



# 2011 Interim Results



SINOPEC SHANGHAI PETROCHEMICAL COMPANY LIMITED

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# Financial Highlights



**RMB Million**

	<b>1H2011</b>	<b>1H2010</b>	<b>Change</b>
<b>Turnover</b>	49,501	36,128	+37.02%
<b>Gross Profit</b>	1,996	1,861	+7.25%
<b>Profit before Taxation</b>	1,858	1,896	-2.00%
<b>Net Profit</b>	1,426	1,514	-5.81%
<b>EPS (RMB)</b>	0.198	0.210	-5.71%

**Prepared under IFRS**

**RMB Million**

	<b>Jun 30, 2011</b>	<b>Dec 31, 2010</b>	<b>Change</b>
<b>Total Assets</b>	32,473	28,698	+13.15%
<b>Total Liabilities</b>	13,831	10,748	+28.68%
<b>Shareholders' Equity</b>	18,395	17,689	+3.99%
<b>Net Asset Value (RMB Yuan/Share)</b>	2.589	2.493	+3.85%
<b>Debt/Total Assets</b>	42.59%	37.45%	+5.14%

**Prepared under IFRS**

# Business Review





**In the first half of 2011, the world economy had a weak recovery and its pace of growth slackened.**



**The Chinese economy continued to maintain stable and relatively fast growth, in the first half, China's gross domestic product (GDP) grew by 9.6%, and its economic operation was sound in general.**



**China's petrochemical industry continued to maintain a healthy and steady operation witnessed by a stable and relatively fast growth in production, expanded market demand, balanced supply and demand on the whole, active import and export trade, stable pace of growth in industrial investment and satisfactory profitability on the whole.**



**International market crude oil prices surged substantially and remained at high levels, adjustment of the prices of domestic refined oil products was not quite in line with the fluctuation of international crude oil prices.**



**The Company maintained sound production and operation.**



**The Company continued to give full play to its overall scale effect, and as a result, total volume of goods produced increased substantially over the corresponding period of the previous year.**

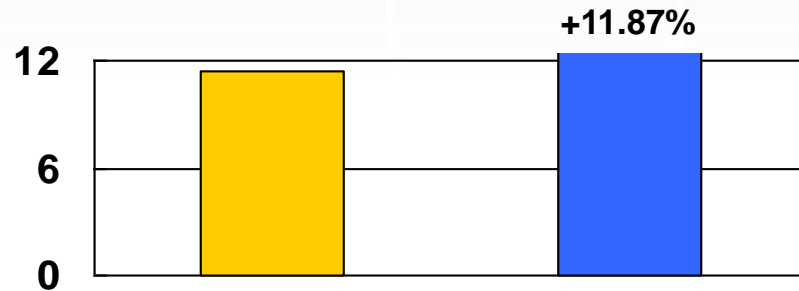


**The Company's internal management was further strengthened, the campaign of cost and expense reductions had an obvious contribution to the results.**

