

Company code: 600618

Company name: Chlor-Alkali Chemical

Shanghai Chlor-Alkali Chemical Co., Ltd.

2015 Annual Report

Important Notice

- 1. The Board of Directors, the Supervisory Committee, Directors, Supervisors and senior executives of the the Company ensure the content of this Annual Report is true, accurate and integrative, not having any false statement, misleading representation or significant omission, and will take joint and several legal responsibilities for the Report.**
- 2. All the Directors of the Company attended the Board meeting.**
- 3. BDO China Shu Lun Pan Certified Public Accountants LLP issued an auditor's report with standard and unqualified opinion for the Company.**
- 4. Mr. Huang Dailie, principal of the Company, Mr. Zhang Weimin, principal in charge of accounting of the Company, and Mr. Lai Yonghua, head of accounting department (accounting officer) declare to guarantee the truth, accuracy and integrity of the financial report in this Annual Report.**
- 5. The proposal on profit distribution and proposal on capital reserve transferring into share capital examined by the Board of Directors**

According to the 2015 annual financial audit report issued by BDO China Shu Lun Pan Certified Public Accountants LLP engaged by the Company, in 2015 the net profit of the parent company is RMB 143,024,579.55 and the undistributed profit at beginning of the year is RMB - 757,961,086.06. After making up the loss in the undistributed profit, the profit available for distribution at end of the year should be RMB - 614,936,506.51. Therefore, the Company is not capable of distributing profit for 2015 or transferring the capital reserves into share capital.

6. The declaration on the risk for forward looking statement

The future plan or other forward looking statement included in this Report shall not constitute the Company's substantial commitment to the investors, and we remind the investors to notice to the investment risks.

7. Is there any non-operational fund occupation by the controlling shareholder or the related parties?

No

8. Is there any guarantee for outside entities in violation of the stipulated decision-making process?

No

9. Notice on important risks

None

10. Other

None

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1. Paraphrase

1. Paraphrase

In this Report, except otherwise indicated, these words and expressions shall have the meanings as follows:

Paraphrase for generally-used expressions		
CSRC	means	China Securities Regulatory Commission
SSRB	means	Shanghai Regulatory Bureau of China Securities Regulatory Commission
Huayi Group	means	Shanghai Huayi (Group) Company
The Company, Company, or Chlor-Alkali Chemical	means	Shanghai Chlor-Alkali Chemical Co., Ltd.
Sodium hydroxide	means	Molecular formula: NaOH; a strong soluble alkali. Sodium hydroxide is easy to be solved into water, has strong alkalinity, and can supply Na ⁺ ion. These properties make it used widely in the industries such as soap-making, textile industry, printing and dyeing, blanching, papermaking, petroleum refining, metallurgy and other chemical industries.
Chlorine	means	Molecular formula: Cl ₂ . As an important chemical raw material, chlorine gas is widely used in the industries such as papermaking, printing and dyeing, pigment, bleaching powder, textile industry, chemical fiber, grease petroleum, rubber, plastic, pharmacy, disinfection, agricultural pesticide, metallurgy and electronic industry.
EDC	means	Ethylene dichloride. Achromatic or yellowish transparent liquid with specific gravity of about 1.26 and odor similar to chloroform, insoluble in water, dissolve in ethyl alcohol and ethyl ether. Mainly used as the solvent for wax, fat and rubber, and also used in producing vinyl chloride and polycarbonate.
PPVC	means	Paste resin. The Company's production for paste resin mainly adopts two processes, mixing method and seed emulsion polymerization, and the paste resin is mainly used in the products such as the artificial leather, floor leather, wall paper, toy and bottle cap.
TPVC	means	Special resin. The special resin produced by the Company is mainly the customer specially-used material, the medical resin with high polymeric level such as plasma bag, infusion tube and the seal with high elasticity and the resin specially used for primary coating in automobiles.
CPVC	means	Chlorinated polyvinyl chloride. Mainly used in various pipes with different caliber and the related fittings such as elbow and T-joint, the valve body and the wig.

2. Company Profile and Financial Highlights

1. Company information

Chinese name of the Company	上海氯碱化工股份有限公司
Short form	氯碱化工
English name of the Company	SHANGHAI CHLOR – ALKALI CHEMICAL CO., LTD.
Abbreviation	SCAC
Legal representative of the Company	Mr. Huang Dailie

2. Contact information

	Secretary of the Board of Directors	Securities representative
Name	Xu Peiwen	Chen Lihua
Contact address	4747 Longwu Rd., Shanghai	4747 Longwu Rd., Shanghai
Tel.	021-64342640	021-64342640
Fax	021-64341438	021-64341438
E-mail	shxpw@126.com	amychen0131@126.com

3. Basic information

Registered address of the Company	4747 and 4800 Longwu Rd., Shanghai
Zip code of registered address	200241
Business address of the Company	4747 Longwu Rd., Shanghai
Zip code of business address of the Company	200241
Website	www.scacc.com
E-mail	dshmss@scacc.com

4. Information disclosure and filing site

Newspapers for information disclosure selected by the Company	China Securities News, Shanghai Securities News, Securities Post and Hong Kong Commercial Daily
Website appointed by China Securities Regulatory Commission for carrying annual report	www.sse.com.cn
Site for filing annual report	4747 Longwu Rd., Shanghai

5. The Company's share

The Company's share				
Type of share	Stock exchange for listing of share	Share name	Share code	Share name before change
A share	Shanghai Stock Exchange	Chlor-Alkali Chemical	600618	
B share	Shanghai Stock Exchange	Chlor-Alkali B Share	900908	

6. Other relevant information

Public accounting firm engaged by the Company (domestic)	Name	BDO China Shu Lun Pan Certified Public Accountants LLP
	Business address	4th Floor, New Huangpu Financial Plaza, No. 61, East Nanjing Rd., Shanghai, China
	Name of the accountant for signing	Gu Xuefeng, Ling Min

7. Main accounting data and financial indexes of previous 3 years before end of the report period

1) Main accounting data

Unit: RMB

Main accounting data	2015	2014	Increase or decrease than same period of last year (%)	2013
Operating income	6,170,874,223.67	7,015,409,267.56	-12.04	6,974,211,654.53
Net profit attributable to shareholders of the listed Company	95,615,030.34	-592,502,499.95	Not applicable	16,623,782.76
Net profit attributable to shareholders of the Company, after non-recurring profit and loss	-31,416,638.26	-262,177,332.00	Not applicable	-139,868,977.14
Net cash flow from operating activities	305,852,432.45	-29,059,999.83	Not applicable	580,026,390.02
	End of 2015	End of 2014	Increase or decrease (%)	End of 2013
Net assets attributable to shareholders of the listed Company	2,261,545,045.54	2,164,655,507.39	4.48	2,848,201,003.60
Total assets	4,847,854,403.79	5,754,717,626.22	-15.76	5,992,581,029.65
Total share capital at end of the report period	1,156,399,976.00	1,156,399,976.00	0.00	1,156,399,976.00

2) Main financial indexes

Main financial indexes	2015	2014	Increase or decrease than same period of last year (%)	2013
Basic earnings per share	0.0827	-0.5124	Not applicable	0.0144
Diluted earnings per share	0.0827	-0.5124	Not applicable	0.0144
Basic earnings per share after non-recurring profit and loss (RMB/share)	-0.0272	-0.2267	Not applicable	-0.121
Return on net assets, weighted average (%)	4.313	-24.4467	Increase by 28.76 percentage points	0.5857
Return on net assets, weighted average, after recurrent profit and loss (%)	-1.4171	-10.8175	Increase by 9.40 percentage points	-4.9279

8. Difference of accounting data between domestic and overseas accounting standards

1) The difference of net profit and net assets attributable to shareholders of the Company between the international accounting standard and Chinese accounting standards

Applicable Not applicable

2) The difference of net profit and net assets attributable to shareholders of the Company between the overseas accounting standards and Chinese accounting standards

Applicable Not applicable

9. Main financial data for quarters in 2015

Unit: RMB

	1st quarter (Jan.-March)	2nd quarter (Apr.-Jun.)	3rd quarter (July-Sept.)	4th quarter (Oct.-Dec.)
Operating income	1,540,819,806.42	1,630,089,231.04	1,711,565,084.48	1,288,400,101.73
Net profit attributable to shareholders of the listed Company	4,057,976.87	-52,696,263.14	3,967,144.79	140,286,171.82
Net prearit attributable to shareholders of the Company, after non-recurring profit and loss	53,895,146.66	-8,086,538.19	32,103,078.21	-109,328,324.94
Net cash flow from operating activities	-52,610,580.45	114,040,798.82	32,061,368.67	212,360,845.41

Note on differences between the data of the quarters and that of the period report disclosed
Applicable Not applicable

