

A stylized world map in blue, centered on the slide, with a grid of latitude and longitude lines. The map is set against a background of a globe with latitude and longitude lines.

2021 Interim Results Briefing

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Financial Highlights



RMB Million

| | 1H 2021 | 1H 2020 | Change |
|--|---------|---------|--------|
| Revenue | 37,089 | 35,628 | 4.10% |
| Gross Profit | 804 | -2,624 | NA |
| Profit Before Taxation | 1,543 | -2,309 | NA |
| Net Profit Attributable to Owners of the Company | 1,276 | -1,671 | NA |
| EPS (RMB) | 0.118 | -0.154 | NA |



RMB Million

| | June 30, 2021 | Dec 31, 2020 | Change |
|--|------------------|------------------|----------------|
| Total Assets | 46,705.75 | 44,619.13 | 4.68% |
| Total Liabilities | 17,119.09 | 15,284.16 | 12.01% |
| Equity Attributable to Owners of the Company | 29,444.50 | 29,197.99 | 0.84% |
| Net Asset Value Per Share (RMB) Attributable to Owners of the Company | 2.720 | 2.698 | 0.82% |
| Liabilities/Total Assets | 36.65% | 34.25% | 2.4 pt. |



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Business Review



MACRO ECONOMY

World Economy

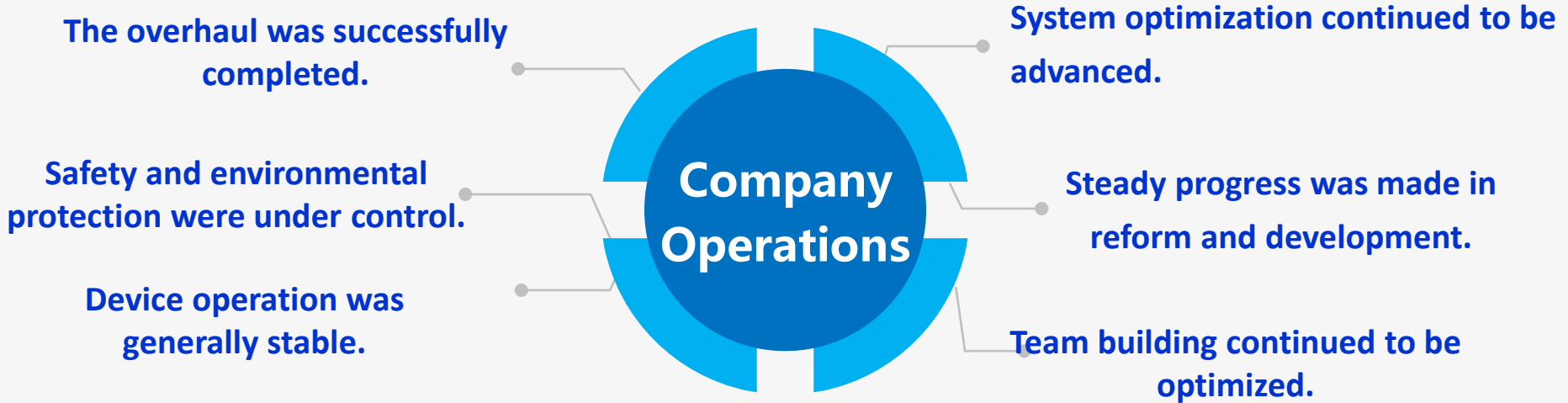
In the first half of 2021, the global economy gradually recovered from the recession caused by COVID-19, but the pace of recovery varied across countries.

China's Economy

China's achievements in coordinating epidemic prevention and control as well as economic and social development have been continuously expanded and consolidated, and the economy has continued to recover steadily. In the first half of the year, China's GDP increased by 12.7% year-on-year.

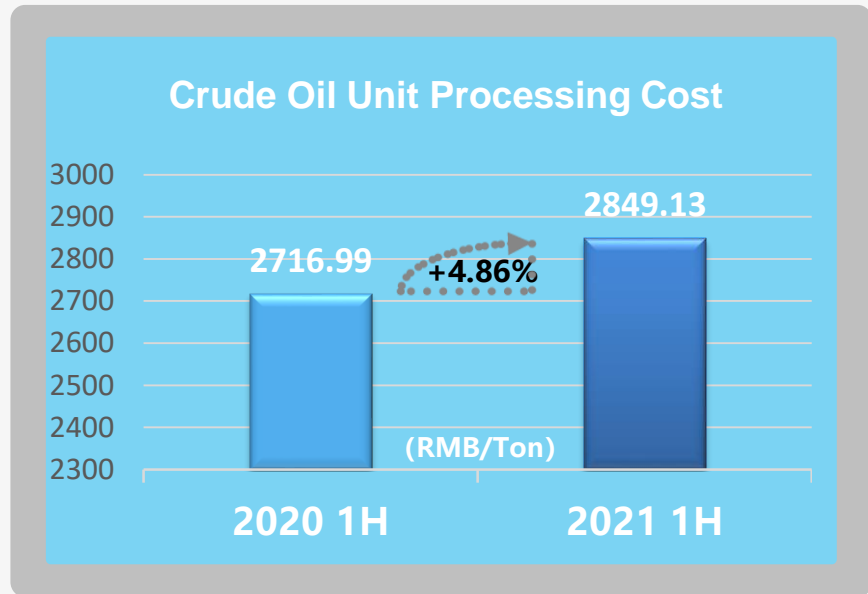
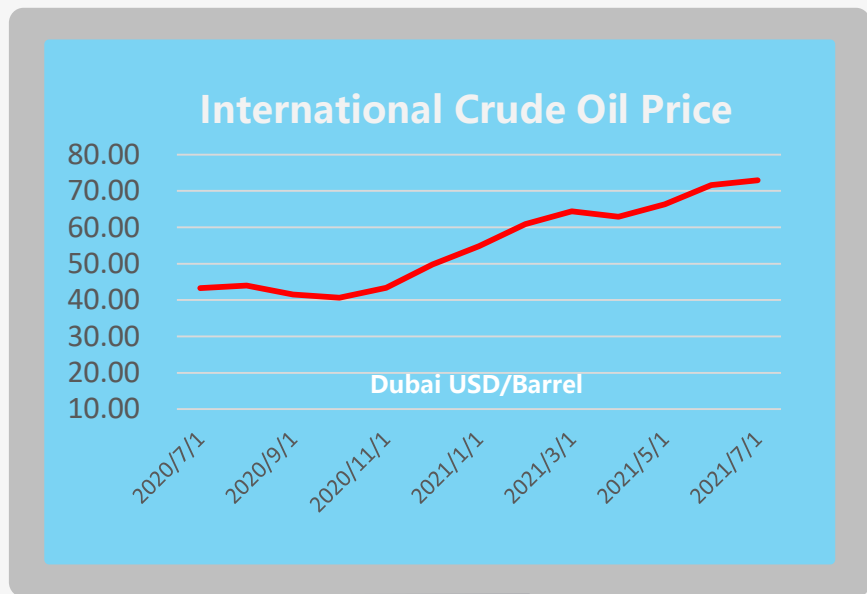
The Industry