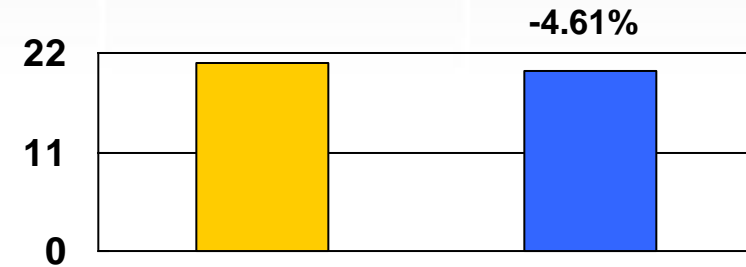
# Domestic Demands

Million Ton

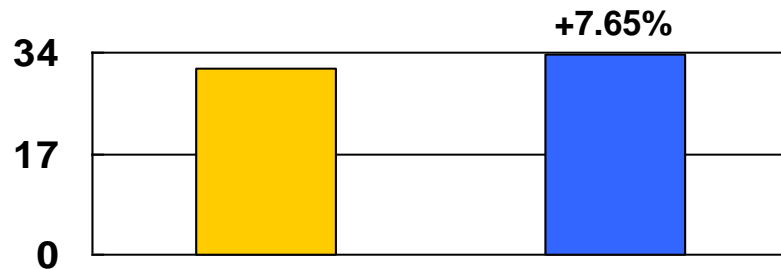
Synthetic Fibers



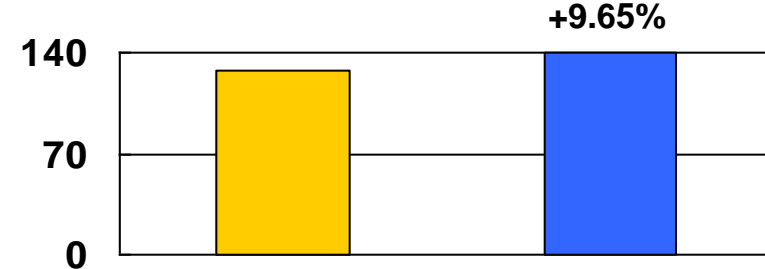
