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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

1. IMPORTANT NOTICE

1.1 The board of directors (the "**Board**") of Sinopec Shanghai Petrochemical Company Limited (the "**Company**" or "**Shanghai Petrochemical** ", together with its subsidiaries, the "**Group**") as well as its Directors and senior management warrant the truthfulness, accuracy and completeness of the information contained in this 2026 interim results announcement, and warrant that there are no false representations or misleading statements contained in, or material omissions from, the 2026 interim results announcement of 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	The Stock Exchange of Hong Kong Limited（the "**Hong Kong Stock Exchange**")
	Stock Short Name	SHANGHAI PECHEM
	Stock Code	00338

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

Major accounting data	The Reporting Period (January to June)	Corresponding period of the previous year After restatement	Corresponding period of the previous year Before restatement	Increase/ (decrease) as compared to the corresponding period of the previous year (after restatement) (%)
Operating income	38,991,994	39,523,226	39,523,226	(1.34)
Total profit/(loss)	387,215	(595,616)	(595,616)	N/A
Net profit/(loss) attributable to equity shareholders of the Company	300,431	(462,128)	(462,128)	N/A
Net profit/(loss) attributable to equity shareholders of the Company excluding extraordinary gains and losses	303,638	(439,375)	(439,375)	N/A
Net cash flows (used in)/generated from operating activities	(841,436)	776,191	778,943	(208.41)

	As at the end of the Reporting Period	As at the end of the previous year After restatement	Before restatement	Increase/(decrease) at the end of the Reporting Period as compared to the end of the previous year (after restatement) (%)
Net assets attributable to equity shareholders of the Company	23,422,280	23,132,313	23,132,313	1.25
Total assets	42,916,900	42,556,634	39,881,813	0.85

2.1.2 Major Financial Indicators

Major financial indicators	The Reporting Period (January to June)	Corresponding period of the previous year After restatement	Before restatement	Increase/(decrease) as compared to the corresponding period of the previous year (%)
Basic earnings/(losses) per share (RMB/Share)	0.028	(0.044)	(0.044)	N/A
Diluted earnings/(losses) per share (RMB/Share)	0.028	(0.044)	(0.044)	N/A
Basic earnings/(losses) per share excluding extraordinary gains and losses (RMB/Share)	0.029	(0.042)	(0.042)	N/A
Return/(loss) on net assets (weighted average) (%)*	1.291	(1.870)	(1.870)	Increased by 3.161 percentage points
Return/(loss) on net assets excluding extraordinary gains and losses (weighted average) (%)*	1.304	(1.778)	(1.778)	Increased by 3.082 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 profit/(loss) attributable to equity shareholders of the Company		Net assets attributable to equity shareholders of the Company		
			At the end of the Reporting Period	At the beginning of the Reporting Period	
	The Reporting Period	Corresponding period of the previous year		After restatement	Before restatement
Prepared under CAS	300,431	(462,128)	23,422,280	23,132,313	23,132,313
Prepared under IFRS Accounting Standards	298,478	(449,274)	23,411,458	23,120,486	23,120,486

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

Extraordinary gains and losses items	Amount
Disposal gains or losses of non-current assets, including the reversal of provision for impairment of assets	(14,518)
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	5,190
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	10,095
Other gain or loss items meeting the definition of extraordinary gains and losses	(288)
Current net profit and loss of subsidiaries resulting from merger of enterprises under common control from the beginning of the period to the date of merger	(1,261)
Other non-operating income and expenses besides the items above	(5,874)
Income tax effect amount	2,180
Effect on non-controlling interests after taxation	1,269
Total	(3,207)

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	Pledged/frozen Number of shares	Nature of shareholders
China Petroleum & Chemical Corporation	A shares	0	5,462,155,000	51.81%	0	None	0	State-owned legal person
HKSCC Nominees Limited	H shares	1,471,150	2,976,424,630	28.23%	0	Unknown	–	Overseas legal person
CORN CAPITAL COMPANY LIMITED	H shares	0	200,020,000	1.90%	0	None	0	Overseas legal person
HKSCC Limited	A shares	-43,276,046	35,747,033	0.34%	0	None	0	Overseas legal person
Shanghai Kangli Industry and Trade Co., Ltd.	A shares	0	22,375,300	0.21%	0	None	0	Others
Abu Dhabi Investment Authority – Own Funds	A shares	–	16,918,598	0.16%	0	None	0	Others
Tan Dongbo (譚洞波)	A shares	–	15,096,351	0.14%	0	None	0	Domestic natural person
Gao Xiaohua (高曉華)	A shares	0	10,320,500	0.10%	0	None	0	Domestic natural person
UBS AG	A shares	8,039,551	10,235,902	0.10%	0	None	0	Others
Sinopec Assets Management Co., Ltd.	A shares	0	10,146,000	0.10%	0	None	0	State-owned legal person

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

Name of shareholders	Number of unrestricted tradable shares	Type and quantity of shares	
		Type	Quantity
China Petroleum & Chemical Corporation	5,462,155,000	Ordinary shares denominated in RMB	5,462,155,000
HKSCC Nominees Limited	2,976,424,630	Overseas listed foreign shares	2,976,424,630
CORN CAPITAL COMPANY LIMITED	200,020,000	Overseas listed foreign shares	200,020,000
HKSCC Limited	35,747,033	Ordinary shares denominated in RMB	35,747,033
Shanghai Kangli Industry and Trade Co., Ltd.	22,375,300	Ordinary shares denominated in RMB	22,375,300
Abu Dhabi Investment Authority – Own Funds	16,918,598	Ordinary shares denominated in RMB	16,918,598
Tan Dongbo (譚洞波)	15,096,351	Ordinary shares denominated in RMB	15,096,351
Gao Xiaohua (高曉華)	10,320,500	Ordinary shares denominated in RMB	10,320,500
UBS AG	10,235,902	Ordinary shares denominated in RMB	10,235,902
Sinopec Assets Management Co., Ltd.	10,146,000	Ordinary shares denominated in RMB	10,146,000

The explanation of buyback account of the top ten shareholders	Not involved
The explanation of above shareholders' entrustment voting right, entrusted voting right and abstained from voting	Not involved
Note on connected relations or acting in concert of the above shareholders	Among the above-mentioned shareholders, the controlling shareholder of both China Petroleum & Chemical Corporation ("**Sinopec Corp.**"), a state-owned legal person, and Sinopec Assets Management Co., Ltd. is China Petrochemical Corporation ("**Sinopec Group**"). 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

Save as the information disclosed below, as at 30 June 2026, to the knowledge of the Board, no person(s) (other than Directors or the chief executive of the Company) had any interest or short position in the shares or underlying shares or debentures of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (the "**SFO**") or recorded in the register kept under Section 336 of the SFO or was directly or indirectly interested in 5% or more of the nominal value of any type of share capital carrying the rights to vote in all circumstances at general meetings of the Company:

Name of shareholders	Interests held or deemed as held (shares)	Note	Percentage of total issued shares of the Company (%)	Percentage of total issued shares of the relevant class (%)	Capacity
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)	(2)	1.90	6.22	Beneficial owner
	200,020,000 H shares (S)		1.90	6.22	
Hung Hin Fai	200,020,000 H shares (L)	(2)	1.90	6.22	Interests of controlled corporation
	200,020,000 H shares (S)		1.90	6.22	
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, as of 30 June 2026, Sinopec Group directly and indirectly owned 69.95% of the issued share capital of Sinopec Corp. and directly held 100% equity interest in Sinopec Assets Management Co., Ltd. Thus, Sinopec Group was deemed to be interested in the 5,462,155,000 A shares of the Company directly held by Sinopec Corp. and the 10,146,000 A shares of the Company directly held by Sinopec Assets Management Co., Ltd.

(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.

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

Save as disclosed below, as at 30 June 2026, to the knowledge of the Board, none of the Directors or the chief executive of the Company had any interests or short positions 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 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**"):

Name	Position	Number of shares held (shares)	Percentage of total issued shares of the Company (%)	Percentage of the total issued A shares (%)	Capacity
Huang Xiangyu	Executive Director and Vice President	140,000 A shares (L)	0.001328	0.001910	Beneficial owner

(L): Long position

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 announcement. 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 2026, affected by the conflicts between the United States, Israel and Iran, international oil prices experienced wide and repeated sharp fluctuations. The petrochemical industry faced unexpected impacts and adjustments across various aspects, including costs, demand, and capacity adjustments.

Against this backdrop, the Group proactively advanced various initiatives including safety and environmental protection, tapping potential and enhancing efficiency, and project construction, achieving a turnaround from loss to profit in the first half of the year. As of 30 June 2026, the Group generated revenue of RMB38,964 million, representing a decrease of RMB536 million or 1.36% compared to the same period last year. Profit before taxation amounted to RMB385 million (1H2025: loss before taxation of RMB583 million), representing an increase of profit of RMB968 million year-on-year. Profit after taxation and excluding non-controlling shareholders' interests was RMB298 million (1H2025: loss of RMB449 million), representing an increase of profit of RMB747 million year-on-year.

In the first half of 2026, the total volume of goods within the main commodity categories produced by the Group was 4.9398 million tons, representing a decrease of 11.42% compared to the same period last year. The Group processed a total of 5.682 million tons of crude oil (of which 458.1 thousand tons were processed on order), representing a decrease of 10.16% compared to the same period last year. Refined oil output amounted to 3.482 million tons, representing a decrease of 12.80% year-on-year. Among them, the gasoline production decreased by 13.70% year-on-year to 1.4396 million tons; the diesel production decreased by 6.95% year-on-year to 1.1154 million tons; and the jet fuel production decreased by 17.68% year-on-year to 926.9 thousand tons. Ethylene production increased by 19.79% year-on-year to 327.3 thousand tons; p-xylene production decreased by 4.14% year-on-year to 338.3 thousand tons. Production of plastics, resins and copolymers decreased by 0.91% year-on-year to 453.5 thousand tons. Production of synthetic fibres decreased by 2.61% year-on-year to 14.1 thousand tons. The production and sales rate of the Group's product for the first half of this year was 100.87% and the payment return rate was 100.03% (excluding related companies and internal enterprises).

