





## >> Financial Highlights



#### **RMB Million**

	2020	2019	Change
Revenue	74,623.6	100,269.7	-25.58%
Gross Profit	-340.2	1,587.7	-121.43%
Profit Before Taxation	590.8	2,656.1	-77.76%
Net Profit Attributable to Equity Shareholders	645.1	2,215.7	-70.89%
EPS (RMB)	0.060	0.205	-70.73%

#### Prepared under IFRS

## >> Financial Highlights



#### **RMB** Million

	Dec 31, 2020	Dec 31, 2019	Change
Total Assets	44,619.1	45,494.1	-1.92%
Total Liabilities	15,284.2	15,500.2	-1.39%
Shareholders' Equity	29,198.0	29,863.3	-2.23%
Net Asset Value Per Share Attributable to Equity Shareholders (RMB)	2.698	2.759	-2.21%
Liabilities/Total Assets	34.25%	34.07%	0.18 pt.

#### Prepared under IFRS







The world economy had undergone a tremendous impact under the global COVID-19 pandemics, facing the most severe economic crisis ever since the Great Depression in the 1930s.

China stuck closely to the general guideline of making steady progress while coordinating epidemic prevention and control so as to guarantee the stable restoration of the economy. Throughout 2020, China's GDP grew by 2.3%, making China the world's only major economy that managed to achieve positive economic growth in the year.

The country's petrochemical industry was enormously shocked. Facing with challenges such as slumping product prices in Q1, unprecedented production and sales fall, and multiple constraints posed by resources and the environment, chemical industry struggled to recover.

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## 2. Reinforcement of Safety and Environmental Management with an Overall Stable Production

- Take stable production as top priority, reinforce control on overall safety and environmental protection;
- Implement process safety management and consolidate the foundation of production operation.

#### 1. An Effective and Concrete Line of Defense against the Pandemic

 Undertake corporate social responsibility and participate in the national campaign against the pandemic with effective measures.



#### 3. Innovation in Stable Steps forward

- Move firmly along the direction of "Basic+High-end";
- Strengthen scientific and technological innovations, and accelerate projects' construction.

#### $\gg$ Business Review



## **5. Further Optimization of Operation with Precision in Overcoming Difficulties and Achieve Effectiveness**

- Focus on business optimization, and actively promoted further optimization of raw materials and product structures;
- Launch 100-Day Breakthroughs campaign, as well as the ongoing campaign, and continue to explore cost-reduction potential in large-scale procurement.

#### 4. A Further Deepening of Energy Saving and Emission Reduction

- Implement various energy conservation and emission reduction measures;
- Adjust energy structure and promote energy-saving technologies.



## 6. Breakthroughs Achieved in Management Reforms

- Learn from the best alongside management enhancement;
- Adjust and optimize organizational structures and promote utilization of talents in company enhancement.



## **Processing Cost**





	Middle East	Latin America	China	Europe	Africa
2019	83.40%	10.70%	1.04%	4.86%	-
2020	82.39%	11.18%	0.97%	5.14%	0.32%

#### >>> Business Review



#### **Chemical Price Tendency in Asia Market**



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#### 20.0% 14.80% 15.0% 10.10% 9.55% 9.45% 9.51% 10.0% 5.96% 5.0% 0.0% -5.0% -6.17%-6.00% -10.0% -15.0% -20.0% **Synthetic Fibers Resins & Plastics Refined Oil** Intermediate **Products** Petrochemicals ≥2019 ≥2020

#### **Domestic Demand Growth**

#### >>> Business Review



#### Changes in Refined Oil Products Output





#### **Changes in Major Petrochemicals Output**





#### **Domestic Output Shares of the Petrochemicals**





#### **Changes in Sales Volumes**











#### **Profit Margin by Sector**





Conital	Expenditure
Gaula	EXDENDIULE



#### Capital Expenditure in 2020: RMB 2,107 Million

Major Projects	Annual Investment (RMB Million)	Status
Equity Acquisition of Zhejiang Jinlian Petrochemical Storage and Transportation Co., Ltd.	340	Completed
24,000 tons/year Precursor, 12,000 tons/year Large Tow Carbon Fiber Project	280	Under Construction
Oil Cleaning Project 400,000 ton/year Clean Gasoline Components Units	260	In Production
PAN-based Carbon Fiber Project with Annual Production Capacity of 1,500 tons (2nd Stage)	57	Under Construction
Jinyang Spinning Process Optimization Project	39	Under Construction
Other projects	1,131	
		21



