1 Significant accounting policies

The significant accounting policies adopted in the preparation of the financial statements are set out below:

(a) Statement of compliance

The financial statements of Sinopec Shanghai Petrochemical Company Limited ("the Company") and its subsidiaries (collectively "the Group") have been prepared in accordance with International Accounting Standards ("IAS") adopted by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB. These financial statements also comply with the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Company also prepares a set of financial statements which complies with The People's Republic of China ("PRC") Accounting Rules and Regulations. A reconciliation of the Group's results and shareholders' equity prepared under IAS and PRC Accounting Rules and Regulations is presented in Section C.

(b) Basis of preparation

The consolidated financial statements are prepared on the historical cost basis as modified by the revaluation of certain property, plant and equipment where stated in note 1(d). The accounting policies have been consistently applied by the Group.

(c) Basis of consolidation

(i) Subsidiaries

The consolidated financial statements of the Group incorporate the financial statements of the Company and all of its principal subsidiaries made up to 31 December 2001. Subsidiaries are those enterprises controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control effectively commences until the date that control effectively ceases. The share of results attributable to minority interests is deducted from or added to profit before minority interests.

(ii) Associates

Associates are those enterprises in which the Company or the Group has significant influence, but not control, over the financial and operating policies. The Company's financial statements and the Group's consolidated financial statements include the Company's and the Group's share of the total recognised gains and losses of the principal associates on an equity accounted basis respectively, from the date that significant influence commences until the date that significant influence ceases. When the Company's or the Group's share of losses exceeds the carrying amount of the associate, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Company or the Group has incurred obligations in respect of the associate.

1. Significant accounting policies *(continued)*

(c) Basis of consolidation *(continued)*

(iii) Transactions eliminated on consolidation

All material intercompany transactions and balances, and any unrealised gains arising from intercompany transactions, are eliminated on consolidation.

(iv) Goodwill

Goodwill arising on acquisition represents the excess of the cost of acquisition over the fair value of their net identifiable assets on acquisition. Goodwill is stated at cost less amortisation and impairment losses (see note 1(s)). Amortisation is charged on a straight-line basis to the income statement over its economic useful life.

Negative goodwill arising on acquisition represents the excess of the fair value of the net identifiable assets of subsidiaries acquired over the cost of acquisition. Negative goodwill is, where material, credited to deferred income which is recognised in the income statement on a systematic basis.

(d) Property, plant and equipment

Property, plant and equipment are stated in the balance sheet at cost or valuation (see note 12(d)) less accumulated depreciation and impairment losses (see note 1(s)). Revaluations are performed periodically to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date.

(i) Subsequent expenditure

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately, is capitalised with the carrying amount of the component being written off. Other subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of property, plant and equipment. All other expenditure is recognised in the income statement as an expense as incurred.

(ii) Depreciation and amortisation

Land and buildings use rights

The values of land and buildings use rights are amortised on a straight-line basis over the respective periods of the grants.

Other property, plant and equipment

Depreciation is provided to write off the costs or valuation of property, plant and equipment over their estimated useful lives on a straight-line basis, after taking into account their estimated residual values, as follows:

Buildings	15 to 35 years
Plant, machinery, equipment and others (Note 26)	5 to 14 years

1. Significant accounting policies *(continued)*

(d) Property, plant and equipment *(continued)*

(iii) Retirement or disposal

Gains or losses arising from the retirement or disposal of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the assets and are recognised in the income statement on the date of retirement or disposal.

(e) Construction in progress

Construction in progress represents buildings, various plant and equipment under construction and pending installation, and is stated at cost less government grants that compensate the Company for the cost of construction and impairment losses (see note 1(s)). Cost comprises direct costs of construction as well as interest charges, and foreign exchange differences on related borrowed funds to the extent that they are regarded as an adjustment to interest charges, during the period of construction.

The construction in progress is transferred to property, plant and equipment when the asset is substantially ready for its intended use.

No depreciation is provided in respect of construction in progress.

(f) Investments in subsidiaries

In the Company's financial statements, investments in subsidiaries are accounted for using the equity method.

(g) Investments

Investments in unlisted equity securities are stated at cost less provision for impairment losses (see note 1(s)).

(h) Inventories

Inventories, other than spare parts and consumables, are carried at the lower of cost and net realisable value. Cost includes the cost of materials computed using the weighted average method and expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of work in progress and finished goods, cost includes direct labour and an appropriate proportion of production overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sales.

When inventories are sold, the carrying amount of the inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Spare parts and consumables are stated at cost less any provision for obsolescence.

