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 Financial Reporting Standards ("IFRSs") promulgated by the International Accounting Standards Board ("IASB"). IFRSs includes International Accounting Standard ("IAS") and related interpretations. 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 International Accounting Standards Board has issued a number of new and revised IFRSs and IAS ("new IFRSs") which are effective for accounting periods beginning on or after 1 January 2005. Information on the changes in accounting policies resulting from initial application of these new IFRSs for the current and prior accounting periods reflected in these financial statements is provided in Note 2.

(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.

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are disclosed in Note 36.

1 Significant accounting policies *(continued)*

(c) Basis of consolidation

(i) Subsidiaries

The consolidated financial statements of the Group include the financial statements of the Company and all of its principal subsidiaries. Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The results of subsidiaries are included in the consolidated financial statements from the date that control effectively commences until the date that control effectively ceases.

Minority interests at the balance sheet date, being the portion of the net assets of subsidiaries attributable to equity interests that are not owned by the Company, whether directly or indirectly through subsidiaries, are presented in the consolidated balance sheet and statement of changes in equity within equity, separately from equity attributable to the equity shareholders of the Company. Minority interests in the results of the Group are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the year between minority interests and the equity shareholders of the Company.

(ii) Associates

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

In the Company's balance sheet, its investments in associates and jointly controlled entities are stated at cost less impairment losses (see note 1(u)), unless it is classified as held for sale.

(iii) Transactions eliminated on consolidation

All material intercompany balances, and any unrealised gains and losses or income and expenses arising from intercompany transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with associates are eliminated to the extent of the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

1 Significant accounting policies *(continued)*

(c) Basis of consolidation *(continued)*

(iv) Goodwill

Goodwill represents the excess of the cost of business combination or an investment in an associate over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment (see note 1(u)). In respect of associates, the carrying amount of goodwill is included in the carrying amount of the interest in associate.

Negative goodwill is recognised immediately in the income statement as it arises. 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.

(d) Property, plant and equipment

Property, plant and equipment are stated in the balance sheet at cost or valuation (see note 14(d)) less accumulated depreciation and impairment losses (see note 1(u)). Revaluations are performed with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair value at balance sheet date.

The cost of self-constructed assets includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs.

Depreciation is provided to write off the costs/revalued amount 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 40 years
Plant, machinery, equipment and others	5 to 26 years

Where parts of an item of property, plant and equipment have different useful lives the cost or valuation of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value are reviewed annually.

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

1 Significant accounting policies *(continued)*

(e) Investment property

Investment properties are properties which are owned or held under a leasehold interest either to earn rental income or for capital appreciation or for both.

Investment properties are stated in the balance sheet at cost less accumulated depreciation. Depreciation is provided over their estimated useful lives on a straight-line basis, after taking into account their estimated residual values. Estimated useful life of the investment property is 40 years.

(f) Lease prepayments

Lease prepayments represent land use rights paid to the PRC's Land Bureau. Land use rights are carried at cost less accumulated amortisation and impairment losses (see note 1(u)). Amortisation is provided to write off the cost of lease prepayment on a straight-line basis over the respective periods of the rights.

(g) 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(u)). 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.

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.

(h) Investments in subsidiaries

In the company's balance sheet, an investment in a subsidiary is stated at cost less impairment losses (see note 1(u)), unless the investment is classified as held for sales.

(i) Investments

Investments in unlisted equity securities are stated at cost less provision for impairment losses (see note 1(u)). A provision is made where, in the opinion of management, the carrying amount of the investments exceeds its recoverable amount.

1 Significant accounting policies *(continued)*

(j) Inventories

Inventories, other than spare parts and consumables, are carried at the lower of cost and net realisable value. Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present 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 sale.

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.

(k) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost less impairment losses for bad and doubtful debts (see note 1(u)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts (see note 1(u)).

(l) Trade and other payables

Trade and other payables are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(m) Cash and cash equivalents

Cash and cash equivalents comprises cash at bank and on hand and time deposits with financial institutions with an initial term of less than three months when purchased. Cash equivalents are stated at cost, which approximates fair value.