Resins & Plastics



Intermediate Petrochemicals



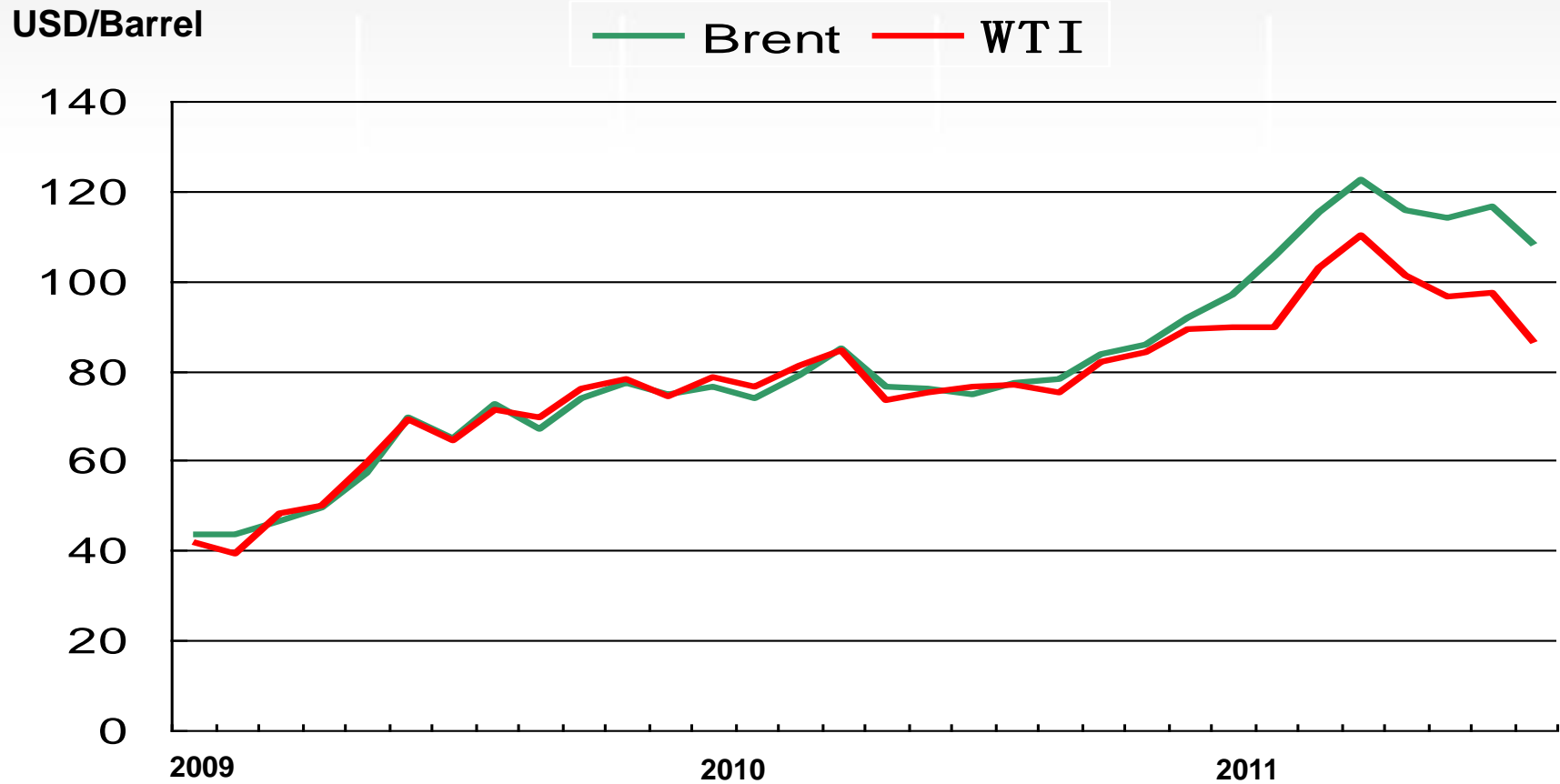
Refined Oil Products



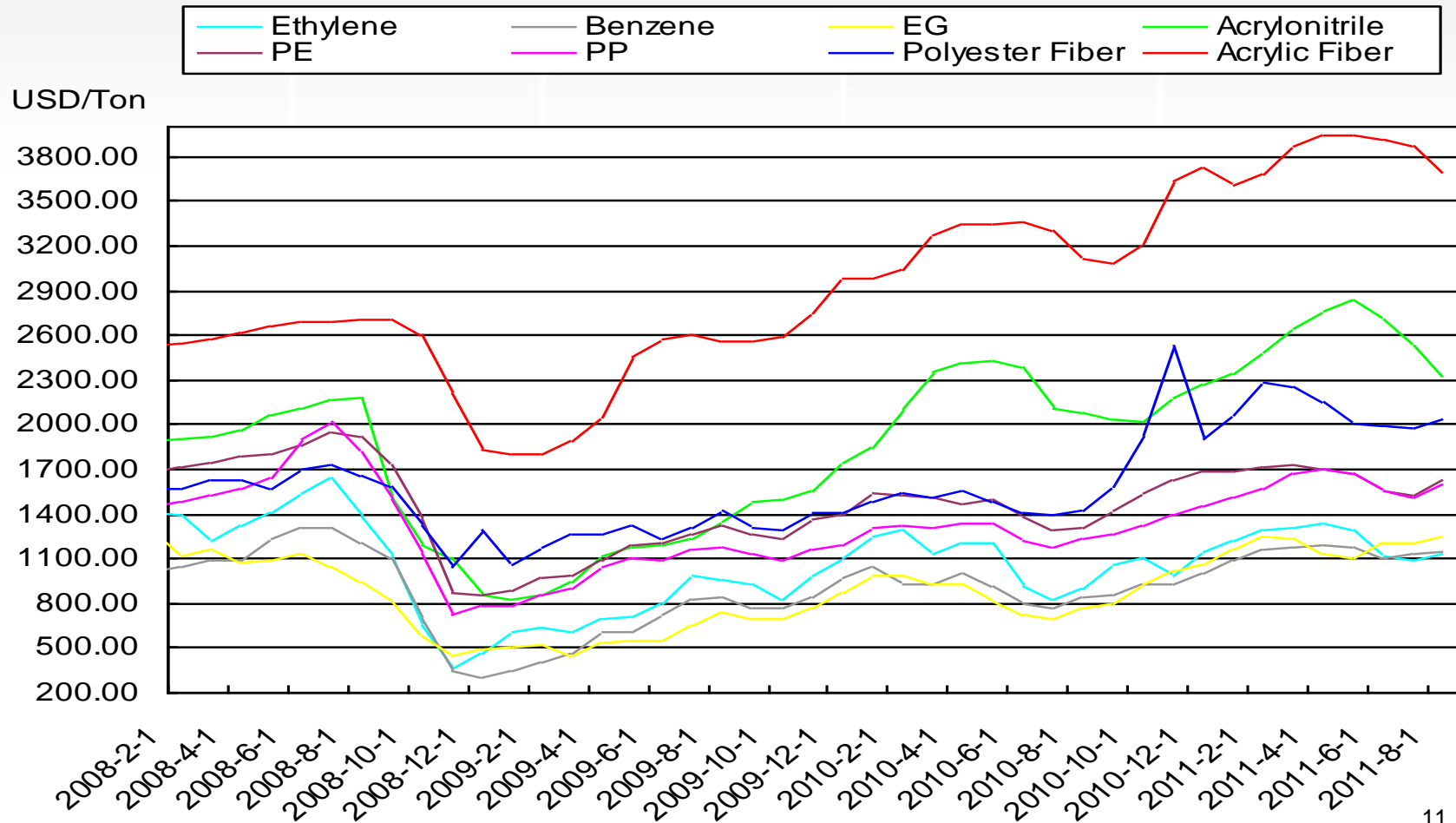
 1H2010

 1H2011

