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## **Sinopec Shanghai Petrochemical Company Limited**

**中國石化上海石油化工股份有限公司**

*(A joint stock limited company incorporated in the People's Republic of China)*

**(Stock Code: 00338)**

### **2025 INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025**

#### **1. IMPORTANT MESSAGE**

- 1.1** This interim results announcement of Sinopec Shanghai Petrochemical Company Limited (the “**Company**” or “**Sinopec Shanghai**”, together with its subsidiaries, the “**Group**”) for the six months ended 30 June 2025 (the “**Reporting Period**”) is extracted from the full text of the 2025 interim report. For detailed information, investors are advised to read the full text of the 2025 interim report to be published on the websites of the Shanghai Stock Exchange or other designated websites of China Securities Regulatory Commission, The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) and the Company.

#### **1.2 Corporate Information**

A Shares:	Stock Exchange Listing	Shanghai Stock Exchange
	Stock Short Name	SHANGHAI PECHEM
	Stock Code	600688
H Shares:	Stock Exchange Listing	Hong Kong Stock Exchange
	Stock Short Name	SHANGHAI PECHEM
	Stock Code	00338

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## 2. MAJOR ACCOUNTING DATA, MAJOR FINANCIAL DATA AND SHAREHOLDERS STATUS

### 2.1 Major Accounting Data

Prepared under the People's Republic of China (the "PRC") Accounting Standards for Business Enterprises ("CAS")

#### 2.1.1 Major Accounting Data

	Unit: RMB'000		
			Increase/ decrease as compared to the corresponding period of the previous year (%)
<b>Major accounting data</b>	<b>The Reporting Period (January to June)</b>	<b>Corresponding period of the previous year</b>	
Operating income	39,523,226	43,532,806	(9.21)
Total (loss)/profit	(595,616)	37,495	(1688.52)
Net (loss)/profit attributable to equity shareholders of the Company	(462,128)	27,912	(1755.66)
Net (loss)/profit attributable to equity shareholders of the Company excluding extraordinary gains and losses	(439,375)	61,305	(816.70)
Net cash flows generated from operating activities	778,943	341,970	127.78

	As at the end of the Reporting Period	As at the end of the previous year	Increase/ decrease at the end of the Reporting Period as compared to the end of the previous year (%)
Net assets attributable to equity shareholders of the Company	24,305,137	25,040,254	(2.94)
Total assets	41,973,134	41,769,339	0.49

### 2.1.2 Major Financial Indicators

Major Financial Indicators	The Reporting Period (January to June)	Corresponding period of the previous year	Increase/decrease as compared to the corresponding period of the previous year (%)
Basic (losses)/earnings per share (RMB/Share)	(0.044)	0.003	(1,566.67)
Diluted (losses)/earnings per share (RMB/Share)	(0.044)	0.003	(1,566.67)
Basic (losses)/earnings per share excluding extraordinary gains and losses (RMB/Share)	(0.042)	0.006	(800.00)
(Loss)/return on net assets (weighted average) (%)*	(1.870)	0.113	Decreased by 1.983 percentage points
(Loss)/return on net assets excluding extraordinary gains and losses (weighted average) (%)*	(1.778)	0.247	Decreased by 2.025 percentage points

\* The above-mentioned net assets do not include non-controlling interests.

### 2.1.3 Differences between Financial Statements Prepared under CAS and IFRS Accounting Standards

Unit: RMB'000

	Net (loss)/profit attributable to equity shareholders of the Company		Net assets attributable to equity shareholders of the Company	
	The Reporting Period	Corresponding period of the previous year	At the end of the Reporting Period	At the beginning of the Reporting Period
Prepared under CAS	(462,128)	27,912	24,305,137	25,040,254
Prepared under IFRS Accounting Standards	(449,274)	2,845	24,293,317	25,028,251

For detailed differences between the financial statements prepared under CAS and IFRS Accounting Standards, please refer to supplements to the financial statements prepared under CAS.

### 2.1.4 Extraordinary Gains and Losses Items (Prepared under CAS)

Unit: RMB'000

<b>Extraordinary gains and losses items</b>	<b>Amount</b>
Disposal gains or losses of non-current assets, including the reversal of provision for impairment of assets	(23,498)
Government grants recognized in profit or loss, except for those which are closely related to the Company's normal operations, which the Company is entitled to under established standards in accordance with government policies and which have a continuing impact on the profits and losses of the Company	5,260
For a company which is not a financial institution, gains and losses arising from changes in the fair value of financial assets and financial liabilities held by the company, and those arising from the disposal of financial assets and financial liabilities, other than those held for effective hedging related to normal operations of the Company	7,230
One-off costs incurred as a result of the discontinuation of relevant operating activities, e.g. termination benefits	(22,066)
Other gain or loss items meeting the definition of extraordinary gains and losses	(890)
Other non-operating income and expenses besides the items above	3,240
Income tax effect amount	8,265
Effect on non-controlling interests after taxation	(294)
<b>Total</b>	<b>(22,753)</b>

## 2.2 Shareholding of the Top Ten Shareholders and Top Ten Shareholders with Tradable Shares (or Shareholders with Unrestricted Shares) as at the end of the Reporting Period

Unit: Share

Shareholding of the top ten shareholders (excluding shares lent through securities lending and refinancing)								
Name of shareholders (Full name)	Class of shares	Increase/ decrease in number of shares held during the Reporting Period (shares)	Number of shares held at the end of the Reporting Period (shares)	Percentage of Shareholding (%)	Number of shares held with selling restrictions (shares)	Pledged/frozen		
						Status of shares	Number of shares	Nature of shareholders
China Petroleum & Chemical Corporation	A shares	2,700,000	5,462,155,000	51.81%	0	None	0	State-owned legal person
HKSCC (Nominees) Limited	H shares	-332,556,000	2,970,776,780	28.18%	0	Unknown	–	Overseas legal person
HKSCC Limited	A shares	13,972,049	71,915,641	0.68%	0	None	0	Overseas legal person
Zhang Mucheng (張沐城)	A shares	7,545,800	49,564,000	0.47%	0	None	0	Domestic natural person
Yinhua Fund – Agricultural Bank of China – Yinhua CSI Financial Asset Management Plan	A shares	0	36,741,316	0.35%	0	None	0	Others
Southern Fund – Agricultural Bank of China – Southern CSI Financial Asset Management Plan	A shares	0	36,402,500	0.35%	0	None	0	Others
GF Fund – Agricultural Bank of China – GF CSI Financial Asset Management Plan	A shares	0	34,827,100	0.33%	0	None	0	Others
Dacheng Fund – Agricultural Bank of China – Dacheng CSI Financial Asset Management Plan	A shares	0	33,837,269	0.32%	0	None	0	Others
Agricultural Bank of China Limited – CSI 500 Traded Open-End Index Securities Investment Fund	A shares	1,730,448	32,780,148	0.31%	0	None	0	Others
Bosera Fund – Agricultural Bank of China – Bosera CSI Financial Asset Management Plan	A shares	0	28,131,500	0.27%	0	None	0	Others

**Shareholding of the top ten shareholders with unrestricted shares  
(excluding shares lent through securities lending and refinancing)**

<b>Name of shareholders</b>	<b>Number of unrestricted tradable shares</b>	<b>Type and quantity of shares</b>	
		<b>Type</b>	<b>Quantity</b>
China Petroleum & Chemical Corporation	5,462,155,000	Ordinary shares denominated in RMB	5,462,155,000
HKSCC (Nominees) Limited	2,970,776,780	Overseas listed foreign shares	2,970,776,780
HKSCC Limited	71,915,641	Ordinary shares denominated in RMB	71,915,641
Zhang Mucheng (張沐城)	49,564,000	Ordinary shares denominated in RMB	49,564,000
Yinhua Fund – Agricultural Bank of China – Yinhua CSI Financial Asset Management Plan	36,741,316	Ordinary shares denominated in RMB	36,741,316
Southern Fund – Agricultural Bank of China – Southern CSI Financial Asset Management Plan	36,402,500	Ordinary shares denominated in RMB	36,402,500
GF Fund – Agricultural Bank of China – GF CSI Financial Asset Management Plan	34,827,100	Ordinary shares denominated in RMB	34,827,100
Dacheng Fund – Agricultural Bank of China – Dacheng CSI Financial Asset Management Plan	33,837,269	Ordinary shares denominated in RMB	33,837,269
Agricultural Bank of China Limited – CSI 500 Traded Open-End Index Securities Investment Fund	32,780,148	Ordinary shares denominated in RMB	32,780,148
Bosera Fund – Agricultural Bank of China – Bosera CSI Financial Asset Management Plan	28,131,500	Ordinary shares denominated in RMB	28,131,500
The explanation of buyback account of the top ten shareholders	Not involved		
The explanation of above shareholders’ entrustment voting right, entrusted voting right and abandonment of voting right	Not involved		
Note on connected relations or acting in concert of the above shareholders	Among the above-mentioned shareholders, China Petroleum & Chemical Corporation (“ <b>Sinopec Corp.</b> ”), a state-owned legal person, does not have any connected relationship with the other shareholders, and does not constitute an acting-in-concert party under the Administrative Measures on Acquisition of Listed Companies. Among the above-mentioned shareholders, HKSCC (Nominees) Limited is a nominee. HKSCC Limited is the nominal holder for Shanghai-Hong Kong Stock Connect Program of the Company. Apart from the above shareholders, the Company is not aware of any connected relationship among the other shareholders, or whether any other shareholder constitutes an acting-in-concert party under the Administrative Measures on Acquisition of Listed Companies.		
The explanation of preferred shareholders with voting rights restored and their shareholding	Not involved		

Shareholders holding more than 5% of the shares, the top ten shareholders and the top ten shareholders with unrestricted tradable shares engaging in lending shares through securities lending and refinancing business  
Not applicable

Changes in the top ten shareholders and the top ten shareholders with unrestricted tradable shares from the previous period due to lending/returning shares through securities lending and refinancing  
Not applicable

Number of shares held by top ten shareholders with restricted shares and trading restrictions  
Not applicable

## 2.3 Interests and Short Positions of the Substantial Shareholders of the Company in Shares and Underlying Shares of the Company

As at 30 June 2025, to the knowledge of the directors or chief executive of the Company, the interests or short positions of the Company's substantial shareholders (being those who are entitled to exercise or control the exercise of 5% or more of the voting rights at any general meeting of the Company but excluding the directors, chief executive and supervisors) in the shares or underlying shares of the Company which are required to be disclosed pursuant to Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (the "SFO") or as recorded in the register of interests required to be kept under Section 336 of the SFO were as set out below:

### Interests in ordinary shares of the Company

<u>Name of shareholders</u>	<u>Interests held or deemed as held (shares)</u>	<u>Note</u>	<u>Percentage of total issued shares of the Company (%)</u>	<u>Percentage of total issued shares of the relevant class</u>	<u>Capacity</u>
China Petroleum & Chemical Corporation	5,462,155,000 A shares (L) Shares of legal person	(1)	51.81	74.53	Beneficial owner
Corn Capital Company Limited	200,020,000 H shares (L) 200,020,000 H shares (S)	(2)	1.90 1.90	6.22 6.22	Beneficial owner
Hung Hin Fai	200,020,000 H shares (L) 200,020,000 H shares (S)	(2)	1.90 1.90	6.22 6.22	Interests of controlled corporation
Yardley Finance Limited	200,020,000 H shares (L)	(3)	1.90	6.22	Secured equity holders
Chan Kin Sun	200,020,000 H shares (L)	(3)	1.90	6.22	Interests of controlled corporation

(L): Long position; (S): Short position

Notes:

- (1) Based on the information obtained by the directors of the Company from the Hong Kong Stock Exchange website and to the knowledge of the directors, China Petrochemical Corporation (“**Sinopec Group**”) directly and indirectly owned 69.64% of the issued share capital of Sinopec Corp. as of 30 June 2025. Thus, Sinopec Group was deemed to be interested in the 5,462,155,000 A shares of the Company directly owned by Sinopec Corp.
- (2) The shares were held by Corn Capital Company Limited. Hung Hin Fai held 100% interests in Corn Capital Company Limited. Pursuant to the SFO, Hung Hin Fai was deemed to be interested in the shares held by Corn Capital Company Limited.
- (3) The shares were held by Yardley Finance Limited. Chan Kin Sun held 100% interests in Yardley Finance Limited. Pursuant to the SFO, Chan Kin Sun was deemed to be interested in the shares held by Yardley Finance Limited.

Save as disclosed above, as at 30 June 2025, the directors of the Company have not been notified by any person (other than the directors, chief executive and supervisors) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO or as recorded in the register of interests required to be kept by the Company under Section 336 of the SFO.