1 Significant accounting policies *(continued)*

(n) Translation of foreign currencies

Foreign currency transactions during the year 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 gains and losses are dealt with in the income statement.

(o) 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 to the possible return of goods, or when the amount of revenue and the costs incurred or to be incurred in respect of the transaction cannot be measured reliably.

Revenue from services rendered is recognised in the income statement upon performance of the services.

Dividend income is recognised in the income statement on the date the entity's right to receive payments is established.

Rental income from investment property is recognised in the income statement on a straight-line basis over the term of the lease.

(p) Government 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 on a systematic basis over the useful life of the asset. A government grant that represents compensation for expenses or losses already incurred with no future related costs is recognised as income of the period in which it becomes receivable or when any restrictions are satisfied.

1 Significant accounting policies *(continued)*

(q) Net financing costs

Net financing costs comprise interest payable on borrowings calculated using the effective interest rate method, interest income on bank deposits, foreign exchange gains and losses and bank charges.

Interest income from bank deposits is recognised in the income statement as it accrues using the effective interest method.

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 or construction of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale.

(r) Repairs and maintenance expenses

Repairs and maintenance expenses, are charged to the income statement as and when they are incurred.

(s) 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 period in which they are incurred.

(t) Retirement benefits

The contributions payable under the Group's retirement plans are charged to the income statement on an accrual basis according to the contribution determined by the plans. Further information is set out in note 31.

1 Significant accounting policies *(continued)*

(u) 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, except in the case of goodwill, 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. An impairment loss in respect of goodwill is not reversed.

(v) Deferred income

Deferred income is amortised on a straight-line basis to the income statement over 10 years.

(w) Dividends

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

(x) Income tax

Income tax on the income statement 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.

1 Significant accounting policies *(continued)*

(x) Income tax *(continued)*

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.

(y) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(z) 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 (being members of key management personnel, significant shareholders and / or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals, and post-employment benefit plans which are for the benefit of employees of the Group or of any entity that is a related party of the Group.

(aa) 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 Changes in principal accounting policies

The IASB has issued a number of new and revised IFRSs that are effective for accounting periods beginning on or after 1 January 2005.

The accounting policies of the Group and or Company after the adoption of these new and revised IFRSs have been summarised in Note 1. The following sets out information on the significant changes in accounting policies for the current and prior accounting periods reflected in these financial statements.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period (see note 38).

(a) Amortisation of positive and negative goodwill (IFRS 3, "Business combinations" and IAS 36, "Impairment of assets")

In prior periods:

- Positive goodwill was amortised on a straight line basis over its useful life and was subject to impairment testing when there were indications of impairment; and

- Negative goodwill was amortised over the useful life of the depreciable/amortisable non-monetary assets acquired, except to the extent it related to identified expected future losses as at the date of acquisition. In such cases it was recognised in the income statement as those expected losses were incurred.

With effect from 1 January 2005, in accordance with IFRS 3 and IAS 36, the Group no longer amortises positive goodwill. Such goodwill is tested annually for impairment, including in the year of its initial recognition, as well as when there are indication of impairment. Impairment losses are recognised when the carrying amount of the cash generating unit to which the goodwill has been allocated exceeds its recoverable amount.

Also with effect from 1 January 2005 and in accordance with IFRS 3, if the fair value of the net assets acquired in a business combination exceeds the consideration paid (i.e. an amount arises which would have been known as negative goodwill under the previous accounting policy), the excess is recognised immediately in the income statement as it arises.

The new policy in respect of positive goodwill has been applied prospectively in accordance with the transitional arrangements under IFRS 3. As a result, comparative amounts have not been restated, the cumulative amount of amortisation as at 1 January 2005 has been offset against the cost of the goodwill and no amortisation charge for goodwill has been recognised in the income statement for the year ended 31 December 2005. As a result, this has increased the group's profit after taxation for the year ended 31 December 2005 by RMB 13,448,000.

