



# 2009 Annual Results Presentation



**SINOPEC SHANGHAI PETROCHEMICAL COMPANY LIMITED**

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



# Financial Highlights



**RMB Million**

	2009	2008	2007	Change*
Turnover	51,658	60,227	55,328	-14.2%
Gross Profit	2,335	-6,914	1,702	-
Profit before Taxation	2,167	-8,014	2,151	-
Net Profit	1,655	-6,202	1,683	-
EPS (RMB)	0.221	-0.866	0.227	-
Dividend (RMB/Share)	0.03	-	0.09	-

**Prepared under IFRS**

\*Compared to 2008

**RMB Million**

	Dec 31, 2009	Dec 31, 2008	Change
Total Assets	29,908	27,533	+8.6%
Total Liabilities	14,609	13,772	+6.1%
Shareholders' Equity	15,005	13,497	+11.2%
Net Assets Value (RMB/Share)	2.13	1.92	+10.9%
Debt/Total Asset	48.85%	50.02%	-1.17%

**Prepared under IFRS**



# Business Review





**In 2009, the world underwent the most serious financial crisis since the Great Depression, leading the global economy into a deep recession.**



**The global petroleum and petrochemical industry developed in a difficult situation under the pressure from both the global financial crisis and a downtrend business cycle.**



**The Chinese economy has been subjected to severe external impact which was unprecedented ever. As the central government had regulated the macro-economy in a timely manner, the Chinese economy, under the action of a package of economic stimulus policies, took the lead in improving the overall economic situation. As a result, China's economic operation performed better than expected.**



**The development of China's petroleum and petrochemical industry was also facing severe difficulties and challenges. The market pricing mechanism for refined oil products was formed basically. However, as a result of the macro policies initiated by the State and the painstaking efforts made by the entire industry, the profitability recovered gradually.**



**Production operations were optimized and promoted**



**Corporate internal management work was further intensified**



**The operating results of the Group appeared to rise by a big margin**



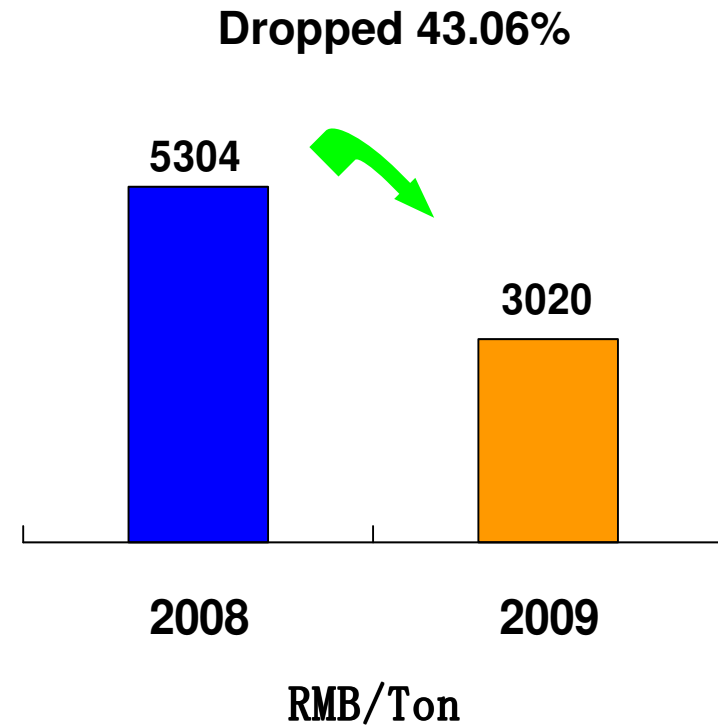
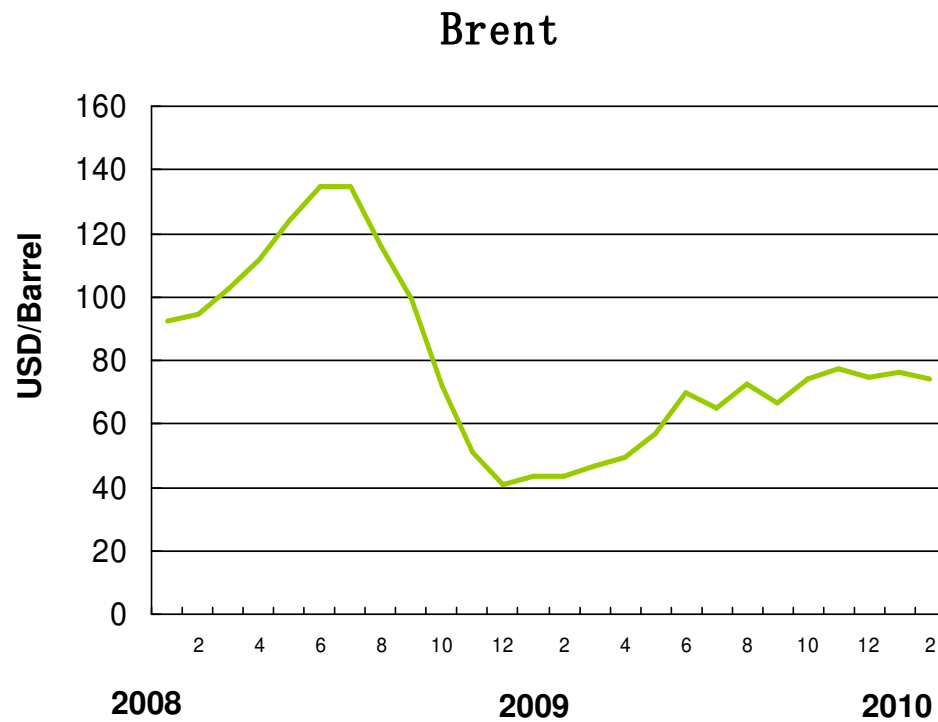
**Market demand continued to pick up after a rally**



