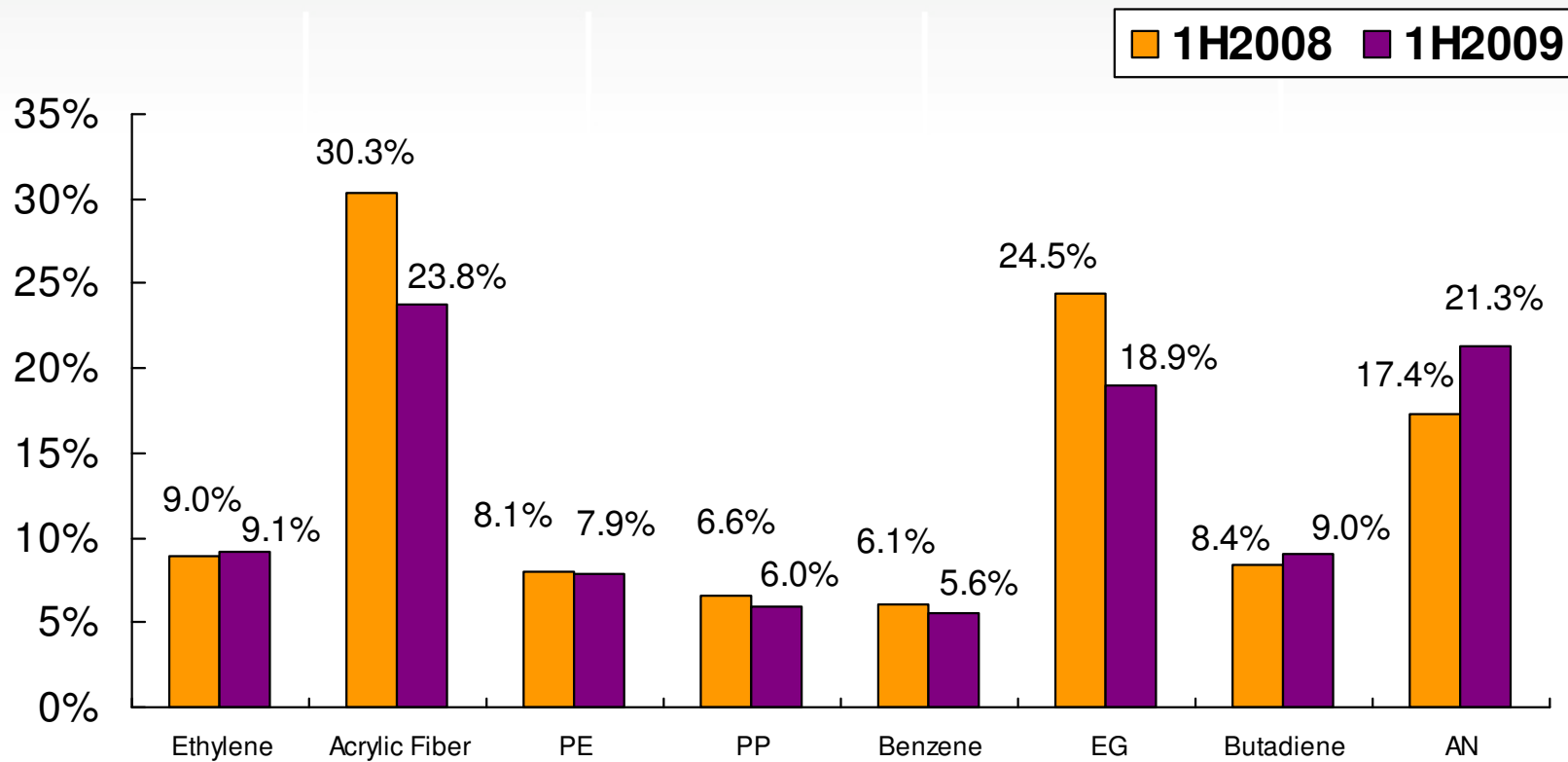
**Cost of crude oil processed**