10. Items of non-recurring profit and loss

Applicable Not applicable

Unit: RMB				
Items of non-recurrent profit and loss	Amount of 2015	Note (if applied)	Amount of 2014	Amount of 2013
Profit or loss from disposal of non-current assets	257,772,690.18	Mainly acquired from sale of the equity of subsidiaries and sale of buildings	1,111,822.13	71,743,954.84
Tax return and exemption approved by the authority beyond its right or with no official approval file, or occasionally happened				1,120,000.00
Government subsidy attributable to profit and loss of current period, except such government subsidy closely related to the Company's normal business operation, meeting the regulation of national policy and enjoyed constantly in certain quota or quantity according to a certain standard	41,118,941.72		5,732,560.40	111,427,687.60
Other non-operating revenue and expenditure other than above items	3,081,055.74		6,572,403.12	7,086,532.41
Other profit or loss items meeting the definition of non-recurring profit and loss	-174,731,937.80	Compensation for personnel placement and related loss on work stoppage caused by adjustment of the industrial structure in Wujing Base	-343,652,815.90	-35,532,990.89
Impact of minority interests	-199,632.57		50,515.48	-32,543.41
Impact of income tax	-9,448.67		-139,653.18	680,119.35
Total	127,031,668.60		-330,325,167.95	156,492,759.90

11. Items measured with fair value

Unit: RMB				
Item	Beginning balance	Closing balance	Change in current period	Impact on the profit of current period
Salable financial assets	14,914,742.76	50,765,875.23	35,851,132.47	36,415.17
Total	14,914,742.76	50,765,875.23	35,851,132.47	36,415.17

3. Briefing on the Company's Business

1. Main business, operating mode and industrial status for the Company during the report period

- 1) Main business: The Company mainly produces and sells sodium hydroxide, chlorine, chlorine products, polyvinyl chloride plastics resin and the products. Now the Company's annual production capacity for sodium hydroxide is 720,000 tons, for ethylene dichloride, 720,000 tons and for liquid chlorine, 600,000 tons.

- 2) Operating mode: The Company makes close cooperation with the international chemical magnate to establish an integrated operation mode with completed devices and pipe-line transportation in the chemical industry zone. The integrated operation mode has enhanced the Company's capability of long-term stable existing and development and has also provided guarantee for the downstream customers to obtain stable and reliable chlor-alkali products in long period, realizing mutual benefit and win-win.
- 3) Status of the industry: Due to the impact of weak macro economy and excess capacity on China's chlor-alkali industry, the market continues to slump, the downstream demand recovery is slow, cost rising factors increase, the original profit mode of "using alkali profit to cover the loss in chlorine in domestic chlor-alkali industry has been changed due to loss in both alkali and chlorine happened, and the industry has entered a difficult adjustment period.

2. Note on significant changes in prime assets of the Company in the report period

Unit: RMB

Item	2015	2014	Increase or decrease than previous year (%)	Remark
Monetary fund	240,425,945.13	402,636,250.64	-40.29	Mainly caused by the repayment of loan and decrease of the consolidation range
Advance accounts	136,446,799.31	220,825,719.39	-38.21	Mainly caused by the advance payment of projects and decrease of power payment
Other receivables	3,561,716.78	1,895,445.80	87.91	Mainly caused by the increase of the revolving fund and the export rebates receivable in present period
Deferred income tax assets	20,529.71	1,229,186.56	-98.33	Mainly caused by reducing of the consolidation range
Employees' salary payable	780,802.00	28,052,005.16	-97.22	Mainly caused by the decrease of dismissal benefit appropriated
Tax payable	14,824,741.55	27,392,973.52	-45.88	Caused by reducing of the value added tax unpaid in present period
Other payables	441,394,365.43	713,938,238.76	-38.17	Mainly caused by return of loan of Huayi Group
Long-term payables	645,000,000.00	950,000,000.00	-32.11	Mainly caused by return of loan of Huayi Group
Deferred income tax liabilities	11,653,477.05	2,274,880.65	412.27	Caused by change of fair value in current period

3. Analysis on the core competitive power in the report period

- 1) The improvement on the new-round integrated operating mode
Through 10 years' running in the chemical industry zone by the Company, the integrated operating mode has fully demonstrated the merits of the cooperative win-win pricing mechanism, removing the cost rising factors reasonably with market means. With this mode the Company can also sell sodium hydroxide in certain ratio while selling chlorine products, and the established compensation mechanism for contract implementing risk can make constraint on both the buyer and the seller to stabilize the supply status. The integrated operation mode has enhanced the Company's capability of long-term stable existing and development and has also provided guarantee for the downstream customers to obtain stable and reliable chlor-alkali products in long period, realizing mutual benefit and win-win. The new-round negotiation for the 10-year supply and sale contract in the chemical industry zone adopts the idea of cooperation and win-win and considers fully the growth, relevance and interaction of the industrial chain. Therefore, the Company's profitability predominance due to the integrated operating mode in the chemical industry zone can continue to exist.
- 2) The achievement of new technique in chlorine producing has boosted to establish the industrial chain with circulating economy
In this year the Company will continue the improvement on the technique for producing chlorine gas with hydrogen chloride catalytic oxidation process. It has completed the preparing of the first draft of

the feasibility report for the project to set solid basis for the industrialization of the technique for chlorine gas produced with oxidation of chlorine hydride.

3) With the reservation of a batch of R&D achievements such as the PVC chlorinated with water phase method self-developed, in 2015 the Company completed the reform for R&D platform for chlorinated polyvinyl chloride resin and the research and application development for the formulation of the fire pipe material and plumbing with chlorinated polyvinyl chloride resin and formed a series products of mixed chlorinated polyvinyl chloride used for spraying in fire control. So it has got the predominance in market.

4) It has a powerful marketing platform

As the enterprise exporting sodium hydroxide earliest in China, the Company owns powerful international marketing platform and import base for raw salt and this means it is of distinct advance predominance. With respect to domestic trade, the Company is at the in the middle and lower reaches of the Yangtze River, the most developed area in China, with the best consumption and logistics. Its product brands and marketing have high reputation in market. Moreover, the Company has strived to explore the big market strategy and the reform for related marketing system, making the marketing mode fitting to structure of big trade.

4. Discussion and Analysis on the Management

1. Discussion and analysis on the management

In the report period, China's chlor-alkali industry suffered the impact of weak macro economy, excess capacity and other factors, market continued to be slow, loss existed generally among this industry, the severe over capacity in the industry produced enormous pressure of destocking. The two leading products, sodium hydroxide and PVC, are in front of the problem of off-capacity, The capacity of sodium hydroxide has decreased by 0.95% than last year, the first time of negative growth. And the capacity of PVC has got negative growth consecutively for two years. Faced with the difficult business environment, the Company has fully implemented the strategy of "innovation, upgrading and transformation". Based on the requirements of optimizing the operation and reducing the loss, it has stabilized the production operation in the work area, enhanced the profitability of chlorine production, boosted the upgrading of the chemical industry. It has promoted the reform of the organization structure and management function, and accelerated the disposal for existing assets in Wujing and the adjustment in Wujing area to reduce the cost and enhance efficiency. It has strived to innovate the development mode, continued to implement the strategy of "going out" firmly, explored the chances for strategic cooperation and investment in global market and sought new space for the Company's development. With the safe and stable operation of its production operation in the whole year, the Company has realized operating income of RMB 6,170,000,000 and the net profit attributable to shareholders of the listed Company of RMB 95,615,000.

1) Accelerate the industrial agglomeration and upgrading of the chemical industry zone

(1) Accelerate to boost the project construction in the chemical industry zone and set the development basis with new projects and new technique. The Company adheres to the strategy of "high-end agglomeration in the chemical industry zone" and focuses on the optimization of the structure to boost the constructing of key projects. Firstly, it accelerates to boost the construction of the project of storage and transportation device for low temperature ethylene, taking effective measures to guarantee the project progress and the quality. This project was delivered on October 30, 2015. This means the device can be put into operation with ample storage power for ethylene. Secondly, it strives to boost the construction of CPVC project. At present the Company is just making the work for selecting the location. Thirdly, it strives to develop the circulating economy. It uses its self-developed technique for chlorine gas produce with oxidation of chlorine hydride to meet the demand of the enterprises in the chemical industry zone for liquid chlorine. At present it has completed the industrial process packet for chlorine gas produced through oxidation of chlorine hydride with annual capacity of 100,000 tons, and completed the preparing of the first draft of the feasibility report. In consideration of the transformation of this technique into actual production capacity and time matching of the downstream MDI for the demand for increasing of the chlorine, the Company has also planned to introduce the technique of oxygen cathode ion-exchange

membrane electrolyzer. The development or utilization of these two techniques has, to the greatest extent, realized the reutilization and reproduction of the chemical medium, forming the industrial chain mode of circulation economy.