## **2.4 Interests and Short Positions of the Directors, Chief Executive and Supervisors in the Shares, Underlying Shares or Debentures of the Company or its Associated Corporations**

As at 30 June 2025, the interests and short positions of the directors, chief executive and supervisors of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or to be recorded in the register of interests required to be kept by the Company under Section 352 of the SFO; or as otherwise required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions (“**Model Code**”) set out in Appendix C3 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Hong Kong Listing Rules**”) were as follows:



## Interests in the Shares and Underlying Shares of the Company

Name	Position	Number of shares held (shares)	Percentage of total issued shares of the Company	Percentage of total issued A	Capacity
			(%)	shares (%)	
Huang Xiangyu	Executive Director and Vice President	140,000 A shares (L)	0.0013	0.0019	Beneficial owner
Zhang Feng	Supervisor	10,000 A shares (L)	0.0001	0.0001	Beneficial owner
Chen Hongjun	Supervisor	31,400 A shares (L)	0.0003	0.0004	Beneficial owner

(L): Long position

Save as disclosed above, as at 30 June 2025, to the knowledge of the directors, chief executive or supervisors of the Company, none of the directors, chief executive or supervisors of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations which were required to be disclosed or recorded pursuant to the SFO and the Hong Kong Listing Rules as mentioned above.

### 3. MANAGEMENT DISCUSSION AND ANALYSIS

#### 3.1 Management Discussion and Analysis of the Operations during the Reporting Period

(The following discussion and analysis should be read in conjunction with the unaudited interim financial report of the Group and the notes in the interim report. Unless otherwise specified, financial data involved hereinafter are extracted from the unaudited interim financial report of the Group prepared in accordance with IFRS Accounting Standards.)

##### Review of the Company's operations during the Reporting Period

In the first half of 2025, the external environment remained unstable with uncertainties, while the tariff wars inflicted unprecedented challenges on the global economic order. China's GDP grew by 5.3% year-on-year in the first half of the year, maintaining overall stable operation and continuing its steady upward trend. Influenced by factors such as the tariff wars, geopolitical fluctuations and accelerated production expansion by OPEC+, the market price of the international crude oil widely oscillated, and the conflict between supply and demand in the market remained prominent, resulting in fierce competition in the petrochemical industry.

In the face of the increasingly severe and complicated domestic and international economic and industry situations, the Group has accelerated the construction of high-quality development projects, actively addressed operational and profitability challenges, and fully committed to the “two-front battle” campaign in production and operation and project construction, with all works advanced basically in an orderly manner in accordance with the predetermined goals. For the six months ended 30 June 2025, the Group generated revenue of RMB39.5 billion, representing a decrease of RMB3.99 billion or 9.17% year-on-year. Loss before taxation amounted to RMB583 million (1H2024: profit before taxation of RMB12 million), representing an increase of loss of RMB595 million year-on-year. Loss after taxation and excluding non-controlling shareholders’ interests was RMB449 million (1H2024: profit of RMB3 million), representing an increase of loss of RMB452 million year-on-year.

In the first half of 2025, the total volume of goods within the main commodity categories produced by the Group decreased by 4.35% year-on-year to 5.5768 million tons. The Group processed a total of 6.3249 million tons of crude oil (of which 556.4 thousand tons were processed on order), representing a year-on-year decrease of 4.93%. Refined oil output amounted to 3.9929 million tons (of which 449.9 thousand tons were processed on order), representing a decrease of 6.81% year-on-year. Among them, the gasoline production increased by 0.14% year-on-year to 1.6681 million tons, the diesel production decreased by 13.56% year-on-year to 1.1987 million tons, and the jet fuel production decreased by 8.62% year-on-year to 1.1261 million tons. Ethylene production increased by 24.34% year-on-year to 273.3 thousand tons, and p-xylene production increased by 1.20% year-on-year to 352.9 thousand tons. Production of plastics, resins and copolymers decreased by 3.21% year-on-year to 457.7 thousand tons. Production of synthetic fibres increased by 5.07% year-on-year to 14.5 thousand tons. The production and sales rate of the Group’s product for the first half of this year was 99.94% and the payment return rate was 100% (excluding related companies).

Safety and environmental risks were generally under control. The Group strengthened the management accountabilities of local grid and professional line, promoted the rectification of special hazards in aging facilities, with a rectification completion rate of 98.8%, aiming to complete all rectifications within the year. The Group carried out safety risk assessments, risk contracting activities, and hazard identification and rectification, strictly controlled risks associated with contractors and direct operation process, and strictly reviewed contractor qualifications. The Group remained committed to strict management. In the first half of the year, the comprehensive compliance rate of industrial wastewater discharged outward, the rate of controlled emissions, and the rate of hazardous waste properly handled and disposed were all 100%, and the average VOCs concentration at the plant boundary was 62.4  $\mu\text{g}/\text{m}^3$ , representing a year-on-year decrease of 9.70%.

Refining and chemical integration intensified market expansion and efforts to overcome challenges. The focus of petroleum segment was on increasing aviation fuel, stabilizing gasoline, and reducing diesel fuel. Measures such as optimizing gasoline and diesel components flows and adjusting hydro cracking and catalytic product structure were taken to reduce the increment in gasoline and diesel fuel and enhance the proportion of high-grade gasoline. The chemical segment focused on optimizing raw material structures and increasing aromatics production, resulting in year-on-year yield improvements in light oil for chemical industry, atriene, benzene, and PX. Market opportunities were seized to boost production and sales of petroleum coke and liquefied gas. The thermal power business was optimized by implementing “peak-flat-valley” power generation and electricity consumption scheduling to reduce electricity-related carbon compliance costs.

Industrial transformation and upgrading progressed effectively. Focusing on high-end, intelligent, and green development, the Company initiated the formulation of its “15th Five-Year” Plan. Projects’ constructions were accelerated, with overall design reviews and optimization adjustments for comprehensive technical renovation and quality enhancement and upgrading projects completed. The cleanliness and efficiency improvement project for thermal power units has entered full-scale civil construction. The elastomer and its supporting projects have achieved mechanical completion. The construction project of the large-tow carbon fiber outside of Shanghai and the National Hazardous Chemicals Emergency Rescue (Shanghai) Base project were launched. The Group accelerated its pace of digital and intelligent transformation, conducting the construction of five digital and intelligent management domains: geographic information, planning and operations, production execution, project construction, and personal affairs. The Group continued to enhance its capabilities in lean and efficient production organization and planning execution, agile and high-quality product supply and technical services, and industry-leading product development and application expansion, fostering new quality productive forces.

The driving force of innovation unleashed efficiency at a faster pace. The Company intensified efforts in the R&D and promotion of new chemical products, optimized synthetic materials grades and increased the production of high value-added products. Industrial collaborations were strengthened to accelerate the development of 110KV ultra-high-voltage cable materials; efforts were made in expanding self-marketing businesses for new products such as foam and medical materials. Reinforced efforts were made in enhancing carbon fiber technology and pursuing market development and sales expansion, including continuous industrialization of 48K large tow carbon fiber and breakthroughs in thermoplastic aerospace composite materials. The Company advanced researches on industrialized technology and applications of high-strength, medium-modulus carbon fiber. The Company participated in the formulation of four national or group standards for carbon fiber and its composite materials, two of which have already been released. The group standard “Industrial Polyacrylonitrile-based Large Tow Carbon Fiber Yarn” won the First Prize for Standard Innovation from CSTM (Chinese Standards for Testing and Materials Platform).

The effectiveness of management reform has become increasingly prominent. The Group optimized the management mechanism, reduced the “two offices” (the General Manager’s Office and the Party Committee Office) of the Company and secondary units, reduced the Company’s internal departments, and integrated the planning department and sales center to establish the “Planning and Operation Department”. The Group coordinated and improved salary distribution and performance appraisal, and established a dynamic monitoring mechanism for key expenses such as total wages, labor costs, and welfare, to strengthen whole process control over labor costs. The Group improved the interactive mechanism for remuneration and efficacy and the operating mechanism of the “human resource pool” through the dual contract management of “labor contract + induction agreement”. The Group firmly established the concept of “all costs are controllable”, controlled fuel costs, extensively explored energy-saving possibilities, strictly controlled the cost of auxiliary materials such as catalysts, additives and solvents according to consumption quotas, and carried out comparative analysis of special cost on circulating water, sewage treatment, nitrogen, logistics, etc.

The following table sets forth the Group’s sales volume and net sales after business tax and surcharges for the Reporting Period:

	For the six months ended 30 June					
	2025			2024		
	Sales volume (’000 tons)	Net sales (RMB million)	%	Sales volume (’000 tons)	Net sales (RMB million)	%
Petroleum products	4,326.17	20,921.99	62.46	4,638.06	24,948.22	66.53
Chemical products	1,252.31	8,477.13	25.31	1,153.59	8,757.87	23.36
Trading of petrochemical products	–	3,855.86	11.51	–	3,144.79	8.39
Others	–	243.33	0.72	–	645.65	1.72
Total	<u>5,578.48</u>	<u>33,498.31</u>	<u>100.00</u>	<u>5,791.65</u>	<u>37,496.53</u>	<u>100.00</u>

In the first half of 2025, the Group achieved a total net sales of RMB33.498 billion, representing a decrease of 10.66% compared to the same period last year, of which the net sales of petroleum products and chemical products decreased by 16.14% and 3.21% respectively, while the net sales of trading of petrochemical products increased by 22.61%. Affected by the decline in market demand, the sales volume of petroleum products decreased by 6.72%. The weighted average sales prices of all sectors decreased over the same period last year due to the decrease in crude oil prices. In the first half of 2025, the Group’s cost of sales was RMB34.139 billion, representing a decrease of 9.11% compared to the same period last year and accounting for 101.91% of net sales.

In the first half of 2025, the cost of crude oil processing of the Group amounted to RMB23.085 billion, representing a decrease of RMB2.735 billion compared to the same period last year. Among them, the Group's crude oil unit processing cost was RMB4,001.90/ton for the Reporting Period, representing a decrease of RMB379.86/ton or 8.67% compared to the same period last year, and resulting in the cost reduction of RMB2.191 billion. The crude oil processing volume (excluding processing on order) for the Reporting Period decreased by 124.2 thousand tons compared to the same period last year, resulting in cost reduction of RMB544 million. Crude oil costs accounted for 67.62% of the Group's cost of sales in the first half of the year.

In the first half of 2025, the Group's expenditure on other excipients was RMB3.796 billion, representing a decrease of 8.44% compared to the same period last year. During the Reporting Period, the Group's depreciation and amortization expenses and maintenance expenses were RMB1,005 million and RMB452 million, respectively. Depreciation and amortization expenses decreased by 2.80% year-on-year mainly due to the decrease of amortization of long-term deferred expenses. Maintenance expenses increased by 38.65% year-on-year mainly due to the increase in overhaul projects for the Reporting Period as compared to the same period in 2024.

In the first half of 2025, the Group recorded selling and administrative expenses of RMB102 million, representing a decrease of 21.54% from RMB130 million in the same period last year mainly because the sales commission decreased by RMB25 million during the Reporting Period.

In the first half of 2025, the Group's other operating income was RMB36 million, representing a decrease of RMB22 million compared to the same period last year mainly due to a decrease in rental income of RMB19 million during the Reporting Period.

In the first half of 2025, the Group's other operating expenses were RMB13 million, representing a decrease of RMB6 million compared to the same period last year.

In the first half of 2025, the Group reported a net financial income of RMB74 million, while the net financial income amounted to RMB89 million in the same period last year, which was mainly due to a decrease in interest income of RMB96 million and a decrease in interest expense of RMB81 million during the Reporting Period.

In the first half of 2025, the Group recorded a loss after taxation and excluding non-controlling shareholders' profits or losses of RMB449 million, representing an increase of loss of RMB452 million from the profit of RMB3 million in the same period last year.

## **Liquidity and Capital Resources**

In the first half of 2025, the Group's net cash inflow from operating activities was RMB768 million, representing an increase of RMB517 million compared to the same period in 2024. This was mainly due to the fact that the Group's total cash outflows for purchasing goods and paying various taxes during the Reporting Period decreased by RMB2,639 million as compared to the same period in 2024, while cash received from sales of goods decreased by RMB2,189 million compared to the same period last year.

In the first half of 2025, the Group's net cash inflow from investment activities was RMB734 million, while a net cash outflow of RMB586 million occurred in the same period last year. This was mainly due to the recovery of RMB3,600 million of time deposits purchased by the Group in previous years in the first half of 2025, and the purchase of time deposits of RMB2,500 million for the Reporting Period, while net cash inflow from time deposits in the same period last year was RMB200 million. During the Reporting Period, the net cash inflow from time deposits increased by RMB900 million compared to the same period last year.

In the first half of 2025, the Group's net cash outflow from financing activities was RMB1,281 million, while a net cash inflow of RMB1,435 million occurred in the same period last year. This was mainly because the net cash used in obtaining of and repayment for borrowings this year was RMB1,182 million, while the net cash generated from obtaining of and repayment for borrowings was RMB1,500 million in the same period last year.