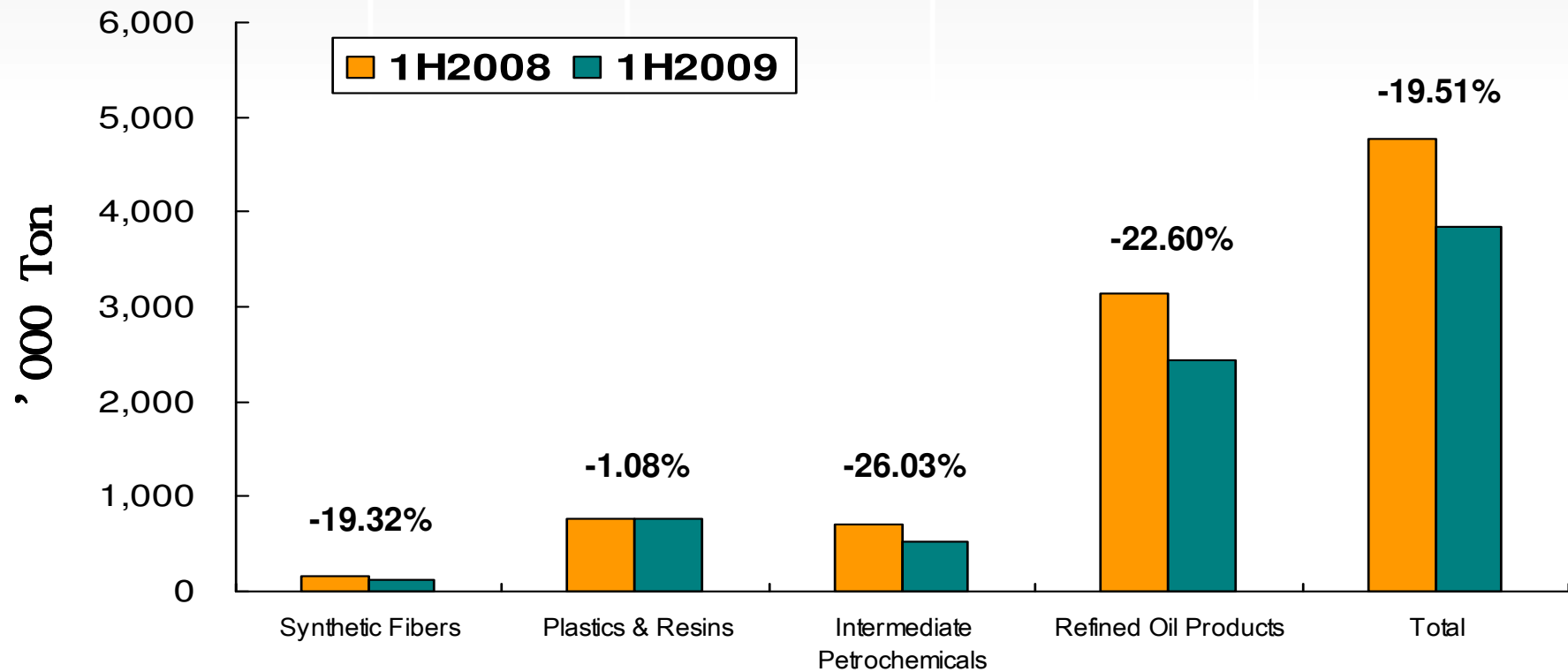
# Changes in Major Petrochemicals Output