- (2) Boost the investment in new material field in the chemical industry zone. In 2014 the Company decided to participate in the construction of MDI project in the chemical industry zone. The investment for this project shall be divided into seven phases. In 2015 it totally invested the fund of RMB 40,466,400. It is also seeking the deep cooperation with the multinational companies in the chemical industry zone in the downstream of MDI and TDI.
- (3) Accelerate the operation arrangement in the chemical industry zone and the transfer of the center of production and management.

In the chemical industry zone the Company has got the annual capacity of 720,000 tons for sodium hydroxide and 720,000 tons for EDC. In 2015 its income in the chemical industry zone reached RMB 3,881,600,000 with the gross profit of RMB 486,000,000, accounting for 103% in its total gross profit. In Wujing area, its income was only RMB 61,240,000 and the gross profit was - RMB 15,880,000. With the profit mostly coming from the chemical industry zone, the Company's strategic objective of centralizing into the chemical industry zone has initially been realized. In company with the transfer of the Company's production center transferred to the chemical industry zone, the Company's function departments will also be transferred to the chemical industry zone on schedule.

2) Accelerate the adjustment in Wujing area

- (1) Do good work on personnel placement and promote the organizational optimization

In 2015, with the halt of the main production plants in Wujing area, the Company strived to boost the personnel placement of second round, reducing 321 employees calmly. Meanwhile, in order to adapt to the development strategy and enhance the management efficiency, the Company made significant adjustment for original organizational structure, integrating 24 departments into 14 departments for management on devices and business.

- (2) Focus on the development of main business and boost the integration of assets

On demand of the Company for strengthening the main business, the Company boosted the stripping of the assets of non main business orderly. In 2015 in order to strengthen further the transfer of the assets of non main business, the Company transferred the 90% equity interest of Dakai Company and 44% equity interest of Tiantan Company to the enterprise development company of Huayi Group and the buildings in the ground of Huayi Group in Wujing area to Huayi Group, totally getting cash flow of RMB 610,000,000 and income of RMB 230,000,000. At present it continues to boost the whole withdrawal of the Company from the production base in Wujing area.

- (3) Boost the reutilization of the inefficient assets and make use of the economic benefits of the assets

In 2015 the Company made the reutilization and disposal of the assets in Wujing area as key management project. It made cooperation with all relevant parties to revitalize the stock of assets, boost the disposal of inefficient assets commonly and make use of the economic benefit of the inefficient assets to the greatest extent. It organized the sale and transfer of partial assets with the value of reutilization and proceeded to the negotiation for the assets with the intention of transfer. At present it has successfully completed the safe dismantlement of F1 type devices, sale of wasted material and transfer of partial equipment, increasing the income of more than RMB 10,000,000 totally for the Company.

3) Accelerate the step of "going out" and seek the industrial transformation and upgrading

The Company adheres to the strategy of "going out", striving for the chance of assets reorganization in international and domestic markets. In this year, it contacted 9 enterprises, 3 industrial zones and 4 consultant institutions, conducted research and review work pertinently, selected the enterprises in new material field, and strived for the projects possibly improving its product chain or increasing the adjustment space for the products. The Company has established the investment committee office to strengthen the research the investment and cooperation in China and abroad through periodic meeting, intelligence collection, business discussion, on-the-spot investigation and report preparing, getting progress in exploring the realization of the extending, upgrading and transformation of the Company's industrial chain.

4) Adopt firm and flexible measures to enhance the operation and management level

(1) Continue to enhance HSE management and ensure safety

The Company adheres to the principle of "building the defense line firmly, holding the bottom line and consolidating the line", advocates the safety culture of "self awareness, sensitivity and working efficiently" and enhances continuously HSE management level to provide powerful guarantee for its adjustment and development. In 2015 the Company established the idea of "safety first" and conduct various HSE work based on self features. The enterprises in the chemical industry zone make the stabilization and safety of production and the safety of overhaul as the object. The PVC plant focuses on the safety and fire control of the halt devices, and the investment program department focus on the safety of projects construction. The Company thus ensures its safety and environment protection in all aspects.

(2) Grasp the market chance keenly and boost the differentiated sales

For the slow market of sodium hydroxide, the Company adjusted initiatively the structure of the products for sale, conducted the optimization of products types timely and strived to adjust the area structure to maximize the profit of sodium hydroxide products. For general loss of resin products, the Company, based on the analysis on the marginal contribution of products, strengthen the sale of ethylene dichloride. It focused on high-end products market, optimized the area structure and customer structure of the products, and strengthened the quality improvement and promotion for the special resins and new material CPVC resin with all the technical and marketing force. In 2015, the domestic market remained in the doldrums, new projects were halted, and the demand for industrial pipes was reduced greatly. It is difficult to make breakthrough in other application fields in the short period, so the Company focused on export markets, develop the markets in Middle East, South America, Africa and other areas and got good sales performance.

5. Prepare the "13th Five-Year" plan and design the future development blueprint

The Company's "13th Five-Year" plan is prepared under the situation with multiple pressures that China's economic development has entered a new normal status, economic growth is slowing, deep-seated contradictions and structural problems appear, business operation is facing the changeable situation, the production units in Wujing area are halted and employees need to be dismissed. Therefore, in 2015 the Company set the direction and goal through thinking, went to many domestic enterprises and industrial parks to make investigations time after time based on the development strategy of "going out" and organized various professional departments to revise the plan based on requirements of the Group to complete the preparing of the plan on schedule.

It is estimated that in 2016 the global economy will continue to show the trend of weak recovery, the lack of demand of developed economies and low long-term growth rate will coexist, the declining trend of the overall growth rate of emerging economies will be difficult to be prevented, and the chlor-alkali industry will continue to get loss. 2016 is the starting year of the "13th Five-Year" plan and also the key year for the Company to "make adjustment for survival and win the future through transformation development". Therefore, the Company will continue to accelerate the withdrawal from Wujing area and boost the concentration and upgrading in the chemical industry zone through unified thought and erected confidence, strengthen the technical research and development to accelerate the development of new chemical materials, develop the green circulating economy and win its position in the field of new chemical industry, focus on the market demand to adjust the product structure and demonstrate the competitive advantage of its good products to achieve effective supply, adhere to the "going out" strategy to seek strategic cooperation and investment opportunities in global market to expand new space for the Company's development, and optimize the Company's governance in all aspects through regulating of all the management systems and creating a professional and competent management team.

2. Main operating status in the report period

In the report period the Company realized the operating income of RMB 6,170,874,200, decreasing by RMB 844,535,000 or 12.04% than same period of last year, the gross profit of RMB 109,561,900, increasing by RMB 692,529,900 than same period of last year, and the net profit attributable to shareholders of the listed Company of RMB 95,615,000, increasing by RMB 688,117,500 than same period of last year (- RMB 592,502,500).

1) Analysis on the main business

Analysis on Changes in Relevant Items in the Income Statement and Cash Flow Statement

Unit: RMB

Item	Current period amount	Same period of last year	Change ratio (%)
Operating income	6,170,874,223.67	7,015,409,267.56	-12.04
Operating cost	5,559,439,778.97	6,375,944,582.66	-12.81
Selling cost	199,911,085.12	205,248,898.35	-2.60
Management expenses	402,196,032.57	633,388,738.66	-36.50
Financial expenses	140,436,053.89	121,456,535.42	15.63
Net cash flow from operating activities	305,852,432.45	-29,059,999.83	Not applicable
Net cash flow from investment activities	462,369,445.87	-495,001,156.50	Not applicable
Net cash flow from financing activities	-930,062,240.97	353,435,963.67	-363.15
R&D expenditure	36,893,630.81	40,756,284.35	-9.48

(1) Analysis on revenue and cost

a) Main business divided by sector, product and area

Unit: RMB

Main business by sector						
Sector	Operating income	Operating cost	Gross profit rate (%)	Increase or decrease of operating income than previous year (%)	Increase or decrease of operating cost than previous year (%)	Increase or decrease of gross profit rate than previous year (%)
Industry	4,151,317,229.89	3,556,630,124.12	14.33	-14.96	-17.05	Increase by 2.16 percentage points
Construction	33,362,397.27	29,647,816.81	11.13	23.49	16.50	Increase by 5.33 percentage points
Trade income	1,939,874,817.55	1,932,174,066.11	0.40	-2.69	-2.46	Decrease by 0.24 percentage point
Total	6,124,554,444.71	5,518,452,007.04	9.90	-11.27	-12.32	Increase by 1.09 percentage points
Main business by product						
Product	Operating income	Operating cost	Gross profit rate (%)	Increase or decrease of operating income than previous year (%)	Increase or decrease of operating cost than previous year (%)	Increase or decrease of gross profit rate than previous year (%)
PVC	494,916,263.20	575,229,431.08	-16.23	-17.04	-32.51	Increase by 26.64 percentage points
Sodium hydroxide	1,282,836,609.51	940,728,848.52	26.67	-5.85	-3.67	Decrease by 1.66 percentage points
Chlorine products	2,147,385,018.64	1,895,920,517.00	11.71	-17.99	-14.85	Decrease by 3.26 percentage points
Other	2,199,416,553.36	2,106,573,210.44	4.22	-5.39	-5.90	Increase by 0.51 percentage point
Total	6,124,554,444.71	5,518,452,007.04	9.90	-11.27	-12.32	Increase by 1.09 percentage points
Main business by area						
Area	Operating income	Operating cost	Gross profit rate (%)	Increase or decrease of operating income than previous year (%)	Increase or decrease of operating cost than previous year (%)	Increase or decrease of gross profit rate than previous year (%)
China	5,821,380,551.51	5,208,231,369.33	10.53	-11.40	-12.79	Increase by 1.43 percentage points

