

21. RELATED PARTIES (Cont'd)

(d) Shares or equity of related parties held by the Company directly or indirectly and their movements

Company	At 1st January		Reduction		At 20th December	
	2000				2000	
	Rmb'000	%	Rmb'000	%	Rmb'000	%
Tianjin Bohai Chemical Industry (Group) Company Limited						
Tianjin Soda Plant	234,280	100	(234,280)	(100)	—	—
Tianjin Bohai Chemical Industry (Group) Company Limited						
Tianjin Chemical Plant	401,520	100	(401,520)	(100)	—	—
Tianjin Bohai Chemical Industry (Group) Company Limited						
Dagu Chemical Plant	203,220	100	(203,220)	(100)	—	—
Tianjin Bohai Group						
Finance Company	100,000	100	(100,000)	(100)	—	—
Tianjin Bohai Chemical Industry						
Supplies and Sales Company	500	100	(500)	(100)	—	—

(e) Related parties that have no controlling relationship

Name of Enterprise	Relationship with the Company
Tianjin Yongli Electricity United Development Company	The Company has significant influence on it
Tianjin Bohai Chemical Industry United Import & Export Company	Non-listed entities of the former controlling shareholder
Tianjin Chemical Industry Holding Company	Non-listed entities of the former controlling shareholder
Tianjin Changlu Haijing Group Company Limited	Non-listed entities of the former controlling shareholder
Tianjin Changlu Hangu Salt Plant Company Limited	Non-listed entities of the former controlling shareholder
Dagu Plastic Products Company Limited	Non-listed entities of the former controlling shareholder
Tianhua Tianda Industrial and Trading Company	Non-listed entities of the former controlling shareholder

21. RELATED PARTIES (Cont'd)

(e) Related parties that have no controlling relationship (Cont'd)

Name of Enterprise	Relationship with the Company
Tian Huang Da Chemical Industrial Development Company Limited	Non-listed entities of the former controlling shareholder
Haikou Tianhua Trading Company	Non-listed entities of the former controlling shareholder
Xiamen Tianlu Chemical Industrial Company Limited	Non-listed entities of the former controlling shareholder
Tianjian Edible Soda Packing and Processing Plant	Non-listed entities of the former controlling shareholder
Tianhua Plastic Plant	Non-listed entities of the former controlling shareholder
Tianhua Industrial Company	Non-listed entities of the former controlling shareholder
Tianjin Hong San Jin International Industrial and Trade Company	Non-listed entities of the former controlling shareholder
Tianhua Trade Company	Non-listed entities of the former controlling shareholder
Hangu Tianxing Plastic Chemical Company	Non-listed entities of the former controlling shareholder
Tianhua Material Company	Non-listed entities of the former controlling shareholder
Jian An Company	Non-listed entities of the former controlling shareholder
Tianjin Hong San Jin Packing Product Plant	Non-listed entities of the former controlling shareholder
Tanggu Joint Operation Packing Product Plant	Non-listed entities of the former controlling shareholder
Tian Fu Company	Non-listed entities of the former controlling shareholder
Tianjian Labour Service Company Plastic Plant	Non-listed entities of the former controlling shareholder
Tanggu Yongli Engineering Company Limited	Non-listed entities of the former controlling shareholder
Tianjin International Trade Company	Non-listed entities of the former controlling shareholder
Tianjin Natron Plant	Non-listed entities of the former controlling shareholder

21. RELATED PARTIES (Cont'd)

The New Business

(a) Related parties that have controlling relationship

Company	Relationship with the New Business
Tianjin Municipal Investment Company Limited	The current controlling shareholder
Tianjin Urban Construction Bureau	Supervisory controller of the New Business

(b) Paid-in capital of related parties that have controlling relationship and their movements

Company	At 21st December 2000		At 31st December 2000	
	Rmb'000	Addition Rmb'000	Rmb'000	Rmb'000
Tianjin Municipal Investment Company Limited	1,724,278	—	1,724,278	

(c) Shares or equity of the Company held by related parties and its movement

Name of enterprise	At 21st December 2000		At 31st December 2000	
	Rmb'000	%	Rmb'000	%
Tianjin Municipal Investment Company Limited	839,020	63.09	—	—

(d) Main related parties that have no controlling relationship

Name of Enterprise	Relationship with the New Business
Tianjin Sewage Company	State owned company under the supervisory control of UCB
Tianjin Urban Road & Bridge Construction Company	State owned company under the supervisory control of UCB

22. RELATED PARTY TRANSACTIONS

The Chemical Business

The independent directors of the Company have confirmed that the following transactions were carried out in the normal course of business.