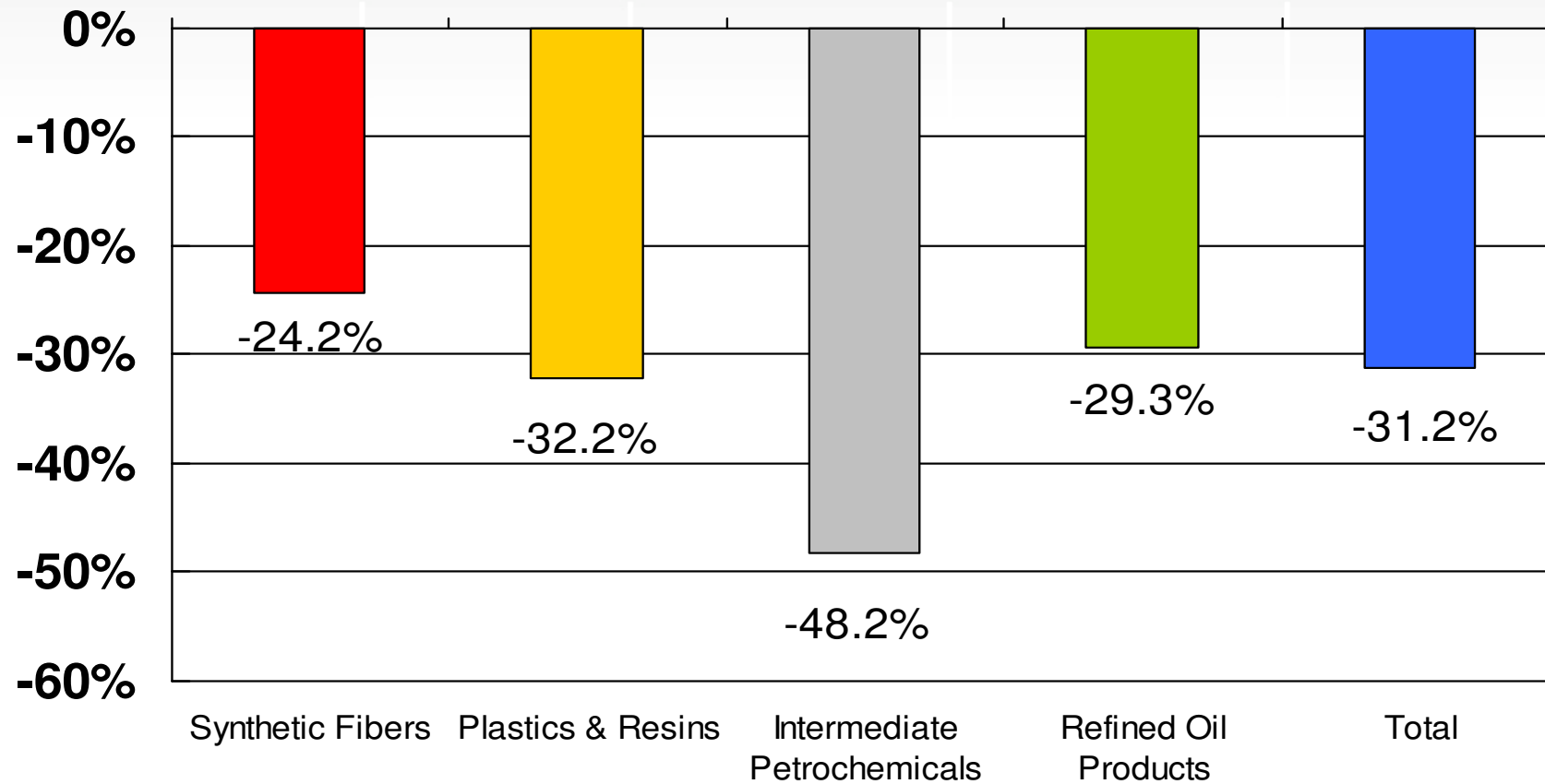
# Domestic Output Shares



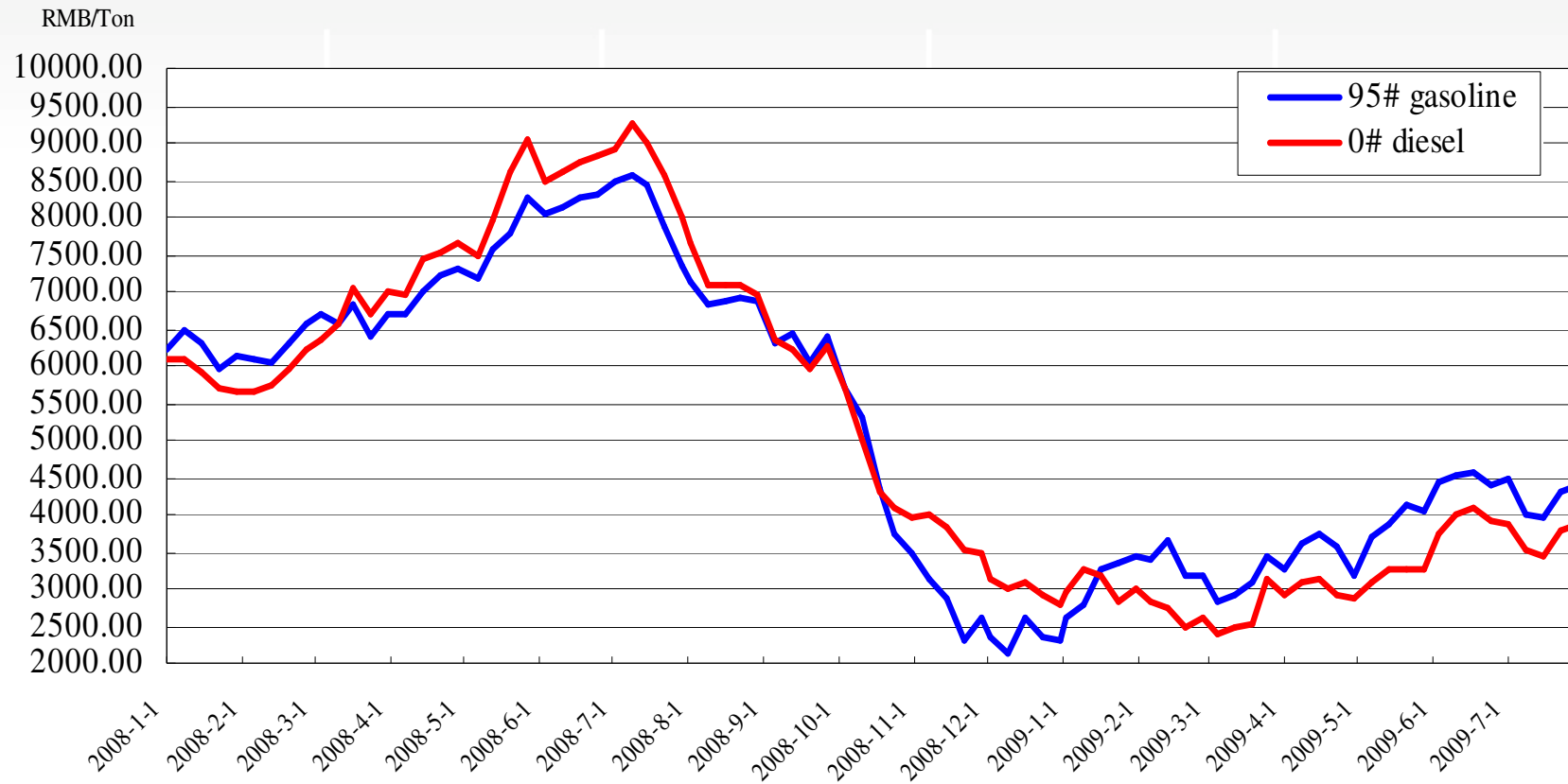
# Changes in Sales Volumes



## Changes in Average