Other countries	303,173,893.20	310,220,637.71	-2.32	-8.70	-3.62	Decrease by 5.39 percentage points
Total	6,124,554,444.71	5,518,452,007.04	9.90	-11.27	-12.32	Increase by 1.09 percentage points

b) Analysis on production and sale

Main products	Output ('0000 tons)	Sales volume ('0000 tons)	Stock balance ('0000 tons)	Increase or decrease of output than previous year (%)	Increase or decrease of sales volume than previous year (%)	Increase or decrease of stock balance than previous year (%)
PVC product	7.65	7.67	0.63	-11.49	-3.25	-10.13
Sodium hydroxide product	68.78	66.25	1.52	-5.82	-3.44	-28.58
Chlorine product	142.91	131.47	8.14	37.35	-1.45	23.42

c) Cost analysis

Unit: RMB

By sector						
Sector	Items of cost structure	Amount in current period	Ratio in total cost (%)	Amount in same period of last year	Ratio in total cost (%)	Change ratio (%)
Industry	Direct material	2,860,008,053.66	48.73	3,614,263,644.00	57.42	-20.87
	Direct labour	96,854,436.74	1.65	92,817,782.97	1.47	4.35
	Power	244,563,736.73	4.17	249,017,879.57	3.96	-1.79
	Manufacture cost	355,203,896.99	6.05	331,797,420.12	5.27	7.05
	Total	3,556,630,124.12	60.60	4,287,896,726.66	68.13	-17.05
Construction	Direct material	2,220,503.52	0.04	1,397,498.74	0.02	58.89
	Direct labour	3,688,472.71	0.06	1,581,052.08	0.03	133.29
	Manufacture cost	23,738,840.58	0.40	22,470,081.24	0.36	5.65
	Total	29,647,816.81	0.51	25,448,632.06	0.40	16.50
Trade income	Purchase cost	1,932,174,066.11	35.01	1,980,812,658.24	31.47	-2.46
By product						
Product	Items of cost structure	Amount in current period	Ratio in total cost (%)	Amount in same period of last year	Ratio in total cost (%)	Change ratio (%)
PVC	Direct material	382,641,803.88	6.52	593,100,331.68	9.42	-35.48
	Direct labour	17,460,930.59	0.30	22,641,881.58	0.36	-22.88
	Power	95,674,768.66	1.63	108,524,507.82	1.72	-11.84
	Manufacture cost	79,451,927.95	1.35	128,110,613.58	2.04	-37.98
	Total	575,229,431.08	9.80	852,377,334.66	13.54	-32.51
Sodium hydroxide	Direct material	729,098,699.59	12.42	846,403,320.03	13.45	-13.86
	Direct labour	15,627,153.42	0.27	4,283,945.16	0.07	264.78
	Power	94,463,749.19	1.61	86,798,377.75	1.38	8.83
	Manufacture cost	101,539,246.32	1.73	39,077,055.00	0.62	159.84
	Total	940,728,848.52	16.03	976,562,697.94	15.52	-3.67
Chlorine	Direct	1,690,759,223.40	28.81	2,043,905,626.27	32.47	-17.28

product	material					
	Direct labour	32,201,251.85	0.55	21,048,519.55	0.33	52.99
	Power	43,801,478.39	0.75	42,051,606.32	0.67	4.16
	Manufacture cost	129,158,563.36	2.20	119,573,405.43	1.90	8.02
	Total	1,895,920,517.00	32.31	2,226,579,157.57	35.38	-14.85

(2) Expenses

Unit: RMB

Item	2015	2014	Increase or decrease (%)
Selling cost	199,911,085.12	205,248,898.35	-2.60
Management expenses	402,196,032.57	633,388,738.66	-36.50
Financial expenses	140,436,053.89	121,456,535.42	15.63
Income tax expense	4,672,427.26	4,622,713.67	1.08

Analysis on reason for change of the expenses:

- The management expenses decreased by 36.50% than same period of last year, and this is mainly caused by the big decrease of the employees' dismissal benefit than previous year.
- The financial expenses increased by 15.63% than same period of last year, and this is mainly by the paid interest of new loan increased in current period.

(3) Investment in R&D**Details of R&D investment**

Unit: RMB

Expense investment in R&D in current period	26,417,262.01
Capitalized investment in R&D in current period	10,476,368.80
Total of investment in R&D	36,893,630.81
Ratio of total investment in R&D in the operating income (%)	0.60
Number of R&D personnel in the Company	407
Ratio of R&D personnel in total employees of the Company (%)	27.37
Ratio of capitalized investment in R&D (%)	28.40

Note:

In 2015 the Company still continued to focus on the advanced chlorine making process and new material technique to make R&D. The main projects included "the improvement on chlorine making with hydrogen chloride catalytic oxidation", "the research on quality improvement and processing application for the chlorinated polyvinyl chloride resin" and "the development and application of the power-saving technology for electrolyzer". For the project of "the improvement on chlorine making with hydrogen chloride catalytic oxidation", the Company, based on the completed process package for the industrialized unit with the annual capacity of 100,000 tons and the suggestion of the specialists for evaluating the process package, conducted the research on the mono-tube exothermic character and the suitability of the raw material in the chemical industry zone to optimize further the performance of the catalyst. For the project of "the research on quality improvement and processing application for the chlorinated polyvinyl chloride resin", the Company conducted quality tracing and evaluation to enhance the quality of the chlorinated polyvinyl chloride resin while making research on the process formula for the tubing and plumbing of the chlorinated polyvinyl chloride.

(4) Cash flow

Unit: RMB

Item	2015	2014	Difference
Net cash flow from operating activities	305,852,432.45	-29,059,999.83	334,912,432.28
Net cash flow from investment activities	462,369,445.87	-495,001,156.50	957,370,602.37

Net cash flow from financing activities	-930,062,240.97	353,435,963.67	-1,283,498,204.64
Net increase of cash and cash equivalents	-162,165,661.15	-170,749,479.51	8,583,818.36

Note:

- a) The increase in net cash flow from operating activities is mainly caused by the decrease in the expenditure for employee's dismissal benefits and the increase in the income from government subsidies.
- b) The increase in cash flow from investing activities is mainly caused by the increase in the cash inflow from equity transfer and sale of buildings in current period.
- c) The decrease in net cash flow from financing activities is mainly caused by the increase in the outflow of funds due to return of loan in current period.

2) Note on significant changes in the profit caused by non main business

√Applicable □Not applicable

During the report period, the Company transferred its 90% equity interest in Dakai Company and 44% equity interest in Tiantan Company, and Wujing regional idly construction building transfer of assets, equity transfer and the transfer of assets total revenue RMB 230 million. Including the assets transfer of the building in idle land in Wujing area, the Company has totally got income of RMB 230,000,000. The reason for transfer: (1) strip non main business stripping to focus on development of the main business in the chemical industry zone; (2) revitalize the stock assets, improve the Company's assets structure, and release the liquidity of the stock assets.