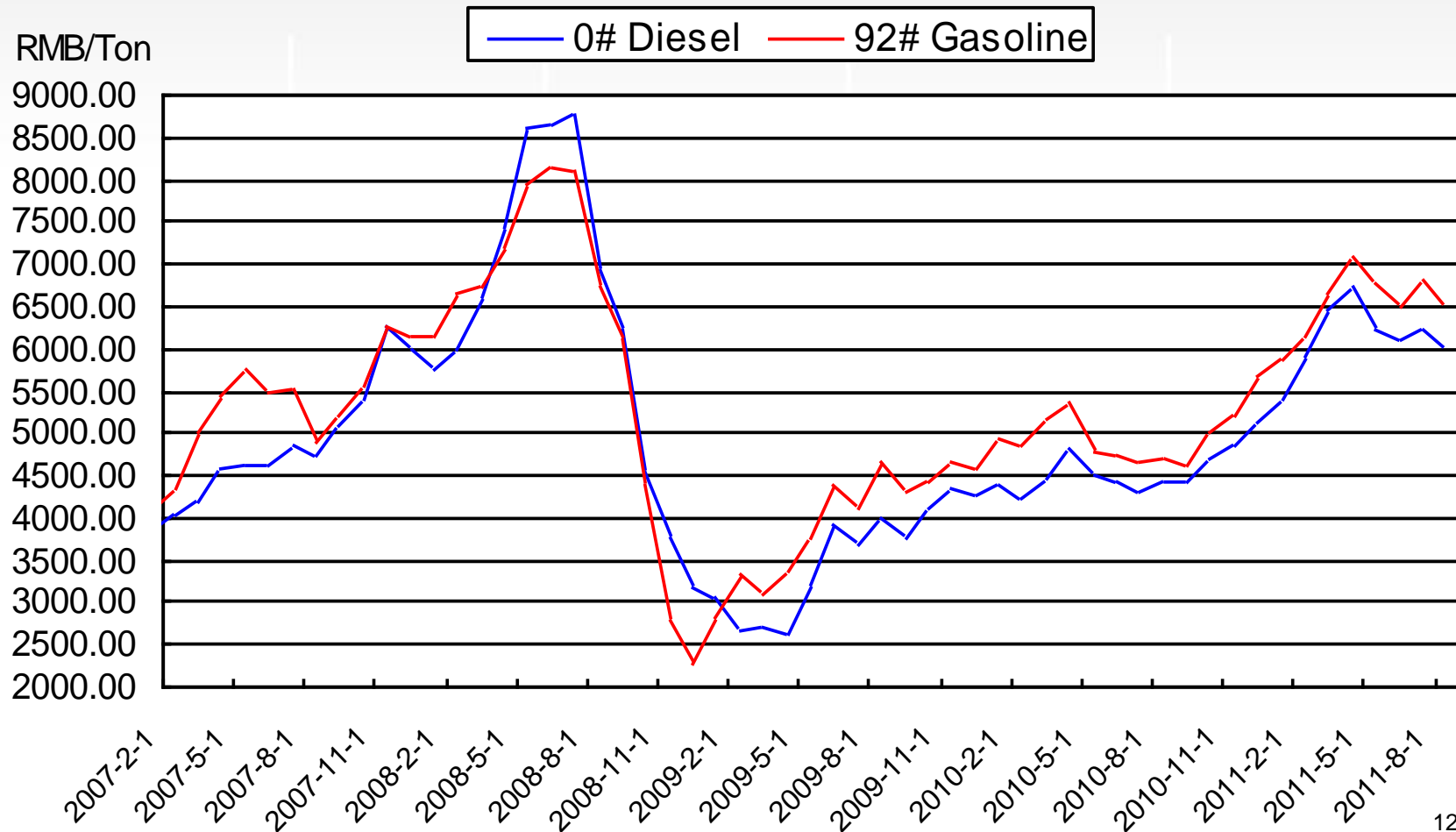
# Crude Oil Prices



# Movements in Asia Market Prices

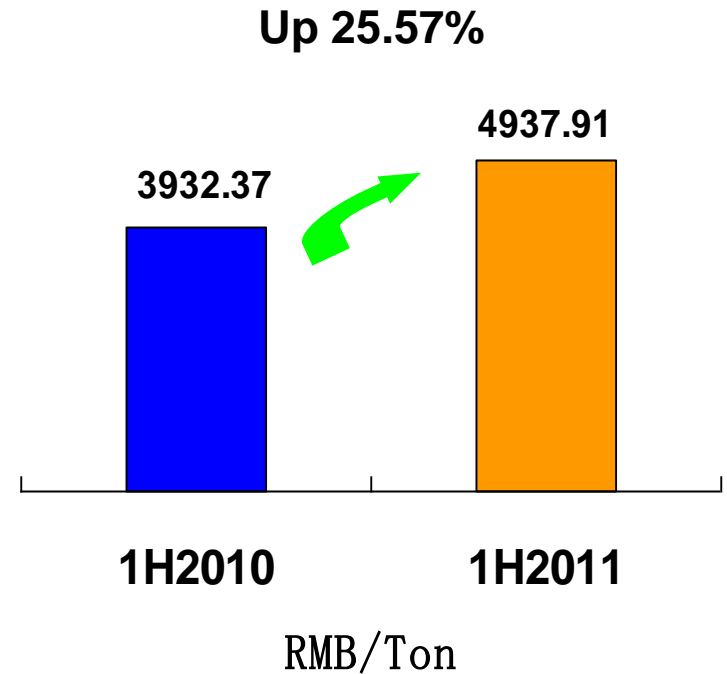
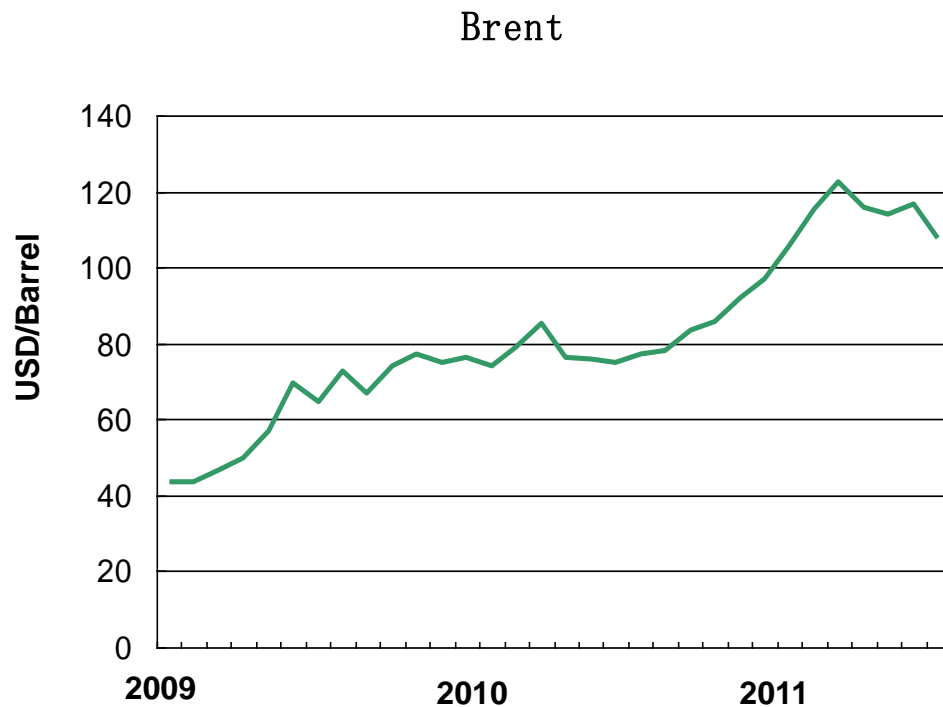