## **Borrowings and Debts**

The Group's long-term borrowings are mainly used for capital expansion projects. The Group generally arranges long-term borrowings in accordance with capital expenditure plans. The short-term debt is used to supplement the working capital required by the normal production and operation of the Group. As at 30 June 2025, the total loan balance of the Group decreased by RMB1,182 million from the opening balance, which was mainly due to the repayment of RMB1,500 million for short-term borrowings upon maturity during the Reporting Period, while the balance of long-term borrowings increased by RMB318 million. The Group had no short-term bonds during the Reporting Period. As of 30 June 2025, the Group's total principal of borrowings at floating interest rates was RMB387 million.



## **Capital Expenditures**

In the first half of 2025, the Group's capital expenditure was RMB408 million. It was mainly used for the construction of the cleanliness and efficiency improvement project for thermal power units of Shanghai Petrochemical.

In the second half of the year, the Group will continue to promote the implementation of cleanliness and efficiency improvement project for thermal power units of Shanghai Petrochemical and the construction project of the large-tow carbon fiber outside of Shanghai. The planned capital expenditure of the Group can be financed from operating cash and bank credit.

## **Gearing Ratio**

As of 30 June 2025, the Group's gearing ratio was 41.77% (as of 30 June 2024: 41.96%). The gearing ratio was calculated as: total liabilities/total assets.

## **The Group's Employees**

As at 30 June 2025, the number of registered employees of the Group was 6,715, among which 4,089 were production personnel, 1,874 were sales, finance and other personnel, and 752 were administrative personnel. 72.67% of the Group's employees were college graduates or above.

The Group determines the remuneration of its employees and directors on the basis of their position, performance, experience and current market pay trends. Other benefits include state-administered pension plans. The Group also provides professional and vocational training for its employees.

## **Income Tax**

The Enterprise Income Tax Law of the PRC took effect from 1 January 2008, subsequent to which the income tax rate for enterprises was uniformly adjusted to 25%. As of the half year ended 30 June 2025, the income tax rate applicable to the Group was 25%.

## **Disclosure Required by the Hong Kong Listing Rules**

Save as disclosed herein, pursuant to paragraph 40 of Appendix D2 to the Hong Kong Listing Rules, the Company confirms that there were no material differences between the existing information of the Company relating to the matters as set out in paragraph 32 of Appendix D2 to the Hong Kong Listing Rules and the relevant information disclosed in the Company's 2024 annual report.

## Market Outlook and Work Plans for the Second Half of the Year

Looking ahead to the second half of the year, from the macro-economic perspective, despite of the uncertainty of the external environment and the pressure of internal structural adjustment, China's economy maintains stable growth with support. From the industry perspective, the situation of strong supply and weak demand in the market is severe, the penetration rate of new energy vehicles is increasing, the demand in the existing market is being squeezed, and the chemical market is still in the trough of its cycle.

From the Group's own perspective, the production and operation situation faced by the Company remains complex and severe. In the second half of the year, the Group will focus on the following five aspects of work, pursuing steady progress and sparing no effort to complete the annual objectives and tasks.

1. Enhancing safety and environmental protection with greater efforts to improve risk prevention. The Company will strengthen grid-based management accountability at all levels, intensify inspections and rectification, and emphasize standardized, full-process control to ensure strict and practical safety production. The Company will enhance environmental management with a prevention-first approach, committing to become a Grade-A green enterprise. The State-owned Assets Supervision and Administration Commission of the State Council's "Ten Prohibitions" will be strictly enforced, and the construction of risk and internal control systems will be further promoted to lawfully and compliantly prevent and control operational risks.
2. Strengthening operational optimization with greater intensity to drive incremental growth and efficiency. The mix of light and heavy crude oil will be improved for the purpose of optimizing transportation methods of crude oil. Adhering to the principle of "olefin-focused where suitable, aromatics-focused where appropriate", the Company will maximize material value and optimize flow directions. Energy conservation management and cost control will be strengthened to continuously promote cost reduction and expense control. Through enhanced communication and refined product management, the Company will improve production-sales coordination and expand market share.



3. Implementing innovation-driven development with intensifying efforts to propel transformation and upgrading. Adhering to the development strategy of “transformation of oil refining to chemical industry, chemical industry to materials, materials to high-end products, and parks to ecology”, the Company will accelerate the construction of key projects, expedite comprehensive technological transformation and quality upgrading project, conduct in-depth research on the downstream layout of ethylene and propylene, and optimize raw material and product schemes for ethylene. Faster moves will be taken to the construction project of the large-tow carbon fiber outside of Shanghai, continuously enhance scientific and technological research and production operation optimization of existing carbon fiber facilities, with a focus on scaling up its sales in wind power blades, drones, automobiles, and other fields. Faster progress will be made toward realizing the high-performance carbon fiber sales in aerospace and other high-end fields, and promoting the expansion of application scenarios for CF/PPS sheets and CF/PAEK prepregs. Digital and intelligent management domain will be established to promote the institutionalization of management, the standardization of processes, and the informatization of operations.
4. Advancing reform and development with greater vigor to sustain vitality. The Company will actively and steadily reduce management layers, systematically optimize organizational structures, and refine mechanisms for technology innovation, while improving incentive and restraint systems to strengthen the management of the human resource pool. An integrated production, sales, research and application mechanism will be established to enhance the efficiency of product lifecycle management. The Company will accelerate the revitalization and disposal of low- and non-performing assets and continuously strengthen the “three fundamentals” work (i.e. “strengthening grass-root units”, “fundamental work” and “training on basic skills”).
5. Strengthening team building and talent support with greater efforts. By aligning with the flattening organizational reform, the Company will select and assign outstanding leaders at all levels. The Company will establish and improve the position management system, refine the training and development framework, continuously advance the construction of learning maps initiative, and operate the “human resource pool” to optimize human resources. In line with the new requirements for developing new quality productive forces and digital and intelligent transformation, the Company will continue to cultivate a high-caliber, professional cadre and talent team.

### 3.2 Analysis of the Company's Principal Performance during the Reporting Period (The following financial data are extracted from the unaudited interim financial report of the Group prepared under CAS)

#### 3.2.1 Analysis of Changes in the Related Financial Data

The table below sets forth reasons for those changes where the fluctuation was more than 30% during the Reporting Period:

Unit: RMB'000

Item	For the six months ended 30 June		Change (%)	Reason for change
	2025	2024		
Research and development expenses	130,190	96,904	34.35	The increase in research and development projects during the Reporting Period, resulting in an increase in research and development expenses as compared to the same period last year.
Other income	7,909	12,915	(38.76)	Government grants received during the Reporting Period decreased as compared to the same period last year.
Impairment losses	(416,854)	(111,483)	N/A	During the Reporting Period, due to factors such as fluctuations in market prices for certain products, the Company's provision for inventory impairment amounted to RMB417 million under CAS and the Company's relevant accounting policies. During the Reporting Period, the Company's write-off of provision for inventory impairment amounted to RMB392 million.
Income tax (benefits)/expenses	(134,702)	6,097	(2,309.32)	Deferred income tax assets were recognized for tax losses during the Reporting Period, resulting in an income tax benefit.
Net (loss)/profit attributable to shareholders of the Company	(462,128)	27,912	(1,755.66)	The operating results decreased year-on-year during the Reporting Period.
Net cash flows generated from operating activities	778,943	341,970	127.78	Cash paid for purchases of goods and services during the Reporting Period decreased as compared with the same period last year.
Net cash flows generated from/(used in) investing activities	737,782	(585,464)	N/A	The amount of recoveries of previous years' time deposits during the Reporting Period increased as compared to the same period last year.
Net cash flows (used in)/generated from financing activities	(1,295,408)	1,342,692	(196.48)	The net cash outflow from obtaining of and repayment for borrowings by the Group during the Reporting Period increased compared with the same period last year.

**3.2.2 Analysis of Business Operations by Industry, Product or Geographical Location Segment**  
(The following financial data are extracted from the unaudited interim financial report of the Group prepared under CAS)

**(1) Principal Operations by Industry or Product**

Unit: RMB'000

Industry Segment/ Product Segment	Revenue	Operating cost	Gross profit margin (%)	Increase/ decrease in revenue compared to corresponding period of the previous year (%)	Increase/ decrease in operating cost compared to corresponding period of the previous year (%)	Increase/decrease in gross profit margin compared to corresponding period of the previous year
Petroleum products	26,856,886	21,007,197	21.78	(12.96)	(12.68)	Decreased by 0.26 percentage point
Chemical products	8,536,089	7,872,977	7.77	(3.41)	(10.31)	Increased by 7.10 percentage points
Trading of petrochemical products	3,860,183	3,820,628	1.02	22.65	23.31	Decreased by 0.53 percentage point
Others	60,727	56,343	7.22	(77.06)	(78.33)	Increased by 5.42 percentage points

Note: This gross profit margin is calculated according to the price of petroleum products which includes consumption tax. Gross profit margin of petroleum products after deducting consumption tax was 2.45%.

**(2) Revenue from Principal Operations by Geographical Location**

Unit: RMB'000

Geographical location segment	Revenue from principal operations	Increase/decrease in revenue from principal operations as compared to corresponding period of the previous year (%)
Eastern China	37,920,115	(6.13)
Other regions in the PRC	367,563	24.36
Exports	1,026,207	(57.47)

**3.2.3 Analysis of Assets and Liabilities (The following financial data are extracted from the unaudited interim financial report of the Group prepared under CAS)**

Unit: RMB'000

Item	As at 30 June 2025		As at 31 December 2024		Change of amount on 30 June 2025 compared to 31 December 2024	Main reason for change
	Amount	% of total assets	Amount	% of total assets	(%)	
Cash at bank and on hand	8,433,777	20.09	12,096,477	28.96	(30.28)	Two-year and three-year time deposits purchased during the Reporting Period were classified as other non-current assets.
Derivative financial assets	100,162	0.24	49	–	204,312.24	Purchase of crude oil and refined oil product swap contracts in the Reporting Period.
Accounts receivable	1,959,309	4.67	701,587	1.68	179.27	Receivables due from sales of refined oil products increased at the end of the Reporting Period.
Prepayments	42,795	0.10	146,453	0.35	(70.78)	The consumption tax on prepayments for naphtha decreased.
Other current assets	251,323	0.60	57,543	0.14	336.76	Deductible value-added tax increased at the end of the Reporting Period.
Other non-current assets	2,528,474	6.02	–	–	N/A	Two-year and three-year time deposits purchased during the Reporting Period were classified as other non-current assets.
Short-term loans	–	–	1,500,940	3.59	(100.00)	Repayment of short-term borrowings during the Reporting Period.
Derivative financial liabilities	87,191	0.21	–	–	N/A	Purchase of crude oil and refined oil product swap contracts in the Reporting Period.
Accounts payable	4,619,975	11.01	2,730,914	6.54	69.17	The payables for purchase of crude oil increased at the end of the Reporting Period.

Item	As at 30 June 2025		As at 31 December 2024		Change of amount on 30 June 2025 compared to 31 December 2024	Main reason for change
	Amount	% of total assets	Amount	% of total assets	(%)	
Taxes payable	895,443	2.13	1,388,147	3.32	(35.49)	The amount of consumption tax and value-added tax payable decreased at the end of the Reporting Period.
Long-term loans	386,572	0.92	67,685	0.16	471.13	Long-term loans newly increased during the Reporting Period to supplement the funding needs of engineering construction projects.
Treasury shares	–	–	56,159	0.13	(100.00)	H ordinary shares repurchased were cancelled during the Reporting Period.

As of the end of the Reporting Period, there was no case where the Company's main assets were sealed up, seized, frozen, mortgaged or pledged, and there was no case or arrangement where the possession, use, income and disposal rights of main assets were subject to other restrictions.

### Overseas assets

During the Reporting Period, the Company's overseas assets were RMB12,202 thousand, accounting for 0.03% of the total assets.

### **3.2.4 Analysis of Core Competitiveness**

As one of the major integrated petrochemical enterprises in China with an integrated refinery and petrochemical capacity, the Company possesses competitive business scale and strength, which made it a major manufacturer of refined oil and chemical products in China. The Company also has self-owned utilities and environmental protection systems, as well as sea transport, inland shipping, rail transport and road transport ancillary facilities.

The Company's major competitive advantages include quality, geographical location and its vertically integrated production. The Company has over 50 years of petrochemical production and management experience, and has accumulated extensive resources in the petrochemical industry. The Company has won several quality product awards from the central and local governments. Located at the core region of Yangtze River Delta, the most economically active region in China with a strong demand for petrochemical products, the Company has built a comprehensive logistics system and supporting facilities with close geographic proximity with most of its clients which enables the Company to enjoy the convenience of coastal and inland shipping. This gave the Company a competitive edge in terms of transportation costs and timely delivery. The Company has leveraged its advantages in integrated refinery and petrochemical capacity to actively readjust and promote product structure, while continuously improving products quality and variety. The Company has also improved production technology and boosted capacity of key upstream units to maximize the use and the efficiency in the utilization of its corporate resources, and is therefore able to achieve strong and sustainable development.