2 Changes in principal accounting policies *(continued)*

(a) Amortisation of positive and negative goodwill (IFRS 3, "Business combinations" and IAS 36, "Impairment of assets") *(continued)*

Also in accordance with the transitional arrangements under IFRS 3, previously recognised negative goodwill has been derecognised at the beginning of period of adoption, with a corresponding adjustment to the opening balance of retained earnings. As a result, the retained earnings increased by RMB 2,549,000 as at 1 January 2005. This change decreased the group's profit after taxation for the year ended 31 December 2005 by RMB 849,000.

(b) Minority interests (IAS 1, "Presentation of financial statements" and IAS 27, "Consolidated and separate financial statements")

In prior years, minority interests at the balance sheet date were presented in the consolidated balance sheet separately from liabilities and as deduction from net assets. Minority interests in the results of the Group for the year were also separately presented in the consolidated income statement as a deduction before arriving at the profit attributable to shareholders.

With effect from 1 January 2005, in order to comply with IAS 1 and IAS 27, the Group has changed its accounting policy relating to presentation of minority interests. Under the new accounting policy, minority interests at the balance sheet date are presented in the consolidated balance sheet within equity, separately from the equity attributable to the equity shareholders of the company, and minority interests in the results of the Group for the year to be presented on the face of the consolidated income statement as an allocation of the total profit or loss for the year between minority interests and the equity shareholders of the company.

The presentation of minority interests in the consolidated balance sheet, consolidated income statement and consolidated statement of changes in equity for the comparative period has been restated accordingly.

(c) Related party disclosures (IAS 24 "Related party disclosures")

The definition of related parties under IAS 24 as disclosed in Note 30 has been expanded to clarify that related parties include entities that are under the significant influence of a related party that is an individual (i.e. key management personnel, significant shareholders and/or their close family members) and post-employment benefit plans which are for the benefit of employees of the Group or any entity that is a related party of the Group.

With effect from 1 January 2005, in order to comply with IAS 24, the Group has made further disclosure of key management personnel compensation and contributions to post-retirement benefit plans. The disclosure of such related party transactions in Note 30 for the comparative period has been made accordingly.

2 Changes in principal accounting policies *(continued)*

(d) Accounting for investments in subsidiaries, associates and jointly controlled entities (IAS 27 "Consolidated and separate financial statements", IAS 28 "Investments in associates" and IAS 31 "Interests in joint ventures")

In prior years, in the balance sheet of the Company investments in subsidiaries, associates and jointly controlled entities were accounted for using the equity method.

With effect from 1 January 2005, in order to comply with IAS 27, IAS 28 and IAS 31, investments in subsidiaries, associates and jointly controlled entities in the Company's financial statements are accounted for using the cost method. Investments in subsidiaries, interest in associates, interest in jointly controlled entities and reserves balance in the balance sheet of the Company for the comparative period have been restated accordingly. There was no impact to the Group's consolidated financial statements.

The following table discloses the adjustments that have been made in accordance with IAS 27, IAS 28 and IAS 31 to each of the line items in the balance sheet of the Company as previously reported as at 31 December 2004.

	2004 (as previously reported) RMB'000	Effect of new policies (increase/ (decrease)) RMB'000	2004 (as restated) RMB'000
Investments in subsidiaries	2,208,543	(347,353)	1,861,190
Interest in associates	1,770,779	67,497	1,838,276
Reserves	11,216,989	(279,856)	10,937,133

3 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.

4 Other income

The Group received a cash government grant from the Ministry of Finance of the PRC of RMB 632,820,000 (2004: RMB nil), in respect of the distortion of the correlation of domestic refined petroleum product prices and the crude oil prices during the year ended 31 December 2005. There are no unfilled conditions and other contingencies attached to the receipt or usage of this government grant. There is no assurance that the Group will continue to receive such grant in the future.