3) Analysis on assets and liabilities

Status of Assets and Liabilities

Unit: RMB

Item	Closing balance of current period	Ratio in total assets (%)	Closing balance of previous period	Ratio in total assets (%)	Change ratio (%)	Remark
Monetary fund	240,425,945.13	4.96	402,636,250.64	7.00	-40.29	Mainly caused by the repayment of loan and change of the consolidation range
Advance accounts	136,446,799.31	2.81	220,825,719.39	3.84	-38.21	Mainly caused by the advance payment of projects and decrease of power payment
Other receivables	3,561,716.78	0.07	1,895,445.80	0.03	87.91	Mainly caused by the increase of the revolving fund and the export rebates receivable in present period
Deferred income tax assets	20,529.71	0.00	1,229,186.56	0.02	-98.33	Mainly caused by reducing of the consolidation range
Employees' salary payable	780,802.00	0.02	28,052,005.16	0.49	-97.22	Mainly caused by the decrease in dismissal benefit appropriated
Tax payable	14,824,741.55	0.31	27,392,973.52	0.48	-45.88	Caused by reducing of the value added tax unpaid in present period
Other payables	441,394,365.43	9.10	713,938,238.76	12.41	-38.17	Mainly caused by return of loan of Huayi Group
Long-term payables	645,000,000.00	13.30	950,000,000.00	16.51	-32.11	Mainly caused by return of loan of Huayi Group
Deferred income tax liabilities	11,653,477.05	0.24	2,274,880.65	0.04	412.27	Caused by change of fair value in current period

4) Analysis on operational information of the industry

In 2015, the chlor-alkali industry entered the critical period of transition and upgrading. Due to the low economic environment, the global petrochemical industry strived continuously to adapt to the new trend. China's chlor-alkali industry also experienced severe situation and challenge. Due to the sharp problem of excess production capacity, less downstream market demand and low price of the main products, in 2015, the chlor-alkali market was very poor in general. In recent years, the growth rate of the productive capacity of sodium hydroxide has been decreasing rapidly, and even negative in this year. By the end of 2015, the production capacity of sodium hydroxide in China was 38,730,000 tons, decreasing by 0.95% than 2014 (39,100,000); the growth rate has got the inflection point. In the deepening reform with industrial restructuring and elimination of backward production capacity, the total capacity of PVC in China is 23,480,000 tons, again a negative growth, in which the increased production capacity including the paste resin is 780,000 tons and the capacity declared officially to be withdrawn is 1,190,000 tons, a net decrease of 410,000 tons. Domestic PVC production capacity continues the way of optimization and reorganization.

5) Analysis on investment status

(1) General analysis on the equity investments in outside entities

Unit: RMB

Item	Closing balance	Beginning balance	Increase or decrease	Increase or decrease than same period of last year (%)
Long-term equity investment	28,885.54	27,073.64	1,811.90	6.69
Salable financial assets	42,407.82	34,985.57	7,422.26	21.22
Incl.: Measured with fair value	5,076.59	1,491.47	3,585.12	240.37
Measured as per cost	37,331.23	33,494.09	3,837.14	11.46

Analysis on the reason for change in equity investment:

- 1) Long-term equity investment increased by 6.69% year on year, mainly due to the new investment income in Huntsman confirmed in current period.
- 2) Measured with fair value the salable financial assets increased by 240.37% than same period of last year, mainly because the cost measurement changed to the fair value measurement due to lift of the tradable shares in current period.
- 3) Measured as per cost, the salable financial assets increased by 11.46% than same period of last year and this is mainly caused by the investment in Lianheng Company in creased in current period.

a) Financial assets measured at fair value

Unit: RMB

Stock code	Stock name	Initial investment cost	Closing balance of book value	Profit or loss in the report period	Change in owner's equity in the report period	Accounting subject	Source of share
600623	Double Coin Share	690,000.00	2,709,850.00	21,450.00	336,481.50	Salable financial assets	Legal person share
600636	3F	360,000.00	8,972,805.60	5,398.80	542,947.32	Salable financial assets	Legal person share
600688	Shanghai Petrochemical	900,000.00	2,916,000.00		620,775.00	Salable financial assets	Legal person share
600610	ZYD	2,095,000.00	32,586,840.00		22,868,880.00	Salable financial assets	Legal person share

600637	Oriental Pearl	86,967.00	3,295,179.63	9,566.37	652.25	Salable financial assets	Legal person share
600082	Haitai Development	20,000.00	285,200.00		7,800.00	Salable financial assets	Legal person share
Total		4,151,967.00	50,765,875.23	36,415.17	24,377,536.07	/	/

6) Sales of important assets and equities

Unit: RMB'0000

Name of subsidiary	Price for equity disposal	Ratio of equity disposal (%)	Way for equity disposal	Time point of losing control right	Basis for the time point of losing control right	Difference between the disposal price and the shared part in the subsidiary's net assets in the consolidated financial statement corresponding to the disposed investment	The amount of other composite income transferred to the profit or loss on investments related to the equity investment in original subsidiary
Shanghai Dakai Plastics Co., Ltd.	10,814.42	90	Transferred through agreement	Dec. 14, 2015	Change of registration in the Industry & Commerce Bureau	1,981.17	912.30
Shanghai Tiantan Auxiliaries Co., Ltd.	11,603.00	44	Transferred through agreement	Dec. 21, 2015	Change of registration in the Industry & Commerce Bureau	5,376.14	

7) Analysis on main controlled companies and participated companies

(1) Operating performance of main controlled companies

Unit: RMB'0000

Company name	Business nature	Registered capital	Assets volume	Net profit
Shanghai Jinyuan Tap Water Co., Ltd.	Tap water	900	1,574.35	175.32
Shanghai Chlor-Alkali machinery Co., Ltd.	Maintenance of petrochemical devices and engineering construction	3,000	2,789.74	653.04
Shanghai Ruisheng Enterprise Co. Ltd.	Trade	500	4,958.78	83.14
Shanghai Luwei Plastics Co., Ltd.	Production of CPVC tubing and pipe fittings	5,000	3,156.52	-477.29

(2) Influence of the net profit of the controlled subsidiary or the income of the participated subsidiary on the Company's net profit

Unit: RMB'0000

Company name	Business nature	Main products or service	Main business income	Main business profit	Net profit	Investment income contributed by the participated company
Shanghai Ruisheng Enterprise Co. Ltd.	Trade	Sale of chemical material and products	28,786.44	1,225.93	83.14	83.14
Shanghai Chlor-Alkali Machinery Co., Ltd.	Industry	Machine manufacturing	10,430.18	2,353.31	653.04	544.18
Shanghai Jinyuan Tap Water Co., Ltd.	Industry	Tap water	834.72	453.97	175.32	148.33
Shanghai Luwei Plastics Co., Ltd.	Chemical production and sale	Production of CPVC tubing and pipe fittings	1,414.60	-6.23	-477.29	-334.10
Shanghai Huntsman Polyurethane Co., Ltd.	Chemical production and sale	MDI refining and polymer	296,015.09	23,293.98	14,865.88	4,459.76

3. Discussion and analysis on the Company's future development**1) Industrial competition pattern and development trend**

While the two leading products of chlor-alkali industry, sodium hydroxide and PVC, have changed from rapid development to the status of negative growth and capacity removing, the chlor-alkali industry has been fully aware of the importance of transformation, upgrading and innovation. With the implementation of a series of industrial policies, the efforts to integrate the chlor-alkali industry in the future will continue to increase, the product structure will be more reasonable, and the pace of going out will also be accelerated. The future development of the chlor-alkali industry will be facing great challenges, but also bears new chances, in which the industrial upgrading will be the greatest chance. In recent years, the government has issued a series of standards and norms for safety, environmental protection and energy consumption of the chlor-alkali industry, and has put forward new constraint requirements. In order to adapt to the new situation, the chlor alkali industry has also got some positive changes, the cooperation between the upstream and downstream will also be increasingly enhanced, and the strong enterprises will achieve the extension of the industrial chain and the complementation between areas through acquisition, merger and other means.

2) Development strategy of the Company

Driven by two means:

- (1) The optimization and upgrading of the industrial chain of circulating economy in the chemical industry zone will be made through the self-developed of new technology for chlorine making, making the increasing demand of chlorine in the downstream of the chemical industry zone satisfied by cyclic utilization of the chlorine medium. At the same time, the Company will make use of the development and application of the power-saving technology for electrolyzer to enhance the technical content of the operating devices in the chemical industry zone, reduce the unit consumption and obtain better benefits.
- (2) The Company will strive to explore the way for industrial transformation and upgrading and mergers and acquisitions. It will build new production base through mergers and acquisitions in the area with cost advantage, extend the product chain, achieve the transformation and upgrading and increase the new profit growth point. It will strive to seek low-cost and high-quality raw material market and advanced chemical technology abroad to master the

internationally-advanced chemical technology, expand international raw materials market and sales market, implement the strategy of "going out from the chlor-alkali industry", "going out from Shanghai" and "going out from China" and promote the company's "innovation, upgrading and transformation to achieve new development.

3) Operating plan

Faced with the situation of coexistence between chances and challenges and between pressure and power, the Company will take advantage of the situation to adapt to the new status of the economic development, promote the optimization of economic structure, promote the steady growth of business performance, boost the reform into depth, make steady progress, accelerate the transformation of development, and strive to achieve more efficient and more sustainable development of higher quality.