### **3.3 Analysis of Investments (The following financial data are extracted from the unaudited interim financial report of the Group prepared under CAS)**

#### **3.3.1 Entrusted Wealth Managements and Entrusted Loans**

##### **(1) Entrusted Wealth Managements**

The Company did not engage in entrusted wealth management during the Reporting Period.

##### **(2) Entrusted Loans**

The Company did not engage in entrusted loans during the Reporting Period.

#### **3.3.2 Use of Raised Funds**

During the Reporting Period, the Company did not raise any funds, or no balance of funds raised in previous years was brought forward to the Reporting Period.

### 3.3.3 Analysis of Major Subsidiaries and Invested Companies

Situation of the Company's major subsidiaries and invested companies affecting more than 10% of the net profit of the Company as at 30 June 2025:

<u>Company</u>	<u>Type of corporation</u>	<u>Principal business</u>	<u>Registered capital</u> <u>(RMB'000)</u>	<u>Total assets</u> <u>(RMB'000)</u>	<u>Net assets</u> <u>(RMB'000)</u>	<u>Operating income</u> <u>(RMB'000)</u>	<u>Operating profit/(loss)</u> <u>(RMB'000)</u>	<u>Net profit/</u> <u>(loss) in the</u> <u>first half</u> <u>of 2025</u> <u>(RMB'000)</u>
Shanghai Petrochemical Investment Development Company Limited ("Shanghai Investment Development")	Subsidiary	Investment management	2,100,000	2,522,038	2,509,996	39,620	13,062	13,429
China Jinshan Associated Trading Corporation ("Jinshan Associated Trading")	Subsidiary	Import and export of petrochemical products and equipment	25,000	691,572	248,660	2,963,650	6,934	5,998
Shanghai Golden Phillips Petrochemical Company Limited ("Shanghai Golden Phillips")	Subsidiary	Production of polypropylene products	415,623	485,764	451,457	505,298	(3,497)	(2,852)
Shanghai Jinshan Trading Corporation ("JMGJ")	Subsidiary	Import and export of petrochemical products and equipment	100,000	654,639	160,136	2,161,750	107	1,219
Zhejiang Jinlian Petrochemical Storage and Transportation Co., Ltd. ("Jinlian")	Subsidiary	Storage and transportation services	620,000	176,062	71,971	7,150	(4,054)	(4,314)
Shanghai Chemical Industry Park Development Co., Ltd. ("Chemical Industrial Park")	Invested company	Land development and industrial investment	2,372,439	11,750,194	8,475,321	907,431	258,459	238,703

Note: None of the subsidiaries has issued any debt securities.

The Group's share of interests in associates comprises a 38.26% interest in the Chemical Industrial Park established in the PRC, with an amount of RMB2,378 million.

**(1) Explanation of profits of major controlling companies and invested companies affecting more than 10% of the net profit of the Group during the Reporting Period**

In the first half of 2025, Chemical Industrial Park recorded a revenue of RMB907 million, profit after taxation attributable to shareholders of the company amounted to RMB155 million and gain attributable to the Company amounted to RMB59 million.

**(2) Analysis of operational performance of major controlling companies and invested companies with a 30% or more year-on-year change**

- a) In the first half of 2025, the net profit of Shanghai Investment Development decreased by 32.33% year-on-year, which was mainly due to the decrease in gross margin from hazardous chemicals storage and transportation business of Zhejiang branch of Shanghai Investment Development, resulting in a decrease in operating results for the first half of 2025.
- b) In the first half of 2025, the net profit of Jinshan Associated Trading decreased by 36.12% year-on-year, which was mainly due to the decrease in gross margin from the sale of ethylene and propylene products, resulting in a decrease in operating results for the first half of 2025.
- c) In the first half of 2025, the net loss of Shanghai Golden Phillips decreased by 34.39% year-on-year, which was mainly due to the increase in gross margin of polyethylene products, resulting in an increase in operating results for the first half of 2025.
- d) In the first half of 2025, the net loss of Jinlian decreased by 34.47% year-on-year, which was mainly due to the increase in storage income, resulting in an increase in operating results for the first half of 2025.



### 3.3.4 Projects Funded by Non-fundraising Capital

<b>Major Project</b>	<b>Total project investment (RMB'000)</b>	<b>Amount of project investment in the Reporting Period (RMB'000)</b>	<b>Status as of 30 June 2025</b>
The comprehensive technological transformation and quality upgrading project of Sinopec Shanghai	21,307,000	0	The feasibility study has been approved and the project is currently in the overall design stage
The cleanliness and efficiency improvement project for thermal power units of Sinopec Shanghai	3,287,711	199,463	Under construction
Construction project of the large-tow carbon fiber (30,000 tons/year) outside of Shanghai of Sinopec Shanghai	2,242,399	16,697	The basic design has been approved and the project is under construction

## 3.4 Plan for Profit Distribution or Capital Reserves Capitalization

### 3.4.1 Cash Dividend Policy and its Formulation, Implementation or Adjustment

The 2024 Profit Distribution Plan was considered and approved at the 2024 Annual General Meeting held on 11 June 2025: A cash dividend of RMB0.02 (tax inclusive) per share shall be distributed based on the total share capital of 10,542,617,500 shares of the Company as at the record date for profit distribution and dividend payment, amounting to a total cash dividend of RMB210,852,350. The relevant announcement was published in Securities Times on 17 July 2025 and was uploaded to the websites of the Hong Kong Stock Exchange and the Shanghai Stock Exchange on 16 July 2025.

### 3.4.2 Plan for Profit Distribution or Capital Reserves Capitalization during the Reporting Period

Nil.

## **4. OTHER MATTERS**

### **4.1 Changes in Directors' and Supervisors' Information**

Pursuant to Rule 13.51B(1) of the Hong Kong Listing Rules, the changes in the information of the directors since the publication of the Company's 2024 Annual Report are set out below:

Mr. Chen Haifeng, an independent non-executive director, ceased to serve as a senior director of GCL Energy Technology Co., Ltd. (協鑫能源科技股份有限公司) from April 2025, and has been an investment manager at Jiangsu Shengkun Investment Management Co., Ltd. (江蘇盛堃投資管理有限公司) since May 2025.

Save as disclosed above, during the Reporting Period, there was no change in the information of directors and supervisors that is required to be disclosed under Rule 13.51B(1) of the Hong Kong Listing Rules.

### **4.2 Audit and Compliance Committee**

On 19 August 2025, the Audit and Compliance Committee of the Eleventh Session of the Board held its ninth meeting and reviewed, among which, the financial report of the Group for the Reporting Period, and discussed matters relating to the risk management, internal control, compliance management and financial reporting.

### **4.3 Purchase, Sale and Redemption of the Company's Securities**

On 6 June 2024, the Company's 2023 Annual General Meeting, the First A Shareholders Class Meeting for 2024 and the First H Shareholders Class Meeting for 2024 considered and approved the "Proposal to the Shareholders at the General Meeting to Authorize the Board to Repurchase the Domestic Shares and/or Overseas listed Foreign Shares of the Company", authorizing the Board (or the directors authorized by the Board) to repurchase not more than 10% of the issued H shares of the Company. During the Reporting Period, the Company repurchased a total of 77,240,000 H shares from the Hong Kong Stock Exchange for a consideration of RMB84,117,000. The details of share repurchase are as follows:

<b>Repurchase month</b>	<b>Number of shares repurchased</b>	<b>Purchase Price per Share</b>		<b>Total amount (HK \$)</b>
		<b>Highest price (HK \$/share)</b>	<b>Lowest price (HK \$/share)</b>	
January 2025	23,670,000	1.20	1.11	27,230,208.0
February 2025	17,306,000	1.23	1.18	20,874,535.2
April 2025	12,414,000	1.18	1.14	14,359,041.6
May 2025	23,850,000	1.23	1.16	28,878,311.4

The Company repurchased a total of 96,346,000 H shares during the period from September 2024 to February 2025, which were cancelled on 3 March 2025. A total of 36,264,000 H shares repurchased in April and May 2025 were cancelled on 12 June 2025. Save as disclosed in this announcement, the Group did not purchase, sell or redeem any of the Group's securities (for the definition of "securities", please refer to paragraph 1 of Appendix D2 to the Hong Kong Listing Rules).

#### **4.4 Compliance with Corporate Governance Code**

During the Reporting Period, the Company complied with all code provisions as set out in the Corporate Governance Code contained in Appendix C1 to the Hong Kong Listing Rules.

#### **4.5 Compliance with Model Code**

The Company has adopted and implemented the Model Code to regulate the securities transactions of the directors and supervisors. After making specific enquiries with all directors and supervisors, the Company has obtained written confirmation from all the directors and supervisors as to their full compliance with the Model Code during the Reporting Period.

The Model Code is also applicable to the senior management of the Company who may be in possession of inside information of the Company. The Company is not aware of any non-compliance with the Model Code by the senior management of the Company.

## 5. INTERIM FINANCIAL STATEMENTS

### 5.1 Interim financial statements prepared under China Accounting Standard for Business Enterprise

#### CONSOLIDATED AND COMPANY BALANCE SHEETS AS AT 30 JUNE 2025

(All amounts in thousands of Renminbi Yuan unless otherwise stated)

	30 June 2025 (Unaudited)	31 December 2024	30 June 2025 (Unaudited)	31 December 2024
ASSETS	Consolidated	Consolidated	Company	Company
<b>Current Assets</b>				
Cash at bank and on hand	8,433,777	12,096,477	8,268,103	11,929,852
Derivative financial assets	100,162	49	100,162	49
Accounts receivable	1,959,309	701,587	1,931,654	675,871
Receivables under financing	491,858	388,230	172,304	133,082
Prepayments	42,795	146,453	39,744	138,538
Other receivables	531,559	690,537	526,184	677,980
Inventories	6,974,389	6,552,263	6,821,979	6,301,091
Other current asset	251,323	57,543	227,276	42,318
<b>Total Current Assets</b>	<b>18,785,172</b>	<b>20,633,139</b>	<b>18,087,406</b>	<b>19,898,781</b>
<b>Non-Current Assets</b>				
Long-term equity investments	3,543,062	3,559,573	4,866,202	4,817,393
Investments in other equity instruments	3,872	3,872	–	–
Other non-current financial assets	36,500	36,500	–	–
Investment properties	297,637	305,142	323,156	331,245
Fixed assets	12,839,200	13,216,426	12,509,802	12,846,019
Construction in progress	1,907,559	2,064,067	1,907,144	2,064,030
Right-of-use assets	4,558	1,435	3,677	603
Intangible assets	322,407	332,704	230,716	236,859
Long-term deferred expenses	360,150	404,520	360,049	404,317
Deferred tax assets	1,344,543	1,211,961	1,341,262	1,209,070
Other non-current assets	2,528,474	–	2,512,116	–
<b>Total Non-Current Assets</b>	<b>23,187,962</b>	<b>21,136,200</b>	<b>24,054,124</b>	<b>21,909,536</b>
<b>Total Assets</b>	<b>41,973,134</b>	<b>41,769,339</b>	<b>42,141,530</b>	<b>41,808,317</b>

**CONSOLIDATED AND COMPANY BALANCE SHEETS AS  
AT 30 JUNE 2025 (CONTINUED)**

*(All amounts in thousands of Renminbi Yuan unless otherwise stated)*

	<b>30 June 2025</b>	31 December 2024	<b>30 June 2025</b>	31 December 2024
	<u>(Unaudited)</u>		<u>(Unaudited)</u>	
<b>Liabilities and shareholders' equity</b>	<u>Consolidated</u>	<u>Consolidated</u>	<u>Company</u>	<u>Company</u>
<b>Current Liabilities</b>				
Short-term loans	–	1,500,940	–	1,500,940
Derivative financial liabilities	<b>87,191</b>	–	<b>87,191</b>	–
Bills payable	<b>9,782,928</b>	9,047,594	<b>9,782,928</b>	8,997,172
Accounts payable	<b>4,619,975</b>	2,730,914	<b>4,036,172</b>	2,128,040
Contract liabilities	<b>240,357</b>	248,900	<b>149,680</b>	196,123
Employee benefits payable	<b>299,753</b>	232,725	<b>289,510</b>	227,084
Taxes payable	<b>895,443</b>	1,388,147	<b>888,251</b>	1,378,187
Other payables	<b>952,808</b>	1,107,071	<b>2,397,955</b>	2,450,003
Non-current liabilities due within one year	<b>4,558</b>	1,159	<b>4,274</b>	518
Other current liabilities	<b>26,514</b>	31,597	<b>19,459</b>	25,493
<b>Total Current Liabilities</b>	<b>16,909,527</b>	16,289,047	<b>17,655,420</b>	16,903,560
<b>Non-Current Liabilities</b>				
Long-term loans	<b>386,572</b>	67,685	<b>386,572</b>	67,685
Lease liabilities	<b>248</b>	192	–	54
Deferred income	<b>245,254</b>	238,679	<b>245,254</b>	238,679
Deferred tax liabilities	<b>25,515</b>	29,241	–	–
<b>Total Non-Current Liabilities</b>	<b>657,589</b>	335,797	<b>631,826</b>	306,418
<b>Total Liabilities</b>	<b>17,567,116</b>	16,624,844	<b>18,287,246</b>	17,209,978