Petrochemical industry got off to a good start with substantial growth in revenue and profits. There was an increase in the production quantity and consumption

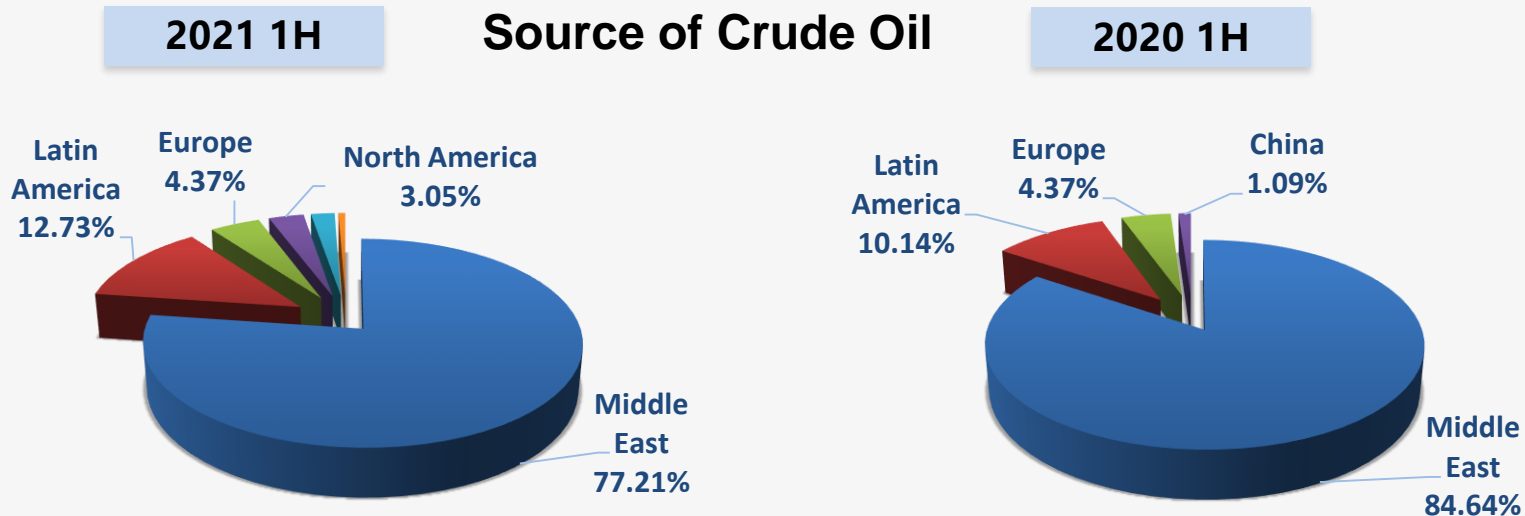




Crude Oil Processing Cost



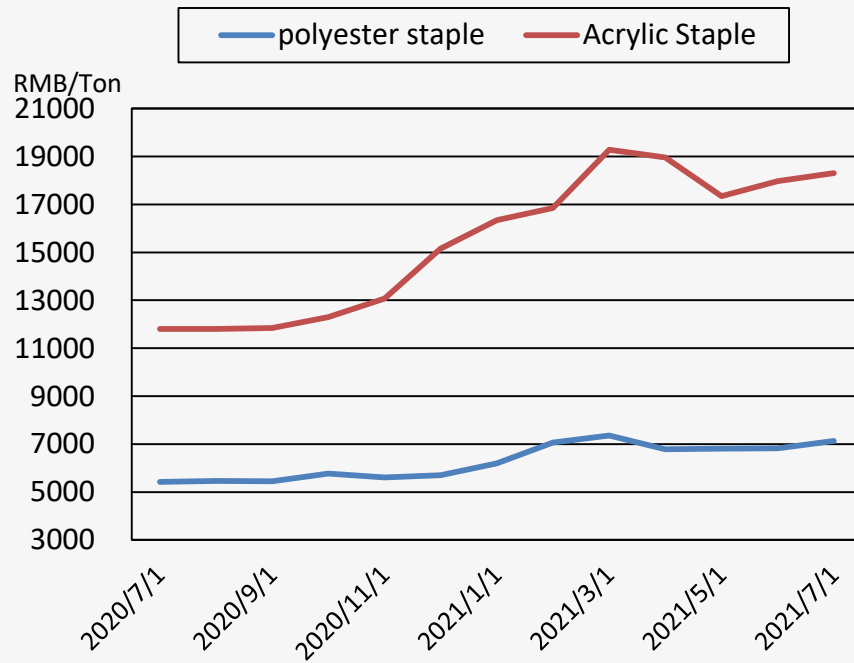
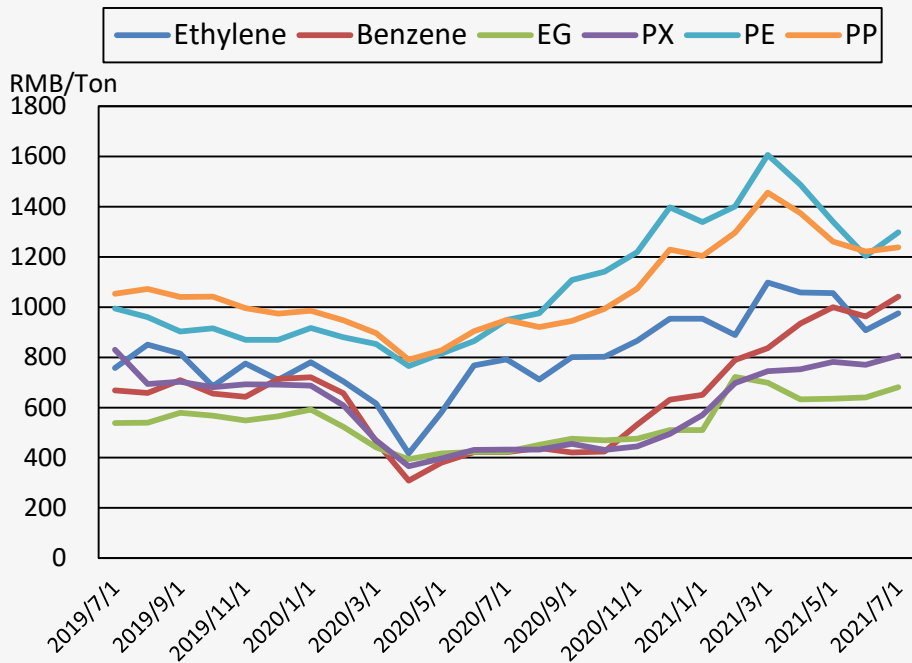
*Source: Jcache



| | Middle East | Latin America | Europe | North America | Africa | China |
|----------------|---------------|---------------|--------------|---------------|--------------|--------------|
| 2021 1H | 77.21% | 12.73% | 4.37% | 3.05% | 2.06% | 0.59% |
| 2020 1H | 84.64% | 10.14% | 4.13% | - | - | 1.09% |