# Gasoline and Diesel Prices in Singapore Market

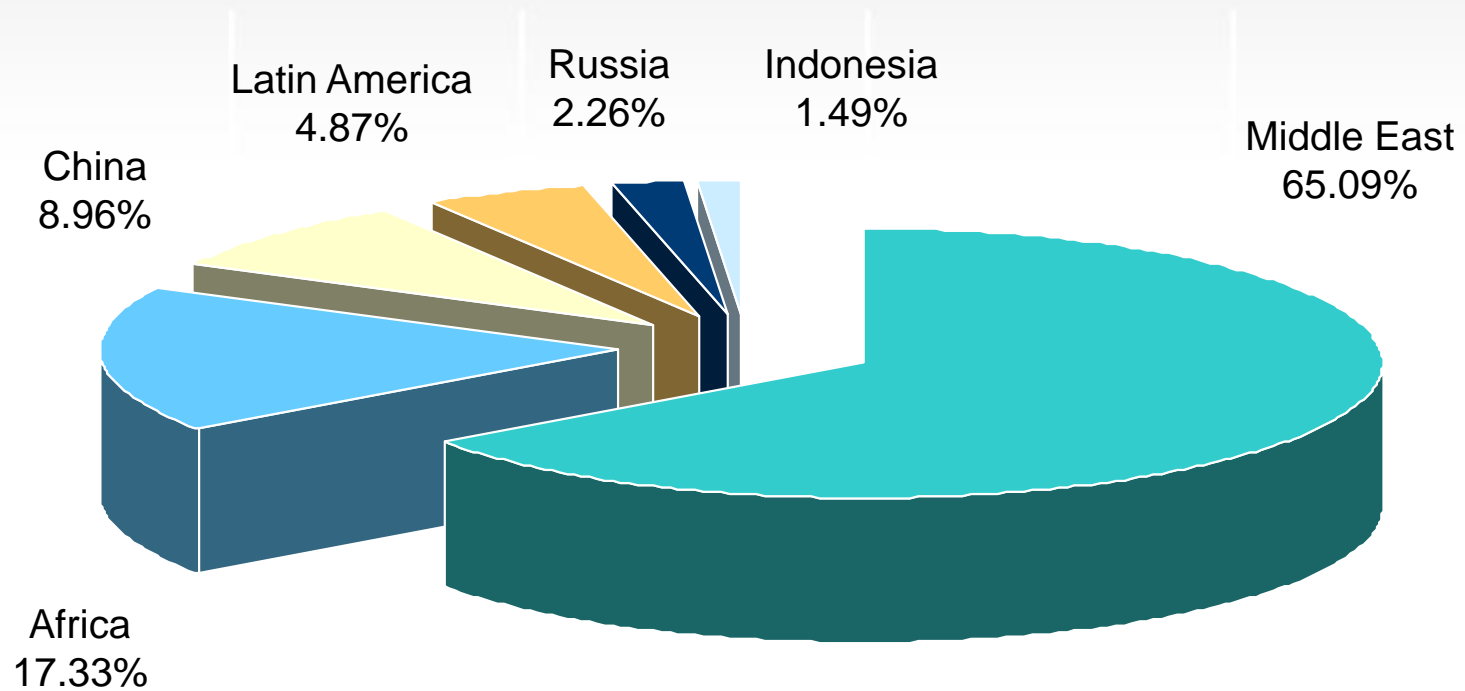


# Cost of Crude Oil

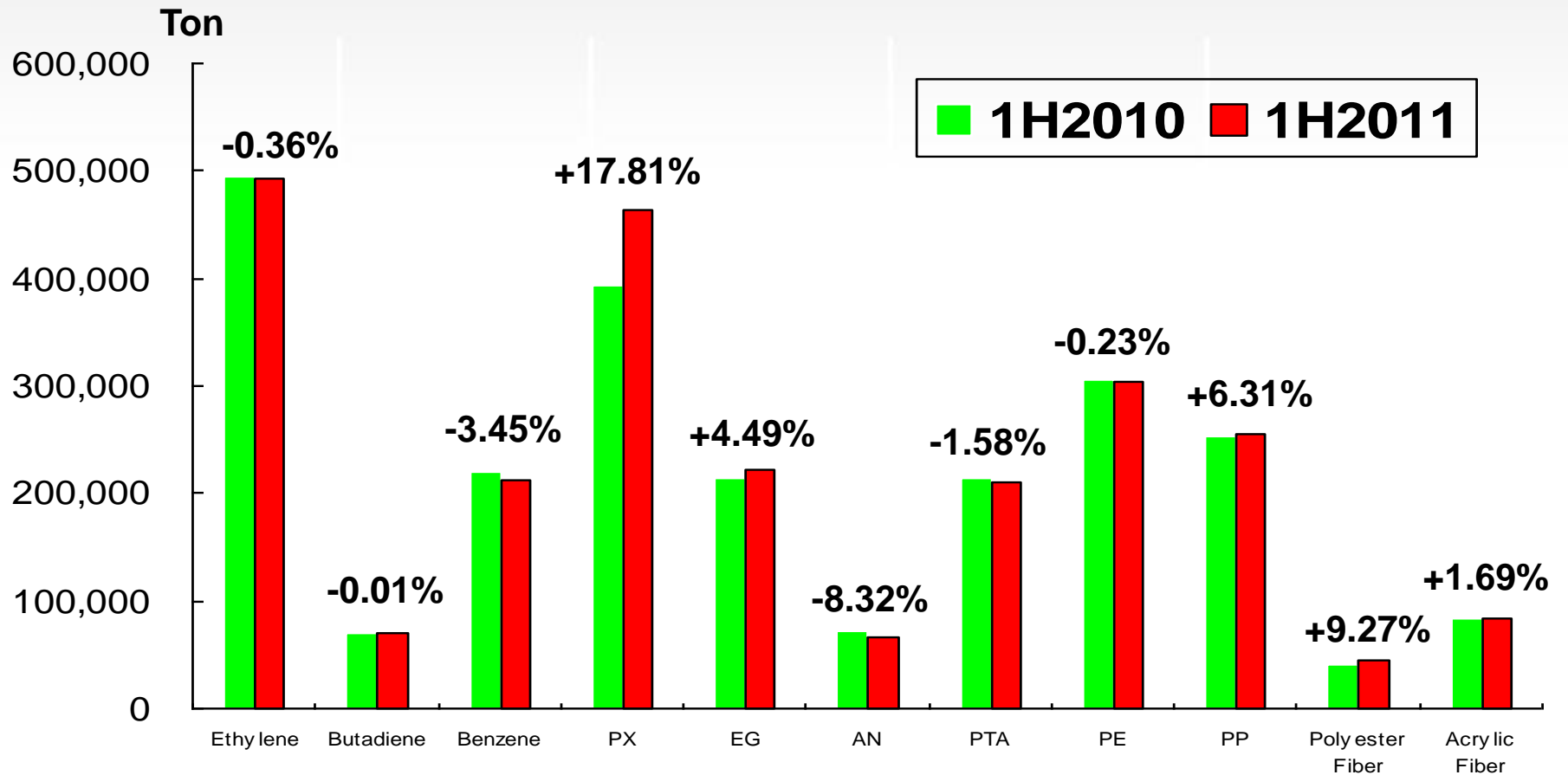
**International crude oil price VS. Cost of crude oil processed**