Product Prices



# Gasoline and Diesel Prices in Singapore Market



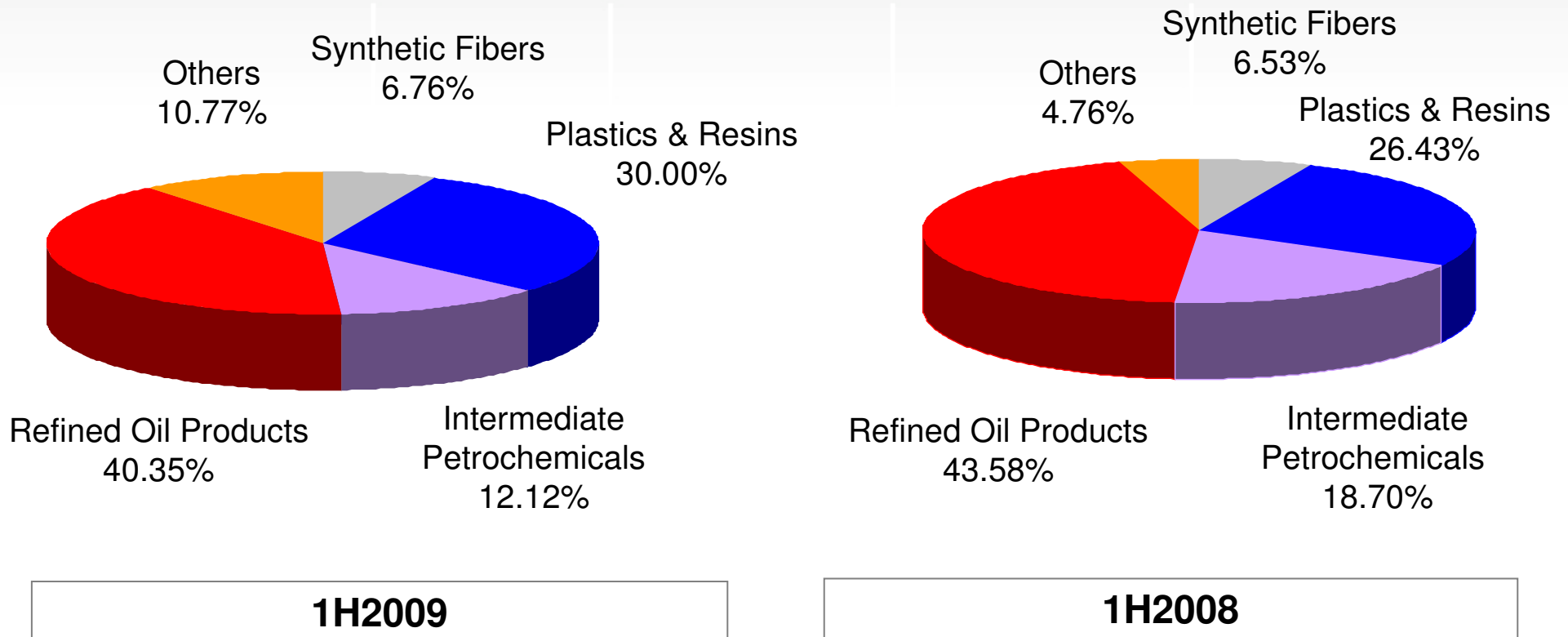
# Domestic Gasoline and Diesel Prices Adjustment