Safety and environmental protection were advanced in a coordinated manner. The Group consolidated the work safety accountability system, drove the transition of HSE work towards pre-emptive prevention, strictly strengthened control over contractors and direct operations, and ensured that on-site risks remained manageable. The Group further promoted the development of green enterprises. In the first half of the year, the comprehensive compliance rate of industrial wastewater discharged outward, the compliance 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 49.3 $\mu g/m^3$, representing a year-on-year decrease of 21%.

Multiple measures were adopted to tap potential and enhance efficiency. Adhering to the principle of production based on sales and prioritizing profitability, the Group adopted a range of measures to realize the structural adjustment of refined oil products featuring "restricting gasoline output, stabilizing jet fuel output and reducing diesel output". The Group accelerated its strategic transformation into a high-end new materials supplier and enriched its matrix of high-value-added products. It expanded and diversified crude oil resources to effectively mitigate supply risks. The Group also made vigorous efforts to expand the market and boost sales of steam resources, promoted the environmentally sound co-combustion and utilization of biochemical sludge, implemented "peak-flat-trough" power generation on a regularized basis, and dynamically carried out petroleum coke substitution, thereby achieving cost reduction and efficiency gains.

Transformation, upgrading, quality enhancement and capacity expansion were pursued. The hydrocracking unit under the Comprehensive Technological Transformation and Quality Upgrading Project received preliminary approval and commenced construction, and the basic design approvals for the remaining major items and the precursor project were expedited. The Cogeneration Unit Clean and Efficiency Improvement Project entered the full-scale installation phase. Phase I of the Carbon Fiber Project with a Capacity of 30,000 tons/year in Inner Mongolia New Jinshan was successfully commissioned. The Feedstock Structure Optimization and Revamp Project for Cracking Furnaces in the New Ethylene Plant was put into operation, significantly increasing the yield of high-value-added products. The Group accelerated the deep integration of digital and intelligent transformation with flattened management, completed Phase I construction of five digital and intelligent domains on schedule, and systematically planned the development of a digital twin plant.

Technological innovation delivered accelerated progress and improved efficiency. The Group launched the first batch of 12 major projects for integrated technology, industrial and financial innovation under the "15th Five-Year Plan". It continued to deepen technological research on the industrialization of large-tow carbon fibre, with the performance of 48K large-tow carbon fibre stably reaching the SCF40S level, and that of 60K large-tow carbon fibre reaching the SCF45S level. High-performance carbon fibre continued to undergo iterative upgrading, with the mass production of T1000-grade 12K small-tow carbon fibre achieved in technological terms. The Group completed the production of CF/PPS panels for thermoplastic composite research and development. The Group deepened the "user-oriented, research, production and marketing" collaborative mechanism, successfully developed ultra-clean high-voltage polyethylene cable insulation base material, and drove the upgrading of the high-end cable materials industry chain. It also advanced the industrialization and implementation of a series of projects for the comprehensive utilization of C5 and C9 resources.

Reform was deepened to unleash growth momentum. Seizing the opportunity of launching the "Entrepreneurship 2.0" and developing "New Jinshan", the Group fully implemented organizational flattening reform and process optimization. It advanced the institutionalization of management, the process-orientation of systems, and the standardization of workflows. The Group continuously improved its governance system and strengthened compliance governance. It refined the remuneration management system for Directors and senior management, and orderly completed the renewal of the Board. The Company's Wind ESG rating was upgraded to AA, placing it at the forefront of the industry. The Group enhanced its long-term mechanisms and reinforced the responsibility for governing the enterprise in accordance with the law. It optimized the remuneration distribution system and carried out regular remuneration-performance linkage adjustments.

Talent efforts were intensified to strengthen the Company and empower the workforce. The Group regularized the mechanism for management personnel to be "promoted or demoted based on performance", and strictly implemented the mechanisms for adjustment of bottom-ranked personnel and exit of incompetent employees. It revised the detailed rules for the management of talent development pathways, smoothing the vertical and horizontal channels for talent mobility. The Group continued to build a training system featuring "targeted demand matching and efficient resource allocation", with a focus on fostering a contingent of versatile talent capable of meeting the enterprise's transformation and upgrading needs, so as to win the tough battle for talent-driven enterprise development.

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					
	2026			2025		
	Sales volume ('000 tons)	Net sales (RMB million)	Percentage (%)	Sales volume ('000 tons)	Net sales (RMB million)	Percentage (%)
Petroleum products	3,711.50	21,106.24	62.83	4,326.17	20,921.99	62.46
Chemical products	1,327.49	10,363.63	30.85	1,252.31	8,477.13	25.31
Trading of petrochemical products	–	1,868.09	5.56	–	3,855.86	11.51
Others	–	254.60	0.76	–	243.33	0.72
Total	5,038.99	33,592.56	100.00	5,578.48	33,498.31	100.00

In the first half of 2026, the Group achieved a total net sales of RMB33.593 billion, representing an increase of 0.28% compared to the same period last year, of which the net sales of petroleum products and chemical products increased by 0.88% and 22.25% respectively, while the net sales of trading of petrochemical products decreased by 51.55%. Affected by the major overhaul of the Group's refining facilities, the sales volume of petroleum products decreased by 14.21%. The weighted average sales prices of all sectors rose over the same period last year due to the increase in crude oil prices. In the first half of 2026, the Group's cost of sales was RMB33.225 billion, representing a decrease of 2.68% compared to the same period last year and accounting for 98.91% of net sales.

In the first half of 2026, the cost of crude oil processing of the Group amounted to RMB23.892 billion, representing an increase of RMB806 million compared to the same period last year. Among them, the Group's crude oil unit processing cost was RMB4,573.59/ton for the current period, representing an increase of RMB571.69/ton or 14.29% compared to the same period last year, and resulting in the cost increase of RMB2.986 billion. The crude oil processing volume (excluding processing on order) for the current period decreased by 544.7 thousand tons compared to the same period last year, resulting in cost reduction of RMB2.18 billion. Crude oil costs accounted for 71.91% of the Group's cost of sales in the first half of the year.

In the first half of 2026, the Group's expenditure on other excipients was RMB3.875 billion, representing an increase of 2.08% compared to the same period last year. During the Reporting Period, the Group's depreciation and amortization expenses and maintenance expenses were RMB1.066 billion and RMB636 million, respectively. Depreciation and amortization expenses increased by 6.07% year-on-year mainly due to the increase in depreciation of fixed assets. Maintenance expenses increased by 40.71% year-on-year mainly due to the increase in overhaul projects for the current period as compared to the same period in 2025.

In the first half of 2026, the Group recorded selling and administrative expenses of RMB102 million, which remained largely unchanged from RMB102 million in the same period last year.

In the first half of 2026, the Group's other operating income was RMB42 million, representing an increase of RMB6 million compared to the same period last year.

In the first half of 2026, the Group's other operating expenses were RMB19 million, representing an increase of RMB6 million compared to the same period last year.

In the first half of 2026, the Group reported a net financial income of RMB23 million, while the net financial income amounted to RMB74 million in the same period last year, which was mainly due to a decrease in interest income of RMB38 million and an increase in interest expense of RMB13 million during the Reporting Period.

In the first half of 2026, the Group recorded a profit after taxation and excluding non-controlling shareholders' profits or losses of RMB298 million, representing an increase of profit of RMB747 million from the loss of RMB449 million in the same period last year.

Liquidity and Capital Resources

In the first half of 2026, the Group's net cash outflow from operating activities was RMB865 million, as compared with net cash flows generated from operating activities of RMB765 million in the same period of 2025 (after restatement), representing an increase of RMB1,630 million in net cash outflows as compared with the same period of 2025. 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 increased by RMB2,082 million as compared to the same period in 2025.

In the first half of 2026, the Group's net cash outflow from investment activities was RMB1,455 million, while a net cash inflow of RMB461 million occurred in the same period last year (after restatement). This was mainly due to the net amount of time deposits recovered by the Group in the first half of 2026 decreased by RMB1,100 million compared to the same period in 2025, and the cash outflow for the acquisition of long-term assets increased by RMB463 million compared to the same period in 2025.

In the first half of 2026, the Group's net cash inflow from financing activities was RMB1,864 million, while a net cash outflow of RMB971 million occurred in the same period last year (after restatement). This was mainly due to a net increase in borrowings of RMB2,142 million during the period and capital injections of RMB600 million received from non-controlling shareholders of a subsidiary.

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 2026, the total loan balance of the Group increased by RMB1,271 million from the opening balance (after restatement), which was mainly due to an increase of RMB199 million in borrowings due within one year, while the balance of long-term borrowings increased by RMB1,072 million. The Group had no short-term bonds during the Reporting Period. As of 30 June 2026, the Group's total principal of borrowings at floating interest rates was RMB3,343 million.

Capital Expenditures

In the first half of 2026, the Group's capital expenditure was RMB925 million. It was mainly used for the construction of the Shanghai Petrochemical Cogeneration Unit Clean and Efficiency Improvement Project and the Shanghai Petrochemical Large Tow Carbon Fiber Off-site Project.

In the second half of the year, the Group will continue to promote the implementation of the Shanghai Petrochemical Cogeneration Unit Clean and Efficiency Improvement Project and the Large Tow Carbon Fiber Off-site Project. The planned capital expenditure of the Group can be financed from operating cash and bank credit.

Gearing Ratio

As of 30 June 2026, the Group's gearing ratio was 42.85% (as of 31 December 2025: 44.42% (after restatement)). The gearing ratio was calculated as: total liabilities/total assets.

The Group's Employees

As at 30 June 2026, the number of registered employees of the Group was 6,698, among which 4,357 were production personnel, 1,681 were sales, finance and other personnel, and 660 were administrative personnel. 74.40% 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. As of the half year ended 30 June 2026, the income tax rate applicable to the Group was 25%, while Inner Mongolia New Jinshan Carbon Fiber Co., Ltd., a subsidiary of the Group, is qualified to a preferential tax rate of 15% from 2025 to 2030.

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 2025 annual report.