**CONSOLIDATED AND COMPANY BALANCE SHEETS AS  
AT 30 JUNE 2025 (CONTINUED)**

*(All amounts in thousands of Renminbi Yuan unless otherwise stated)*

	<b>30 June 2025</b>	31 December 2024	<b>30 June 2025</b>	31 December 2024
	<b>(Unaudited)</b>		<b>(Unaudited)</b>	
<b>Liabilities and shareholders' equity (Continued)</b>	<b>Consolidated</b>	<b>Consolidated</b>	<b>Company</b>	<b>Company</b>
<b>Shareholders' equity</b>				
Share capital	<b>10,542,618</b>	10,675,228	<b>10,542,618</b>	10,675,228
Capital reserve	<b>613,794</b>	621,460	<b>591,995</b>	599,661
Less: Treasury shares	–	56,159	–	56,159
Other comprehensive income	<b>12,121</b>	2,812	<b>12,967</b>	3,658
Specific reserve	<b>303,278</b>	290,607	<b>302,925</b>	290,602
Surplus reserve	<b>6,672,634</b>	6,672,634	<b>6,672,634</b>	6,672,634
Retained earnings	<b>6,160,692</b>	6,833,672	<b>5,731,145</b>	6,412,715
 Total equity attributable to shareholders of the Company	 <b>24,305,137</b>	 25,040,254	 <b>23,854,284</b>	 24,598,339
Non-controlling interests	<b>100,881</b>	104,241	–	–
 <b>Total Shareholders' Equity</b>	 <b>24,406,018</b>	 25,144,495	 <b>23,854,284</b>	 24,598,339
 <b>Total liabilities and Shareholders' Equity</b>	 <b>41,973,134</b>	 41,769,339	 <b>42,141,530</b>	 41,808,317

**CONSOLIDATED AND COMPANY INCOME STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

*(All amounts in thousands of Renminbi Yuan unless otherwise stated)*

	Six months ended 30 June		Six months ended 30 June	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Consolidated	Consolidated	Company	Company
<b>I. Operating income</b>	<b>39,523,226</b>	43,532,806	<b>35,533,477</b>	40,213,880
Less: Operating costs	<b>32,894,649</b>	36,439,910	<b>28,980,172</b>	33,207,016
Taxes and surcharges	<b>6,001,225</b>	5,993,136	<b>5,993,853</b>	5,987,346
Selling and distribution expenses	<b>95,572</b>	126,581	<b>71,505</b>	95,061
General and administrative expenses	<b>714,573</b>	887,095	<b>667,161</b>	838,962
Research and development expenses	<b>130,190</b>	96,904	<b>130,190</b>	96,904
Finance income	<b>(55,612)</b>	(76,200)	<b>(60,844)</b>	(78,224)
Including: interest expense	<b>10,719</b>	91,904	<b>10,704</b>	91,778
Interest income	<b>84,986</b>	180,835	<b>75,972</b>	173,430
Add: Other income	<b>7,909</b>	12,915	<b>7,608</b>	11,867
Investment gains	<b>92,748</b>	84,024	<b>74,914</b>	85,236
Including: gains from investment in associates and joint ventures	<b>79,974</b>	85,863	<b>59,312</b>	70,793
Gains from changes in fair value	<b>510</b>	633	<b>510</b>	633
Credit losses	<b>(356)</b>	(28)	<b>(235)</b>	(26)
Impairment losses	<b>(416,854)</b>	(111,483)	<b>(416,302)</b>	(111,483)
(Losses)/gains from asset disposals	<b>(28)</b>	1,729	<b>-</b>	2,533
<b>II. Operating (loss)/profit</b>	<b>(573,442)</b>	53,170	<b>(582,065)</b>	55,575
Add: Non-operating income	<b>13,005</b>	16,640	<b>11,169</b>	16,578
Less: Non-operating expenses	<b>35,179</b>	32,315	<b>35,117</b>	21,443
<b>III. Total (loss)/profit</b>	<b>(595,616)</b>	37,495	<b>(606,013)</b>	50,710
Less: Income tax (benefits)/expenses	<b>(134,702)</b>	6,097	<b>(135,295)</b>	2,946

**CONSOLIDATED AND COMPANY INCOME STATEMENTS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2025 (CONTINUED)**  
*(All amounts in thousands of Renminbi Yuan unless otherwise stated)*

	Six months ended 30 June		Six months ended 30 June	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Consolidated	Consolidated	Company	Company
<b>IV. Net (loss)/profit</b>	<b>(460,914)</b>	<b>31,398</b>	<b>(470,718)</b>	<b>47,764</b>
(1) Classified by continuity of operations:				
1. Net (loss)/profit from continuing operations	(460,914)	31,398	(470,718)	47,764
2. Net (loss)/profit from discontinued operations	-	-	-	-
(2) Classified by ownership:				
1. Shareholders of the Company	(462,128)	27,912	-	-
2. Non-controlling interests	1,214	3,486	-	-
<b>V. Other comprehensive income, net of tax</b>	<b>15,416</b>	<b>(3,128)</b>	<b>15,416</b>	<b>(3,128)</b>
(1) Other comprehensive income (net of tax)				
attributable to shareholders of the Company	15,416	(3,128)	15,416	(3,128)
Items that may be reclassified to profit or loss	15,416	(3,128)	15,416	(3,128)
(a) Other comprehensive income recognized under equity method	-	-	-	-
(b) Cash flow hedging reserves	15,416	(3,128)	15,416	(3,128)
(2) Other comprehensive income (net of tax)				
attributable to non-controlling interests	-	-	-	-
<b>VI. Total comprehensive income</b>	<b>(445,498)</b>	<b>28,270</b>	<b>(455,302)</b>	<b>44,636</b>
(1) Attributable to shareholders of the Company	(446,712)	24,784	-	-
(2) Attributable to non-controlling interests	1,214	3,486	-	-
<b>VII. (Losses)/earnings per share</b>				
(1) Basic (losses)/earnings per share (RMB/share)	(0.044)	0.003	-	-
(2) Diluted (losses)/earnings per share (RMB/share)	(0.044)	0.003	-	-



**CONSOLIDATED AND COMPANY CASH FLOW STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

*(All amounts in thousands of Renminbi Yuan unless otherwise stated)*

	Six months ended 30 June		Six months ended 30 June	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Consolidated	Consolidated	Company	Company
<b>I. Cash flows generated from operating activities</b>				
Proceeds from sales of goods and rendering of services	42,242,690	44,431,901	38,211,029	40,957,321
Refund of taxes	41,747	42,812	2,909	—
Proceeds from other operating activities	143,004	207,840	180,385	390,445
<b>Sub-total of cash inflows</b>	<b>42,427,441</b>	<b>44,682,553</b>	<b>38,394,323</b>	<b>41,347,766</b>
Payment for goods and services	(32,347,227)	(36,162,628)	(28,361,123)	(32,779,982)
Payment to and for employees	(1,324,733)	(1,398,860)	(1,259,218)	(1,332,672)
Payment of various taxes	(7,770,973)	(6,594,868)	(7,748,017)	(6,579,695)
Payment for other operating activities	(205,565)	(184,227)	(166,514)	(75,246)
<b>Sub-total of cash outflows</b>	<b>(41,648,498)</b>	<b>(44,340,583)</b>	<b>(37,534,872)</b>	<b>(40,767,595)</b>
<b>Net cash flows generated from operating activities</b>	<b>778,943</b>	<b>341,970</b>	<b>859,451</b>	<b>580,171</b>
<b>II. Cash flows generated from/(used in) investing activities</b>				
Cash received from returns on investments	96,485	115,244	59,929	85,119
Net cash received from disposal of subsidiaries and other business units	29,799	—	—	—
Net cash received from disposal of fixed assets and other long-term assets	17,307	10,800	17,307	9,834
Proceeds from other investing activities	3,897,241	213,252	3,897,241	10,675
<b>Sub-total of cash inflows</b>	<b>4,040,832</b>	<b>339,296</b>	<b>3,974,477</b>	<b>105,628</b>
Payment for acquisition of fixed assets, intangible assets and other long-term assets	(802,992)	(774,733)	(781,907)	(771,677)
Cash paid for investment	—	(150,000)	(40,000)	(150,000)
Payment for other investing activities	(2,500,058)	(27)	(2,500,000)	—
<b>Sub-total of cash outflows</b>	<b>(3,303,050)</b>	<b>(924,760)</b>	<b>(3,321,907)</b>	<b>(921,677)</b>
<b>Net cash flows generated from/(used in) investing activities</b>	<b>737,782</b>	<b>(585,464)</b>	<b>652,570</b>	<b>(816,049)</b>

**CONSOLIDATED AND COMPANY CASH FLOW STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2025 (CONTINUED)**

*(All amounts in thousands of Renminbi Yuan unless otherwise stated)*

	Six months ended 30 June		Six months ended 30 June	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Consolidated	Consolidated	Company	Company
<b>III. Cashflows (used in)/generated from financing activities</b>				
Proceeds from borrowings	<u>318,887</u>	<u>17,500,000</u>	<u>318,887</u>	<u>17,500,000</u>
<b>Sub-total of cash inflows</b>	<u>318,887</u>	<u>17,500,000</u>	<u>318,887</u>	<u>17,500,000</u>
Repayments of borrowings	(1,500,000)	(16,000,000)	(1,500,000)	(16,000,000)
Payment for dividends, profit distributions or interest	(11,009)	(83,405)	(6,436)	(75,891)
Including: Dividends paid by subsidiaries to non-controlling interests	(4,574)	(7,759)	-	-
Payment for other financing activities	<u>(103,286)</u>	<u>(73,903)</u>	<u>(102,706)</u>	<u>(73,081)</u>
<b>Sub-total of cash outflows</b>	<u>(1,614,295)</u>	<u>(16,157,308)</u>	<u>(1,609,142)</u>	<u>(16,148,972)</u>
<b>Net cash flows (used in)/generated from financing activities</b>	<u>(1,295,408)</u>	<u>1,342,692</u>	<u>(1,290,255)</u>	<u>1,351,028</u>
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>	<u>(507)</u>	<u>544</u>	<u>-</u>	<u>-</u>
<b>V. Net increase in cash and cash equivalents</b>	<b>220,810</b>	<b>1,099,742</b>	<b>221,766</b>	<b>1,115,150</b>
Add: Cash and cash equivalents at the beginning of the period	<u>8,209,113</u>	<u>4,906,368</u>	<u>8,042,489</u>	<u>4,734,945</u>
<b>VI. Cash and cash equivalents at the end of the period</b>	<u><b>8,429,923</b></u>	<u><b>6,006,110</b></u>	<u><b>8,264,255</b></u>	<u><b>5,850,095</b></u>

# CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2025

*(All amounts in thousands of Renminbi Yuan unless otherwise stated)*

		Attributable to equity shareholders of the Company									
		Share capital	Capital reserve	Less:	Other	Specific reserve	Surplus reserve	Retained earnings	Sub-total	Non-controlling interests	Total
				Treasury shares	comprehensive income						
I.	Balance at 1 January 2025	10,675,228	621,460	56,159	2,812	290,607	6,672,634	6,833,672	25,040,254	104,241	25,144,495
II.	Changes in equity for the period from 1 January 2025 to 30 June 2025 (Unaudited) (“-” for decreases)										
	1. Total comprehensive income										
	(1) Net profit (“-” for net loss)	-	-	-	-	-	-	(462,128)	(462,128)	1,214	(460,914)
	(2) Other comprehensive income	-	-	-	15,416	-	-	-	15,416	-	15,416
	2. Shareholders’ contributions and decreases in capital										
	(1) Purchase of own shares	-	-	84,117	-	-	-	-	(84,117)	-	(84,117)
	(2) Cancellation of shares	(132,610)	(7,666)	(140,276)	-	-	-	-	-	-	-
	(3) Purchase of non-controlling interests	-	-	-	-	-	-	-	-	-	-
	3. Amounts transferred from hedging reserve to initial carrying amount of hedged items	-	-	-	(6,107)	-	-	-	(6,107)	-	(6,107)
	4. Appropriation of profits										
	(1) Distributions to shareholders	-	-	-	-	-	-	(210,852)	(210,852)	(4,574)	(215,426)
	5. Specific reserve										
	(1) Accrued	-	-	-	-	86,673	-	-	86,673	-	86,673
	(2) Utilized	-	-	-	-	(74,002)	-	-	(74,002)	-	(74,002)
III.	Balance at 30 June 2025 (Unaudited)	10,542,618	613,794	-	12,121	303,278	6,672,634	6,160,692	24,305,137	100,881	24,406,018