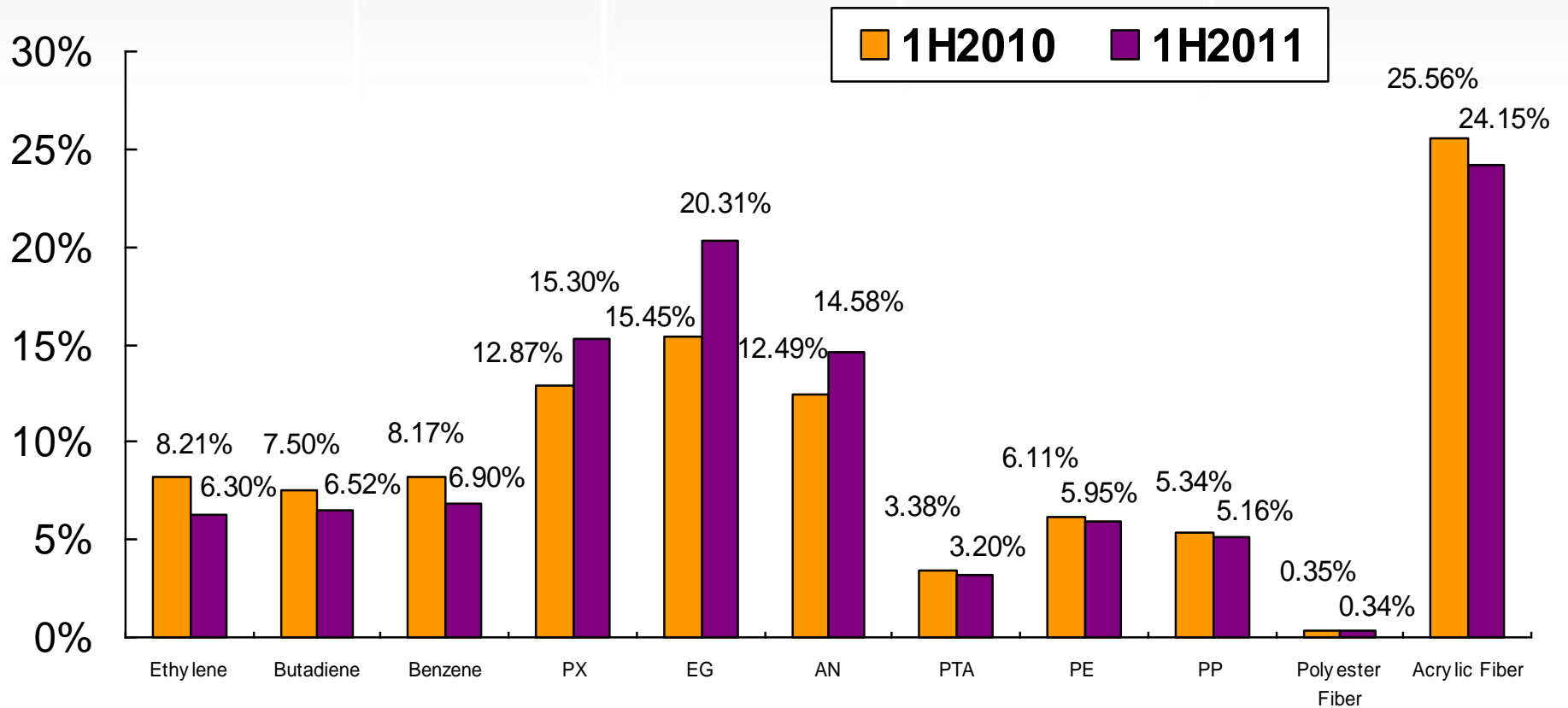
# Sources of Crude Oil



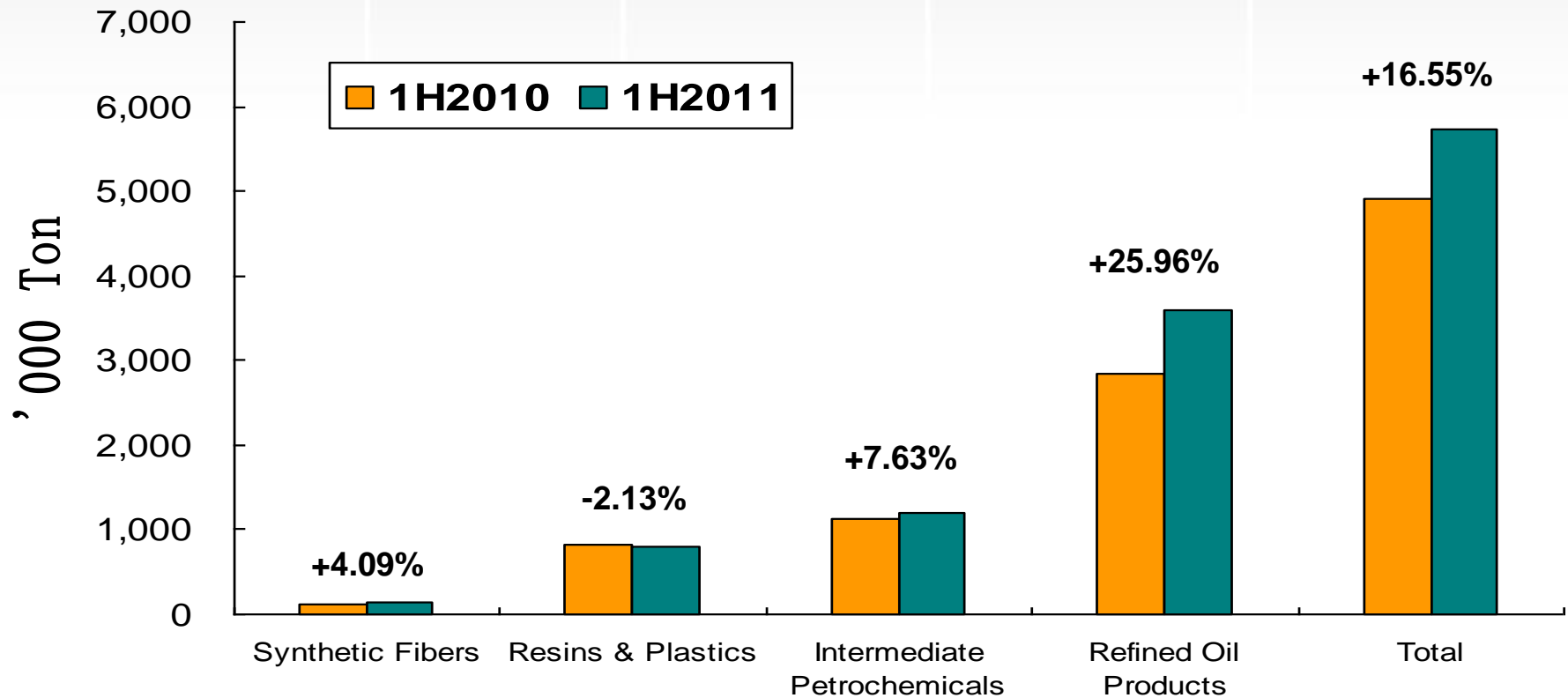
# Changes in Major Petrochemicals Output