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

At present, China's petrochemical industry remains in a phase of compressed profitability and deep structural adjustment. The high profits recorded in the first half of the year were primarily driven by windfall gains from price increases triggered by external geopolitical conflicts. Globally, bulk chemical products face general oversupply. Domestic issues including low-end overcapacity and homogeneous cut-throat competition have not been fundamentally resolved, exposing the industry to substantial price-volatility risks. Looking ahead to the second half of 2026, the global economy is expected to show a weak recovery trend with limited growth momentum. Domestically, the economy is expected to undergo a mild structural recovery, with export resilience remaining intact and domestic demand improving modestly. Progress in easing US-Iran tensions will continue to erode the geopolitical premium. Coupled with the concentrated commissioning of substantial new domestic production capacity, the industry will only witness limited seasonal recovery opportunities. Overall, the sector may maintain a pattern underpinned by cost support amid a retreat from elevated levels.

From the Group's own perspective, benefiting from the resource empowerment of the Sinopec system and the supply-side clearance dividends in the industry, our integrated advantages continue to strengthen, and transformation and upgrading are accelerating with greater momentum. Although the Group turned loss into profit in the first half of the year, the persistent volatility in oil price has made business forecasting more difficult, with pressure from narrowing product spreads emerging and the concentrated investment in major technical renovation projects placing significant strain on cash flow. Moreover, with major overhauls and renovations scheduled for the second half of the year, the task of improving quality and efficiency remains formidable throughout the year. The Group will focus on the following tasks:

1. Building a new safety-oriented landscape to reinforce the bottom line of development, and translating management strengths into tangible outcomes for safe and stable operations. The Group will ensure safety by upholding cultural guidance, institutional enforcement, and strict accountability. It will strengthen foundational work, promote the deep integration of the QHSE management system operations with the "Three Basics" work, accelerate the phase-out and renewal of outdated plant facilities and equipments, and comprehensively enhance all employees' practical emergency-response skills and ability to handle unexpected incidents. The Group will also deepen green enterprise initiatives, implement the requirements for improving atmospheric environmental performance, intensify the systematic treatment of VOCs and other pollutants, and achieve a steady reduction in total emissions of major pollutants. It will ensure environmental compliance management in construction projects, advance energy conservation and carbon reduction retrofits and upgrades, and strengthen dual-control management of carbon emissions.

2. Consolidating the Group's operational foundation through full-chain quality and efficiency enhancement, and transforming its integrated advantages into profit dividends. The Group will strengthen market research and analysis, optimize the crude oil resource structure and pricing ratio, and establish a stable and diversified resource portfolio to ensure supply. The

Group will promote the optimization of the chemical feedstock mix, enhance the low-cost "oil conversion" capability, and rationally manage the pace of external procurement to achieve multi-channel, low-cost feedstock supply. It will closely follow market changes and conduct dynamic profitability assessments across the entire industry chain. The Group will flexibly adjust processing loads and product mix, coordinate diesel-to-gasoline ratio adjustments and the scheduling of chemical grade naphtha production, so as to maximize the efficiency of profitable units. It will accelerate the iterative upgrading of existing high-end products, expand the market share of foaming materials and high-voltage cable base materials, and expand markets, boost sales, increase volumes, and grow revenue.

3. Reshaping the development landscape through industrial chain transformation and upgrading, and converting existing resources into growth drivers. During the year, the Comprehensive Technological Transformation and Quality Upgrading Project will commence full-scale civil construction. The Cogeneration Unit Clean and Efficiency Improvement Project will complete and commission the No. 11 to No. 13 pulverized-coal-fired boiler units, achieving a smooth transition between the old and new units and enhancing green development and energy-saving efficiency. On the basis of achieving stable production and full capacity at Phase I of the Construction Project of the Large-Tow Carbon Fiber with a capacity of 30,000 tons/year in Inner Mongolia, the Group is advancing the construction of Phase II, striving for full completion and operation by the end of 2027, with the goal of building the largest low-cost large-tow carbon fiber production base in China. The Group will further stimulate technological innovation vitality and deepen digital and intelligent transformation to empower operations. It will fully tap the potential for intensive and deep processing of resources across the entire industry chain and make every effort to advance the extension projects of the new material industry chain, thereby propelling basic chemical raw materials towards industrial advantages.

4. Stimulating internal driving forces and vitality through comprehensive deepening of reforms, and converting institutional advantages into tangible development outcomes. The Group will continue to improve modern corporate governance, steadily advance the reform towards the flattening of its organizational structure, deepen the linkage management of remuneration and efficacy, dynamically refine the assessment and incentive mechanisms, promote market-based benchmarking of performance-based remuneration, and enhance value creation through lean management and control, thereby comprehensively improving per capita labor efficiency. The Group will persistently deepen institutional and mechanistic reforms. It will launch comprehensive initiatives and achieve breakthroughs in multiple areas, systematically restructure the operational mechanism for scientific research management and provide all-round empowerment to the integration of science, industry, finance and innovation. The Group will continue to build a lean and efficient workforce, open up vertical and horizontal channels for talent mobility, continuously improve the position system, development pathways and performance management system, refine the cross-sequence job transfer rules, and promote the compound growth of talent.

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 2026	2025 (after restatement)	Change (%)	Reason for change
Research and development expenses	84,173	130,190	(35.35)	The decrease in research and development projects during the Reporting Period, resulting in a decrease in research and development expenses as compared to the same period last year.
Finance income	(23,872)	(55,612)	N/A	Interest income decreased and interest expenses increased during the Reporting Period.
Other income	12,128	7,909	53.34	Government grants received during the Reporting Period increased as compared to the same period last year.
Gains from changes in fair value	10,095	510	1,879.41	Gains from fair value changes on commodity swap contracts increased during the Reporting Period.
Impairment losses	(545,274)	(416,854)	N/A	The provision for inventory write-down increased during the Reporting Period.
Non-operating income	6,810	13,005	(47.64)	Fixed assets retirement income decreased during the Reporting Period.
Non-operating expenses	22,185	35,179	(36.94)	Fixed assets retirement losses decreased during the Reporting Period.
Income tax expenses/(benefits)	103,821	(134,702)	N/A	Profit was recorded during the Reporting Period, resulting in income tax expenses.
Net profit/(loss) attributable to shareholders of the Company	300,431	(462,128)	N/A	The operating results increased year-on-year during the Reporting Period.
Net cash flows (used in)/generated from operating activities	(841,436)	776,191	(208.41)	The cash paid for purchases of goods and services during the Reporting Period increased as compared with the same period last year.
Net cash flows (used in)/generated from investing activities	(1,440,345)	477,398	(401.71)	The net amount of time deposits recovered during the Reporting Period decreased, while the expenditure on the acquisition of long-term assets increased, as compared to the same period last year.
Net cash flows generated from/(used in) financing activities	1,825,520	(998,433)	N/A	During the Reporting Period, cash received from absorbing investments and the net cash inflows from borrowings and repayments both increased as compared with the same period of 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	26,434,381	19,875,930	24.81	(1.57)	(5.39)	Increased by 3.03 percentage points
Chemical products	10,402,753	9,999,460	3.88	21.87	27.01	Decreased by 3.89 percentage points
Trading of petrochemical products	1,870,053	1,839,230	1.65	(51.56)	(51.86)	Increased by 0.62 percentage point
Others	56,862	57,775	(1.61)	(6.37)	2.54	Decreased by 8.83 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 7.30%.

(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	36,642,045	(3.37)
Other regions in the PRC	270,730	(26.34)
Exports	1,851,274	80.40

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 2026 Amount	As at 30 June 2026 % of total assets	As at 31 December 2025 Amount (after restatement)	As at 31 December 2025 % of total assets	Change of amount on 30 June 2026 compared to 31 December 2025 (%)	Main reason for change
Derivative financial assets	50,587	0.12	13,493	0.03	274.91	Purchase of crude oil and refined oil product swap contracts during the Reporting Period.
Accounts receivables	1,555,836	3.63	784,663	1.84	98.28	Receivables due from sales of refined oil products increased at the end of the Reporting Period.
Prepayments	64,333	0.15	164,053	0.39	(60.79)	Prepaid customs consumption tax on imported naphtha and deposits decreased during the Reporting Period.
Other receivables	46,887	0.11	213,226	0.50	(78.01)	Customs consumption tax refund receivable decreased at the end of the Reporting Period.
Other current assets	574,033	1.34	312,369	0.73	83.77	Deductible value-added tax increased at the end of the Reporting Period.
Investments in other equity instruments	–	–	3,466	0.01	(100.00)	The fair value of investments in other equity instruments decreased at the end of the Reporting Period.
Right-of-use assets	15,705	0.04	7,008	0.02	124.10	New properties leased during the Reporting Period.
Short-term loans	140,000	0.33	70,000	0.16	100.00	New borrowings were obtained during the Reporting Period to supplement working capital needs.
Derivative financial liabilities	40,316	0.09	7,108	0.02	467.19	Purchase of crude oil and refined oil product swap contracts during the Reporting Period.

Item	As at 30 June 2026 Amount	 % of total assets	As at 31 December 2025 Amount (after restatement)	 % of total assets	Change of amount on 30 June 2026 compared to 31 December 2025 (%)	Main reason for change
Employee benefits payable	306,738	0.71	176,037	0.41	74.25	Bonuses accrued during the Reporting Period.
Other payables	1,150,402	2.68	1,713,396	4.03	(32.86)	Payable for equipment and construction work decreased at the end of the Reporting Period.
Non-current liabilities due within one year	326,154	0.76	195,934	0.46	66.46	Long-term borrowings due within one year increased during the Reporting Period.
Long-term loans	3,426,405	7.98	2,354,368	5.53	45.53	Long-term loans newly increased during the Reporting Period to supplement the funding needs of engineering construction projects.
Lease liabilities	8,287	0.02	140	0.00	5,819.29	New properties leased during the Reporting Period.
Non-controlling interests	1,077,539	2.51	494,001	1.16	118.12	Capital injections from non-controlling interests of a subsidiary 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 RMB11,017 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 have 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 current 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 2026:

Company	Type of corporation	Principal business	Registered capital (RMB'000)	Total assets (RMB'000)	Net assets (RMB'000)	Operating income (RMB'000)	Operating profit/(loss) (RMB'000)	Net profit/ (loss) in the first half of 2026 (RMB'000)
Shanghai Petrochemical Investment Development Company Limited ("**Shanghai Investment Development**")	Subsidiary	Investment management	2,100,000	2,550,221	2,539,843	39,850	34,759	34,650
China Jinshan Associated Trading Corporation ("**Jinshan Associated Trading**")	Subsidiary	Import and export of petrochemical products and equipments	25,000	621,186	246,369	1,506,006	7,679	3,902
Inner Mongolia New Jinshan Carbon Fiber Co., Ltd. ("**Inner Mongolia Carbon Fiber**")	Subsidiary	Production of carbon fiber	1,200,000	1,669,379	1,191,664	2,462	(9,813)	(8,341)
Shanghai Jinshan Baling New Materials Co., Ltd. ("**Baling New Materials**")	Subsidiary	Production of styrene thermoplastic elastomer products	800,000	3,117,759	760,176	489,397	(36,395)	(28,418)
Shanghai Golden Phillips Petrochemical Company Limited ("**Shanghai Golden Phillips**")	Subsidiary	Production of polyethylene products	415,623	503,339	462,949	501,399	8,259	6,063
Shanghai Jinshan Trading Corporation ("**JMGJ**")	Subsidiary	Import and export of petrochemical products and equipments	100,000	336,037	164,685	1,350,051	3,759	2,707
Zhejiang Jinlian Petrochemical Storage and Transportation Co., Ltd. ("**Jinlian**")	Subsidiary	Storage and transportation services	620,000	167,819	61,931	4,225	(4,968)	(5,231)
Shanghai Chemical Industry Park Development Co., Ltd. ("**Chemical Industrial Park**")	Invested company	Land development and industrial investment	2,372,439	12,154,563	8,647,874	840,177	260,148	205,093

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

The Group's share of interests in associates comprises a 38.26% interest in Chemical Industrial Park established in the PRC with an amount of RMB2,434 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 2026, Chemical Industrial Park recorded operating income of RMB840 million, profit after taxation attributable to shareholders of the company amounted to RMB120 million and gain attributable to the Company amounted to RMB46 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 2026, the net profit of Shanghai Investment Development increased by RMB21.22 million compared to the same period last year, which was mainly due to a year-on-year increase in investment returns and a year-on-year rise in the gross profit of the hazardous chemicals storage and transportation business.

b) In the first half of 2026, the net profit of Jinshan Associated Trading decreased by 34.94% compared to the same period last year, which was mainly due to the increase in income tax expenses resulting from the adjustment of current income tax after annual tax filing.

c) In the first half of 2026, Shanghai Golden Phillips turned loss into profit, with its net profit increasing by RMB8.92 million as compared with the same period last year, which was mainly due to the increase in gross profit of polyethylene products, resulting in a significant increase in operating results.

d) In the first half of 2026, the net profit of JMGJ increased by RMB1.49 million compared to the same period last year, which was mainly due to the increase in gross profit from export sales during the current period.

(3) Acquisition and disposal of subsidiaries during the Reporting Period

Company name	Method of acquisition and disposal of subsidiaries during the Reporting Period	Impact on the overall production and operation and performance
Shanghai Jinshan Baling New Materials Co., Ltd.	Business combination under common control	No significant impact

On 3 March 2026, the Company's extraordinary general meeting considered and passed the resolution regarding the Company's consolidation of Baling New Materials, agreeing to amend the joint venture agreement entered into between the Company and Sinopec Hunan Petrochemical Co., Ltd. ("**Hunan Petrochemical**") and the articles of association of Baling New Materials. Prior to the amendments to the joint venture agreement and the articles of association of Baling New Materials, Baling New Materials was jointly owned by the Company and Hunan Petrochemical, each holding 50%, and its financial statements were included in the consolidated financial statements of Hunan Petrochemical. On 18 March 2026, the Company entered into a new joint venture agreement with Hunan Petrochemical. Although the shareholding structure of Baling New Materials remained unchanged, the Company gained control over Baling New Materials by holding 51% of its voting rights. As a result, Baling New Materials became a subsidiary of the Company and was included in the Group's consolidated financial statements.

As both the Company and Baling New Materials were ultimately controlled by China Petroleum & Chemical Corporation before and after the consolidation, and such control was not transitory, the consolidation of Baling New Materials was considered as a business combination under common control. The consolidation date was determined to be 18 March 2026.

(4) Structured entities controlled by the Company

During the Reporting Period, the Company did not have any controlled structured entities.

3.3.4 Projects Funded by Non-fundraising Capital

Major Project	Total project investment (RMB'000)	Amount of project investment during the Reporting Period (RMB'000)	Cumulative actual investment amount (RMB'000)	Status as of 30 June 2026
The Shanghai Petrochemical Comprehensive Technological Transformation and Quality Upgrading Project	19,603,970	64,369	228,433	The overall design has been approved and the basic design of the hydrocracking unit has been approved, while other units are currently at the basic design stage
The Shanghai Petrochemical Cogeneration Unit Clean and Efficiency Improvement Project	3,287,711	352,121	2,472,121	Under construction
The Shanghai Petrochemical Large Tow Carbon Fiber Off-site Project	3,196,000	209,561	855,920	Phase I achieved feed-in and start-up on 8 May 2026 and produced qualified products. Phase II is under construction and is scheduled for completion in December 2027.

3.4 Plan for Profit Distribution or Capital Reserves Capitalization

3.4.1 Cash Dividend Policy and its Formulation, Implementation or Adjustment

The 2025 Profit Distribution Plan was considered and approved at the 2025 Annual General Meeting held on 26 June 2026: the Company did not distribute annual dividends for 2025, and did not conduct capitalization of capital reserves. The relevant announcement was published in China Securities Journal, Shanghai Securities News and Securities Times on 27 June 2026 and was uploaded to the websites of the Hong Kong Stock Exchange and the Shanghai Stock Exchange on 26 June 2026 and 27 June 2026.

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

Nil.

4. OTHER MATTERS

4.1 Changes in Directors' Information

During the Reporting Period, there was no change in the Directors' information that was required to be disclosed under Rule 13.51B(1) of the Hong Kong Listing Rules.

4.2 Audit and Compliance Committee

On 18 August 2026, the audit and compliance committee of the twelfth session of the Board held its second meeting, mainly reviewed 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

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

4.4 Compliance with Corporate Governance Code

During the Reporting Period, the Company has 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 for Securities Transactions

The Company has adopted and implemented the Model Code for Securities Transactions to regulate the securities transactions of the Directors. After making specific enquiries with all Directors, each Director confirmed that he/she has fully complied with the Model Code for Securities Transactions during the Reporting Period.

The Model Code for Securities Transactions is also applicable to the senior management of the Company who may be in possession of any inside information of the Company. The Company is not aware of any incident of non-compliance with the Model Code for Securities Transactions 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 2026
(All amounts in thousands of Renminbi Yuan unless otherwise stated)

ASSETS	**30 June 2026 (Unaudited) Consolidated**	31 December 2025 (Restated) Consolidated	**30 June 2026 (Unaudited) Company**	31 December 2025 Company
Current Assets				
Cash at bank and on hand	**7,302,717**	7,555,275	**7,239,126**	7,405,209
Derivative financial assets	**50,587**	13,493	**50,587**	13,493
Accounts receivable	**1,555,836**	784,663	**1,552,236**	775,947
Receivables under financing	**340,657**	332,015	**137,979**	190,354
Prepayments	**64,333**	164,053	**54,753**	158,716
Other receivables	**46,887**	213,226	**42,003**	227,897
Inventories	**5,992,211**	5,801,511	**5,805,255**	5,608,961
Other current asset	**574,033**	312,369	**232,143**	40,563
Total Current Assets	**15,927,261**	15,176,605	**15,114,082**	14,421,140
Non-Current Assets				
Long-term equity investments	**3,180,020**	3,201,846	**5,473,381**	5,478,922
Investments in other equity instruments	**–**	3,466	**–**	–
Other non-current financial assets	**37,500**	37,500	**–**	–
Investment properties	**282,626**	290,131	**306,978**	315,067
Fixed assets	**13,829,815**	13,722,723	**11,626,534**	11,926,894
Construction in progress	**5,076,331**	5,212,344	**3,784,530**	3,667,835
Right-of-use assets	**15,705**	7,008	**9,256**	6,517
Intangible assets	**675,490**	688,193	**218,124**	224,258
Long-term deferred expenses	**317,994**	392,455	**317,994**	392,455
Deferred tax assets	**1,183,982**	1,280,004	**1,169,099**	1,274,106
Other non-current assets	**2,390,176**	2,544,359	**2,361,759**	2,539,640
Total Non-Current Assets	**26,989,639**	27,380,029	**25,267,655**	25,825,694
Total Assets	**42,916,900**	42,556,634	**40,381,737**	40,246,834

CONSOLIDATED AND COMPANY BALANCE SHEETS
AS AT 30 JUNE 2026 (CONTINUED)

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

Liabilities and shareholders' equity	**30 June 2026 (Unaudited) Consolidated**	31 December 2025 (Restated) Consolidated	**30 June 2026 (Unaudited) Company**	31 December 2025 Company
Current Liabilities				
Short-term loans	**140,000**	70,000	**–**	–
Derivative financial liabilities	**40,316**	7,108	**40,316**	7,108
Bills payable	**7,878,069**	9,298,391	**7,878,069**	9,298,391
Accounts payable	**3,638,503**	3,782,142	**3,234,169**	3,349,022
Contract liabilities	**230,547**	257,592	**176,392**	181,124
Employee benefits payable	**306,738**	176,037	**288,835**	170,703
Taxes payable	**918,477**	727,539	**912,715**	716,313
Other payables	**1,150,402**	1,713,396	**3,225,735**	2,836,139
Non-current liabilities due within one year	**326,154**	195,934	**7,676**	7,215
Other current liabilities	**28,216**	32,301	**22,929**	23,544
Total Current Liabilities	**14,657,422**	16,260,440	**15,786,836**	16,589,559
Non-Current Liabilities				
Long-term loans	**3,426,405**	2,354,368	**1,324,806**	711,768
Lease liabilities	**8,287**	140	**2,966**	–
Deferred income	**302,099**	291,053	**302,099**	291,053
Deferred tax liabilities	**22,868**	24,319	**–**	–
Total Non-Current Liabilities	**3,759,659**	2,669,880	**1,629,871**	1,002,821
Total Liabilities	**18,417,081**	18,930,320	**17,416,707**	17,592,380

CONSOLIDATED AND COMPANY BALANCE SHEETS
AS AT 30 JUNE 2026 (CONTINUED)