# **CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2024**

*(All amounts in thousands of Renminbi Yuan unless otherwise stated)*

	Share capital	Capital reserve	Less: Treasury shares	Attributable to equity shareholders of the Company			Retained earnings	Sub-total	Non-controlling interests	Total
				Other comprehensive income	Specific reserve	Surplus reserve				
<b>I. Balance at 1 January 2024</b>	<u>10,799,286</u>	<u>609,166</u>	<u>70,579</u>	<u>(887)</u>	<u>298,137</u>	<u>6,672,634</u>	<u>6,517,172</u>	<u>24,824,929</u>	<u>117,978</u>	<u>24,942,907</u>
<b>II. Changes in equity for the period from 1 January 2024 to 30 June 2024 (Unaudited) ("-" for decreases)</b>										
1. Total comprehensive income										
(1) Net profit ("-" for net loss)	-	-	-	-	-	-	27,912	27,912	3,486	31,398
(2) Other comprehensive income	-	-	-	(3,128)	-	-	-	(3,128)	-	(3,128)
2. Shareholders' decreases in capital										
(1) Purchase of own shares	-	-	53,425	-	-	-	-	(53,425)	-	(53,425)
(2) Cancellation of shares	(124,058)	54	(124,004)	-	-	-	-	-	-	-
(3) Purchase of non-controlling interests	-	12,240	-	-	-	-	-	12,240	(12,240)	-
3. Amounts transferred from hedging reserve to initial carrying amount of hedged items	-	-	-	-	-	-	-	-	-	-
4. Appropriation of profits										
(1) Distributions to shareholders	-	-	-	-	-	-	-	-	(7,514)	(7,514)
5. Specific reserve										
(1) Accrued	-	-	-	-	91,195	-	-	91,195	-	91,195
(2) Utilized	-	-	-	-	(117,267)	-	-	(117,267)	-	(117,267)
<b>III. Balance at 30 June 2024 (Unaudited)</b>	<u>10,675,228</u>	<u>621,460</u>	<u>-</u>	<u>(4,015)</u>	<u>272,065</u>	<u>6,672,634</u>	<u>6,545,084</u>	<u>24,782,456</u>	<u>101,710</u>	<u>24,884,166</u>

**COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

*(All amounts in thousands of Renminbi Yuan unless otherwise stated)*

	Share capital	Capital reserve	Less: Treasury shares	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	Total
I. Balance at 1 January 2025	<u>10,675,228</u>	<u>599,661</u>	<u>56,159</u>	<u>3,658</u>	<u>290,602</u>	<u>6,672,634</u>	<u>6,412,715</u>	<u>24,598,339</u>
II. Changes in equity for the period from 1 January 2025 to 30 June 2025 (Unaudited) ("-" for decreases)								
1. Total comprehensive income								
(1) Net profit ("-" for net loss)	-	-	-	-	-	-	(470,718)	(470,718)
(2) Other comprehensive income	-	-	-	15,416	-	-	-	15,416
2. Shareholders' contributions and decreases in capital								
(1) Purchase of own shares	-	-	84,117	-	-	-	-	(84,117)
(2) Cancellation of shares	(132,610)	(7,666)	(140,276)	-	-	-	-	-
3. Amounts transferred from hedging reserve to initial carrying amount of hedged items	-	-	-	(6,107)	-	-	-	(6,107)
4. Appropriation of profits								
(1) Distributions to shareholders	-	-	-	-	-	-	(210,852)	(210,852)
5. Specific reserve								
(1) Accrued	-	-	-	-	82,621	-	-	82,621
(2) Utilized	-	-	-	-	(70,298)	-	-	(70,298)
III. Balance at 30 June 2025 (Unaudited)	<u>10,542,618</u>	<u>591,995</u>	<u>-</u>	<u>12,967</u>	<u>302,925</u>	<u>6,672,634</u>	<u>5,731,145</u>	<u>23,854,284</u>

**COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE SIX MONTHS ENDED 30 JUNE 2024**

*(All amounts in thousands of Renminbi Yuan unless otherwise stated)*

	Share capital	Capital reserve	Less: Treasury shares	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	Total
<b>I. Balance at 1 January 2024</b>	<u>10,799,286</u>	<u>599,607</u>	<u>70,579</u>	<u>(39)</u>	<u>298,132</u>	<u>6,672,634</u>	<u>6,070,476</u>	<u>24,369,517</u>
<b>II. Changes in equity for the period from 1 January 2024 to 30 June 2024 (Unaudited) ("-" for decreases)</b>								
1. Total comprehensive income								
(1) Net profit ("-" for net loss)	-	-	-	-	-	-	47,764	47,764
(2) Other comprehensive income	-	-	-	(3,128)	-	-	-	(3,128)
2. Shareholders' decreases in capital								
(1) Purchase of own shares	-	-	53,425	-	-	-	-	(53,425)
(2) Cancellation of shares	(124,058)	54	(124,004)	-	-	-	-	-
3. Amounts transferred from hedging reserve to initial carrying amount of hedged items	-	-	-	-	-	-	-	-
4. Specific reserve								
(1) Accrued	-	-	-	-	87,000	-	-	87,000
(2) Utilized	-	-	-	-	(113,072)	-	-	(113,072)
<b>III. Balance at 30 June 2024 (Unaudited)</b>	<u><u>10,675,228</u></u>	<u><u>599,661</u></u>	<u><u>-</u></u>	<u><u>(3,167)</u></u>	<u><u>272,060</u></u>	<u><u>6,672,634</u></u>	<u><u>6,118,240</u></u>	<u><u>24,334,656</u></u>

## 5.2 Interim financial information prepared under IFRS Accounting Standards (Unaudited)

### Consolidated statement of profit or loss

For the six months ended 30 June 2025 – Unaudited

(Expressed in Renminbi Yuan)

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
<b>Revenue</b>	<b>39,499,530</b>	43,489,664
Taxes and surcharge	<u>(6,001,225)</u>	<u>(5,993,136)</u>
Net sales	<b>33,498,305</b>	37,496,528
Cost of sales	<u>(34,138,843)</u>	<u>(37,562,456)</u>
<b>Gross loss</b>	<b>(640,538)</b>	(65,928)
Selling and administrative expenses	<b>(101,536)</b>	(130,014)
Other operating income	<b>36,259</b>	57,637
Other operating expenses	<b>(12,927)</b>	(19,467)
Other losses – net	<u>(23,261)</u>	<u>(9,594)</u>
<b>Loss from operations</b>	<b>(742,003)</b>	(167,366)
Finance income	<b>84,986</b>	180,835
Finance expenses	<u>(10,719)</u>	<u>(91,904)</u>
<b>Finance income – net</b>	<b>74,267</b>	88,931
Share of net gains of associates and joint ventures accounted for using the equity method	<u><b>84,974</b></u>	<u>90,863</u>
<b>(Loss)/profit before taxation</b>	<b>(582,762)</b>	12,428
Income tax	<u><b>134,702</b></u>	<u>(6,097)</u>
<b>(Loss)/profit for the period</b>	<u><b>(448,060)</b></u>	<u>6,331</u>
<b>Attributable to:</b>		
– Equity shareholders of the Company	<b>(449,274)</b>	2,845
– Non-controlling interests	<u><b>1,214</b></u>	<u>3,486</u>
	<u><b>(448,060)</b></u>	<u>6,331</u>
<b>(Losses)/earnings per share</b>		
Basic	<b>RMB(0.0425)</b>	RMB0.0003
Diluted	<b>RMB(0.0425)</b>	RMB0.0003

**Consolidated statement of profit or loss and other comprehensive income (continued)***For the six months ended 30 June 2025 – Unaudited**(Expressed in Renminbi Yuan)*

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
<b>(Loss)/profit for the period</b>	<b>(448,060)</b>	<b>6,331</b>
<b>Other comprehensive income for the period (after tax and reclassification adjustments)</b>		
Items that are or may be reclassified subsequently to profit or loss		
Cash flow hedges: net movement in hedging reserve	<b>15,416</b>	<b>(3,128)</b>
<b>Other comprehensive income for the period</b>	<b>15,416</b>	<b>(3,128)</b>
<b>Total comprehensive income for the period</b>	<b>(432,644)</b>	<b>3,203</b>
Attributable to:		
– Equity shareholders of the Company	<b>(433,858)</b>	<b>(283)</b>
– Non-controlling interests	<b>1,214</b>	<b>3,486</b>
<b>Total comprehensive income for the period</b>	<b>(432,644)</b>	<b>3,203</b>



**Consolidated statement of financial position***At 30 June 2025 – Unaudited**(Expressed in Renminbi Yuan)*

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
<b>Non-current assets</b>		
Property, plant and equipment	12,827,380	13,204,423
Right-of-use assets	325,384	331,067
Investment property	297,637	305,142
Construction in progress	1,907,559	2,064,067
Investments accounted for using the equity method	3,478,062	3,489,573
Financial assets measured at fair value through other comprehensive income	3,872	3,872
Financial assets measured at fair value through profit or loss	36,500	36,500
Deferred tax assets	1,344,543	1,211,961
Time deposits with banks	2,512,121	—
Other non-current assets	378,089	407,592
	<u>23,111,147</u>	<u>21,054,197</u>
<b>Current assets</b>		
Derivative financial assets	100,162	49
Inventories	6,974,389	6,552,263
Trade receivables	6,643	151
Other receivables	519,112	675,823
Amounts due from related parties	1,971,090	717,168
Prepayments	79,675	187,663
Value added tax recoverable	208,466	15,315
Financial assets measured at fair value through other comprehensive income	491,858	388,230
Time deposits with banks	—	3,883,516
Restricted cash and bank deposits	3,849	3,848
Cash and cash equivalents	8,429,923	8,209,113
	<u>18,785,167</u>	<u>20,633,139</u>
<b>Total assets</b>	<u>41,896,314</u>	<u>41,687,336</u>

**Consolidated statement of financial position (continued)***At 30 June 2025 – Unaudited**(Expressed in Renminbi Yuan)*

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
<b>Current liabilities</b>		
Derivative financial liabilities	87,191	–
Trade and other payables	4,332,772	3,308,308
Contract liabilities	232,359	235,224
Amounts due to related parties	11,030,937	9,590,947
Staff salaries and welfares payable	299,753	232,725
Borrowings	285	1,500,987
Lease liabilities	4,273	1,112
Income tax payable	1,273	728
Current tax liabilities	920,684	1,419,016
	<u>16,909,527</u>	<u>16,289,047</u>
<b>Net current assets</b>	<u>1,875,640</u>	<u>4,344,092</u>
<b>Total assets less current liabilities</b>	<u>24,986,787</u>	<u>25,398,289</u>
<b>Non-current liabilities</b>		
Borrowings	386,572	67,685
Lease liabilities	248	192
Deferred tax liabilities	25,515	29,241
Deferred income	180,254	168,679
	<u>592,589</u>	<u>265,797</u>
<b>NET ASSETS</b>	<u>24,394,198</u>	<u>25,132,492</u>
<b>CAPITAL AND RESERVES</b>		
Share capital	10,542,618	10,675,228
Reserves	13,750,699	14,353,023
<b>Total equity attributable to equity shareholders of the Company</b>	24,293,317	25,028,251
<b>Non-controlling interests</b>	100,881	104,241
<b>TOTAL EQUITY</b>	<u>24,394,198</u>	<u>25,132,492</u>

**Consolidated statement of changes in equity**  
**For the six months ended 30 June 2025 – Unaudited**  
**(Expressed in Renminbi Yuan)**

	Attributable to equity shareholders of the Company				Non-	
	Share capital	Other reserves	Retained	Total	controlling	Total equity
	RMB'000	RMB'000	earnings	RMB'000	interests	RMB'000
			RMB'000		RMB'000	RMB'000
<b>Balance at 1 January 2024</b>	10,799,286	7,018,729	6,992,901	24,810,916	117,978	24,928,894
<b>Changes in equity for the six months ended 30 June 2024:</b>						
Profit for the period	–	–	2,845	2,845	3,486	6,331
Other comprehensive income	–	(3,128)	–	(3,128)	–	(3,128)
<b>Total comprehensive income for the period</b>	–	(3,128)	2,845	(283)	3,486	3,203
Dividends paid by subsidiaries to non controlling interests	–	–	–	–	(7,514)	(7,514)
Purchase of equity interests from non-controlling interests	–	12,240	–	12,240	(12,240)	–
Purchase of own shares	–	(53,425)	–	(53,425)	–	(53,425)
Cancellation of shares	(124,058)	124,058	–	–	–	–
Utilisation of safety production fund	–	(26,072)	26,072	–	–	–
<b>Balance at 30 June 2024</b>	<u>10,675,228</u>	<u>7,072,402</u>	<u>7,021,818</u>	<u>24,769,448</u>	<u>101,710</u>	<u>24,871,158</u>
<b>Changes in equity for the six months ended 31 December 2024:</b>						
Profit for the period	–	–	308,135	308,135	2,531	310,666
Other comprehensive income	–	(53,270)	–	(53,270)	–	(53,270)
<b>Total comprehensive income for the period</b>	–	(53,270)	308,135	254,865	2,531	257,396
Amounts transferred from hedging reserve to initial carrying amount of hedged items	–	60,097	–	60,097	–	60,097
Purchase of own shares	–	(56,159)	–	(56,159)	–	(56,159)
Appropriation of safety production fund	–	18,542	(18,542)	–	–	–
<b>Balance at 31 December 2024</b>	<u>10,675,228</u>	<u>7,041,612</u>	<u>7,311,411</u>	<u>25,028,251</u>	<u>104,241</u>	<u>25,132,492</u>