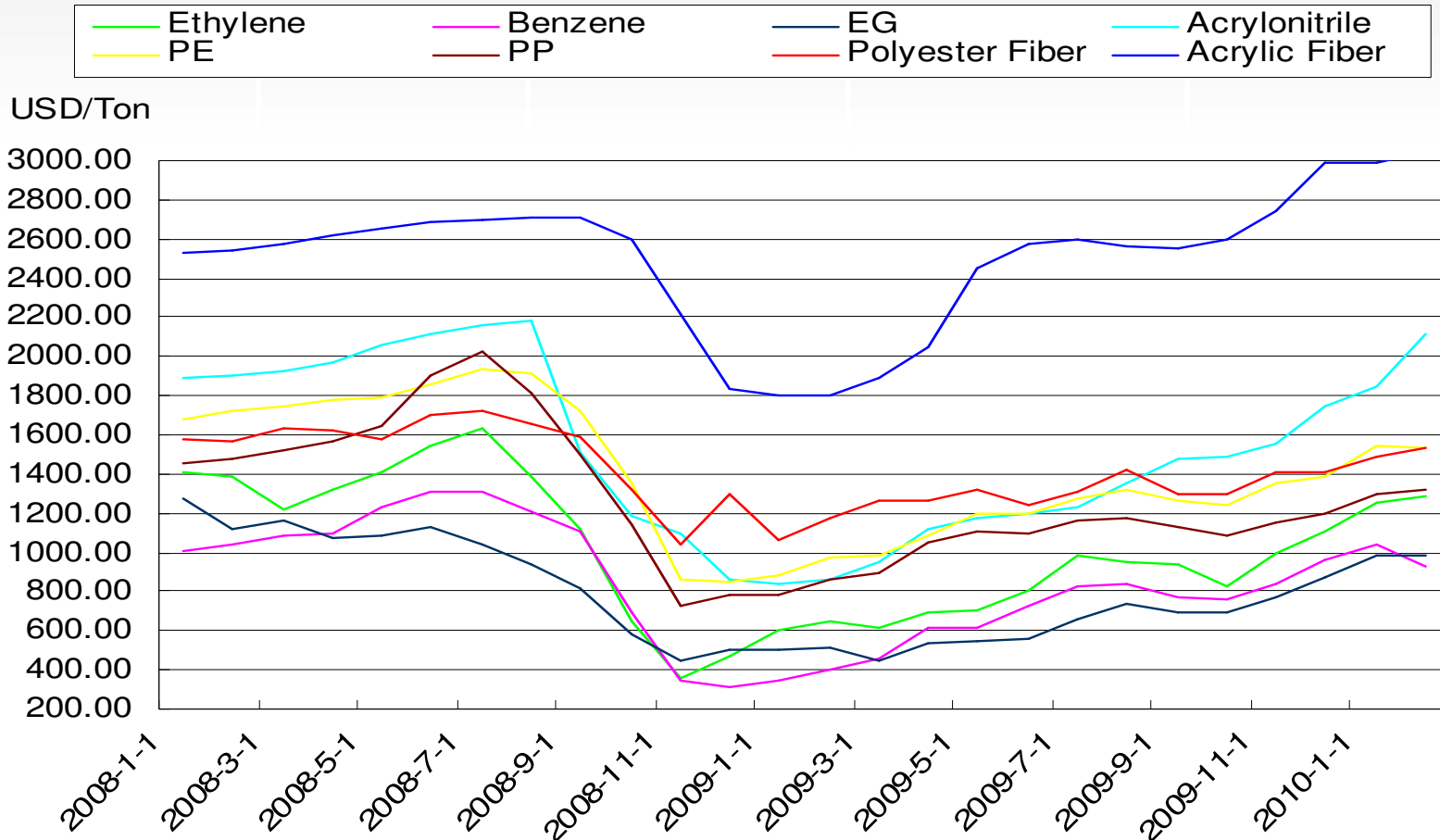
**International crude oil prices fluctuated within a broad range and gradually moved up**