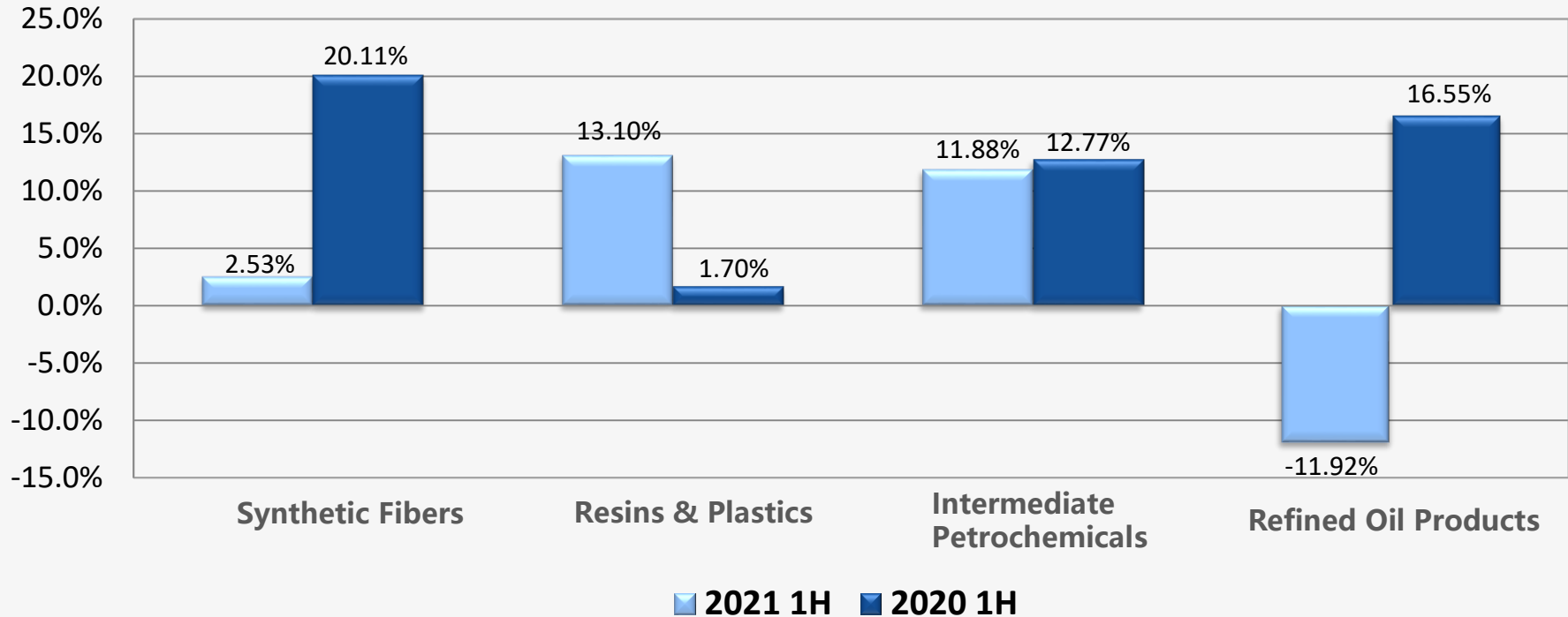
Chemical Price Tendency in Asia Market



*Source: Jcache



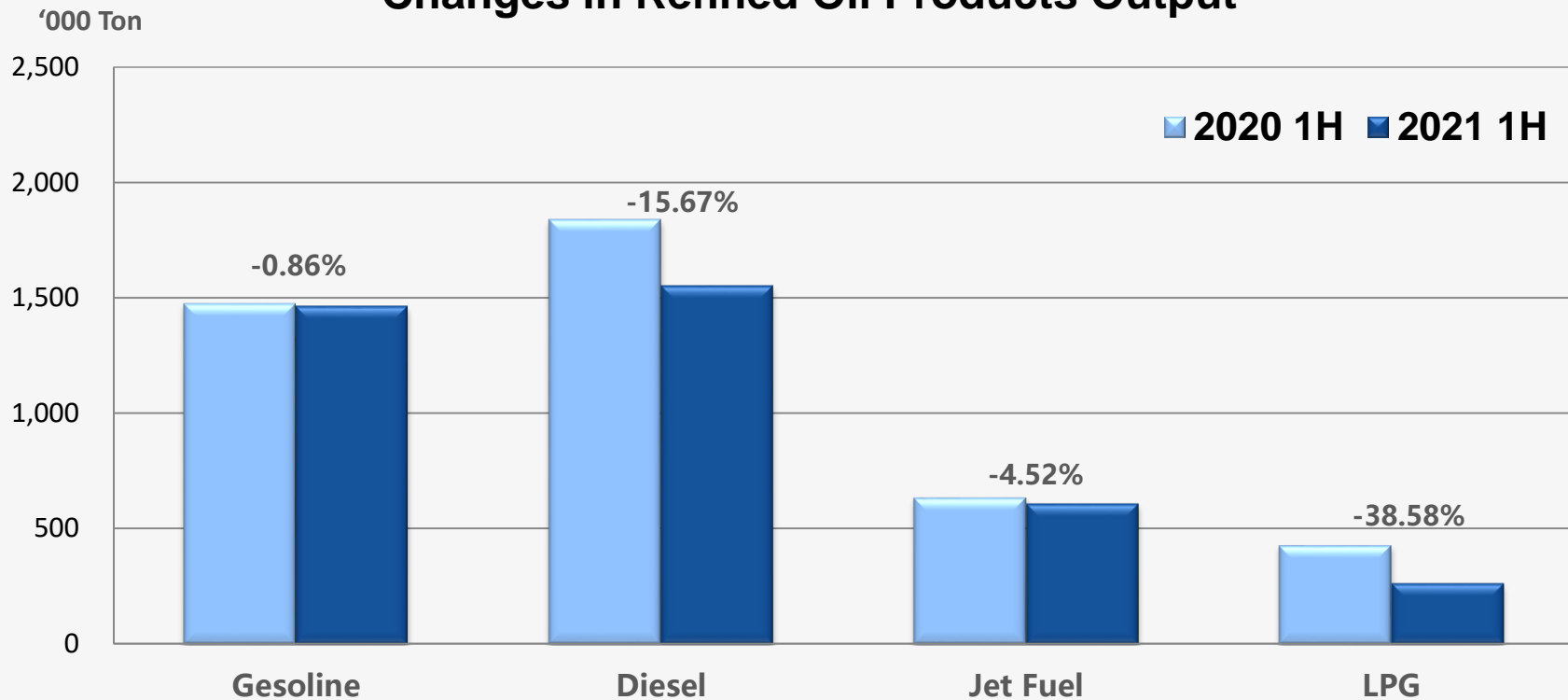
Domestic Demand Growth



*Source: SCI99

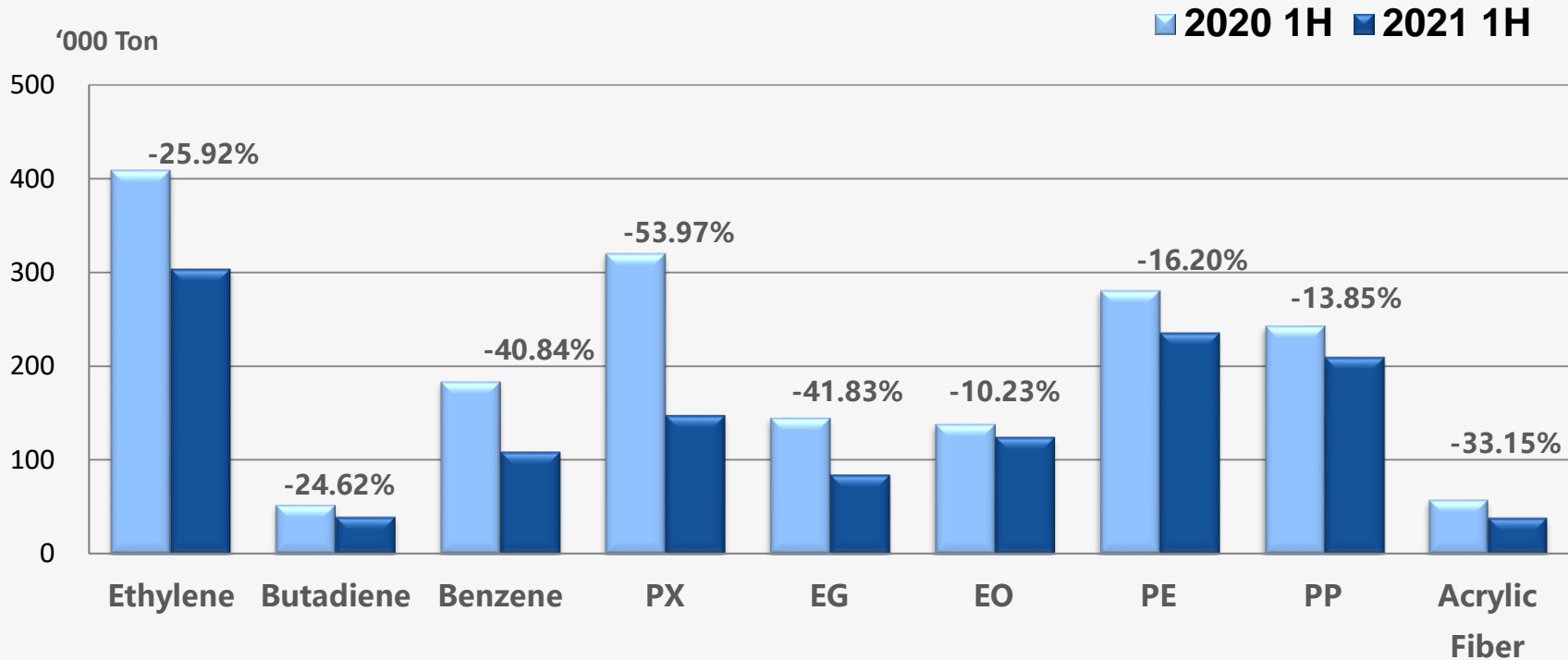


Changes in Refined Oil Products Output



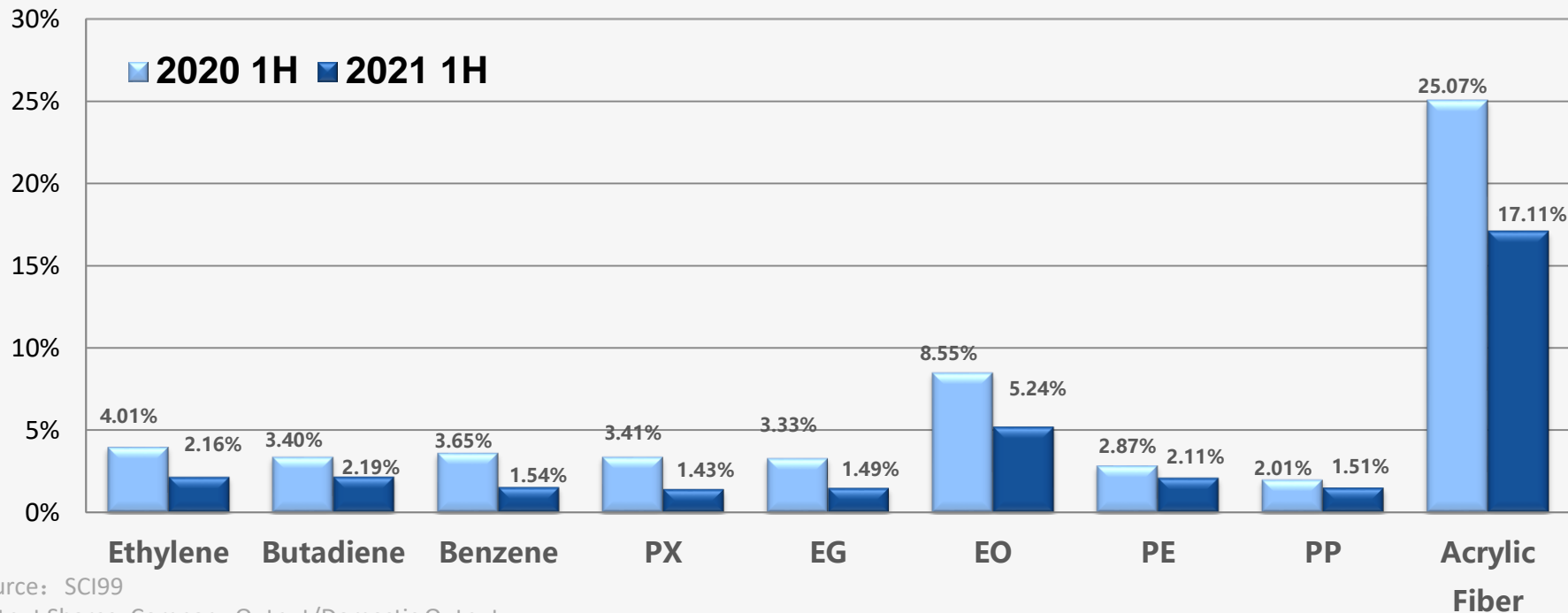


Changes in Major Petrochemicals Output





Domestic Output Shares of the Petrochemicals



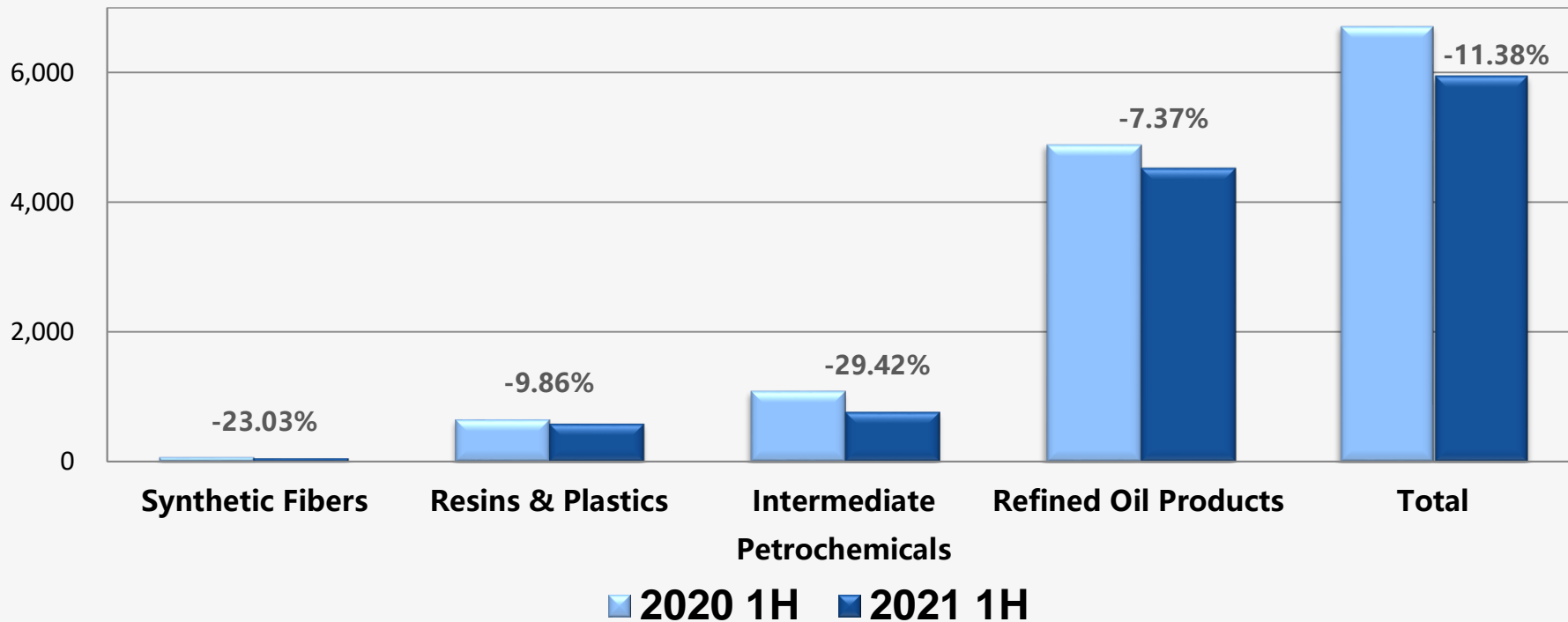
*Source: SCI99

*Output Shares=Company Output/Domestic Output



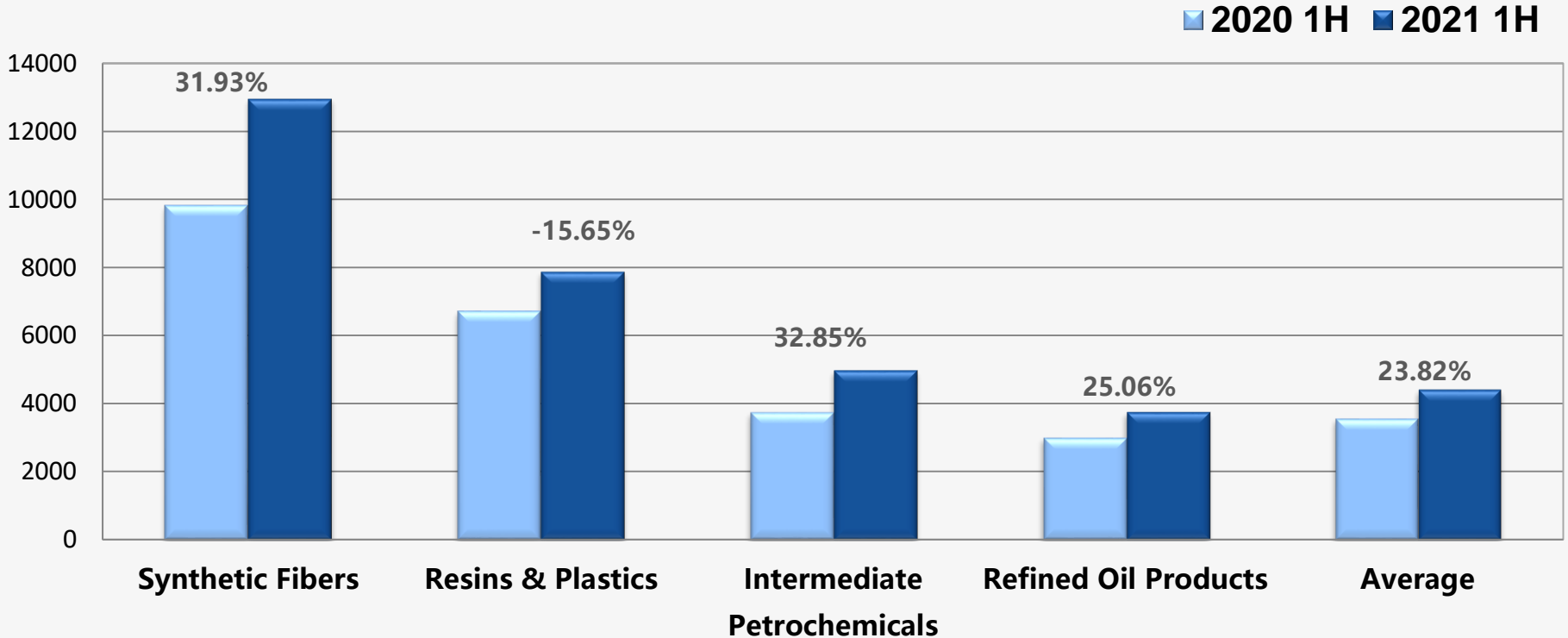
'000 Ton

Changes in Sales Volumes