5 Other operating income

	2005 RMB'000	2004 RMB'000
Income from rendering of services	57,421	130,298
Gain on disposal of property, plant and equipment	42,233	58,913
Rental income from investment property	18,681	-
Income from joint ventures and other unlisted investments	101,350	62,800
Amortisation of deferred income (Note 24)	11,518	12,367
Others	7,408	12,627
	238,611	277,005

6 Other operating expenses

	2005 RMB'000	2004 RMB'000
Employee reduction expenses (Note 7)	109,410	112,526
Loss on disposal of property, plant and equipment	26,935	68,457
Impairment loss of property, plant and equipment	-	34,345
Amortisation of goodwill (Note 20)	-	13,448
Service fee	47,320	37,715
Donations	8,079	9,992
Others	9,750	7,681
	201,494	284,164

7 Employee reduction expenses

In accordance with the Group's voluntary employee reduction plan, the Group recorded employee reduction expenses of RMB 109,410,000 during the year ended 31 December 2005 (2004: RMB 112,526,000) in respect of the voluntary resignation of approximately 1,645 employees (1,500 employees in 2004) .

8. Net financing costs

	2005 RMB'000	2004 RMB'000
Interest on bank loans and advances	309,357	348,834
Less: borrowing costs capitalised as construction in progress*	(33,183)	(23,801)
Interest expenses, net	276,174	325,033
Interest income	(39,631)	(42,830)
Foreign exchange (gain) / loss, net	(57,145)	9,805
	179,398	292,008

* The borrowing costs have been capitalised at a rate of 2.98% - 5.56% per annum (2004: 2.98% - 5.58%) for construction in progress.

9. Profit before taxation

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

	2005 RMB'000	2004 RMB'000
Cost of inventories sold#	42,887,742	33,223,604
Depreciation for property, plant and equipment#	1,692,213	1,793,084
Depreciation for investment property#	12,847	1,036
Amortisation of lease prepayment#	13,441	21,191
Repairs and maintenance expenses#	896,022	920,490
Research and development costs#	54,451	74,663
Employer's pension costs#		
- Municipal retirement scheme costs	165,046	167,640
- Supplementary retirement scheme costs	65,685	42,379
Staff costs#	1,168,461	1,172,442
Rentals income from investment properties	18,681	-
Amortisation of goodwill	-	13,448
Impairment losses		
- Trade and other receivables	14,049	8,487
- Fixed assets	-	34,345
Auditors' remuneration-audit services	6,150	5,478

\# Cost of inventories includes RMB 4,059,398,000 (2004: RMB 4,132,798,000) 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 consolidated profit attributable to equity shareholders of the Company includes a profit of RMB 1,814,374,000 (2004(restated): RMB 3,789,964,000) which has been dealt with in the financial statements of the Company.

10 Directors', supervisors' and senior management's emoluments

(i) Directors' and supervisors' emoluments:

	2005			
	Salaries and other benefits RMB'000	Retirement scheme contributions RMB'000	Discretionary bonus RMB'000	Total RMB'000
Rong Guangdao	74	7	196	277
Du Chongjun	74	7	193	274
Han Zhihao	60	6	158	224
Wu Haijun	60	6	159	225
Gao Jinping	60	6	165	231
Shi Wei	60	6	165	231
Dai Shuming	60	7	164	231
Zhang Chenghua	72	6	98	176
Wang Yanjun	61	6	91	158
Lu Yiping	74	7	197	278
Zhu Weiyan	67	6	104	177
Chen Xinyuan	40	-	-	40
Sun Chiping	40	-	-	40
Jiang Zhiquan	40	-	-	40
Zhou Yunnong	40	-	-	40
Gu Chuanxun	40	-	-	40
Wang Yongshou	40	-	-	40
Wang Xingyu	40	-	-	40
	1,002	70	1,690	2,762

	2004			
	Salaries and other benefits RMB'000	Retirement scheme contributions RMB'000	Discretionary bonus RMB'000	Total RMB'000
Lu Yiping	73	7	183	263
Rong Guangdao	73	6	169	248
Du Chongjun	73	6	169	248
Han Zhihao	59	6	145	210
Wu Haijun	59	6	144	209
Gao Jinping	59	5	137	201
Dai Shuming	59	6	136	201
Zhu Weiyan	57	6	101	164
Zhang Chenghua	57	6	94	157
Gu Chuanxun	80	-	-	80
Wang Yongshou	80	-	-	80
Wang Xingyu	80	-	-	80
	809	54	1,278	2,141