# Crude Oil Price

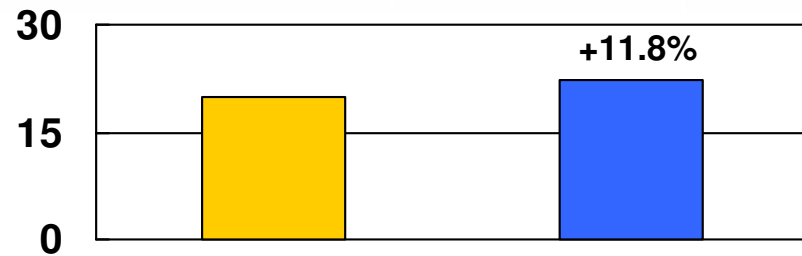
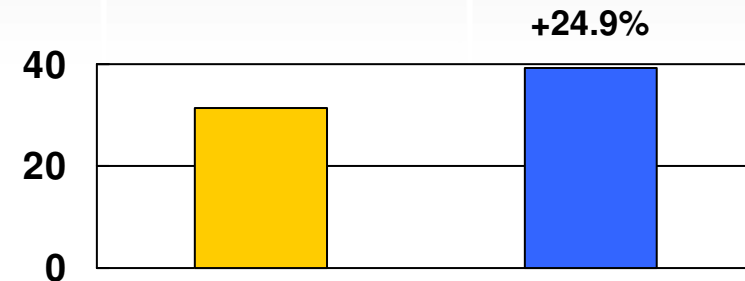
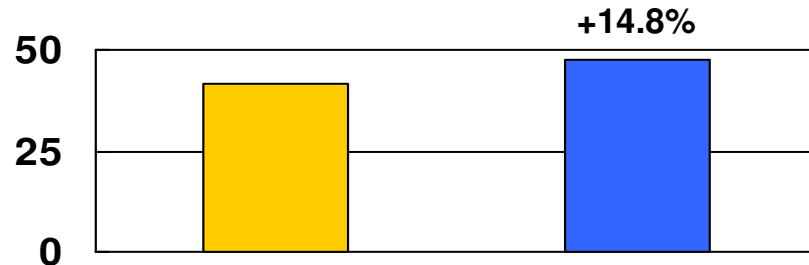
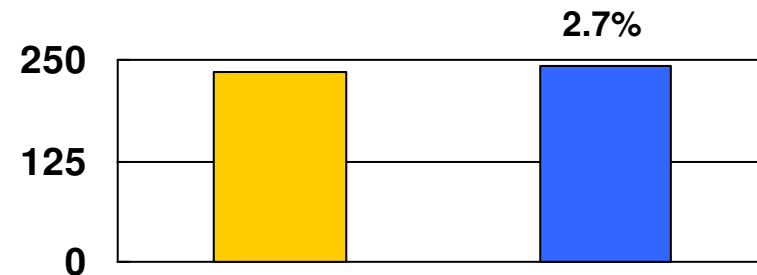
**International crude oil price vs. Cost of crude oil processed**