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

Liabilities and shareholders' equity (Continued)	**30 June 2026 (Unaudited) Consolidated**	31 December 2025 (Restated) Consolidated	**30 June 2026 (Unaudited) Company**	31 December 2025 Company
Shareholders' equity				
Share capital	**10,542,618**	10,542,618	**10,542,618**	10,542,618
Capital reserve	**613,974**	614,114	**592,494**	592,315
Other comprehensive income	**(5,345)**	2,021	**(1,595)**	3,171
Specific reserve	**132,331**	135,289	**129,101**	135,163
Surplus reserve	**6,672,634**	6,672,634	**6,672,634**	6,672,634
Retained earnings	**5,466,068**	5,165,637	**5,029,778**	4,708,553
Total equity attributable to shareholders of the Company	**23,422,280**	23,132,313	**22,965,030**	22,654,454
Non-controlling interests	**1,077,539**	494,001	**–**	–
Total Shareholders' Equity	**24,499,819**	23,626,314	**22,965,030**	22,654,454
Total liabilities and Shareholders' Equity	**42,916,900**	42,556,634	**40,381,737**	40,246,834

CONSOLIDATED AND COMPANY INCOME STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2026

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

	Six months ended 30 June		Six months ended 30 June	
	2026	2025	**2025**	2024
	(Unaudited)	(Unaudited) (Restated)	**(Unaudited)**	(Unaudited)
	Consolidated	Consolidated	**Company**	Company
I. Operating income	**38,991,994**	39,523,226	**36,781,962**	35,533,477
Less: Operating costs	**31,922,425**	32,894,649	**29,798,147**	28,980,172
Taxes and surcharges	**5,371,156**	6,001,225	**5,364,869**	5,993,853
Selling and distribution expenses	**98,125**	95,572	**67,202**	71,505
General and administrative expenses	**683,005**	714,573	**625,858**	667,161
Research and development expenses	**84,173**	130,190	**84,173**	130,190
Finance income	**(23,872)**	(55,612)	**(30,644)**	(60,844)
Including: interest expense	**24,451**	10,719	**8,088**	10,704
Interest income	**47,194**	84,986	**40,872**	75,972
Add: Other income	**12,128**	7,909	**12,011**	7,608
Investment gains	**68,736**	92,748	**78,044**	74,914
Including: gains from investment in associates and joint ventures	**69,024**	79,974	**44,890**	59,312
Gains from changes in fair value	**10,095**	510	**10,095**	510
Credit losses	**(77)**	(356)	**(83)**	(235)
Impairment losses	**(545,274)**	(416,854)	**(529,336)**	(416,302)
Losses from asset disposals	**–**	(28)	**–**	–
II. Operating profit/(loss)	**402,590**	(573,442)	**443,088**	(582,065)
Add: Non-operating income	**6,810**	13,005	**6,737**	11,169
Less: Non-operating expenses	**22,185**	35,179	**22,112**	35,117
III. Total profit/(loss)	**387,215**	(595,616)	**427,713**	(606,013)
Less: Income tax expenses/(benefits)	**103,821**	(134,702)	**106,488**	(135,295)
IV. Net profit/(loss)	**283,394**	(460,914)	**321,225**	(470,718)
(1) Classified by continuity of operations:				
1. Net profit/(loss) from continuing operations	**283,394**	(460,914)	**321,225**	(470,718)
2. Net profit/(loss) from discontinued operations	**–**	–	**–**	–
(2) Classified by ownership:				
1. Shareholders of the Company	**300,431**	(462,128)	**–**	–
2. Non-controlling interests	**(17,037)**	1,214	**–**	–

CONSOLIDATED AND COMPANY INCOME STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2026 (CONTINUED)

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

	Six months ended 30 June		Six months ended 30 June	
	2026	2025	**2025**	2024
	(Unaudited)	(Unaudited) (Restated)	**(Unaudited)**	(Unaudited)
	Consolidated	Consolidated	**Company**	Company
V. Other comprehensive income, net of tax	**33,851**	15,416	**36,541**	15,416
(1) Other comprehensive income (net of tax) attributable to shareholders of the Company	**33,851**	15,416	**36,451**	15,416
Items that may not be reclassified to profit or loss	**(2,600)**	–	**–**	–
(a) Fair value changes in changes in fair value of investments in other equity instruments	**(2,600)**	–	**–**	–
Items that can be reclassified to profit or loss	**36,451**	15,416	**36,451**	15,416
(a) Other comprehensive income recognized under equity method	**(108)**	–	**(108)**	–
(b) Cash flow hedging reserves	**36,559**	15,416	**36,559**	15,416
(2) Other comprehensive income (net of tax) attributable to non-controlling interests	**–**	–	**–**	–
VI. Total comprehensive income	**317,245**	(445,498)	**357,676**	(455,302)
(1) Attributable to shareholders of the Company	**334,282**	(446,712)	**–**	–
(2) Attributable to non-controlling interests	**(17,037)**	1,214	**–**	–
VII. Earnings/(losses) per share				
(1) Basic earnings/(losses)per share (RMB/share)	**0.028**	(0.044)	**–**	–
(2) Diluted earnings/(losses) per share (RMB/share)	**0.028**	(0.044)	**–**	–

CONSOLIDATED AND COMPANY CASH FLOW STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2026

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

	Six months ended 30 June		Six months ended 30 June	
	2026	2025	**2026**	2025
	(Unaudited)	(Unaudited) (Restated)	**(Unaudited)**	(Unaudited)
	Consolidated	Consolidated	**Company**	Company
I. Cash flows (used in)/generated from operating activities				
Proceeds from sales of goods and rendering of services	**42,603,110**	42,240,426	**39,993,087**	38,211,029
Refund of taxes	**19,163**	41,749	**6,292**	2,909
Proceeds from other operating activities	**141,932**	142,931	**650,575**	180,385
Sub-total of cash inflows	**42,764,205**	42,425,106	**40,649,954**	38,394,323
Payment for goods and services	**(35,844,330)**	(32,347,281)	**(33,158,568)**	(28,361,123)
Payment to and for employees	**(1,253,126)**	(1,324,733)	**(1,180,011)**	(1,259,218)
Payment of various taxes	**(6,355,936)**	(7,771,336)	**(6,297,913)**	(7,748,017)
Payment for other operating activities	**(152,249)**	(205,565)	**(126,590)**	(166,514)
Sub-total of cash outflows	**(43,605,641)**	(41,648,915)	**(40,763,082)**	(37,534,872)
Net cash flows (used in)/generated from operating activities	**(841,436)**	776,191	**(113,128)**	859,451
II. Cash flows (used in)/generated from investing activities				
Cash received from returns on investments	**90,599**	96,485	**83,869**	59,929
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	—	18,340	—	17,307
Proceeds from other investing activities	—	3,897,241	—	3,897,241
Sub-total of cash inflows	**90,599**	4,041,865	**83,869**	3,974,477
Payment for acquisition of fixed assets, intangible assets and other long-term assets	**(1,530,123)**	(1,064,409)	**(928,487)**	(781,907)
Payment for disposal of fixed assets, intangible assets and other long-term assets	**(821)**	–	**(821)**	–
Payment for acquisition of investments	**–**	–	**–**	(40,000)
Payment for other investing activities	**–**	(2,500,058)	**–**	(2,500,000)
Sub-total of cash outflows	**(1,530,944)**	(3,564,467)	**(929,308)**	(3,321,907)
Net cash flows (used in)/generated from investing activities	**(1,440,345)**	477,398	**(845,439)**	652,570

CONSOLIDATED AND COMPANY CASH FLOW STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2026 (CONTINUED)

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

	Six months ended 30 June		Six months ended 30 June	
	2026	2025	**2026**	2025
	(Unaudited)	(Unaudited) (Restated)	**(Unaudited)**	(Unaudited)
	Consolidated	Consolidated	**Company**	Company
III. Cashflows generated from/(used in) financing activities				
Proceeds from investors	**600,006**	–	**–**	–
Proceeds from borrowings	**1,403,038**	628,887	**613,038**	318,887
Sub-total of cash inflows	**2,003,044**	628,887	**613,038**	318,887
Repayments of borrowings	**(131,981)**	(1,500,027)	**–**	(1,500,000)
Payment for dividends, profit distributions or interest	**(32,236)**	(24,007)	**(12,488)**	(6,436)
Including: Dividends paid by subsidiaries to non-controlling interests	**(1,634)**	(4,574)	**–**	–
Payment for other financing activities	**(13,307)**	(103,286)	**(13,023)**	(102,706)
Sub-total of cash outflows	**(177,524)**	(1,627,320)	**(25,511)**	(1,609,142)
Net cash flows generated from/(used in) financing activities	**1,825,520**	(998,433)	**587,527**	(1,290,255)
IV. Effect of foreign exchange rate changes on cash and cash equivalents	**(1,255)**	(507)	**–**	–
V. Net (decrease)/increase in cash and cash equivalents	**(457,516)**	254,649	**(371,040)**	221,766
Add: Cash and cash equivalents at the beginning of the period	**7,551,310**	8,214,480	**7,401,248**	8,042,489
VI. Cash and cash equivalents at the end of the period	**7,093,794**	8,469,129	**7,030,208**	8,264,255

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2026

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

	Attributable to equity shareholders of the Company									
	Share capital	Capital reserve	Less: Treasury shares	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	Sub-total	Non-controlling interests	Total
I. Balance at 1 January 2026	10,542,618	614,114	-	2,021	135,289	6,672,634	5,165,637	23,132,313	101,910	23,234,223
Add: business combination under common control	-	-	-	-	-	-	-	-	392,091	392,091
Adjusted balance at the beginning of this period	10,542,618	614,114	-	2,021	135,289	6,672,634	5,165,637	23,132,313	494,001	23,626,314
II. Changes in equity for the period from 1 January 2026 to 30 June 2026 (Unaudited)										
1. Total comprehensive income										
(1) Net profit/(loss)	-	-	-	-	-	-	300,431	300,431	(17,037)	283,394
(2) Other comprehensive income	-	-	-	33,851	-	-	-	33,851	-	33,851
2. Shareholders' contributions and decreases in capital										
(1) Contributions to a subsidiary from non-controlling interests	-	3	-	-	-	-	-	3	600,003	600,006
3. Amounts transferred from hedging reserve to initial carrying amount of hedged items	-	-	-	(41,217)	-	-	-	(41,217)	-	(41,217)
4. Appropriation of profits										
(1) Distributions to shareholders	-	-	-	-	-	-	-	-	(1,634)	(1,634)
5. Specific reserve										
(1) Accrued	-	-	-	-	82,411	-	-	82,411	2,206	84,617
(2) Utilized	-	-	-	-	(85,369)	-	-	(85,369)	-	(85,369)
6. Other changes in equity of investee accounted for using the equity method	-	(143)	-	-	-	-	-	(143)	-	(143)
III. Balance at 30 June 2026 (Unaudited)	10,542,618	613,974	-	(5,345)	132,331	6,672,634	5,466,068	23,422,280	1,077,539	24,499,819