- (1) Adhere to the green development as the premise to ensure safety and environmental protection controlled in all aspects. The Company will reshape the HSE management system to ensure system running effectively, strengthen the safety management measures and safety to enhance the intrinsic safety with great efforts, implement the responsibility, strengthen the examination with strict award and penalty to enhance the HSE execution force, and improve the environmental management system to achieve green chemical industry and social caring with responsibility of caring.
- (2) Strive to remove the loss and get profit and ensure all the measures for reducing cost and enhancing efficiency implemented. The Company will stabilize the daily production and operation to ensure the high load operation of the profitable devices, optimize the sales structure to reduce procurement cost and seek to maximize the benefits, reduce the cost of public utilities costs to strengthen the efforts for implementing energy-saving and emission reducing projects and control strictly the three expenses and manufacturing cost to reduce the cost and improve the efficiency.
- (3) Accelerate the restructuring of Wujing and reform the organization structure to ensure to seize the opportunity and move forward in the restructuring. The Company will optimize and integrate the organizational structure to improving the performance appraisal system and the organization competitive power, complete the organizing of the commercial company to strengthen the trade and get value increasing in trade, accelerate the final adjustment of Wu Jing base to accelerate the disposal of assets and strive to make operation with no burden.
- (4) The Company will actively make planning in advance. For some idle or inefficient stock assets and strategic assets, the Company will introduce the third party cooperation, develop the third party service and take other measures to share the cost, revitalize the stock and enhance the revenue.

4) Possible risks

- (1) Policy risk and industrial risk. The central committee of CCP has clearly put forward the general requirements of insisting on maintaining stability while stepping forward and the five tasks, removing productive capacity, removing the inventories, deleveraging, reducing cost and make up for weaknesses, in the economic work conference. The chlor-alkali industry has severe oversupply of productive capacity, so it must proceed to remove the excess productive capacity.
- (2) Product price risk. The over capacity in the chlor-alkali industry causes the risk of the product price falling down in 2016. Domestic and foreign sodium hydroxide market is still in a downward channel. The low cost competition in the international market makes the price of sodium hydroxide is lower than domestic market. The domestic downstream industries of sodium hydroxide, such as chemical fiber, papermaking, printing and dyeing and alumina, are in weakness of demand, so the price of sodium hydroxide is still in low position. This will affect the profitability of the Company's leading product sodium hydroxide.

- (3) Raw material risk. Impacted by cold chain transportation, the Company's main raw material ethylene is of the unique commercial attributes, high fluctuations in price, and being easy to rise and difficult to fall. This will deviate from the production cost and bring risk to the control of the production cost of the Company's product ethylene dichloride. The electricity needed for sodium hydroxide is made as part of the raw material, but it is difficult to get policy favour for the price of the electricity for electrolysis under the guidance of existing location economy.

Countermeasure

- (1) Further strengthen the policies and actions for achieving the object of the operating plan.
- (2) In the process of removing the productive capacity of PVC, seek the production base for producing the differentiated PVC with low cost raw material and enhance the competitive power in the process of transferring the paste resin production.
- (3) The Company will establish a commercial company to optimize the mode of purchase and sales, further expand the market, strengthen the efforts for product differentiation and the channel for purchase of raw material, and improve the anti-risk ability through reducing the raw material cost and increasing product sales price.

4) Note on the status and causes not disclosed as per criteria due to not being applicable to the provisions of the criteria or special causes

Applicable Not applicable

5. Major Events

1. Proposal on profit distribution of ordinary shares or transfer of capital reserves

1) The formulation, implementation or adjustment of the cash dividend policy

In 2012 the Company, according to relevant regulations of China Securities Regulatory Commission, Shanghai Securities Regulatory Bureau and Shanghai Stock Exchange, made amendment on relevant provisions related to profit distribution in the Articles of Association, further improved relevant decision-making process and mechanism, clarified the profit distribution form, the actual conditions and proportion of the cash dividend, the use principle of undistributed profit and other specific policies.

During the report period, the Company, strictly in accordance with relevant provisions, executed the decision-making process of profit distribution and implemented the profit distribution plan. The Company's 2013 profit distribution plan: with the Company's total share capital of 1,156,399,976 shares as of Dec. 31, 2013 as the basis, the Company would distribute cash dividend of RMB 0.05 (including tax) for every 10 shares held to all shareholders, totally issuing the dividend of RMB 5,781,999.88, and all the remained undistributed profit would be carried forward to future distribution. The cash dividends for the shareholders of B share would be paid after converted to US Dollars. The profit distribution plan was examined and passed in the Company's 2013 annual shareholders' meeting (annual meeting) on May 7, 2014, and implemented on Jun. 19, 2014.

2) The Company's profit distribution plan for ordinary shares or proposal and the plan for capital reserves transferred to share capital or proposal in recent 3 years (including the report period)

Unit: RMB

The year for dividend distribution	Bonus share for every 10 shares held	Issued dividend for every 10 shares held (RMB) (tax included)	Shares increased for every 10 shares held	Total amount of cash dividend issued (tax included)	Net profit attributable to shareholders of the listed Company in the consolidated statements in the year for dividend distribution	Ratio in the net profit attributable to shareholders of the listed Company in the consolidated statements (%)
2015	0	0		0	95,615,030.34	0
2014	0	0	0	0	-592,502,499.95	0
2013	0	0.05	0	5,781,999.88	16,623,782.76	34.78

3) If the profit is positive in the report period and the profit distributable to common shareholders by the parent company is positive but the Company does not lodge the proposal for profit distribution in cash for ordinary shares, the Company shall disclose in detail the reasons and the purpose and use plan of the undistributed profit

Applicable Not applicable

2. Implementation of the commitment

Applicable Not applicable

1) Commitments of the Company, shareholders, actual controller, purchaser, Directors, Supervisors, senior executives or other related parties in the report period or left to the report period

Commitment background	Commitment type	Commitment party	Commitment content	Time and period of the commitment	Has deadline for implementation or not	Implemented strictly in time or not
Other commitment	Other	Director, Supervisor and senior executives	Increase the Company's shares held	Increase the shares held within 6 months after July 10 and committed not decreasing the shares held within 6 months after then	Yes	Yes

3. Fund occupation and the liquidation in the report period

Applicable Not applicable

4. Note of the Board of Directors on the "non-standard auditor's report" of the public accounting firm**1) Note of the Board of Directors and Supervisory Committee on the "non-standard auditor's report" of the public accounting firm**

Applicable Not applicable

2) The analysis and explanation of the Board of Directors on the cause and influence of the changes in the accounting policy, accounting estimate or accounting method

Applicable Not applicable

3) The analysis and explanation of the Board of Directors on the cause and influence of corrected significant errors in earlier period

Applicable Not applicable

5. Engagement and dismissal of the public accounting firm

Unit: RMB'0000

	Now engage	
Name of the domestic public accounting firm	BDO China Shu Lun Pan Certified Public Accountants LLP	
Reward of the domestic public accounting firm	88	
Audit term of years of the domestic public accounting firm	5	
	Name	Reward
Public accounting firm for audit of internal control	BDO China Shu Lun Pan Certified Public Accountants LLP	35.2

Note on the engagement and dismissal of the public accounting firm

Applicable Not applicable

6. Risk of suspension of listing

Cause for suspension of listing and the the Company's measures for removing the suspension of listing

None

7. Events related to bankruptcy and reorganization

Applicable Not applicable

8. Significant lawsuits and arbitrations

Applicable Not applicable

9. Penalties to the listed Company, Directors, Supervisors, senior executives, controlling shareholder, actual controller and purchaser and the corrections

Applicable Not applicable

10. The Company's equity incentive plan, employee stock ownership plan and other incentives to the employees and the influences

Applicable Not applicable

11. Significant related transactions

Applicable Not applicable

1) The related transactions associated with routine operations**(1) Events not disclosed by provisional announcements**

Applicable Not applicable

Unit: RMB

Related transaction party	Related relation	Type of related transaction	Content of related transaction	Pricing principle for related transaction	Amount of related transaction	Ratio in total amount of the transactions of same type (%)
Shanghai Huayi Energy Chemical Co., Ltd.	Controlled subsidiary of parent company	Purchase goods	Material purchase	Settled through negotiated price	129.84	0.02
Shanghai Huayi Tianyuan Chemical Logistics Co., Ltd.	Controlled subsidiary of parent company	Purchase goods	Material purchase	Settled through negotiated price	83.47	0.01
Shanghai Chlor-Alkali Creation Co., Ltd.	Wholly-owned subsidiary of parent company	Purchase goods	Material purchase	Settled through negotiated price	762.01	0.13
Shanghai Huayi Group Equipment Engineering Co., Ltd.	Wholly-owned subsidiary of parent company	Purchase goods	Material purchase	Settled through negotiated price	48.03	0.01
Shanghai Chemical Supply and Marketing Co., Ltd.	Wholly-owned subsidiary of parent company	Purchase goods	Material purchase	Settled through negotiated price	20.93	0.00
Shanghai Huayi New Energy Chemical Sales Co., Ltd.	Wholly-owned subsidiary of parent company	Purchase goods	Material purchase	Settled through negotiated price	436.53	0.08