1. Significant accounting policies *(continued)*

(i) Trade accounts receivables

Trade accounts receivables are stated at cost less allowance for doubtful accounts. An allowance for doubtful accounts is provided based upon the evaluation of the recoverability of these accounts at the balance sheet date.

(j) Deposits, other debtors and prepayments

Deposits, other debtors and prepayments are stated at their costs less impairment losses (see note 1(s)).

(k) Trade creditors, bills payable and other creditors

Trade creditors, bills payable and other creditors are stated at their cost.

(l) Translation of foreign currencies

Transactions in foreign currencies are translated into Renminbi at the applicable exchange rates ruling at the transaction dates.

Monetary assets and liabilities denominated in foreign currencies are translated into Renminbi at rates quoted by the People's Bank of China at the balance sheet date. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated into Renminbi at the foreign exchange rate ruling at the date of the transaction.

Foreign currency translation differences relating to funds borrowed to finance the construction of property, plant and equipment to the extent that they are regarded as an adjustment to interest costs are capitalised during the construction period. All other exchange differences are dealt with in the income statement.

(m) Revenue recognition

Revenue from the sale of goods is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer. Revenue excludes value added tax and is after deduction of any trade discounts and returns. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

Dividend income is recognised when the shareholder's right to receive payment is established.

(n) Grants

Capital-based government grants consist of grants for the purchase of equipment used for technology improvements. Such grants are offset against the cost of asset to which the grant related and are recognised in the income statement as revenue on a systematic basis over the useful life of the asset.

1. Significant accounting policies *(continued)*

(o) Net financing costs

Net financing costs comprise interest expense on borrowings, interest income on bank deposits, foreign exchange gains and losses and bank charges.

Interest income from bank deposits is accrued on a time-apportioned basis by reference to the principal outstanding and at the rate applicable.

All interest and other costs incurred in connection with borrowings are expensed as incurred as part of net financing costs, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale.

(p) Repairs and maintenance expenses

Repairs and maintenance expenses, including cost of major overhaul, are charged to the income statement as and when they are incurred.

(q) Research and development costs

Research and development costs comprise all costs that are directly attributable to research and development activities or that can be allocated on a reasonable basis to such activities. Because of the nature of the Group's research and development activities, no development costs satisfy the criteria for the recognition of such costs as an asset. Both research and development costs are therefore recognised as expenses in the year in which they are incurred.

(r) Retirement benefits

The contributions payable under the Group's retirement plans are charged to the income statement according to the contribution determined by the plans. Further information is set out in note 28.

(s) Impairment loss

The carrying amounts of the Group's long-lived assets are reviewed periodically in order to assess whether the recoverable amounts have declined below the carrying amounts. These assets are tested for impairment whenever events or changes in circumstances indicate that their recorded carrying amounts may not be recoverable. When such a decline has occurred, the carrying amount is reduced to the recoverable amount. The recoverable amount is the greater of the net selling price and the value in use. In determining the value in use, expected future cash flows generated by the assets are discounted to their present value. The amount of the reduction is recognised as an expense in the income statement.

The Group assesses at each balance sheet date whether there is any indication that an impairment loss recognised for an asset in prior years may no longer exist. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. A subsequent increase in the recoverable amount of an asset, when the circumstances and events that led to the write-down or write-off cease to exist, is recognised as income. The reversal is reduced by the amount that would have been recognised as depreciation had the write-down or write-off not occurred.

1. Significant accounting policies *(continued)*

(t) Dividends

Dividends are recognised as a liability in the period in which they are declared.

(u) Cash equivalents

Cash equivalents consist of time deposits with an initial term of less than three months.

(v) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, except differences relating to goodwill not deductible for tax purposes and the initial recognition of assets or liabilities which affect neither accounting nor taxable income. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date. The effect on deferred tax of any changes in tax rates is charged to the income statement.

A deferred tax asset is recognised only to the extent that it is probable that future taxable income will be available against which the assets can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(w) Provisions

A provision is recognised in the balance sheet when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligations.

(x) Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

(y) Segment reporting

A segment is a distinguishable component of the Group that is engaged in providing products or services and is subject to risks and rewards that are different from those of other segments.

2. Turnover

The Group's principal activity is the processing of crude oil into petrochemical products for sale and substantially all of its products are sold in the PRC domestic markets.

Turnover represents the sales value of goods sold to customers, net of value added tax and is after deduction of any sales discounts and returns.