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

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

	Attributable to equity shareholders of the Company									
	Share capital	Capital reserve	Less: Treasury shares	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	Sub-total	Non-controlling interests	Total
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
Add: business combination under common control	–	–	–	–	–	–	–	–	400,000	400,000
Adjusted balance at the beginning of this period	10,675,228	621,460	56,159	2,812	290,607	6,672,634	6,833,672	25,040,254	504,241	25,544,495
II. Changes in equity for the period from 1 January 2026 to 30 June 2026 (Unaudited)										
1. Total comprehensive income										
(1) Net (loss)/profit	–	–	–	–	–	–	(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. 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	–	–	–	–	86,763	–	–	86,763	–	86,763
(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	500,881	24,806,018

COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2026 (CONTINUED)

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

	Share capital	Capital reserve	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	Total
I. Balance at 1 January 2026	**10,542,618**	**592,315**	**3,171**	**135,163**	**6,672,634**	**4,708,553**	**22,654,454**
II. Changes in equity for the period from 1 January 2026 to 30 June 2026 (Unaudited)							
1. Total comprehensive income							
(1) Net profit	-	-	-	-	-	321,225	321,225
(2) Other comprehensive income	-	-	36,451	-	-	-	36,451
2. Amounts transferred from hedging reserve to initial carrying amount of hedged items	-	-	(41,217)	-	-	-	(41,217)
3. Specific reserve							
(1) Accrued	-	-	-	71,581	-	-	71,581
(2) Utilized	-	-	-	(77,643)	-	-	(77,643)
4. Other changes in equity of investee accounted for using the equity method	-	179	-	-	-	-	179
III. Balance at 30 June 2026 (Unaudited)	**10,542,618**	**592,494**	**(1,595)**	**129,101**	**6,672,634**	**5,029,778**	**22,965,030**

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

(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	10,675,228	599,661	56,159	3,658	290,602	6,672,634	6,412,715	24,598,339
II. Changes in equity for the period from 1 January 2025 to 30 June 2025 (Unaudited)								
1. Total comprehensive income								
(1) Net loss	–	–	–	–	–	–	(470,718)	(470,718)
(2) Other comprehensive income	–	–	–	15,416	–	–	–	15,416
2. Shareholders' 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) Distribution 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)	10,542,618	591,995	–	12,967	302,925	6,672,634	5,731,145	23,854,284

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

Consolidated statement of profit or loss

For the six months ended 30 June 2026 – Unaudited

(Expressed in Renminbi Yuan)

	Six months ended 30 June	
	2026	2025 (Restated)
	RMB'000	*RMB'000*
Revenue	**38,963,713**	39,499,530
Taxes and surcharges	**(5,371,156)**	(6,001,225)
Net sales	**33,592,557**	33,498,305
Cost of sales	**(33,225,280)**	(34,138,843)
Gross profit/(loss)	**367,277**	(640,538)
Selling and administrative expenses	**(101,506)**	(101,536)
Other operating income	**42,101**	36,259
Other operating expenses	**(18,749)**	(12,927)
Other losses – net	**(628)**	(23,261)
Profit/(loss) from operations	**288,495**	(742,003)
Finance income	**47,194**	84,986
Finance expenses	**(24,451)**	(10,719)
Finance income – net	**22,743**	74,267
Share of net gains of associates and joint ventures accounted for using the equity method	**74,024**	84,974
Profit/(loss) before taxation	**385,262**	(582,762)
Income tax	**(103,821)**	134,702
Profit/(loss) for the period	**281,441**	(448,060)
Attributable to:		
– Equity shareholders of the Company	**298,478**	(449,274)
– Non-controlling interests	**(17,037)**	1,214
	281,441	(448,060)
Earnings/(losses) per share		
Basic	**RMB0.0283**	RMB(0.0425)
Diluted	**RMB0.0283**	RMB(0.0425)

Consolidated statement of profit or loss and other comprehensive income (continued)
For the six months ended 30 June 2026 – Unaudited
(Expressed in Renminbi Yuan)

	Six months ended 30 June	
	2026	2025 (Restated)
	RMB'000	*RMB'000*
Profit/(loss) for the period	**281,441**	(448,060)
Other comprehensive income for the period (after tax and reclassification adjustments)		
Items that will not be reclassified to profit or loss:		
Equity investments at FVOCI – net movement in fair value reserves (non-recycling)	**(2,600)**	–
Items that are or may be reclassified subsequently to profit or loss		
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	**(108)**	–
Cash flow hedges: net movement in hedging reserve	**36,559**	15,416
Other comprehensive income for the period	**33,851**	15,416
Total comprehensive income for the period	**315,292**	(432,644)
Attributable to:		
– Equity shareholders of the Company	**332,329**	(433,858)
– Non-controlling interests	**(17,037)**	1,214
Total comprehensive income for the period	**315,292**	(432,644)

Consolidated statement of financial position
At 30 June 2026 – Unaudited
(Expressed in Renminbi Yuan)

	At 30 June 2026	At 31 December 2025 (Restated)
	RMB'000	*RMB'000*
Non-current assets		
Property, plant and equipment	**13,818,993**	13,710,897
Right-of-use assets	**691,098**	695,078
Investment property	**282,626**	290,131
Construction in progress	**5,076,331**	5,212,344
Investments accounted for using the equity method	**3,125,020**	3,141,846
Financial assets measured at fair value through other comprehensive income	**–**	3,466
Financial assets measured at fair value through profit or loss	**37,500**	37,500
Deferred tax assets	**1,183,982**	1,280,004
Time deposits with banks	**2,361,759**	2,539,640
Amounts due from related parties	**28,417**	4,719
Other non-current assets	**318,091**	392,577
	26,923,817	27,308,202
Current assets		
Derivative financial assets	**50,587**	13,493
Inventories	**5,992,211**	5,801,511
Trade receivables	**24,881**	25,973
Other receivables	**46,023**	209,934
Amounts due from related parties	**1,538,199**	813,327
Prepayments	**99,267**	153,012
Value added tax recoverable	**532,719**	272,065
Financial assets measured at fair value through other comprehensive income	**340,657**	332,015
Time deposits with banks	**204,956**	–
Restricted cash and bank deposits	**3,967**	3,965
Cash and cash equivalents	**7,093,794**	7,551,310
	15,927,261	15,176,605
Total assets	**42,851,078**	42,484,807

Consolidated statement of financial position (continued)

At 30 June 2026 – Unaudited

(Expressed in Renminbi Yuan)

	At 30 June 2026	At 31 December 2025 (Restated)
	RMB'000	*RMB'000*
Current liabilities		
Derivative financial liabilities	**40,316**	7,108
Trade and other payables	**5,282,156**	6,572,237
Contract liabilities	**228,021**	248,429
Amounts due to related parties	**7,387,344**	8,230,855
Staff salaries and welfares payable	**306,738**	176,037
Borrowings	**458,343**	259,016
Lease liabilities	**7,811**	6,918
Income tax payable	**1,190**	2,057
Current tax liabilities	**945,503**	757,783
	14,657,422	16,260,440
Net current assets/(liabilities)	**1,269,839**	(1,083,835)
Total assets less current liabilities	**28,193,656**	26,224,367
Non-current liabilities		
Borrowings	**3,426,405**	2,354,368
Lease liabilities	**8,287**	140
Deferred tax liabilities	**22,868**	24,319
Deferred income	**247,099**	231,053
	3,704,659	2,609,880
NET ASSETS	**24,488,997**	23,614,487
CAPITAL AND RESERVES		
Share capital	**10,542,618**	10,542,618
Reserves	**12,868,840**	12,577,868
Total equity attributable to equity shareholders of the Company	**23,411,458**	23,120,486
Non-controlling interests	**1,077,539**	494,001
TOTAL EQUITY	**24,488,997**	23,614,487

Consolidated statement of changes in equity

For the six months ended 30 June 2026 – Unaudited
(Expressed in Renminbi Yuan)

	Attributable to equity shareholders of the Company					
	Share capital *RMB'000*	Other reserves *RMB'000*	Retained earnings *RMB'000*	Total *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
Balance at 31 December 2024	10,675,228	7,041,612	7,311,411	25,028,251	104,241	25,132,492
Adjustments for business combination under the same control	–	–	–	–	400,000	400,000
Balance at 1 January 2025 (Restated)	10,675,228	7,041,612	7,311,411	25,028,251	504,241	25,532,492
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 (Restated)	10,542,618	7,112,085	6,638,614	24,293,317	500,881	24,794,198
Changes in equity for the six months ended 31 December 2025:						
Loss for the period	–	–	(1,163,051)	(1,163,051)	(6,880)	(1,169,931)
Other comprehensive income	–	(50,367)	–	(50,367)	–	(50,367)
Total comprehensive income for the period	–	(50,367)	(1,163,051)	(1,213,418)	(6,880)	(1,220,298)
Amounts transferred from hedging reserve to initial carrying amount of hedged items	–	40,267	–	40,267	–	40,267
Utilization of safety production fund	–	(167,989)	167,989	–	–	–
Share of change of capital reserve of investees	–	320	–	320	–	320
Balance at 31 December 2025(Restated)	10,542,618	6,934,316	5,643,552	23,120,486	494,001	23,614,487

Consolidated statement of changes in equity (continued)

For the six months ended 30 June 2026 – Unaudited
(Expressed in Renminbi Yuan)