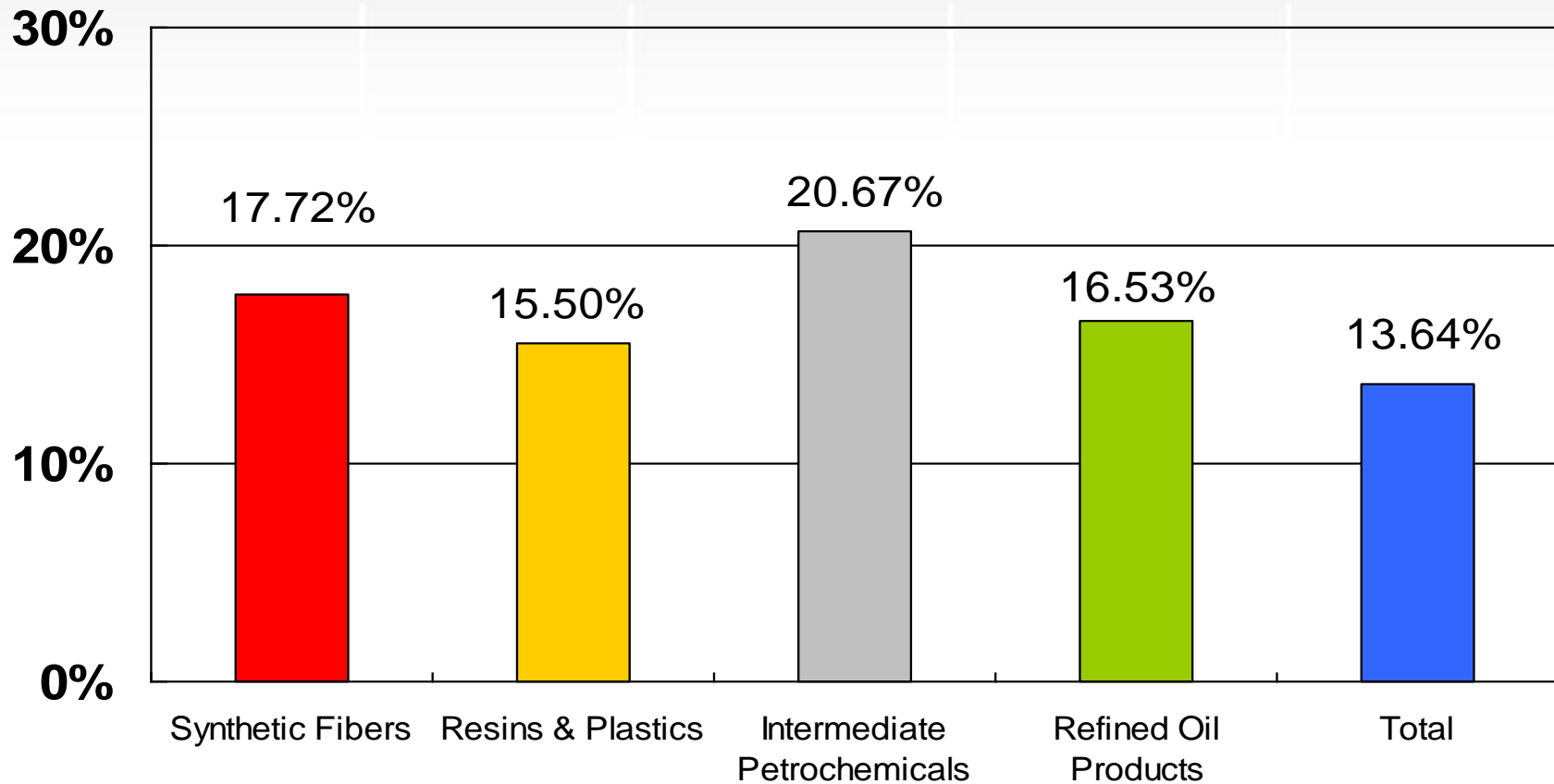
# Domestic Output Shares



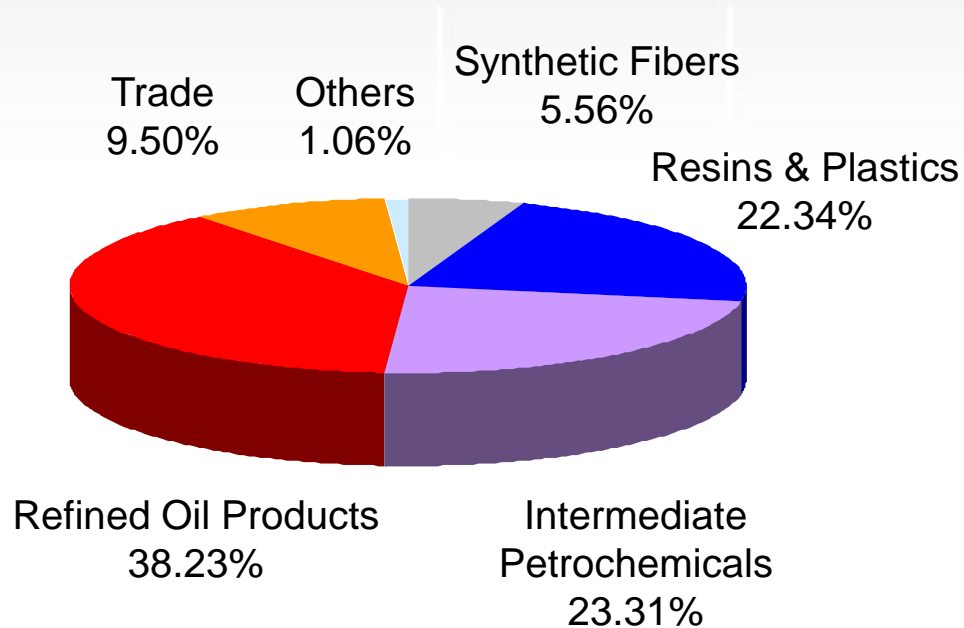
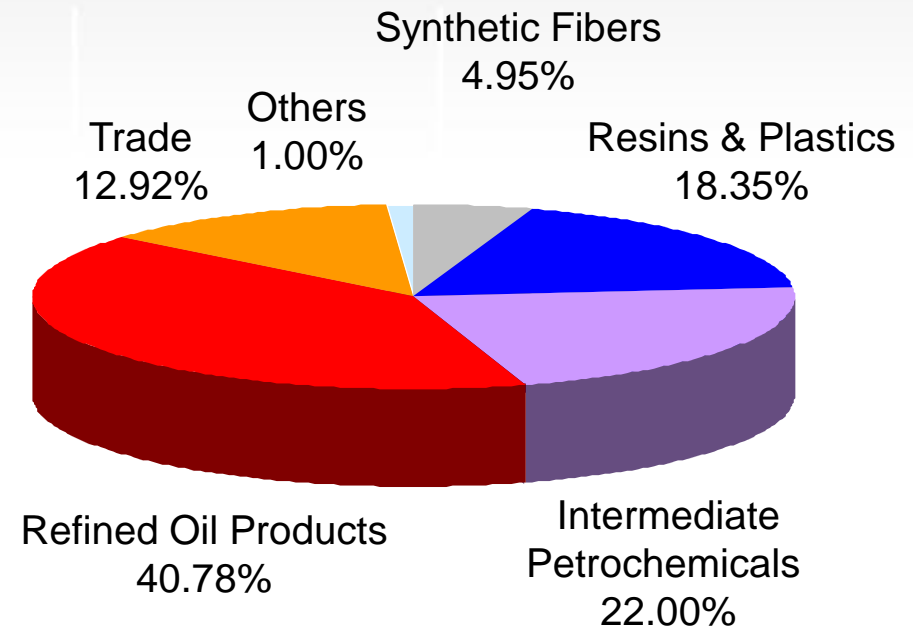
# Changes in Sales Volumes