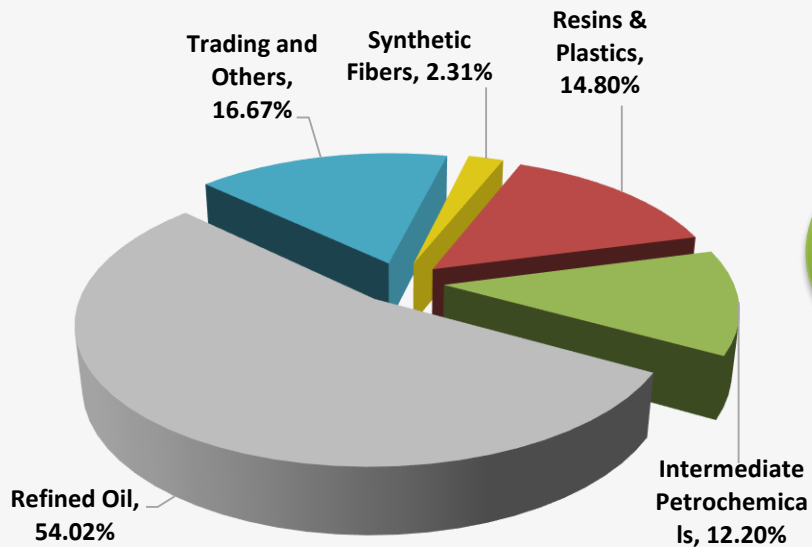
Average Prices





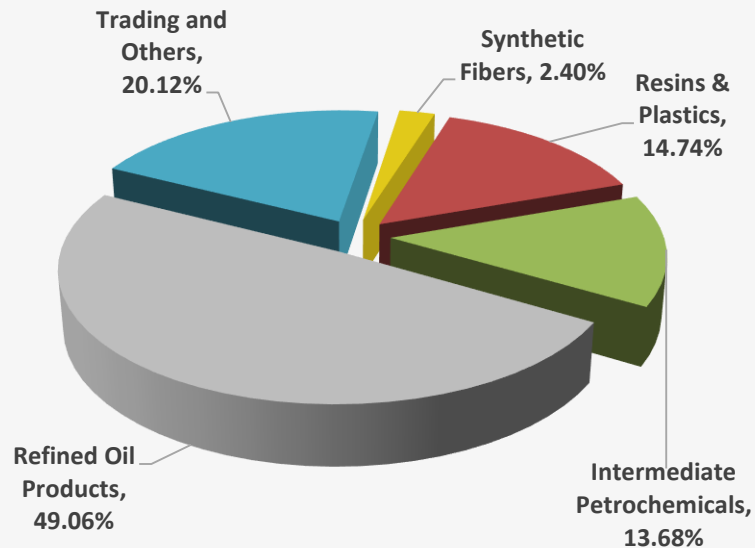
Net Sales Structure

2021 1H



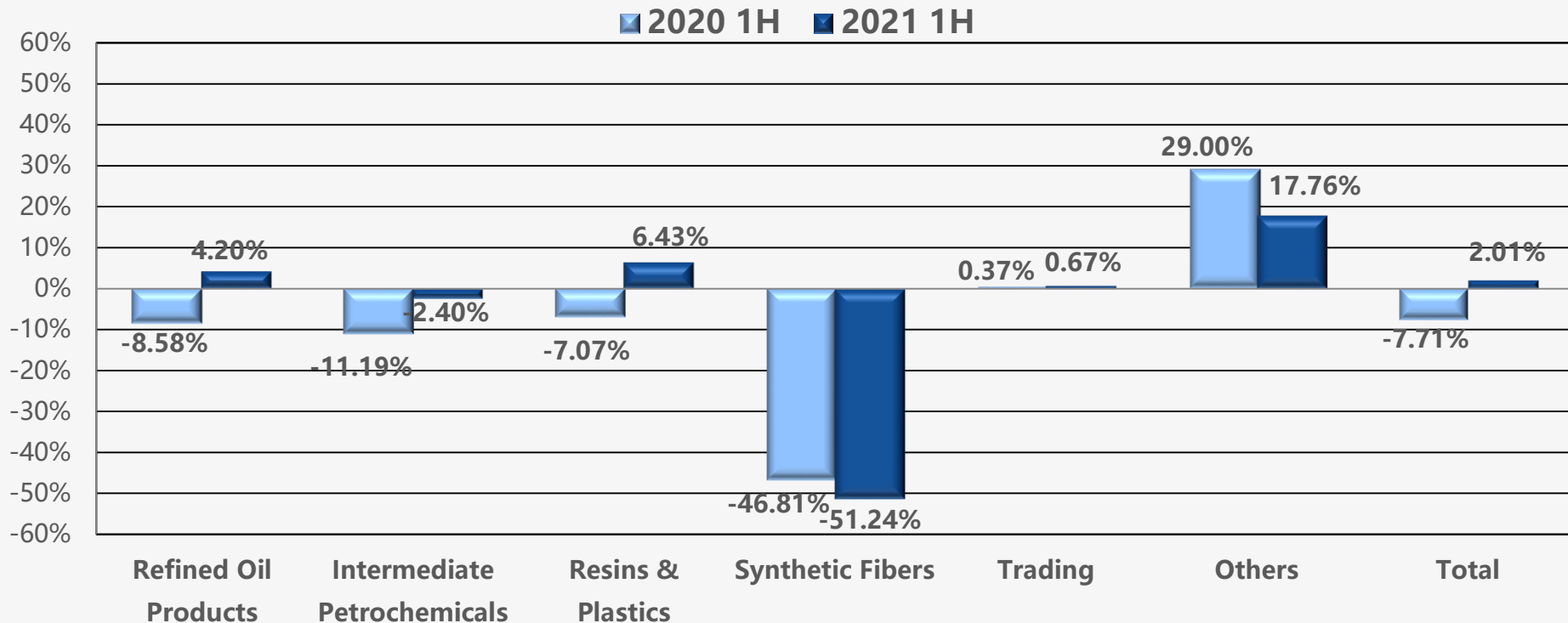
VS

2020 1H





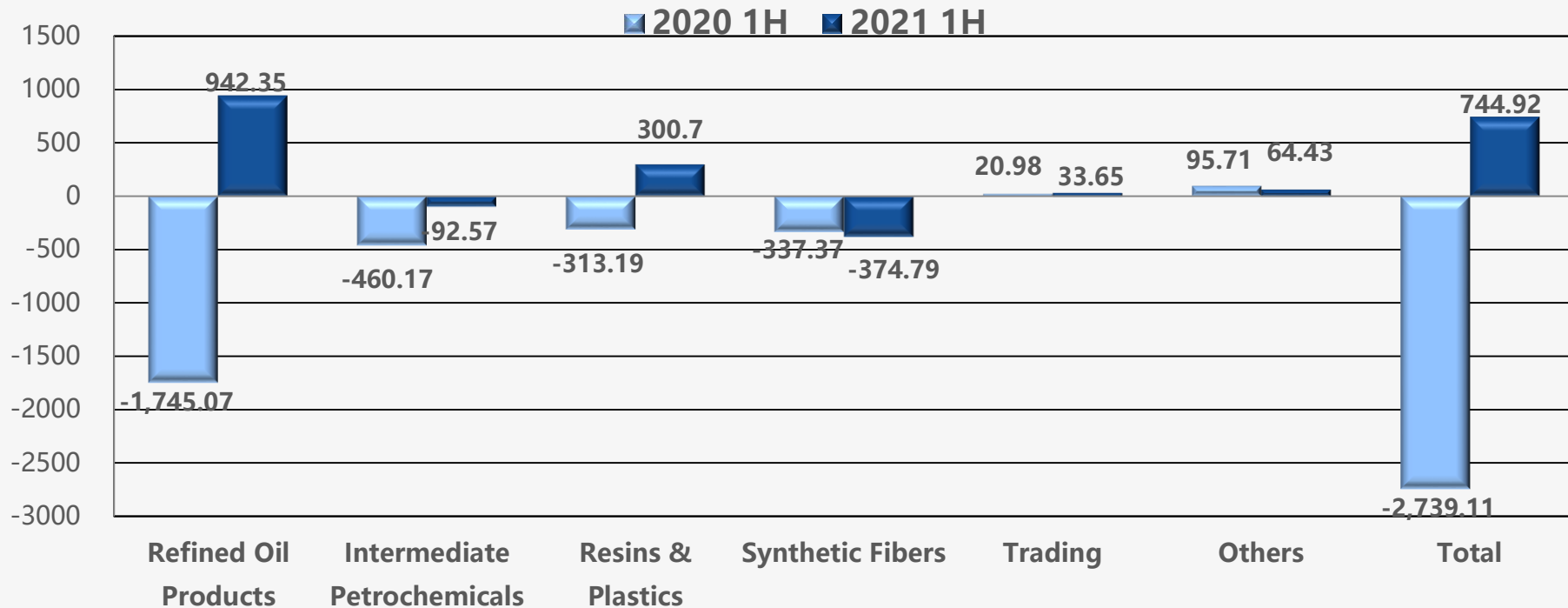
Profit Margin by Product





Profit by Product

Million RMB





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Capital Expenditure



In 2021 1H, the Group's capital expenditure is RMB 1.193 billion.

- 48K large-tow carbon fiber (12,000 ton/year) project
- security risk rectification project of the central control room of the olefin division