Shanghai Huayi Information Technology Co., Ltd.	Controlled subsidiary of parent company	Purchase goods	Material purchase	Settled through negotiated price	20.59	0.00
Shanghai Huayi Group Huayuan Chemical Co., Ltd.	Wholly-owned subsidiary of parent company	Purchase goods	Material purchase	Settled through negotiated price	11.69	0.00
Shanghai White Elephant & Swan Battery Co., Ltd.	Controlled subsidiary of parent company	Purchase goods	Material purchase	Settled through negotiated price	0.12	0.00
Huayi Group (Hong Kong) Co., Ltd.	Wholly-owned subsidiary of parent company	Purchase goods	Material purchase	Settled through negotiated price	18,115.59	3.20
Shanghai Chemical Industry Inspection & Detection Co., Ltd.	Wholly-owned subsidiary of parent company	Receive service	Receive service	Settled through negotiated price	252.87	0.04
Shanghai Huayi Tianyuan Chemical Logistics Co., Ltd.	Controlled subsidiary of parent company	Receive service	Receive service	Settled through negotiated price	2,413.34	0.43
Shanghai New Tianyuan Chemical Transport Co., Ltd.	Controlled subsidiary of parent company	Receive service	Receive service	Settled through negotiated price	461.95	0.08
Shanghai Chlor-Alkali Creation Co., Ltd.	Wholly-owned subsidiary of parent company	Receive service	Receive service	Settled through negotiated price	2,244.83	0.40
Shanghai Huayi Engineering Co., Ltd.	Wholly-owned subsidiary of parent company	Receive service	Receive service	Settled through negotiated price	3,246.63	0.57
Shanghai Huayi Information Technology Co., Ltd.	Controlled subsidiary of parent company	Receive service	Receive service	Settled through negotiated price	145.42	0.03
Shanghai Pacific Chemica Equipment Engineering Co., Ltd.	Controlled subsidiary of parent company	Receive service	Receive service	Settled through negotiated price	22.22	0.00
Shanghai Huayi Energy Chemical Co., Ltd.	Controlled subsidiary of parent company	Sell goods	Product sale	Settled through negotiated price	347.33	0.07
Shanghai Huayi Group Huayuan Chemical Co., Ltd.	Wholly-owned subsidiary of parent company	Sell goods	Product sale	Settled through negotiated price	2.08	0.00
Shanghai 3F New Materials Co., Ltd.	Controlled subsidiary of parent company	Sell goods	Product sale	Settled through negotiated price	36.23	0.00
Shanghai Huayi Tianyuan Chemical Logistics Co., Ltd.	Controlled subsidiary of parent company	Sell goods	Product sale	Settled through negotiated price	4.9	0.00
Shanghai Chlor-Alkali Creation Co., Ltd.	Wholly-owned subsidiary of parent company	Sell goods	Product sale	Settled through negotiated price	53.73	0.01
Shanghai Tianyuan Group Shengde Plastics Co., Ltd.	Wholly-owned subsidiary of parent company	Sell goods	Product sale	Settled through negotiated price	441.67	0.08
Shanghai Resin Plant Co., Ltd.	Wholly-owned subsidiary of parent company	Sell goods	Product sale	Settled through negotiated price	25.98	0.00
Shanghai Huayi Acrylic Acid Co., Ltd.	Controlled subsidiary of parent company	Sell goods	Product sale	Settled through negotiated price	344.87	0.06
Shanghai Chemical Supply and Marketing Co., Ltd.	Wholly-owned subsidiary of parent company	Sell goods	Product sale	Settled through negotiated price	162.74	0.03
Shanghai Sanaisi Reagent Co., Ltd.	Wholly-owned subsidiary of	Sell goods	Product sale	Settled through	0.99	0.00

	parent company			negotiated price		
Huayi Group (Hong Kong) Co., Ltd.	Wholly-owned subsidiary of parent company	Sell goods	Product sale	Settled through negotiated price	1,190.30	0.22
Shanghai Yiping Pigment Co., Ltd.	Controlled subsidiary of parent company	Sell goods	Product sale	Settled through negotiated price	34.92	0.01
Yixing Huayi Colouring Science and Technology Co., Ltd.	Controlled subsidiary of parent company	Sell goods	Product sale	Settled through negotiated price	384.42	0.07
Shanghai Huayi Tianyuan Chemical Logistics Co., Ltd.	Controlled subsidiary of parent company	Sell goods	Provide service	Settled through negotiated price	584.35	0.11
Shanghai Huayi Engineering Co., Ltd.	Wholly-owned subsidiary of parent company	Provide service	Provide service	Settled through negotiated price	729.51	0.14
Shanghai Huayi Polymer Co., Ltd.	Wholly-owned subsidiary of parent company	Provide service	Provide service	Settled through negotiated price	194.20	0.04
Shanghai Huayi Information Technology Co., Ltd.	Controlled subsidiary of parent company	Provide service	Provide service	Settled through negotiated price	118.13	0.02
Double Coin Holdings, Ltd.	Controlled subsidiary of parent company	Provide service	Provide service	Settled through negotiated price	3.25	0.00
Shanghai Huntsman Polyurethane Co., Ltd.	Affiliated company	Provide service	Provide service	Settled through negotiated price	13.38	0.00
Total				/	33,089.04	5.86
Particulars of big sale return						
Note on related transactions						
					The transactions between the Company and the related parties is needed by the Company's routine operating activities for purchase of raw material and sale of products of the regular business activities, as well as the expenditures for payment of service and custody business produced from stripping the non recurring assets and non core business. These are necessary supplements for professional cooperations and mutual exchange of merits between the Company and the controlled shareholder and between partial subordinate enterprises, and such related transactions shall be continued in future.	

2) Related transactions from acquisition and sale of assets or equity

(1) Events disclosed already in the provisional announcement and having subsequent progress or change

On October 19, 2015 the Company convened the 25th meeting of 8th Board of Directors, examined and passed the Motion on the Related Transaction for Transfer of 90% Equity Interests of Shanghai Dakai Plastics Co., Ltd. The Company should transfer the 90% equity interest of Dakai Company held to Shanghai

Huayi Group Enterprise Development Co., Ltd. with the evaluated price of RMB 108,114,217.90. On Dec. 14, 2015 it completed the alteration of industrial & commercial registration. It examined and passed the Motion on the Related Transaction for Transfer of 44% Equity Interest of Shanghai Tiantan Auxiliaries Co., Ltd. The Company should transfer the 44% equity interest of Tiantan Company to Shanghai Huayi Group Enterprise Development Co., Ltd. with the evaluated price of RMB 117,295,649.81. On Dec. 21, 2015 it completed the alteration of industrial & commercial registration.

On October 28, 2015 the Company convened the 26th meeting of 8th Board of Directors, which examined and passed the Motion on the Related Transaction for Transfer of the Building Assets in the Idle Land of Wujing area, transferring such assets to Shanghai Huayi Holdings Company. On November 24, 2015 it completed the signing of the transfer of the buildings.

(2) Events not disclosed by provisional announcements

Applicable Not applicable

3) Significant related transactions of common investment

(1) Events not disclosed by provisional announcements

Applicable Not applicable

4) Related creditor's rights and debts

(1) Events not disclosed by provisional announcements

Applicable Not applicable

Unit: RMB'

Related party	Related relation	Provide fund to the related party			The related party provided fund to the listed Company		
		Beginning balance	Amount	Closing balance	Beginning balance	Amount	Closing balance
Shanghai Huayi Tianyuan Chemical Logistics Co., Ltd.	Controlled subsidiary of parent company	42.36	-8.79	33.57	111.89	-105.54	6.35
Shanghai Chlor-Alkali Creation Co., Ltd.	Wholly-owned subsidiary of parent company	17.37	-11.34	6.03	85.16	-33.51	51.65
Shanghai Resin Plant Co., Ltd.	Wholly-owned subsidiary of parent company	6.87	-2.87	4.00			
Shanghai Tianyuan Group Shengde Plastics Co., Ltd.	Wholly-owned subsidiary of parent company	2,200.33	-100.82	2,099.51			
Shanghai Dye Chemical Plant	Controlled subsidiary of parent company	37.62	-0.46	37.16			
Shanghai Huayi Engineering Co., Ltd.	Wholly-owned subsidiary of parent company	2,954.20	-2,925.69	28.51	16.52	-5.10	11.42
Shanghai Huayi Acrylic Acid Co., Ltd.	Controlled subsidiary of parent company	54.53	34.31	88.84			
Shanghai Huayi Fine Chemical Co. Ltd. (formerly Shanghai Paint Co., Ltd.)	Wholly-owned subsidiary of parent company	0.47	0.00	0.47			