3. Other operating income

	2001 RMB'000	2000 RMB'000
Income from rendering of services	66,939	63,705
Income from joint ventures and other investments	44,727	56,887
Amortisation of deferred income	14,822	14,822
Others	33,534	20,024
	160,022	155,438

4. Other operating expenses

	2001 RMB'000	2000 RMB'000
Employee reduction expenses (Note 5)	171,033	-
Loss on disposal of property, plant and equipment	15,444	16,548
Amortisation of goodwill (Note17)	13,448	13,448
Donation	1,425	15,126
Others	15,991	20,693
	217,341	65,815

5. Employee reduction expenses

In accordance with the Group's voluntary employee reduction plan, the Group recorded employee reduction expenses of RMB 171,033,000 (2000: RMB Nil) during the year ended 31 December 2001 in respect of the voluntary resignation of approximately 1,500 employees.

6. Net financing costs

	2001 RMB'000	2000 RMB'000
Interest on bank loans and advances	445,469	375,517
Less: Amount capitalised as construction in progress*	(167,376)	(20,048)
Interest expenses, net	278,093	355,469
Interest income	(40,719)	(71,922)
Foreign exchange gain, net	(9,616)	(11,361)
	227,758	272,186

* Borrowing costs have been capitalised at a rate of between 5.85% and 6.03% per annum (2000: 5.85%-8.91%) for construction in progress.

7. Profit before tax

Profit before tax is arrived at after charging:

	2001 RMB'000	2000 RMB'000
Cost of inventories#	17,904,645	18,250,790
Depreciation#	1,359,642	1,514,710
Repairs and maintenance expenses#	645,491	631,454
Research and development costs#	40,808	108,043
Employer's pension costs		
- Municipal retirement scheme costs#	182,975	176,415
- Supplementary retirement scheme costs#	25,741	26,516
Staff costs#	1,067,441	1,061,455
Auditors' remuneration	4,196	5,796

The average number of employees during 2001 was 32,081 (2000: 33,911).

Cost of inventories includes RMB 3,322,098,000 (2000: RMB3,518,593,000) relating to staff costs, depreciation, repairs and maintenance expenses, research and development costs and pension costs, which amount is also included in the respective total amounts disclosed separately above for each of these types of expenses.

The profit attributable to shareholders of RMB 116,049,000 (2000: RMB 856,510,000) has been dealt with in the financial statements of the Company.

8. Directors' and supervisors' emoluments

Directors' and supervisors' emoluments:

	2001 RMB'000	2000 RMB'000
Directors' fees	-	-
Salaries and other benefits	388	357
Retirement scheme contributions	51	47
Discretionary bonuses	812	910
	1,251	1,314

Salaries and other benefits paid to independent non-executive directors and supervisors amounted to RMB Nil and RMB 286,136 respectively (2000: RMB Nil and RMB 306,505 respectively).

The remuneration of the directors and supervisors are within the following band:

Hong Kong dollars	Number of directors and supervisors 2001	2000
0-1,000,000	22	22

The five highest paid individuals in the Group in 2001 and 2000 were all executive directors whose total emoluments have been shown above.

9. Taxation

(a) Taxation in the consolidated income statement represents:

	2001 RMB'000	2000 RMB'000
Provision for PRC income tax for the year	7,948	150,096
Deferred taxation	12,526	50,741
	20,474	200,837
Tax refund	(19,318)	-
	1,156	200,837

9 Taxation *(continued)*

(a) Taxation in the consolidated income statement represents: *(continued)*

Pursuant to the document "Cai Shui Zi (1999) No. 290" issued by the Ministry of Finance and the State Administration of Taxation of the PRC on 8 December 1999, the Company received an income tax refund of RMB 19,318,000 during the year relating to the purchase of equipment produced in the PRC for technological improvements.

A reconciliation of income tax calculated at the applicable tax rate with income tax expense is as follows:

	2001 RMB'000	2000 RMB'000
Profit before taxation	145,797	1,080,645
Expected PRC tax at statutory tax rate of 15%	21,870	162,097
Non-deductible expenses	9,035	51,294
Non-taxable earnings	(9,672)	(6,140)
Income tax refund	(19,318)	-
Others	(759)	(6,414)
Income tax expense	1,156	200,837

The charge for PRC income tax is calculated at the rate of 15% (2000: 15%) on the estimated assessable income of the year determined in accordance with relevant income tax rules and regulations. The Group did not carry on business overseas and in Hong Kong and therefore does not incur overseas and Hong Kong income taxes. The Company has not received notice from the Ministry of Finance that the 15% tax rate will continue to be applicable to the Company in 2002. As such, it is possible that the Company's tax rate will increase in 2002.