### >> Capital Expenditure



#### Capital Expenditure Plan in 2021: RMB 3,250 Million

Major Projects	Capital Expenditure (RMB Million)	Plan
24,000 tons/year Precursor, 12,000 tons/year Large Tow Carbon Fiber Project	1,000	Under Construction
The Third Loop of 220kV Power Supply Line Engineering	300	To Construct in 2021
Hundred-ton High Performance Carbon Fibre Pilot Plant Project	150	To Construct in 2021
Establishment of Advanced Carbon Fiber Materials Innovation Research Institute	100	/
Essential Safety and Environmental Protection Hidden Problems Management Project of Storage and Transportation Department	100	To Construct in 2021
Hydrogen Supplying Center For Hydrogen Cells	30	To be Completed in 2021
Other projects	1,570	/
		22

#### >>> Future Outlook



#### **Macro-environment Outlook for 2021**

 The domestic petrochemical industry is currently facing the challenge of a downward economic cycle. During the "14th Five-Year Plan" period, the country's refining and chemical industry is set to enter a full phase of new release in capacity and fierce competition. Industry integration, transformation and upgrading are also phasing in. Oversupply is further seen in the refined oil market. The transformation of chemical products towards the high end and be green are in trending.

#### China

Industry

 While the country is still moving into a new development phase, the foundation for recovery is yet to be consolidated. Issues in unbalanced and inadequate development are still to be tackled. The country will continue to implement a proactive fiscal policy and a prudent monetary policy so as to keep up necessary support for economic recovery. It is expected that China's economic growth is going to operate within a reasonable range.

### World

 Although the world was still in shadow of the pandemic crisis, the global economy is expected to undergo rapid recovery with lifting anti-epidemic ability, and may be on the road to a full restoration of pre-pandemic level by the end of the year. Even so, the ongoing global economic recovery was still clouded by numerous challenges.

### >> Future Outlook



## **Business Plans**

- 1. Focus on Green and Clean Energy, and Consolidate Environmental Protection
- Comprehensively promote the HSSE management system' s construction and establish and improve the PDCA closed-loop management mechanism.
- 2. Focus on Improving Quality and Efficiency, and Continue Production and Operation Optimization



• Strengthen the plant' s management and control during the shutdown and start-up phase, and also improve its technical and economic indicators by improving safety management and its key control and maintenance plans.

#### 3. Focus on further reformation and raise efficiency of corporate governance

Continue to promote process management, optimize business processes, and improve management efficiency and quality.

### $\gg$ Future Outlook



## **Business Plans**

## 4. Focus on Innovation-driven Development so as to Realize High-quality Corporate Development

 Stick to coordinate carbon reduction with transformation and development; accelerate construction of hydrogen energy demonstration projects; explore differentiated high valueadded products; promote the construction of a data governance system

#### 5. Focus on Team-building and Cementing Solid Foundation for Development

 Further strengthen the Company through talents; clarify its employment orientation; further enhance the centripetal force cohesion of the staff team





≫ Future Outlook			
Output of major products	Plan of 2021( '000 Tons)	Actual in 2020 ( '000 Tons)	
Crude oil processing	14200	14672	
Gasoline	3374	3273	
Diesel	3829	3982	
Jet fuel	1487	1125	
Ethylene	751	825	
Polyolefins	846	894	
Synthetic fiber monomers	554	553	
Synthetic fiber polymers	324	345	
Synthetic fibers	135	150	
Power generation (billion kw·h)	2.34	2.41	
		27	



# **Thank You!**