# Consolidated statement of changes in equity (continued)

For the six months ended 30 June 2025 – Unaudited

(Expressed in Renminbi Yuan)

	Attributable to equity shareholders of the Company				Non-controlling interests	Total equity
	Share capital	Other reserves	Retained earnings	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2025	10,675,228	7,041,612	7,311,411	25,028,251	104,241	25,132,492
Changes in equity for the six months ended 30 June 2025:						
(Loss)/profit for the period	–	–	(449,274)	(449,274)	1,214	(448,060)
Other comprehensive income	–	15,416	–	15,416	–	15,416
Total comprehensive income for the period	–	15,416	(449,274)	(433,858)	1,214	(432,644)
Dividends paid by subsidiaries to non-controlling interests	–	–	–	–	(4,574)	(4,574)
Amounts transferred from hedging reserve to initial carrying amount of hedged items	–	(6,107)	–	(6,107)	–	(6,107)
Dividends proposed and approved	–	–	(210,852)	(210,852)	–	(210,852)
Purchase of own shares	–	(84,117)	–	(84,117)	–	(84,117)
Cancellation of shares	(132,610)	132,610	–	–	–	–
Appropriation of safety production fund	–	12,671	(12,671)	–	–	–
Balance at 30 June 2025	10,542,618	7,112,085	6,638,614	24,293,317	100,881	24,394,198

**Condensed consolidated cash flow statement**  
*For the six months ended 30 June 2025 – Unaudited*  
*(Expressed in Renminbi Yuan)*

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Operating activities</b>		
Cash generated from operations	<b>782,253</b>	345,653
Interest paid	<b>(11,285)</b>	(91,429)
Income tax paid	<b>(3,310)</b>	(3,683)
<b>Net cash generated from operating activities</b>	<b>767,658</b>	250,541
<b>Investing activities</b>		
Cash received from time deposits with maturity more than three months	<b>3,600,000</b>	200,000
Dividends received from joint ventures and associates	<b>96,485</b>	115,244
Interest received	<b>290,463</b>	13,252
Net proceeds from disposal of property, plant and equipment	<b>17,307</b>	10,800
Net gains/(losses) on foreign exchange forward contracts and commodity swaps contracts not qualifying as hedges	<b>6,720</b>	(27)
Payment for the purchase of property, plant and equipment and other long-term assets	<b>(806,368)</b>	(775,718)
Payment for investment in a joint venture	<b>–</b>	(150,000)
Cash payment for investment in time deposits with maturity more than three months	<b>(2,500,000)</b>	–
Net cash received from disposal of a subsidiary	<b>29,799</b>	–
<b>Net cash generated from/(used in) investing activities</b>	<b>734,406</b>	(586,449)

**Condensed consolidated cash flow statement (continued)***For the six months ended 30 June 2025 – Unaudited**(Expressed in Renminbi Yuan)*

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Financing activities</b>		
Proceeds from borrowings	<b>318,887</b>	17,500,000
Repayments of borrowings	<b>(1,500,000)</b>	(16,000,000)
Principal elements of lease payments	<b>(3,949)</b>	(4,973)
Dividends paid by subsidiaries to non-controlling interests	<b>(4,574)</b>	(7,514)
Payment for repurchase of shares	<b>(91,111)</b>	(52,162)
Others	<b>—</b>	(245)
<b>Net cash (used in)/generated from financing activities</b>	<b><u>(1,280,747)</u></b>	<b><u>1,435,106</u></b>
<b>Net increase in cash and cash equivalents</b>	<b>221,317</b>	1,099,198
<b>Cash and cash equivalents at 1 January</b>	<b>8,209,113</b>	4,906,368
<b>Effect of foreign exchange rates changes</b>	<b><u>(507)</u></b>	<b><u>544</u></b>
<b>Cash and cash equivalents at 30 June</b>	<b><u>8,429,923</u></b>	<b><u>6,006,110</u></b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1 GENERAL INFORMATION AND BASIS OF PREPARATION

Sinopec Shanghai Petrochemical Company Limited (“**the Company**”), located in Jinshan District of Shanghai, is one of the largest refining-chemical integrated petrochemical companies in China. It is one of the subsidiaries of China Petroleum & Chemical Corporation (“**Sinopec Corp.**”). The Company and its subsidiaries (“**the Group**”) are principally engaged in processing the crude oil into synthetic fibres, resins and plastics, intermediate petrochemical and petroleum products.

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard (“**IAS**”) 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board (“**IASB**”). It was authorized for issue on 20 August 2025.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards.

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants.

## 2 CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments to IFRS Accounting Standards to this interim financial report for the current accounting period:

- Amendments to IAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability*

The amendments do not have a material impact on this interim report as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

### 3 SEGMENT INFORMATION AND REVENUE

#### 3.1 Segment information

The Group manages its business by divisions, which are organized by business lines. In view of the fact that the Company and its subsidiaries operate mainly in the PRC, no geographical segment information is presented.

In a manner consistent with the way in which information is reported internally to the Group's chief operating decision maker, Board of Directors, for the purposes of resource allocation and performance assessment, the Group has identified the following three reportable segments. No operating segments have been aggregated to form the following reportable segments.

The basis of segmentation and the basis of measurement of segment profits or losses, and assets and liabilities are consistent with those of the annual financial statements for the year ended 31 December 2024.

Six months ended 30 June 2025	Petroleum products <i>RMB'000</i>	Chemical products <i>RMB'000</i>	Trading of petrochemical product <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
Total segment revenue	36,146,765	14,532,210	4,904,474	368,568	55,952,017
Inter segment revenue	(9,289,879)	(5,996,122)	(1,044,291)	(122,195)	(16,452,487)
Revenue from external customers	<u>26,856,886</u>	<u>8,536,088</u>	<u>3,860,183</u>	<u>246,373</u>	<u>39,499,530</u>
Timing of revenue recognition					
– At a point in time	26,856,886	8,536,088	3,846,996	246,373	39,486,343
– Over time	<u>–</u>	<u>–</u>	<u>13,187</u>	<u>–</u>	<u>13,187</u>
	<u>26,856,886</u>	<u>8,536,088</u>	<u>3,860,183</u>	<u>246,373</u>	<u>39,499,530</u>
Segment result – (loss)/profit from operations	<u>(211,988)</u>	<u>(557,210)</u>	<u>2,903</u>	<u>24,292</u>	<u>(742,003)</u>
Impairment of plant and machinery	–	–	–	–	–
<i>As at 30 June 2025</i>					
Segment assets	14,926,971	8,142,323	708,309	2,058,518	25,836,121
Segment liabilities	13,027,921	3,139,091	657,335	44,152	16,868,499



<b>Six months ended 30 June 2024</b>	<b>Petroleum products RMB'000</b>	<b>Chemical products RMB'000</b>	<b>Trading of petrochemical product RMB'000</b>	<b>Others RMB'000</b>	<b>Total RMB'000</b>
Total segment revenue	39,248,963	13,202,713	3,715,652	983,459	57,150,787
Inter segment revenue	<u>(8,392,545)</u>	<u>(4,365,700)</u>	<u>(568,246)</u>	<u>(334,632)</u>	<u>(13,661,123)</u>
Revenue from external customers	<u>30,856,418</u>	<u>8,837,013</u>	<u>3,147,406</u>	<u>648,827</u>	<u>43,489,664</u>
Timing of revenue recognition					
– At a point in time	30,856,418	8,837,013	3,129,382	648,827	43,471,640
– Over time	<u>–</u>	<u>–</u>	<u>18,024</u>	<u>–</u>	<u>18,024</u>
	<u>30,856,418</u>	<u>8,837,013</u>	<u>3,147,406</u>	<u>648,827</u>	<u>43,489,664</u>
<b>Segment result – profit/(loss) from operations</b>	<u>752,152</u>	<u>(1,040,475)</u>	<u>10,044</u>	<u>110,913</u>	<u>(167,366)</u>
Impairment of plant and machinery	–	–	–	–	–
<b><i>As at 31 December 2024</i></b>					
Segment assets	13,672,827	8,354,937	761,330	2,002,267	24,791,361
Segment liabilities	10,089,439	4,128,538	699,079	38,763	14,955,819
				<b>Six months ended 30 June</b>	
				<b>2025</b>	<b>2024</b>
				<b>RMB'000</b>	<b>RMB'000</b>
<b>Segment result – (loss)/profit from operations</b>					
Petroleum products				<b>(211,988)</b>	752,152
Chemical products				<b>(557,210)</b>	(1,040,475)
Trading of petrochemical products				<b>2,903</b>	10,044
Others				<u><b>24,292</b></u>	<u>110,913</u>
<b>Segment result – loss from operations</b>				<b>(742,003)</b>	(167,366)
Finance income – net				<b>74,267</b>	88,931
Share of net gains of associates and joint ventures accounted for using the equity method				<u><b>84,974</b></u>	<u>90,863</u>
<b>(Loss)/profit before taxation</b>				<u><b>(582,762)</b></u>	<u>12,428</u>

### 3.2 Revenue

The Group's revenue from external customers are substantially all within Chinese Mainland for the six months ended 30 June 2025 and 2024. As at 30 June 2025 and 31 December 2024, assets are also substantially all within Mainland China.

Revenue of approximate RMB28,423,286 thousand (six months ended 30 June 2024: RMB31,275,863 thousand) are derived from a single customer. These revenues are attributable to the petroleum products and other business.

## 4 (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation is arrived at after charging/(crediting):

### (a) Finance income – net

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Interest income from time deposits with maturity more than 3 months	19,067	57,726
Interest income from time deposits with maturity less than 3 months	64,560	120,780
Others	1,359	2,329
<b>Finance income</b>	<b>84,986</b>	<b>180,835</b>
Interest and finance charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	(14,095)	(92,889)
Less: interest expense capitalized into construction in progress	3,376	985
<b>Finance expenses</b>	<b>(10,719)</b>	<b>(91,904)</b>
<b>Finance income – net</b>	<b>74,267</b>	<b>88,931</b>

**(b) Other losses – net**

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
Net (losses)/gains on disposal of property, plant and equipment and other assets	<b>(23,498)</b>	938
Net foreign exchange losses	<b>(13,047)</b>	(9,326)
Net gains on commodity swaps contracts not qualified for hedging accounting	<b>7,288</b>	633
Net losses on foreign exchange forward contracts	<b>(58)</b>	(27)
Net gains on disposal of a subsidiary	<b>6,944</b>	–
Net losses on selling of financial assets measured at fair value through other comprehensive income (“FVOCI”)	<b>(890)</b>	(1,812)
	<b><u>(23,261)</u></b>	<b><u>(9,594)</u></b>

**(c) Other items**

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
Depreciation of property, plant and equipment	<b>886,132</b>	887,929
Depreciation of right-of-use assets	<b>12,866</b>	15,468
Depreciation of investment properties	<b>7,505</b>	7,562
Amortization of other non-current assets	<b>102,273</b>	123,268
Research and development costs (other than depreciation and amortization)	<b>103,573</b>	88,114
Provision of inventory write-down	<b>416,854</b>	111,483

## 5 INCOME TAX

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
<b>Current tax:</b>		
Provision for PRC current income tax for the period	(1,732)	(3,762)
Tax filing difference	(217)	(5)
	<u>(1,949)</u>	<u>(3,767)</u>
<b>Deferred tax:</b>		
Origination and reversal of temporary differences	<u>136,651</u>	<u>(2,330)</u>
	<u><u>134,702</u></u>	<u><u>(6,097)</u></u>

The provision for PRC income tax is calculated at the rate of 25% (six months ended 30 June 2024: 25%) on the estimated taxable income of the six months ended 30 June 2025 determined in accordance with relevant income tax rules and regulations. The Company did not carry out business overseas and therefore does not incur overseas income taxes.

## 6 (LOSSES)/EARNINGS PER SHARE

### (a) Basic (losses)/earnings per share

Basic (losses)/earnings per share is calculated by dividing the (loss)/profit attributable to equity shareholders of the Company by the weighted average number of ordinary shares in issue during the interim period.

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
(Loss)/profit attributable to equity shareholders of the Company	(449,274)	2,845
Weighted average number of ordinary shares in issue (thousands of shares)	<u>10,567,609</u>	<u>10,686,232</u>
Basic (losses)/earnings per share (RMB per share)	<u><u>RMB (0.0425)</u></u>	<u><u>RMB0.0003</u></u>

### (b) Diluted (losses)/earnings per share

There were no dilutive potential ordinary shares for the six months ended 30 June 2025 and 2024, therefore diluted (losses)/earnings per share is the same as basic (losses)/earnings per share.