	Attributable to equity shareholders of the Company					
	Share capital *RMB'000*	Other reserves *RMB'000*	Retained earnings *RMB'000*	Total *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
Balance at 1 January 2026(Restated)	10,542,618	6,934,316	5,643,552	23,120,486	494,001	23,614,487
Changes in equity for the six months ended 30 June 2026:						
Profit/(loss) for the period	–	–	298,478	298,478	(17,037)	281,441
Other comprehensive income	–	33,851	–	33,851	–	33,851
Total comprehensive income for the period	–	33,851	298,478	332,329	(17,037)	315,292
Dividends paid by subsidiaries to non– controlling interests	–	–	–	–	(1,634)	(1,634)
Amounts transferred from hedging reserve to initial carrying amount of hedged items	–	(41,217)	–	(41,217)	–	(41,217)
Contributions to a subsidiary from non-controlling interests	–	3	–	3	600,003	600,006
Utilization of safety production fund	–	(2,958)	2,958	–	2,206	2,206
Share of change of capital reserve of investees	–	(143)	–	(143)	–	(143)
Balance at 30 June 2026	10,542,618	6,923,852	5,944,988	23,411,458	1,077,539	24,488,997

Condensed consolidated cash flow statement
For the six months ended 30 June 2026 – Unaudited
(Expressed in Renminbi Yuan)

	Six months ended 30 June	
	2026	2025
		(Restated)
	RMB'000	*RMB'000*
Operating activities		
Cash (used in)generated from operations	**(833,736)**	779,501
Interest paid	**(23,927)**	(11,285)
Income tax paid	**(7,700)**	(3,310)
Net cash (used in)/generated from operating activities	**(865,363)**	764,906
Investing activities		
Cash received from time deposits with maturity more than three months	**–**	3,600,000
Dividends received from joint ventures and associates	**90,599**	96,485
Interest received	**–**	290,463
Net (payment for)/proceeds from disposal of property, plant and equipment	**(821)**	18,340
Net gains on foreign exchange forward contracts and commodity swaps contracts not qualifying as hedges	**–**	6,720
Payment for the purchase of property, plant and equipment and other long-term assets	**(1,544,414)**	(1,080,783)
Cash payment for investment in time deposits with maturity more than three months	**–**	(2,500,000)
Net cash received from disposal of a subsidiary	**–**	29,799
Net cash (used in)/generated from investing activities	**(1,454,636)**	461,024

Condensed consolidated cash flow statement (continued))
For the six months ended 30 June 2026 – Unaudited
(Expressed in Renminbi Yuan)

	Six months ended 30 June	
	2026	2025
		(Restated)
	RMB'000	*RMB'000*
Financing activities		
Contributions from non-controlling interests	**600,006**	–
Proceeds from borrowings	**1,403,038**	628,887
Repayments of borrowings	**(131,981)**	(1,500,027)
Principal elements of lease payments	**(5,691)**	(3,949)
Dividends paid by subsidiaries to non-controlling interests	**(1,634)**	(4,574)
Payment for repurchase of shares	**–**	(91,111)
Net cash generated from/(used in) financing activities	**1,863,738**	(970,774)
Net (decrease)/increase in cash and cash equivalents	**(456,261)**	255,156
Cash and cash equivalents at 1 January	**7,551,310**	8,214,480
Effect of foreign exchange rates changes	**(1,255)**	(507)
Cash and cash equivalents at 30 June	**7,093,794**	8,469,129

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 19 August 2026.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 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 2025 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.

1.1 Business combination under the common control

Pursuant to a resolution passed at the First Extraordinary General Meeting on 3 March 2026 regarding the consolidation of Baling New Materials Co., Ltd. ("**Baling New Materials**") by the Company, the amendments to the Articles of Association of Baling New Materials and the terms of the Joint Venture Agreement with Sinopec Hunan Petrochemical Co., Ltd. ("**Hunan Petrochemical**") to include Baling New Materials in the Company's consolidated financial statements (collectively referred to as "**the Amendments**") were approved.

Prior to the Amendments, Baling New Materials was jointly owned by the Company and Hunan Petrochemical each holding 50%, and its financial statements were included in the consolidated financial statements of Hunan Petrochemical. Following the Amendments, the Company entered into a New Joint Venture Agreement with Hunan Petrochemical on 18 March 2026. Although the shareholding structure remained unchanged, the Company gained control over Baling New Materials by holding 51% of its voting rights. As a result, Baling New Materials became a subsidiary of the Company and was included in the Group's consolidated financial statements.

Since both Baling New Materials and the Group were ultimately controlled by Sinopec Corp. before and after the Amendments and the control was not transitory, the consolidation of Baling New Materials was considered as a business combination involving entities under common control and was accounted for under the principles of merger accounting.

The consolidated statement of financial position of the Group has accordingly been prepared using the merger basis of accounting as if the current group structure had been in existence throughout the periods presented. The net assets of Baling New Materials have been consolidated using their existing book values from the perspective of the controlling party. Comparative amounts in the consolidated statement of financial position are presented as if Baling New Materials had been consolidated at the beginning of the comparative period.

The consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income include the results of Baling New Materials from the earliest date presented. They also reflect the profit or loss attributable to the non-controlling interest, as recorded in the consolidated financial statements of the controlling party.

The effects of all transactions between Baling New Materials and the Group, whether occurring before or after the business combination, are eliminated. The opening balance at 1 January 2025 has been restated, with consequential adjustments made to comparative figures for the six months ended 30 June 2025 and for the year ended 31 December 2025. A uniform set of accounting policies is adopted when preparing the interim financial report. The details of the restated balances have been disclosed in Note 21 to the interim financial report.

2 CHANGES IN ACCOUNTING POLICIES AND ACCOUNTING ESTIMATE

2.1 New and amended standards and interpretations adopted by the Group

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

– *Amendments to IFRS 9, Financial instruments and IFRS 7, Financial instruments: Disclosures – Amendments to the classification and measurement of financial instruments*

The amendments cover three main aspects:

- The amendments clarify when a financial asset or a financial liability is recognised and derecognised. They also introduce an optional exception that permits an entity to derecognise a financial liability before the settlement date when the financial liability is settled in cash using an electronic payment system, provided that specific criteria are met.

- For the assessment of whether a financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, the amendments clarify the assessment of interest and introduce an additional test for the financial assets with contingent features, for example environmental, social or governance ("**ESG**")-linked features. The amendments also clarify the difference between financial assets with non-recourse features and contractually linked instruments which may then change the applicable assessments.

- The amendments introduce new disclosures for disposals of investments in equity instruments designated at FVOCI, and for financial instruments not measured at FVPL which contain contractual terms that could change the amount of contractual cash flows based on the occurrence or non-occurrence of a contingent event that does not relate directly to changes in basic lending risks and costs.

Upon adoption of the amendments, the Group has elected to apply the exception for the derecognition of certain trade payables settled in cash using qualifying electronic payment systems. Under the exception, these trade payables are derecognised when the Group initiates a payment instruction through a qualifying electronic payment system and, as a result, no longer has the practical ability to withdraw, stop, or cancel the payment instruction and to access the cash to be used for settlement, and the settlement risk associated with the payment system is insignificant. The Group has applied this election consistently to all settlements made through the same qualifying electronic payment system.

The Group has applied the amendments retrospectively. As permitted by the transition requirements, the Group has not restated prior periods. The application of the exception does not have a material impact on the Group's consolidated financial statements for the periods presented.

2.2 Changes in accounting estimate

Adjustment of the useful lives for chemical facilities

On 29 April 2026, the Company's board of directors approved the adjustment of the useful lives for chemical facilities newly put into operation since the beginning of the 14th Five-Year Plan, following a comprehensive consideration of technical and operational factors and an assessment of the economic useful lives of the assets, as well as a evaluation of the useful lives and actual conditions of the property, plant and equipment.

The useful lives of chemical facilities put into operation during or after the 14th Five-Year Plan period were adjusted from 12 years to 16 years. These changes are effective from 1 January 2026.

This accounting estimate change resulted in a decrease of RMB13,356 thousand in depreciation expenses for the Group for the six months ended 30 June 2026.

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 2025.

Six months ended 30 June 2026	**Petroleum products**	**Chemical products**	**Trading of petrochemical product**	**Others**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Total segment revenue	33,765,990	19,623,957	2,504,816	550,413	56,445,176
Inter segment revenue	(7,331,609)	(9,221,204)	(634,763)	(293,887)	(17,481,463)
Revenue from external customers	26,434,381	10,402,753	1,870,053	256,526	38,963,713
Timing of revenue recognition					
– At a point in time	26,434,381	10,402,753	1,864,131	256,526	38,957,791
– Over time	–	–	5,922	–	5,922
	26,434,381	10,402,753	1,870,053	256,526	38,963,713
Segment result – profit/(loss) from operations	987,850	(760,143)	6,363	54,425	288,495
Impairment of plant and machinery	–	–	–	–	–
As at 30 June 2026					
Segment assets	13,461,774	12,140,597	514,384	2,070,306	28,187,061
Segment liabilities	10,302,919	3,758,280	370,831	14,624	14,446,654

Six months ended 30 June 2025	Petroleum products	Chemical products	Trading of petrochemical product	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
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	26,856,886	8,536,088	3,860,183	246,373	39,499,530
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	–	–	13,187	–	13,187
	26,856,886	8,536,088	3,860,183	246,373	39,499,530
Segment result –(loss)/profit from operations	(211,988)	(557,210)	2,903	24,292	(742,003)
Impairment of plant and machinery	–	–	–	–	–
As at 31 December 2025 (Restated)					
Segment assets	12,855,617	12,380,781	480,913	1,879,186	27,596,497
Segment liabilities	10,739,082	5,031,580	441,453	13,484	16,225,599

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Segment result – profit/(loss) from operations		
Petroleum products	**987,850**	(211,988)
Chemical products	**(760,143)**	(557,210)
Trading of petrochemical products	**6,363**	2,903
Others	**54,425**	24,292
Segment result – profit/(loss) from operations	**288,495**	(742,003)
Finance income – net	**22,743**	74,267
Share of net gains of associates and joint ventures accounted for using the equity method	**74,024**	84,974
Profit/(loss) before taxation	**385,262**	(582,762)

3.2 Revenue

The Group's revenue from external customers are substantially all within Chinese Mainland for the six months ended 30 June 2026 and 2025. As at 30 June 2026 and 31 December 2025, assets are also substantially all within Mainland China.