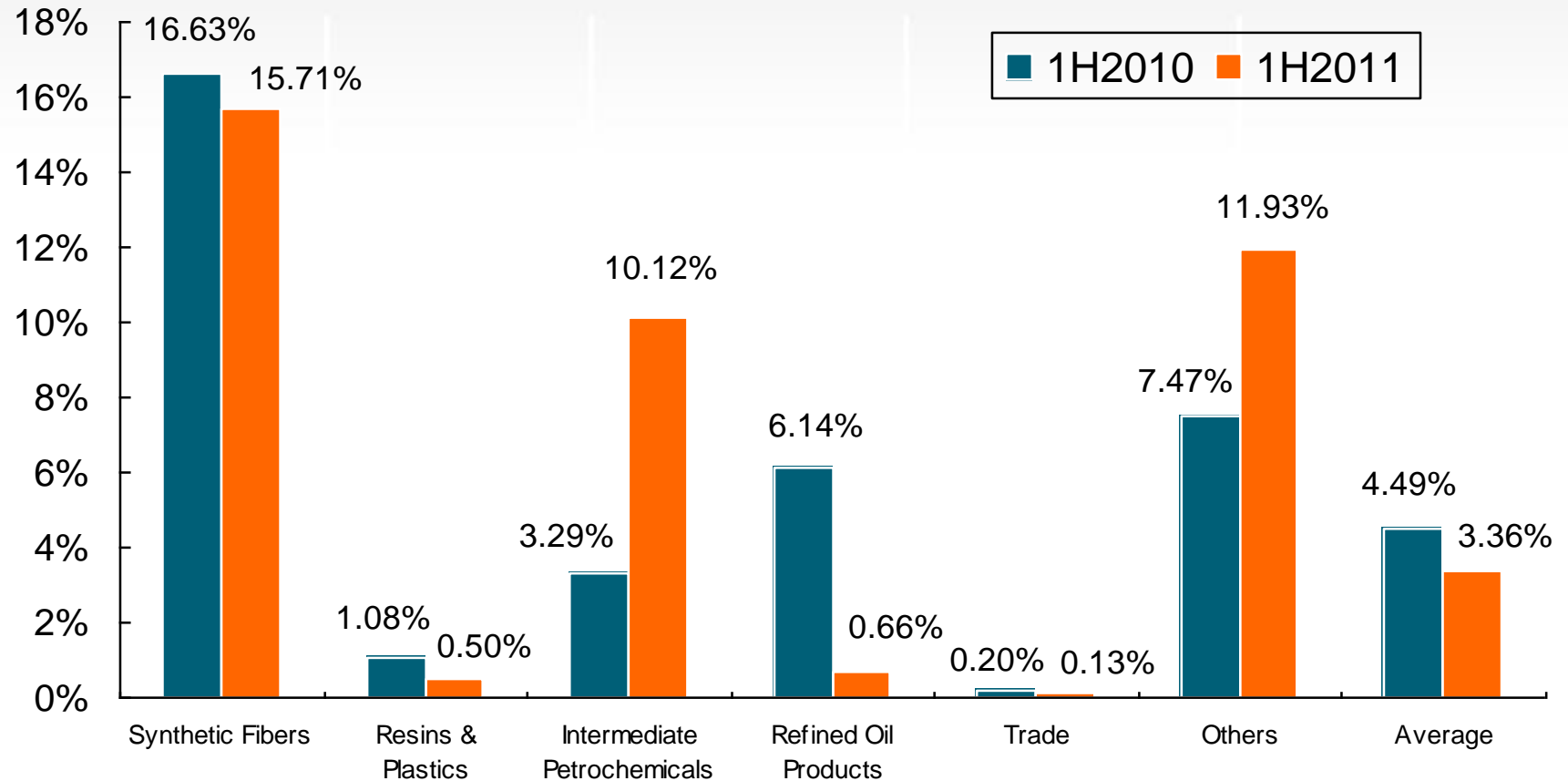
# Changes in Average Product Prices



# Sales Structure


**1H2010**

**1H2011**

# Changes in Operating Profit Margin



# Capital Expenditure



- **The Company fully commenced the construction of the Phase 6 Project, with the refinery revamping and expansion as its key item.**
- **The construction of 3,900,000 T/Y residual oil hydrogenation plant, the 3,500,000 T/Y catalytic cracking plant and the carbon fiber project with a capacity of 1,500 T/Y has already commenced.**
- **The preliminary work for other projects such as the ethanolamine project with a capacity of 50,000 T/Y and the EVA (ethylene-vinyl acetate copolymer) project with a capacity of 100,000 T/Y proceeded actively as planned.**
- **The key technological renovation projects such as the energy saving revamping at No.2 PTA plant, the renovation on energy conservation and consumption reduction of 2# and 3# aromatics complexes, 4# main transformer of 220KV petrochemical substation and the capacity expansion of 6# main transformer of the No.1 thermal power station were being carried out in an orderly manner.**
- **In the first half of the year, the Company's capital expenditure amounted to RMB 731.6 million.**

# Future Outlook



- **There exists complexities and numerous uncertainties and instabilities during the process of recovery of the world economy.**
- **China's economy will continue to maintain steady and relatively fast development, with a number of factors that restrict growth of both domestic and international demand.**
- **The economic operation of the domestic petrochemical industry will maintain a stable and sound trend although with pressures from all fronts.**
- **It is expected that international crude oil prices may continue to hover at relatively high levels, the Chinese government may still exercise controls over the prices of domestic refined oil products when international crude oil prices reach a higher level.**

- **Attach great importance to HSE (health, safety and environment) so as to ensure safe and stable operation.**
- **Continue to focus on the ‘safe, steady, long term, full-capacity and optimized’ operation of plants, and strive to increase the total physical production volume of products.**
- **Further optimize production and operation and strive to improve profitability.**
- **Push forward in full scale the construction of the Phase 6 Project and constantly enhance the development potential of the Company.**
- **Further improve the managerial system and mechanism and push forward sophisticated management on an ongoing basis.**
- **Continue to strengthen cultivation of corporate culture and proactively maintain a harmonious and stable corporate atmosphere.**