## 7 DIVIDENDS

**(a) Dividends payable to equity shareholders of the Company attributable to the interim period.**

The Board of Directors did not propose any dividend in respect of the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

**(b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved during the interim period.**

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Final dividend in respect of the previous financial year, approved during the following interim period, of RMB0.02 per ordinary share (six months ended 30 June 2024:Nil)	<b>210,853</b>	<b>–</b>

Pursuant to a resolution passed at the Annual General Meeting held on 11 June 2025, a total dividend of RMB210,853 thousand was declared for the year ended 31 December 2024 and subsequently paid in July 2025.

## 8 TRADE AND OTHER RECEIVABLES

	<b>As at 30 June 2025 RMB'000</b>	<b>As at 31 December 2024 RMB'000</b>
Trade receivables	<b>8,778</b>	2,265
Less: loss allowance	<b>(2,135)</b>	(2,114)
	<b>6,643</b>	151
Amounts due from related parties excluded prepayments (*)	<b>1,970,153</b>	718,948
Less: loss allowance (*)	<b>(3,133)</b>	(2,798)
	<b>1,973,663</b>	716,301
Other receivables	<b>521,048</b>	677,759
Less: loss allowance	<b>(1,936)</b>	(1,936)
	<b>519,112</b>	675,823
Financial assets measured at amortized cost	<b>2,492,775</b>	1,392,124
Amounts due from related parties – prepayments (*)	<b>4,070</b>	1,018
	<b>2,496,845</b>	1,393,142
Amounts due from related parties (summary of *)	<b>1,971,090</b>	717,168

Amounts due from related parties mainly represent trade-related balances, unsecured in nature and bear no interest.

The aging analysis based on invoice date of trade receivables and amounts due from related parties excluded prepayments (net of allowance for doubtful debts) is as follows:

	<b>As at 30 June 2025 RMB'000</b>	<b>As at 31 December 2024 RMB'000</b>
Within one year	<b>1,973,102</b>	716,301
Over one year within two years	<u><b>561</b></u>	<u>—</u>
	<u><b>1,973,663</b></u>	<u><b>716,301</b></u>

Movements in the loss allowance account in respect of trade and other receivables during the period is as follows:

	<b>Six months ended 30 June 2025 RMB'000</b>	<b>2024 RMB'000</b>
Balance at 1 January	<b>6,848</b>	6,899
Impairment losses recognized during the period	<b>356</b>	79
Recoveries or reversals during the period	<u>—</u>	<u>(51)</u>
Balance at 30 June	<u><b>7,204</b></u>	<u><b>6,927</b></u>

As at 30 June 2025 and 31 December 2024, no trade receivable was pledged as collateral.

Sales to third parties are generally on cash basis or on letter of credit. Subject to negotiation, credit is generally only available for major customers with well-established trading records.

## 9 TRADE AND OTHER PAYABLES

	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
Trade payables	1,939,637	1,428,598
Bills payable	1,646,375	1,047,541
Amounts due to related parties exclude advances received (*)	<u>11,022,939</u>	<u>9,577,271</u>
	<u>14,608,951</u>	<u>12,053,410</u>
Dividends payable	242,239	31,386
Construction payable	329,572	597,367
Accrued expenses	87,949	119,409
Other liabilities	<u>87,000</u>	<u>84,007</u>
	<u>746,760</u>	<u>832,169</u>
Financial liabilities measured at amortized cost	15,355,711	12,885,579
Amounts due to related parties – advances received (*)	<u>7,998</u>	<u>13,676</u>
	15,363,709	12,899,255
Less: total amounts due to related parties (summary of *)	<u>11,030,937</u>	<u>9,590,947</u>
Trade and other payables- amounts due to third parties	<u>4,332,772</u>	<u>3,308,308</u>

As at 30 June 2025 and 31 December 2024, all trade and other payables of the Group were non-interest bearing, and their fair value, approximated their carrying amounts due to their short maturities.

As at 30 June 2025 and 31 December 2024, the ageing analysis of the trade payables (including amounts due to related parties of trading in nature) and bills payable based on invoice date were as follows:

	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
Within one year	14,608,951	12,049,334
Between one and two years	–	–
Over two years	<u>–</u>	<u>4,076</u>
	<u>14,608,951</u>	<u>12,053,410</u>

## 10 BORROWINGS

	As at <b>30 June</b> <b>2025</b> <i><b>RMB'000</b></i>	As at 31 December 2024 <i><b>RMB'000</b></i>
Credit loans due within one year		
– Short-term bank loan	–	1,500,940
– Long-term bank loan due within one year	<u>285</u>	<u>47</u>
Borrowings – current	----- <b>285</b>	----- 1,500,987
Credit loans due over one year		
– Long-term borrowing	<u>386,572</u>	<u>67,685</u>
Borrowings – non-current	----- <b>386,572</b>	----- 67,685
Total borrowings	<u><b>386,857</b></u>	<u><b>1,568,672</b></u>

(a) The analysis of the repayment schedule of borrowings are as follows:

	As at <b>30 June</b> <b>2025</b> <i><b>RMB'000</b></i>	As at 31 December 2024 <i><b>RMB'000</b></i>
Within 1 year or on demand	<b>285</b>	1,500,987
After 1 year but within 5 years	<b>213,500</b>	37,382
After 5 years	<u><b>173,072</b></u>	<u>30,303</u>
	<u><b>386,857</b></u>	<u><b>1,568,672</b></u>

As at 30 June 2025, there were no short-term bank loans. As at 31 December 2024, the interest rate of the Group's short-term borrowings was 2.05%. The interest rate of the Group's long-term borrowings was 2.66% as at 30 June 2025 (31 December 2024: 2.66%).

As at 30 June 2025 and 31 December 2024, no borrowings were secured by property, plant and equipment.



## 11 RESERVES

	Legal Surplus (note a) RMB'000	Capital Surplus (note b) RMB'000	Surplus Reserve (note c) RMB'000	Other Reserve (note d) RMB'000	Hedging reserve RMB'000	Share premium (note e) RMB'000	Safety production Fund (note f) RMB'000	Treasury shares (note g) RMB'000	Retained earnings (note h) RMB'000	Total RMB'000
<b>Balance at 1 January 2024</b>	6,571,279	13,739	101,355	(887)	—	105,685	298,137	(70,579)	6,992,901	14,011,630
Total comprehensive income for the period attributable to shareholders of the Company	—	—	—	—	(3,128)	—	—	—	2,845	(283)
Purchase of equity interests from non-controlling interests	—	12,240	—	—	—	—	—	—	—	12,240
Purchase of own shares	—	—	—	—	—	—	—	(53,425)	—	(53,425)
Cancellation of shares	—	—	—	—	—	54	—	124,004	—	124,058
Utilisation of safety production fund	—	—	—	—	—	—	(26,072)	—	26,072	—
<b>Balance at 30 June 2024 and 1 July 2024</b>	6,571,279	25,979	101,355	(887)	(3,128)	105,739	272,065	—	7,021,818	14,094,220
Total comprehensive income for the period attributable to shareholders of the Company	—	—	—	3,661	(56,931)	—	—	—	308,135	254,865
Amounts transferred from hedging reserve to initial carrying amount of hedged items	—	—	—	—	60,097	—	—	—	—	60,097
Purchase of own shares	—	—	—	—	—	—	—	(56,159)	—	(56,159)
Appropriation of safety production fund	—	—	—	—	—	—	18,542	—	(18,542)	—
<b>Balance at 31 December 2024</b>	6,571,279	25,979	101,355	2,774	38	105,739	290,607	(56,159)	7,311,411	14,353,023
<b>Balance at 1 January 2025</b>	6,571,279	25,979	101,355	2,774	38	105,739	290,607	(56,159)	7,311,411	14,353,023
Total comprehensive income for the period attributable to shareholders of the Company	—	—	—	—	15,416	—	—	—	(449,274)	(433,858)
Amounts transferred from hedging reserve to initial carrying amount of hedged items	—	—	—	—	(6,107)	—	—	—	—	(6,107)
Dividends declared and approved in respect of previous year	—	—	—	—	—	—	—	—	(210,852)	(210,852)
Purchase of own shares	—	—	—	—	—	—	—	(84,117)	—	(84,117)
Cancellation of shares	—	—	—	—	—	(7,666)	—	140,276	—	132,610
Appropriation of safety production fund	—	—	—	—	—	—	12,671	—	(12,671)	—
<b>Balance at 30 June 2025</b>	6,571,279	25,979	101,355	2,774	9,347	98,073	303,278	—	6,638,614	13,750,699

*Notes:*

- (a) Under PRC rules and regulations, the Company and its PRC subsidiaries are required to set aside 10% of the net income determined in accordance with the PRC accounting rules and regulations to a legal surplus reserve. The transfer to this reserve must be made before distribution of any dividend to shareholders.

The legal surplus reserve is non-distributable other than in liquidation and can be used to make good of previous years' losses, if any, and may be utilized for business expansion or converted into ordinary shares by the issuance of new shares to shareholders in proportion to their existing shareholdings or by increasing the par value of the shares currently held by the shareholders, provided that the balance after such issuance is not less than 25% of the registered capital.

- (b) The capital surplus comprises the following:
- i. gifts or grants received from China Petrochemical Corporation, the ultimate parent company and which are required to be included in this reserve fund by PRC regulations;
  - ii. the differences between the cost of purchase of equity interests from non-controlling interests in subsidiaries and the carrying amount of the net assets additionally acquired.

On 29 February 2024, the Group purchased additional 25.75% of the issued shares of Shanghai Jinchang Engineering Plastics Co., Ltd. ("Jinchang") for RMB2, a subsidiary of the Group. Immediately prior to the purchase, the carrying amount of the existing 25.75% non-controlling interest in Jinchang was RMB12,240 thousand. The Group recognized a decrease in non-controlling interests of RMB12,240 thousand and an increase in capital surplus of RMB12,240 thousand.

- (c) The transfer to this reserve from the retained profits is subject to the approval by shareholders at general meetings. Its usage is similar to that of the legal surplus reserve.
- (d) Other reserve comprises share of post-acquisition movements in other comprehensive income from associates and joint ventures using the equity methods of accounting with a corresponding adjustment to the carrying amount of the investment.
- (e) The application of the share premium account is governed by Sections 213 and 214 of the PRC Company Law.

According to Section 213 of the PRC Company Law, the Company's share premium arised from the issuance of stocks at a price above the par value of the stocks.

- (f) According to the relevant PRC regulations, the Group is required to transfer an amount to specific reserve for the safety production fund based on the turnover of certain refining and chemicals products. This reserve represents unutilized safety production fund.

- (g) The proposal to authorize the board of directors to repurchase domestic shares and/or overseas-listed foreign shares of the Company was approved at the first A Shareholders Class Meeting for 2023 on 28 June 2023. According to the authorization, the Company repurchased shares in call auction since 3 November 2023. In 2023, the Company repurchased 70,192,000 H-shares ordinary shares on the Hong Kong Stock Exchange for an aggregate consideration of RMB70,579 thousand. In 2024, the Company repurchased 53,866,000 H-shares ordinary shares on the Hong Kong Stock Exchange for an aggregate consideration of RMB53,425 thousand.

On 17 June 2024, the Company cancelled 124,058,000 H shares repurchased. After the cancellation, the total amount of issued share capital reduced by RMB124,058 thousand, and the share premium increased by RMB54 thousand.

The proposal to authorize the board of directors to repurchase domestic shares and/or overseas-listed foreign shares of the Company was approved at the first A Shareholders Class Meeting for 2024 on 6 June 2024. According to the authorization, the Company repurchased shares in call auction since 9 September 2024. In 2024, the Company repurchased 55,370,000 H-share ordinary shares on the Hong Kong Stock Exchange for an aggregate consideration of RMB56,159 thousand. For the six months ended 30 June 2025, the Company repurchased 77,240,000 H-share ordinary shares on the Hong Kong Stock Exchange for an aggregate consideration of RMB84,117 thousand.

For the six months ended 30 June 2025, the Company cancelled 132,610,000 H shares repurchased.

After the cancellation, the total amount of issued share capital reduced by RMB132,610 thousand, and the share premium decreased by RMB7,666 thousand.

- (h) According to the Company's Articles of Association, the reserve available for distribution is the lower of the amount determined under China Accounting Standards for Business Enterprises and the amount determined under IFRS Accounting Standards. The Board of Directors did not propose any dividend in respect of the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

By Order of the Board  
**Sinopec Shanghai Petrochemical Company Limited**  
**Liu Gang**  
*Joint Company Secretary*

Shanghai, the PRC, 20 August 2025

*As at the date of this announcement, the executive directors of the Company are Guo Xiaojun, Du Jun and Huang Xiangyu; the non-executive directors of the Company are Xie Zhenglin and Qin Zhaohui; and the independent non-executive directors of the Company are Tang Song, Chen Haifeng, Yang Jun, Zhou Ying and Huang Jiangdong.*