(a) Sales of finished goods

	From 1st January 2000 to 20th December 2000 Rmb'000	Year ended 31st December 1999 Rmb'000
Tianjin Bohai Chemical Import and Export Corporation	(252,016)	(244,002)
Changlu Haijing Group Company Limited	(11,278)	(13,411)
Plastic Materials Manufacturing Company Limited	(22,076)	(15,378)
Tianhua Tianda Industrial Trading Company	(4,813)	(4,351)
Tianhongda Chemical Industry Development Company	(6,559)	(9,181)
Tianhua Trading Company	(2,036)	(2,323)
Xiamen Tianlu Chemical Industry Company Limited	(8,661)	(878)
Soda Plant Edible Soda Packaging and Processing Factory	(3,276)	(2,111)
Tianhua Materials Factory	—	(444)
Tianjin Chemical Plant Industrial Company	(1,970)	(5,811)
Tianjin Hongsanjing International Industrial And Trading Company	(8,151)	(2,411)
Bangfu Dagu Chemical Industry Joint Operation Company	—	(1,303)
Ningbo Jingxing Chemical Industry Company Limited	—	(13,480)
Dagu Chemical Industry Factory Jingqing Shop	(18,359)	(13,540)
Huazhi Chemical Industry Company Limited	(12,594)	(10,562)
Huazhing Chemical Industry Company Limited	(990)	(4,392)
Tianjin Hangu Salt Plant	(720)	(967)
Tianjin Organic Plant	—	(88)
Tianjin Pesticide Factory	(802)	(1,421)
Organic Chemical Industry No.1 Factory	(1,763)	(1,736)
Modern Chemical Factory	(2,287)	(4,712)
Tianjin Chemical Industry Supplies and Sales Holding Company	(923)	(2,101)
Dongfanghong Chemical Industry Factory	(694)	(25)
Hangu Chemical Industry Factory	(134)	(2,064)
Tiangong International Trade Company	(16,040)	—
Tianjin Natron Plant	(5,429)	—
Others	(9,261)	(13,545)
Total	(390,832)	(370,237)

22. RELATED PARTY TRANSACTIONS (Cont'd)

(b) Subcontracting fees paid

	From 1st January 2000 to 20th December 2000 Rmb'000	Year ended 31st December 1999 Rmb'000
Jian An Company	12,500	14,536
Operating entities of the former ultimate holding company	62,141	40,377
Total	74,641	54,913

(c) Purchases of raw materials and spare parts

	From 1st January 2000 to 20th December 2000 Rmb'000	Year ended 31st December 1999 Rmb'000
Tianjin Bohai Chemical Import and Export Company	404,807	186,995
Tianjin Hongsang Packaging Manufacturing Factory	20,694	19,234
Tian Fu Company	—	5,326
Soda Plant Labour Service Company Plastic Materials Factory	8,085	10,151
Soda Plant Labour Service Company	1,224	1,903
Tianjin Chemical Plant Labour Service Company	4,170	4,212
Tianjin Changlu Haijing Group Company Limited	150,956	127,348
Tianjin Chemical Industry Supplies and Sales Holding Company	7,118	3,217
Tianjin Changlu Hangu Salt Plant Company Limited	70,308	85,116
Tianjin Synthetic Materials Research Company	1,970	1,002
Tianjin Chemical Plant Industrial Company	15,300	11,815
Dagu Chemical Industry Factory Jingqing Shop	12,438	—
Others	—	4,989
Total	697,070	461,308

22. RELATED PARTY TRANSACTIONS (Cont'd)

(d) Purchases of fixed assets

	From 1st January 2000 to 20th December 2000 Rmb'000	Year ended 31st December 1999 Rmb'000
Purchase amount	2,960	18,960

(e) Other related party transactions with the operating entities of the former controlling shareholder

	From 1st January 2000 to 20th December 2000 Rmb'000	Year ended 31st December 1999 Rmb'000
Income:		
Sales of raw materials and spare parts	(106)	(491)
Subcontracting fees received	(21,552)	(8,228)
Interest income from loans receivable	(3,131)	(18,148)
Management fee income	(700)	(2,457)
Operating lease rental income	(2,598)	—
Expenses:		
Staff welfare expenses	26,381	36,117
Fees paid for repair and maintenance	600	2,600
Fees for other supporting services	11,621	7,401
Operating lease rental expenses for land and building	3,616	3,636

22. RELATED PARTY TRANSACTIONS (Cont'd)

The New Business

The following is a summary of significant transactions with related companies subsequent to the Business and Asset Exchange, which were carried out in the normal course of operations of the New Business:

Name of related parties	Transaction	From 21st December 2000 to 31st December 2000 Rmb'000
Tianjin Sewage Company	Revenue from sewage water processing services (note f)	11,890
TURBCC	Road repair and maintenance expenses (note g)	92
Current Controlling Shareholder	Operating lease rental expenses in respect of office premises (note h)	13

Notes:

- (f) The sewage water processing services are rendered to TSC, details of which are described in note 2.
- (g) The repair and maintenance expenses were charged by TURBCC, details of which are described in note 2.
- (h) The operating lease rentals were paid to the current controlling shareholder, details of which are described in note 2.
- (i) As described in note 2, the land on which thirteen of the sixteen toll stations are located is granted by UCB for perpetual use of the road and toll stations business free of charge.

23. DIRECTORS' REMUNERATION

The Company and its subsidiaries have paid an aggregate remuneration of Rmb 293,000 to the Company's directors and paid retirement benefits of Rmb 58,000 for the Company's directors, totalling Rmb 351,000, for the year ended 31st December 2000 (1999: Rmb 271,000).

24. APPROVAL OF ACCOUNTS

The accounts were approved by the board of directors on 16th March 2001.