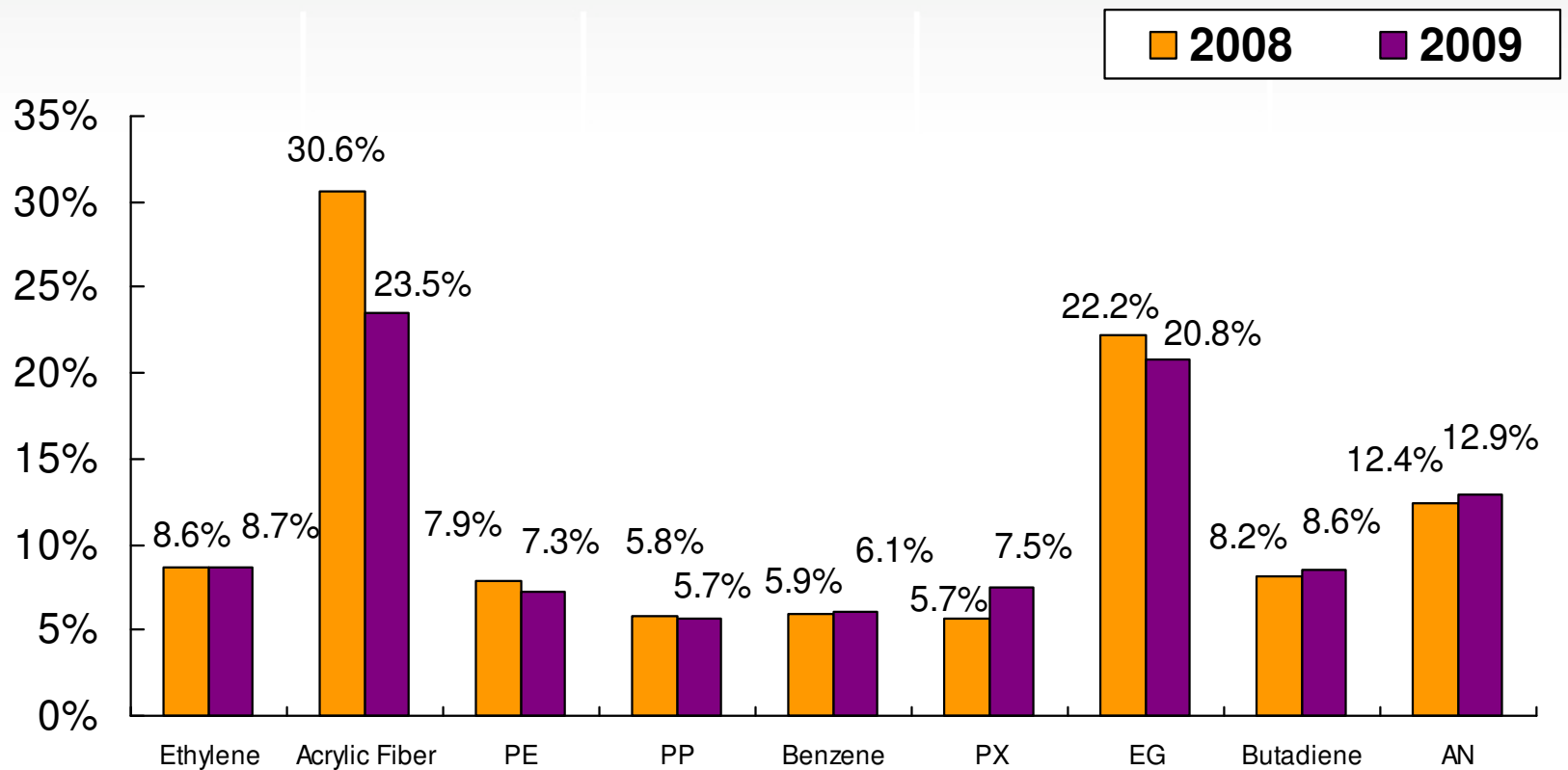
# Movements in Asia Market Prices



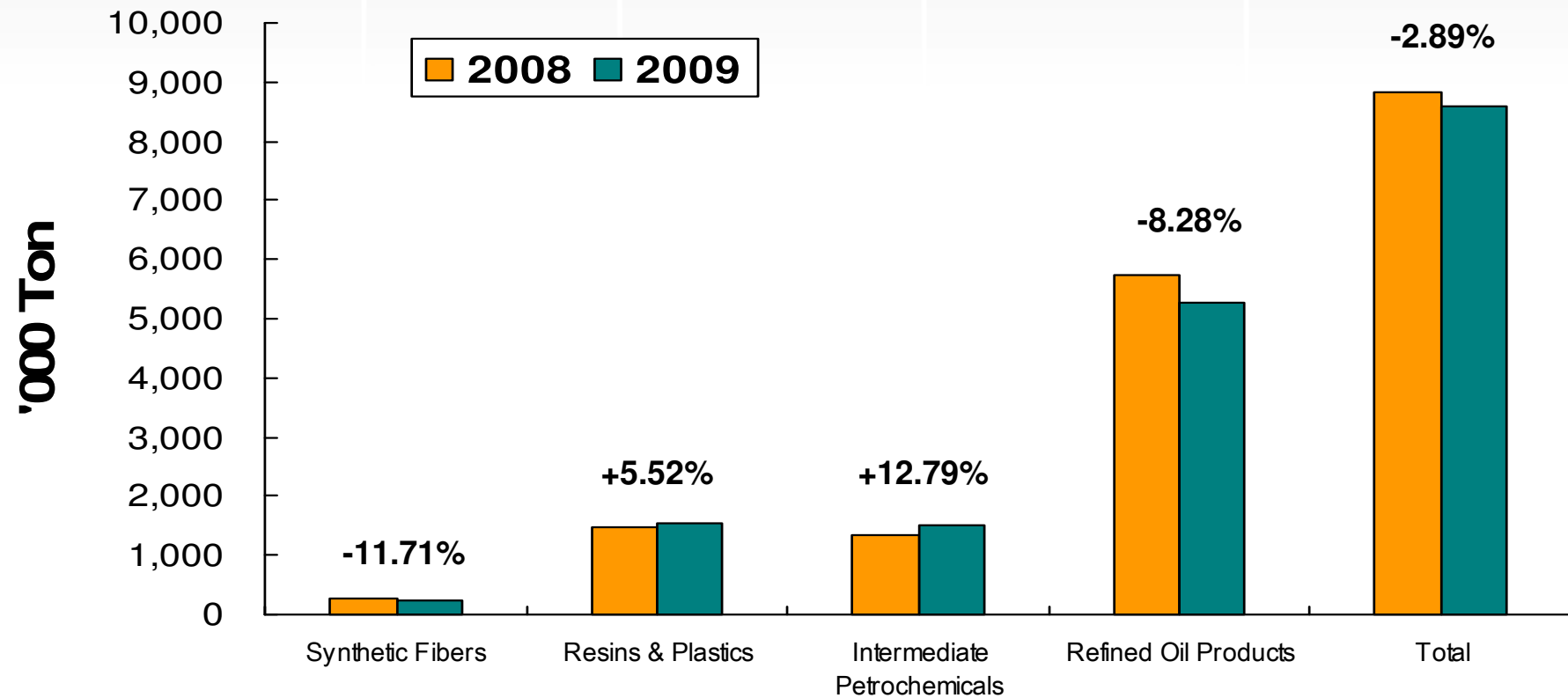
# Domestic Demands

**Million Ton**
**Synthetic Fibers**

**Resins & Plastics**

**Intermediate Petrochemicals**

**Refined Oil Products**

 **2008**
 **2009**

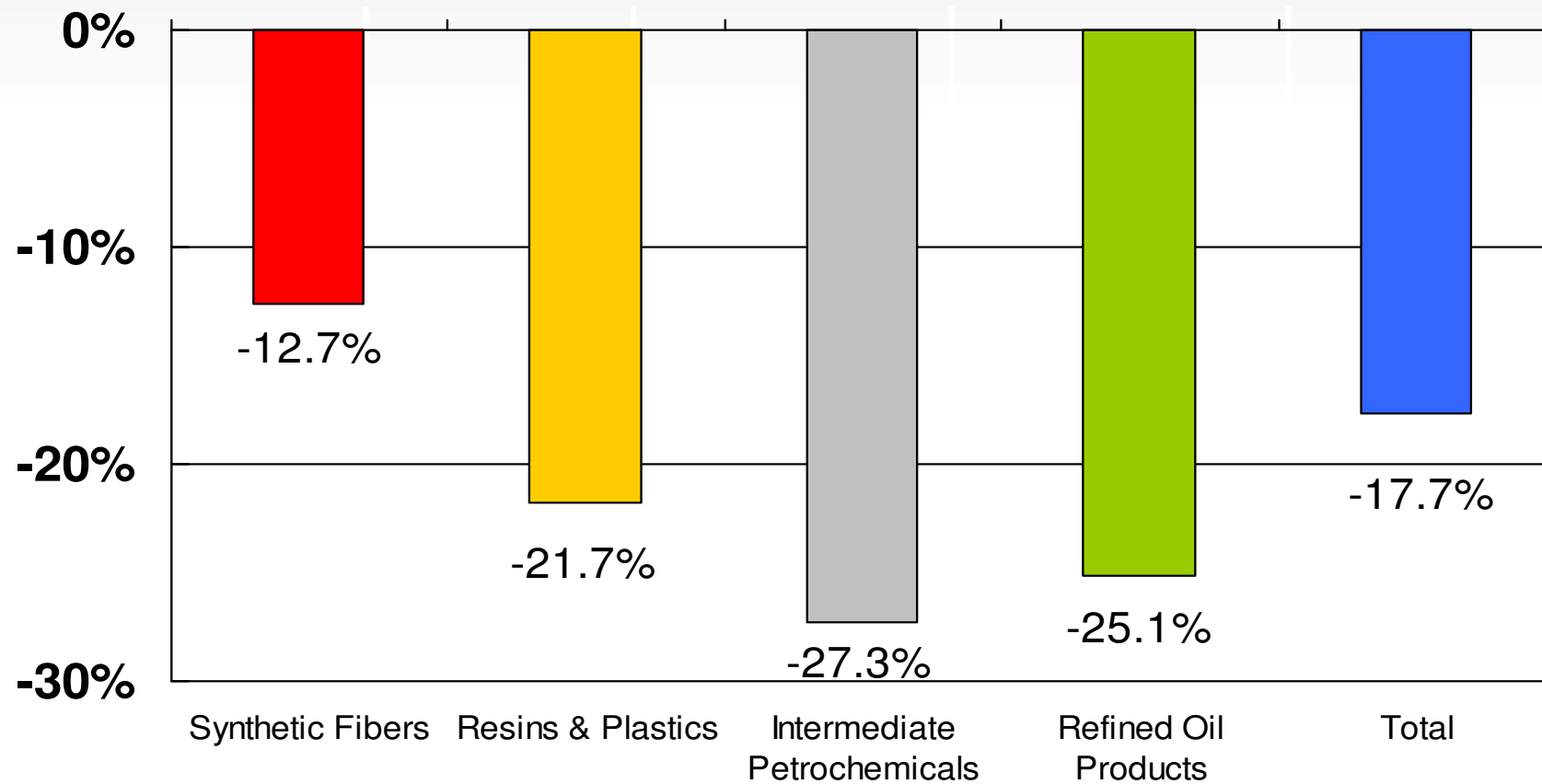
# Domestic Output Shares



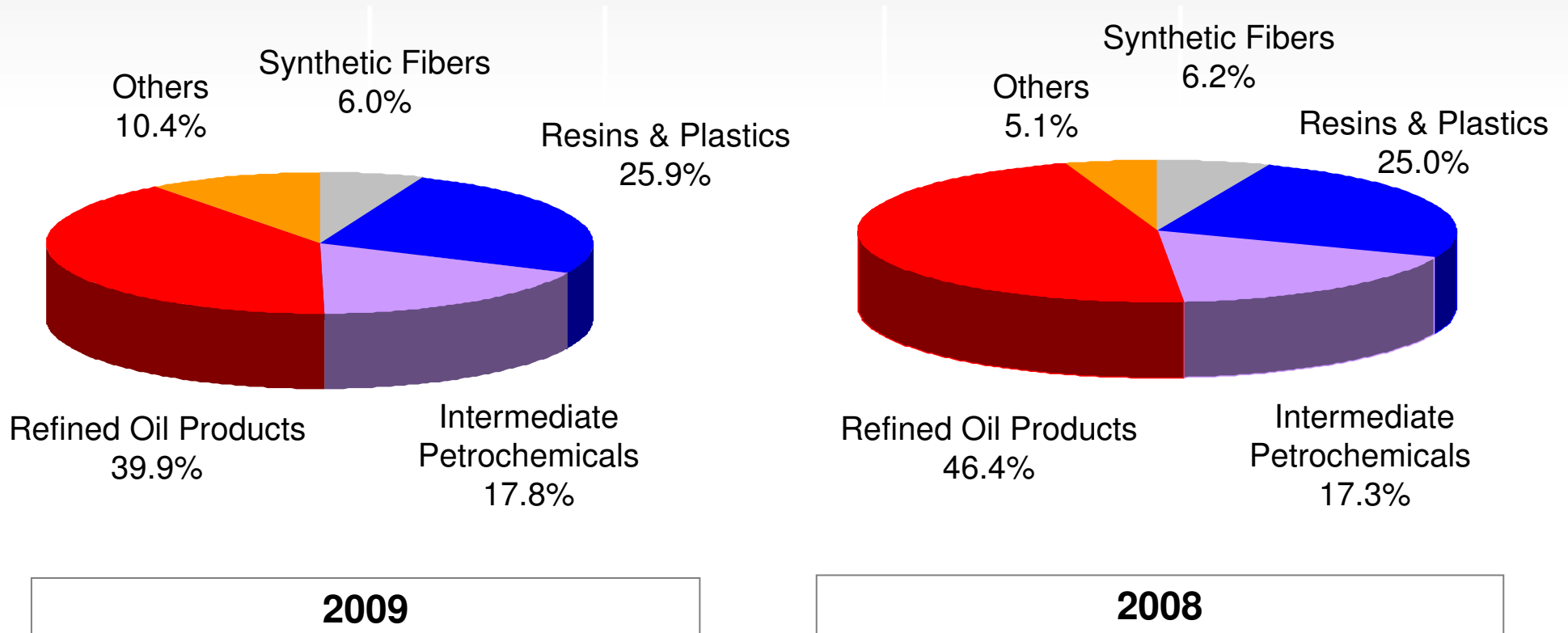
# Changes in Sales Volumes



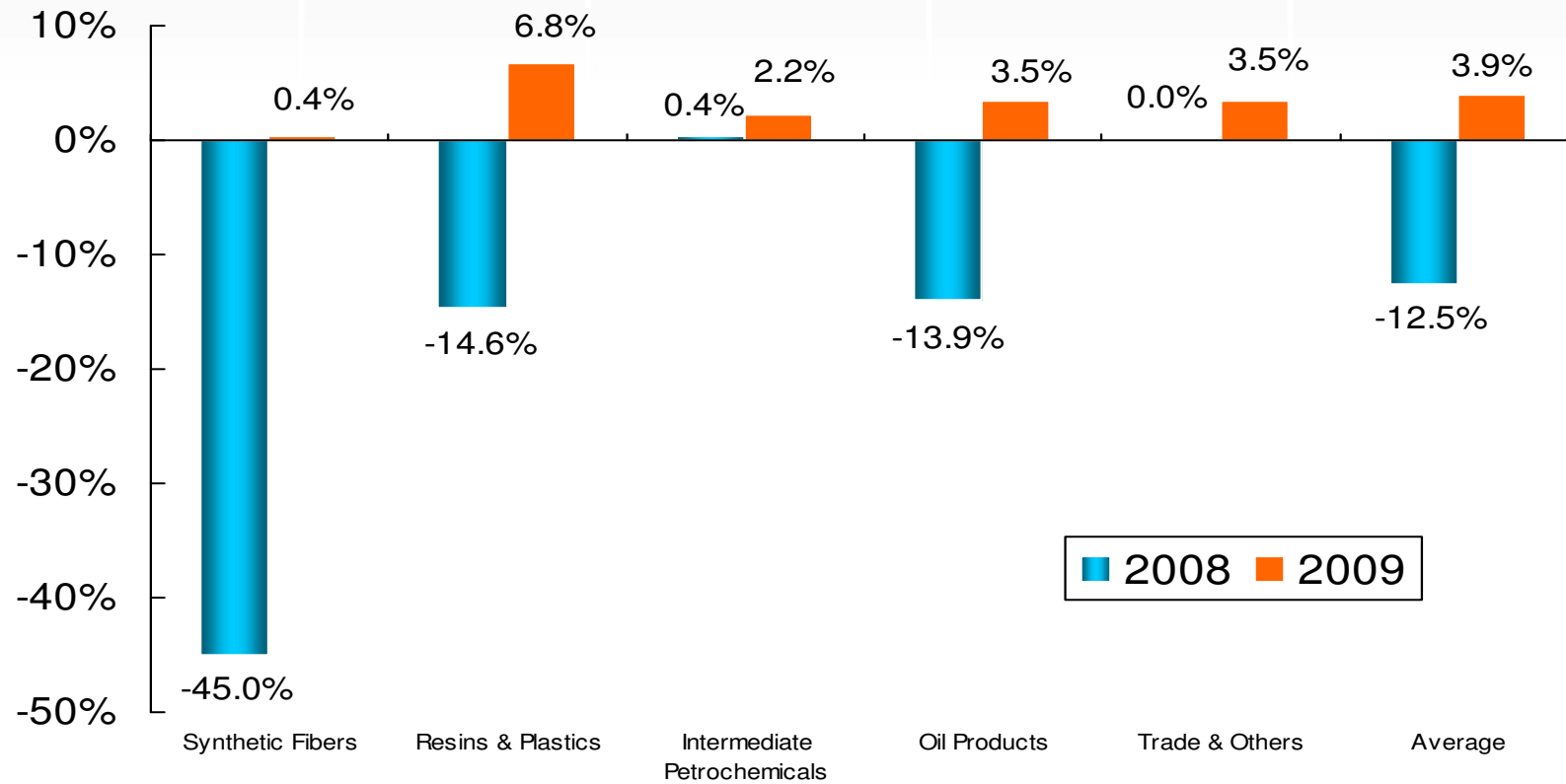
## Changes in Average Product Prices



# Sales Structure



# Changes in Operating Profit Margin