9 Taxation *(continued)*

(b) Deferred taxation:

(i) Deferred tax assets and deferred tax liabilities are attributable to the items detailed in the table below:

	The Group and the Company					
	Assets		Liabilities		Net balance	
	2001 RMB'000	2000 RMB'000	2001 RMB'000	2000 RMB'000	2001 RMB'000	2000 RMB'000
Current						
Provisions	8,796	13,479	-	–	8,796	13,479
Non-current						
Capitalisation of borrowing costs	-	–	(7,843)	–	(7,843)	–
Deferred tax assets/(liabilities)	8,796	13,479	(7,843)	–	953	13,479

There is no other significant deferred tax asset or liability that has not been provided for in the financial statements.

(ii) Movements in the deferred tax assets and liabilities are as follows:

	The Group and the Company		
	Balance at 1 January 2001 RMB'000	Recognised in income statement RMB'000	Balance at 31 December 2001 RMB'000
Current			
Provisions	13,479	(4,683)	8,796
Non-current			
Capitalisation of borrowing costs	-	(7,843)	(7,843)
Net deferred tax assets/(liabilities)	13,479	(12,526)	953

10. Dividend

(a) Dividend attributable to the year

	The Group and the Company	
	2001	2000
	RMB'000	RMB'000
Final dividend proposed after the balance sheet date of RMB Nil per share (2000: RMB 0.06 per share)	-	432,000

Pursuant to a resolution passed at the Directors' meeting on 29 March 2002, a final dividend of RMB Nil (2000: RMB 0.06 per share totalling RMB 432,000,000) was proposed for shareholders' approval at the Annual General Meeting. The final dividend proposed after the balance sheet date has not been recognised as a liability at the balance sheet date.

(b) Dividend attributable to the previous financial year, approved and paid during the year

	The Group and the Company	
	2001	2000
	RMB'000	RMB'000
Final dividend in respect of the previous financial year, approved and paid during the year, of RMB 0.06 per share (2000: RMB 0.05 per share)	432,000	360,000

11 Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to shareholders of RMB 116,049,000 (2000: RMB 856,510,000) and 7,200,000,000 (2000: 7,200,000,000) shares in issued during the year.

The amount of diluted earnings per share is not presented as there were no dilutive potential ordinary shares in existence for both years.

12. Property, plant and equipment

(a) The Group

	Land and buildings RMB'000	Plant and other fixed assets RMB'000	Total RMB'000
Cost or valuation:			
At 1 January 2001	5,371,635	16,752,522	22,124,157
Additions	51,465	175,610	227,075
Transferred from construction in progress (Note 13)	78,738	1,939,557	2,018,295
Disposals	(5,153)	(103,466)	(108,619)
At 31 December 2001	5,496,685	18,764,223	24,260,908
Representing:			
Cost	4,007,940	12,106,153	16,114,093
Valuation (Note 12(d))	1,488,745	6,658,070	8,146,815
	5,496,685	18,764,223	24,260,908
Accumulated depreciation:			
At 1 January 2001	2,140,307	8,256,979	10,397,286
Charge for the year	196,082	1,163,560	1,359,642
Written back on disposal	(3,559)	(81,277)	(84,836)
At 31 December 2001	2,332,830	9,339,262	11,672,092
Net book value:			
At 31 December 2001	**3,163,855**	**9,424,961**	**12,588,816**
At 31 December 2000	3,231,328	8,495,543	11,726,871

12. Property, plant and equipment *(continued)*

(b) The Company

	Land and buildings RMB'000	Plant and other fixed assets RMB'000	Total RMB'000
Cost or valuation:			
At 1 January 2001	4,557,137	14,662,380	19,219,517
Additions	46,247	139,824	186,071
Transferred from construction in progress (Note 13)	76,303	1,926,784	2,003,087
Disposals	(4,510)	(95,732)	(100,242)
At 31 December 2001	4,675,177	16,633,256	21,308,433
Representing:			
Cost	3,186,432	9,975,186	13,161,618
Valuation (Note 12(d))	1,488,745	6,658,070	8,146,815
	4,675,177	16,633,256	21,308,433
Accumulated depreciation:			
At 1 January 2001	2,000,039	7,582,081	9,582,120
Charge for the year	158,871	987,628	1,146,499
Written back on disposal	(3,146)	(78,248)	(81,394)
At 31 December 2001	2,155,764	8,491,461	10,647,225
Net book value:			
At 31 December 2001	**2,519,413**	**8,141,795**	**10,661,208**
At 31 December 2000	2,557,098	7,080,299	9,637,397

12. Property, plant and equipment *(continued)*

(c) All of the Group's buildings are located in the PRC (including Hong Kong).