Revenue of approximate RMB28,468,359 thousand (six months ended 30 June 2025: RMB28,423,286 thousand) are derived from a single customer. These revenues are attributable to the petroleum products and other business.

4 PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after crediting/(charging):

(a) Finance income – net

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Interest income from time deposits with maturity more than 3 months	**27,075**	19,067
Interest income from time deposits with maturity less than 3 months	**19,872**	64,560
Others	**247**	1,359
Finance income	**47,194**	84,986
Interest and finance charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	**(38,873)**	(14,095)
Less: interest expense capitalized into construction in progress	**14,422**	3,376
Finance expenses	**(24,451)**	(10,719)
Finance income – net	**22,743**	74,267

(b) **Other losses – net**

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Net losses on disposal of property, plant and equipment and other assets	**(14,868)**	(23,498)
Net foreign exchange gains/(losses)	**4,433**	(13,047)
Net gains on commodity swaps contracts not qualified for hedging accounting	**10,095**	7,288
Net losses on foreign exchange forward contracts	**–**	(58)
Net gains on disposal of a subsidiary	**–**	6,944
Net losses on selling of financial assets measured at fair value through other comprehensive income ("**FVOCI**")	**(288)**	(890)
	(628)	(23,261)

(c) **Other items**

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Depreciation of property, plant and equipment	**939,283**	886,132
Depreciation of right-of-use assets	**19,642**	12,866
Depreciation of investment properties	**7,505**	7,505
Amortization of other non-current assets	**99,609**	102,273
Research and development costs (other than depreciation and amortization)	**70,814**	103,573
Provision of inventory write-down	**545,274**	416,854

5 INCOME TAX

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Current tax:		
Provision for PRC current income tax for the period	**(4,248)**	(1,732)
Tax filing difference	**(2,585)**	(217)
	(6,833)	(1,949)
Deferred tax:		
Origination and reversal of temporary differences	**(96,988)**	136,651
	(103,821)	134,702

The provision for PRC income tax is calculated at the rate of 25% (six months ended 30 June 2025: 25%) on the estimated taxable income of the six months ended 30 June 2026 determined in accordance with relevant income tax rules and regulations, except for a subsidiary operating in the western developing region of the PRC which is qualified to be entitled to a preferential tax rate of 15% from 2025 to 2030. The Group did not carry out business overseas and therefore does not incur overseas income taxes.

6 EARNINGS/(LOSSES) PER SHARE

(a) Basic earnings/(losses) per share

Basic earnings/(losses) per share is calculated by dividing the profit/(loss) 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	
	2026	2025
	RMB'000	*RMB'000*
Profit/(loss) attributable to equity shareholders of the Company	**298,478**	(449,274)
Weighted average number of ordinary shares in issue (thousands of shares)	**10,542,618**	10,567,609
Basic earnings/(losses)per share (RMB per share)	**RMB0.0283**	RMB(0.0425)

Weighted average number of ordinary shares

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Issued share capital at 1 January	**10,542,618**	10,675,228
Treasury shares at 1 January	**–**	(55,370)
Issued ordinary shares at 1 January	**10,542,618**	10,619,858
Effect of shares repurchased	**–**	(52,249)
Weighted average number of ordinary shares at 30 June	**10,542,618**	10,567,609

(b) Diluted earnings/(losses) per share

There were no dilutive potential ordinary shares for the six months ended 30 June 2026 and 2025, therefore diluted earnings/(losses) per share is the same as basic earnings/(losses) 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 2026 (six months ended 30 June 2025: Nil).

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

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Final dividend in respect of the previous financial year, approved during the following interim period: Nil (six months ended 30 June 2025:RMB0.02 per ordinary share)	**–**	210,853

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

	As at 30 June 2026	As at 31 December 2025 (Restated)
	RMB'000	*RMB'000*
Trade receivables	**27,007**	28,160
Less: loss allowance	**(2,126)**	(2,187)
	24,881	25,973
Amounts due from related parties excluded prepayments (*)	**1,540,502**	769,511
Less: loss allowance(*)	**(6,973)**	(6,829)
	1,558,410	788,655
Other receivables	**47,953**	211,870
Less: loss allowance	**(1,930)**	(1,936)
	46,023	209,934
Financial assets measured at amortized cost	**1,604,433**	998,589
Amounts due from related parties – prepayments (*)	**4,670**	50,645
	1,609,103	1,049,234
Amounts due from related parties (summary of *)	**1,538,199**	813,327
Non-current		
Amounts due from related parties – prepayments	**28,417**	4,719

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:

	As at 30 June 2026	As at 31 December 2025 (Restated)
	RMB'000	*RMB'000*
Within one year	**1,558,410**	788,655

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

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Balance at 1 January	**10,952**	6,848
Impairment losses recognized during the period	**149**	356
Recoveries or reversals during the period	**(72)**	–
Balance at 30 June	**11,029**	7,204

As at 30 June 2026 and 31 December 2025, 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 2026	As at 31 December 2025 (Restated)
	RMB'000	*RMB'000*
Trade payables	**2,857,801**	2,022,548
Bills payable	**1,573,053**	3,211,391
Amounts due to related parties exclude advances received (*)	**7,384,818**	8,221,692
	11,815,672	13,455,631
Dividends payable	**31,513**	31,513
Construction payable	**687,835**	1,110,989
Accrued expenses	**67,096**	117,222
Other liabilities	**64,858**	78,574
	851,302	1,338,298
Financial liabilities measured at amortized cost	**12,666,974**	14,793,929
Amounts due to related parties – advances received (*)	**2,526**	9,163
	12,669,500	14,803,092
Less: total amounts due to related parties (sum of *)	**7,387,344**	8,230,855
Trade and other payables – amounts due to third parties	**5,282,156**	6,572,237

As at 30 June 2026 and 31 December 2025, all trade and other payables of the Group were non-interest bearing, and their fair values, approximated their carrying amounts due to their short maturities.

As at 30 June 2026 and 31 December 2025, 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 2026	As at 31 December 2025 (Restated)
	RMB'000	*RMB'000*
Within one year	**11,793,318**	13,441,339
Over one year but within two years	**19,209**	12,012
Over two years	**3,145**	2,280
	11,815,672	13,455,631

10 BORROWINGS

	As at 30 June 2026 *RMB'000*	As at 31 December 2025 (Restated) *RMB'000*
Credit loans due within one year		
– Short-term bank loan	**140,000**	70,000
– Long-term bank loan due within one year	**318,343**	189,016
Borrowings – current	**458,343**	259,016
Credit loans due over one year		
– Long-term borrowing	**3,426,405**	2,354,368
Borrowings – non-current	**3,426,405**	2,354,368
Total borrowings	**3,884,748**	2,613,384

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

	As at 30 June 2026 *RMB'000*	As at 31 December 2025 (Restated) *RMB'000*
Within 1 year or on demand	**458,343**	259,016
After 1 year but within 5 years	**3,347,965**	2,187,090
After 5 years	**78,440**	167,278
	3,884,748	2,613,384

As at 30 June 2026, the interest rate of the Group's short-term borrowings was 2.11%. (31 December 2025: 2.11%).

As at 30 June 2026, the interest rate of the Group's long-term borrowings ranged from 1.08% to 2.75% (31 December 2025: 1.55% to 2.75%).

As at 30 June 2026 and 31 December 2025, the borrowings were unsecured.

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 *RMB'000*	Retained earnings *(note g)* *RMB'000*	Total *RMB'000*
Balance at 1 January 2025	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)	–
Balance at 30 June 2025 and 1 July 2025	6,571,279	25,979	101,355	2,774	9,347	98,073	303,278	–	6,638,614	13,750,699
Total comprehensive income for the period attributable to shareholders of the Company	–	–	–	(5,544)	(44,823)	–	–	–	(1,163,051)	(1,213,418)
Amounts transferred from hedging reserve to initial carrying amount of hedged items	–	–	–	–	40,267	–	–	–	–	40,267
Utilisation of safety production fund	–	–	–	–	–	–	(167,989)	–	167,989	–
Share of change of capital reserve of investees	–	320	–	–	–	–	–	–	–	320
Balance at 31 December 2025	6,571,279	26,299	101,355	(2,770)	4,791	98,073	135,289	–	5,643,552	12,577,868
Balance at 1 January 2026	6,571,279	26,299	101,355	(2,770)	4,791	98,073	135,289	–	5,643,552	12,577,868
Total comprehensive income for the period attributable to shareholders of the Company	–	–	–	(2,708)	36,559	–	–	–	298,478	332,329
Amounts transferred from hedging reserve to initial carrying amount of hedged items	–	–	–	–	(41,217)	–	–	–	–	(41,217)
Utilisation of safety production fund	–	–	–	–	–	–	(2,958)	–	2,958	–
Contributions to a subsidiary from non-controlling interests	–	3	–	–	–	–	–	–	–	3
Share of change of capital reserve of investees	–	(143)	–	–	–	–	–	–	–	(143)
Balance at 30 June 2026	6,571,279	26,159	101,355	(5,478)	133	98,073	132,331	–	5,944,988	12,868,840

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.

In March 2026, the non-controlling shareholders of Inner Mongolia Xinjinshan Carbon Fiber Company Limited ("**IMXCF**") made capital contribution of RMB 600,006 thousand to IMXCF. IMXCF is a subsidiary of the Group and the Group recognized the increase of capital reserve of RMB 3 thousand and the increase of non-controlling interests of RMB 600,003 thousand

iii. share of change of capital reserve of the investees.

(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 and the cumulative net change in the fair value of equity investments designated at FVOCI under IFRS 9 that are held at the end of the reporting period.

(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 arisen 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) 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.

By Order of the Board
Sinopec Shanghai Petrochemical Company Limited
Xu Haiyan
Joint Company Secretary

Shanghai, the PRC, 19 August 2026

As at the date of this announcement, the executive Directors of the Company are Guo Xiaojun, Lu zhiyong, Du Jun and Huang Xiangyu; the non-executive Directors of the Company are Qi Guozhen and Qin Zhaohui (employee Director); and the independent non-executive Directors of the Company are Zhou Ying, Zhou Xinggui, Liu Hao and Jiang Xia.