- adaptability revamping project of adsorption tower internals and control system of parax unit 2# of aromatic division

Major Projects in 2021 2H

- 48K large-tow carbon fiber (12,000 ton/year) project
- adaptability revamping project of adsorption tower internals and control system of parax unit 2# of aromatic division
- hydrogen demonstration project
- high-pressure air-cooling material upgrading project for medium pressure hydrocracking unit of the oil refining department





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Future Outlook



Macro-environment Outlook for 2021 2H

Industry

The structural contradictions in the chemical industry are still prominent, and the pressure on the upgrading and transformation of the industry is increasing. In the second half of the year, new domestic production capacity will be released intensively, and the market competition will be more intense. However, China's economy is expected to achieve better growth. On the whole, it is estimated that the production capacity increment will be slightly higher than the demand increment, and the gross profit of chemical products will be narrowed.

China

China's economy will still maintain a stable recovery trend, and the main macro indicators will remain within a reasonable range. With the continuous promotion of the construction of a new domestic development pattern, the supply side structural reform continues to deepen, the reform and innovation efforts are strengthened, and the quality of development is expected to continue to improve.

World

Although the world economic recovery is relatively strong, the uncertainty of COVID-19 remains, the game between major powers continues to intensify, and the industrial chain and supply chain still need to recover. OPEC+ reached a new production increase agreement combined with