The Group was granted the rights to use the land and the buildings in the PRC by the relevant PRC authorities with the remaining periods of 27 to 49 years. The net book value of such land and buildings amounted to RMB 3,123,799,000 at 31 December 2001 (2000: RMB 3,189,692,000).

Land and buildings in Hong Kong with a net book value of RMB 40,056,000 (2000: RMB 41,636,000) were held under medium-term leases.

(d) The Company was established in the PRC on 29 June 1993 as a joint stock limited company as part of the restructuring of Shanghai Petrochemical Complex ("SPC"). On the same date, the principal business undertakings of SPC together with the relevant assets and liabilities were taken over by the Company. As required by the relevant PRC rules and regulations, a valuation of the assets and liabilities to be injected into the Company was carried out as at 1 January 1993 by the State-owned Assets Administration Bureau and the injected assets and liabilities were reflected in the financial statements on this basis.

In accordance with IAS 16, subsequent to this revaluation, which was based on depreciated replacement costs, property, plant and equipment are carried at revalued amount, being the fair value at the date of the revaluation less any subsequent accumulated depreciation and impairment losses. Revaluation is performed periodically to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date. Based on a revaluation performed as of 30 September 1999, which was based on depreciated replacement costs, the carrying value of property, plant and equipment did not differ materially from their fair value.

13. Construction in progress

	The Group		The Company	
	2001	2000	**2001**	2000
	RMB'000	RMB'000	**RMB'000**	RMB'000
At 1 January	**1,720,987**	1,609,158	**1,706,228**	1,593,842
Additions	**4,298,477**	896,347	**4,260,176**	882,739
Transferred to property, plant and equipment (Note 12)	**(2,018,295)**	(784,518)	**(2,003,087)**	(770,353)
At 31 December	**4,001,169**	1,720,987	**3,963,317**	1,706,228

Construction in progress comprises costs incurred on property, plant and equipment not yet commissioned at 31 December 2001, after deducting government grants totalling RMB 327,710,000 (2000: RMB 386,370,000) that compensate the Company for the cost of construction.

14. Interests in subsidiaries

	2001 RMB'000	2000 RMB'000
Share of net assets	1,564,211	1,266,953
Amounts due from subsidiaries	410,996	358,557
Goodwill (Note 17)	62,759	76,207
Negative goodwill (Note 20)	(19,828)	(23,132)
	2,018,138	1,678,585

The above amount represents the Company's interest in its consolidated subsidiaries. The particulars of these subsidiaries, all of which are limited companies established and operating in the PRC, which principally affected the results or assets of the Group, at 31 December 2001 are as follows:

Company	Registered capital '000	Percentage of equity held by the Company %	Percentage of equity held by subsidiaries %	Principal activities
Shanghai Petrochemical Investment Development Company Limited	RMB 650,000	100	-	Investment management
SPC Marketing Development Corporation	RMB 25,000	100	-	Trading in petrochemical products
China Jinshan Associated Trading Corporation	RMB 25,000	70	-	Import and export of petrochemical products and equipment
Shanghai Jinhua Industrial Company Limited	RMB 25,500	-	81.46	Trading in petrochemical products
Shanghai Jindong Petrochemical Industrial Company Limited	RMB 40,000	-	60	Trading in petrochemical products
Shanghai Jinyang Acrylic Fibre Plant	RMB 177,797	100	-	Production of acrylic fibre products

14. Interests in subsidiaries *(continued)*

Company	Registered capital '000	Percentage of equity held by the Company %	Percentage of equity held by subsidiaries %	Principal activities
Zhejiang Jinzhe Petrochemical Associated Company Limited	RMB 40,000	-	53.4	Trading in petrochemical products
Shanghai Golden Way Petrochemical Company Limited	US$ 3,460	-	75	Production of vinyl acetate products
Shanghai Jinchang Engineering Plastics Company Limited	US$ 4,750	-	50.84	Production of polypropylene compound products
Shanghai Golden-Phillips Petrochemical Company Limited	US$ 50,000	-	60	Production of polypropylene products
Zhejiang Jin Yong Acrylic Fibre Company Limited	RMB 250,000	75	-	Production of acrylic fibre products
Shanghai Petrochemical Enterprise Development Company Limited	RMB 220,000	100	-	Investment management
Shanghai Petrochemical Jianghai Textiled Yarn Plant	RMB 3,000	-	100	Production of textiled yarn products

None of the subsidiaries has issued any debt securities.