RMB/Ton

Date	Variety	Pre-adjustment Ex-factory Price	Value of Adjustment	Post-adjustment Ex-factory Price
2009.1.1	gasoline	5580	1429*	5580
	diesel	4970	1059*	4970
2009.1.15	gasoline	5580	-140	5440
	diesel	4970	-160	4810
2009.3.25	gasoline	5440	290	5730
	diesel	4810	180	4990
2009.6.1	gasoline	5730	400	6130
	diesel	4990	400	5390
2009.6.30	gasoline	6130	600	6730
	diesel	5399	600	5990
2009.7.29	gasoline	6730	-220	6510
	diesel	5990	-220	5770

\*Fuel Consumption Tax and Addition to the Urban Construction Tax

# Sales Structure





# Capital Expenditure



**The construction of new projects including the 600,000 T/Y PX Aromatics Complex and the 150,000 T/Y C5 Separation Plant was basically completed according to schedule. They are currently in preparation for start-up and are expected to be on stream in the second half of 2009.**

**The flue gas desulphurization facilities added to No.3 and No.4 furnaces of the coal-fired power plant and the 220,000 volts transformer station renovation project were completed and put into operation as scheduled.**

**The projects including the selective hydro-desulphurization of catalytic gasoline and the alternative use of west to east natural gas as feedstock and fuel, the drafting and compiling of the “Twelfth Five-Year Plan” have commenced in an organized manner.**

**In the first half of the year, the Group’s capital expenditure amounted to RMB 1,076.6 million, mainly for the 600,000 T/Y PX Aromatic Complex and 150,000 T/Y C5 Separation Plant as well as other technological renovation projects.**



# Future Outlook



- **In the second half of 2009, global economy may witness more favorable factors, and is expected to enter into a period of slow recovery and slow growth, but there still exist lots of uncertainties.**
- **China's economy is expected to experience a stronger upward momentum with a continued trend of stabilization and rebound. Nevertheless, the foundation for such stabilization and rebound is not solid enough, the economic operation still faces challenges.**
- **The grim export situation, the low utilization rate of the facilities in certain downstream industries, the peak of newly-built capacities being put into operation and the impact of import of petrochemicals will further intensify market competition.**
- **International crude oil prices will fluctuate at a relatively high level and may even go up quarter by quarter. The Chinese Government may still exercise control over the pricing of domestic refined oil products when international crude oil prices go back to a relatively high level.**

**In the second half of 2009, the Group will continuously follow the objectives and targets set out at the beginning of the year and proceed with the following tasks in a solid and effective manner:**

- **Intensify HSE (health, safety, and environment) management and push forward production optimization, and striving to ensure a safe, stable and optimized operation.**
- **Closely track and study trend changes in the market and further improve its work on crude oil purchasing and products sales.**
- **Ensure a successful implementation of the construction and putting into operation of the structural adjustment project and further promote the development of the Company.**
- **Further enhance its management system and make further efforts to fully take the advantages of the as-built information system.**
- **Continuously reinforce its human resource and actively cultivate a cohesive and harmonious corporate culture.**