# Capital Expenditure



- **The new 600,000 ton/year PX aromatics complex commenced operation in September, 2009**
- **The new 150,000 ton/year C5 separation unit commenced operation in October, 2009**
- **The flue gas desulphurization project for the coal-fired power generating plants No.3 and No.4 commenced operation in July, 2009**
- **The entire renovation project for the 220,000-volt substation commenced operation in June, 2009**
- **The 500,000 ton/year hydro-desulphurization of catalytic gasoline renovation project which was completed in September, 2009 (from October 2009, the Group has been supplying refined oil products of the Shanghai IV standard to the Shanghai market)**
- **Partial completion on the renovation and system pipe network construction works on the natural gas integrated utilization project**



# Future Outlook





**In 2010, the global economy will be in the stage of a moderate, slow-growth recovery**



**The Chinese economy will tend to improvement and continue to maintain stable and relatively fast growth**



**The demand for petroleum will resume growth as the world economy begins to recover. The general level of international crude oil prices is anticipated to be higher than that in 2009**



**The global petrochemical industry will continue to encounter sluggish growth**



**The Chinese petroleum and petrochemical industry will maintain a recovery trend yet under a severe development environment.**



**Strengthening HSE, energy conservation and emissions reduction work on an ongoing basis and improving control at source as well as control and prevention of potential risks**



**Maintaining the operation of production plants for a long cycle and at full capacity with all efforts, and striving to increase the total physical volume of products**



**Implementing sophisticated management in all aspects to further enhance corporate management**



**Continuing to devote efforts to corporate development by persistently pushing forward technological improvements**



**Further enhancing management system and mechanism, continuing to improve organizational performance.**



**Continuing to devote efforts to staff team building and proactively maintaining a harmonious and stable corporate atmosphere**