the overall high inventory pressure, and the international oil prices are expected to fluctuate widely.



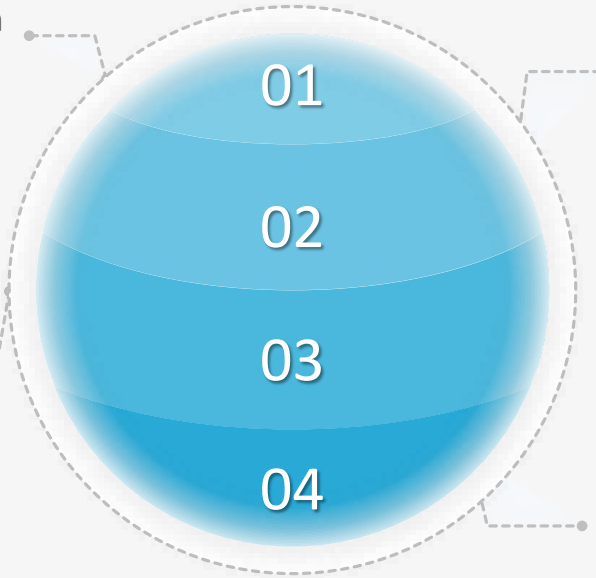
Business Plans for 2021 2H



Strictly ensure system implementation and continue to consolidate the foundation for stable operation.



Continue to improve the quality and efficiency of enterprise development through reform and innovation.



Focus on the optimization of the system and continue to tap the potential of efficiency.



Empower management and continue to play a supporting role.



Thank You!



SINOPEC SHANGHAI PETROCHEMICAL COMPANY LIMITED