Shanghai Soap Making Co., Ltd.	Controlled subsidiary of parent company	33.35	0.00	33.35	0.54	0.00	0.54
Shanghai Huayi Energy Chemical Co., Ltd.	Controlled subsidiary of parent company	241.56	-97.38	144.18			
Shanghai 3F New Materials Co., Ltd.	Controlled subsidiary of parent company	34.84	-12.96	21.88			
Shanghai Huayi Polymer Co., Ltd.	Wholly-owned subsidiary of parent company	76.43	31.09	107.52			
Shanghai Peony Printing Ink Co., Ltd.	Controlled subsidiary of parent company	1.86	-1.86	0.00	0.14	0.00	0.14
Shanghai Yiping Pigment Co., Ltd.	Controlled subsidiary of parent company	0.00	6.75	6.75			
Yixing Huayi Coloration Science and Technology Co., Ltd.	Controlled subsidiary of parent company	0.00	303.40	303.40			
Shanghai Huayi Information Technology Co., Ltd.	Controlled subsidiary of parent company	0.00	65.93	65.93	9.91	-1.20	8.71
Shanghai Tiantan Auxiliaries Co., Ltd.	Controlled subsidiary of parent company	0.00	0.81	0.81			
Shanghai Huayi New Energy Chemical Sales Co., Ltd.	Wholly-owned subsidiary of parent company	0.09	-0.09	0.00			
Shanghai Chlor-alkali Creation Co., Ltd. Fluorine Ware Branch	Wholly-owned subsidiary of parent company	0.00	1.05	1.05			
Shanghai New Tianyuan Chemical Transport Co., Ltd.	Controlled subsidiary of parent company				25.37	-14.29	11.08
Shanghai Chemical Industry Inspection & Detection Co., Ltd.	Wholly-owned subsidiary of parent company				7.84	-6.43	1.41
Shanghai White Elephant & Swan Battery Co., Ltd.	Controlled subsidiary of parent company				0.06	-0.06	0.00
Shanghai Chemical Supply and Marketing Co., Ltd.	Wholly-owned subsidiary of parent company				25.12	-14.76	10.36
Shanghai Huayi Group Equipment Engineering Co., Ltd.	Wholly-owned subsidiary of parent company				0.00	12.20	12.20
Huayi Group (Hong Kong) Co., Ltd.	Wholly-owned subsidiary of parent company				0.00	3,730.85	3,730.85
Shanghai Huayi (Group) Company	Controlling shareholder				157,666.24	-57,980.50	99,685.74
Shanghai Shenyu Medicine Chemical Co., Ltd.	Controlled subsidiary of parent company				0.02	0.00	0.02
Shanghai Huifeng Resin Plant	Wholly-owned subsidiary of parent company				5.14	0.00	5.14
Shanghai Huayi Group Huayuan Chemical Co., Ltd.	Controlled subsidiary of parent company				2.61	-2.44	0.17

Shanghai Sanaisi Reagent Co., Ltd.	Controlled subsidiary of parent company				0.08	0.00	0.08
Shanghai Dye Chemical Sales Co., Ltd.	Controlled subsidiary of parent company				0.03	-0.03	0.00
Shanghai Huayi Group Finance Co., Ltd.	Affiliated company				51.02	-43.98	7.04
Total		5,701.88	-2,718.92	2,982.96	158,007.69	-54,464.79	103,542.90
Cause for the related creditor's rights and debts		Caused by purchase and sale in regular production and operation					
Influence of the related creditor's rights and debts on the Company		Makes no influence on the Company's operating results and financial status					

12. Important contracts and the implementation

1) Custody, contracting and leasing

√Applicable □Not applicable

(1) Custody

□Applicable √Not applicable

(2) Contracting

□Applicable √Not applicable

(3) Leasing

√Applicable □Not applicable

Unit: RMB'0000

Name of lessor	Name of leasing party	Leased assets	Amount of leased assets	Start date of leasing	End date of leasing	Income on leasing	Basis for setting leasing income	Related transaction or not	Related relation
Shanghai Chlor-Alkali Chemical Co., Ltd.	Shanghai Huayi Tianyuan Chemical Logistics Co., Ltd.	Fixed assets	4,537.31	2015-1-1	2015-12-31	1,066.24	Settled through negotiated price	Yes	Controlled subsidiary of parent company
Shanghai Chlor-Alkali Chemical Co., Ltd.	Shanghai Tianyuan Group Shengde Plastics Co., Ltd.	Fixed assets	689.38	01-01-2015	12-31-2015	690.00	Settled through negotiated price	Yes	Wholly-owned subsidiary of parent company

2) Guarantee

Applicable Not applicable

3) Management on cash assets made through committing others

(1) Financing through commitment

Applicable Not applicable

(2) Loan through commitment

Applicable Not applicable

(3) Other financing investment and derivative investment

Applicable Not applicable

4) Other important contracts

None

13. Note on other major events

Applicable Not applicable

14. Fulfillment of social responsibility

1) Work on social responsibility

For details, see 2015 Social Responsibility Report of Shanghai Chlor-Alkali Chemical Co., Ltd. announced in the website of Shanghai Stock Exchange: www.sse.com.cn on March 29, 2016.

15. Convertible bond of the Company

Applicable Not applicable

6. Changes of Ordinary Shares and Particulars of Shareholders

1. Changes of ordinary shares

1) Changes of ordinary shares

(1) Changes of ordinary shares

In the report period, the total number and share structure of the ordinary share were not changed.

(2) Other content deemed necessary by the Company to be disclosed or required by the securities regulatory institution to be disclosed

2) Changes of the shares limited to be sold

Applicable Not applicable

2. Issuing and listing of securities

1) Securities issuing in the report period

Note on the securities issuing in the report period (for bonds with different interest rates, state respectively):
There was no such instance during the report period.

2) Changes of the total number of the ordinary shares and structure of the shareholders and changes of the structure of the Company's assets and liabilities

During the report period, the Company did not have any change in the total number and structure of the shares caused by bonus shares and rationed shares.

3) Existing internal staff shares

The Company does not have any staff shares.

3. Particulars of the shareholders and the actual controller

1) Total number of shareholders

Total number of ordinary shareholders as of end of the report period	80,974
Total number of ordinary shareholders at end of the previous month before the disclosing date of the annual report	82,540

2) Top 10 shareholders, top 10 holders of tradable shares (or shares with no limited sales condition)

Unit: Share

Top 10 shareholders							
Name of shareholder (in full)	Increase or decrease in the report period	Shares held at end of the report period	Ratio (%)	Shares with limited sales condition	Pledged or frozen status		Nature of shareholder
					Share status	Number	
Shanghai Huayi (Group) Company	0	581,592,347	50.29	0	None	0	State owned legal person
SCBHK A/C BBH S/A VANGUARD EMERGING MARKETS STOCK INDEX FUND	-789,500	7,859,532	0.68	0	None	0	Overseas legal person
Central Huijin Asset Management Limited Liability Company	7,438,100	7,438,100	0.64	0	None	0	State owned legal person
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	1,717,000	4,252,800	0.37	0	None	0	Overseas legal person
Jin Zhangxian	4,080,000	4,080,000	0.35	0	None	0	Domestic natural person
Miao Guoqing	3,730,000	3,730,000	0.32	0	None	0	Domestic natural person
Fang Jianwei	1,683,511	3,402,987	0.29	0	None	0	Domestic natural person
Industrial and Commercial Bank of China Co., Ltd.-Huaxia Leading Share Type Securities Investment Fund	2,622,057	2,622,057	0.23	0	None	0	Domestic non state owned legal person
Bank of China Wuxi Branch	0	2,605,981	0.23	0	None	0	State owned legal person
China Construction Bank Corp. - Huaxia Advantage Growth Hybrid Securities Investment Fund	2,037,900	2,037,900	0.18	0	None	0	Domestic non state owned legal person

Top 10 holders with no limited sales condition			
Name of shareholder	Number of shares with no limited sales condition	Type and number of shares	
		Type	Number
Shanghai Huayi (Group) Company	581,592,347	Renminbi ordinary share	581,592,347
SCBHK A/C BBH S/A VANGUARD EMERGING MARKETS STOCK INDEX FUND	7,859,532	Domestic listed foreign capital share	7,859,532
Central Huijin Asset Management Limited Liability Company	7,438,100	Renminbi ordinary share	7,438,100
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	4,252,800	Domestic listed foreign capital share	4,252,800
Jin Zhangxian	4,080,000	Domestic listed foreign capital share	4,080,000
Miao Guoqing	3,730,000	Domestic listed foreign capital share	3,730,000
Fang Jianwei	3,402,987	Domestic listed foreign capital share	3,402,987
Industrial and Commercial Bank of China Co., Ltd.-Huaxia Leading Share Type Securities Investment Fund	2,622,057	Renminbi ordinary share	2,622,057
Bank of China Wuxi Branch	2,605,981	Renminbi ordinary share	2,605,981
China Construction Bank Corp. - Huaxia Advantage Growth Hybrid Securities Investment Fund	2,037,900	Renminbi ordinary share	2,037,900
Note on the related relation or concerted actions for above shareholders	The Company's shares have all been tradable since November 12, 2009, so it has no any holder of shares with no limited sales condition. It is unknown to the Company whether there is related relation or the concerted actor specified in the Management Method on Information Disclosure for Shareholding Change of the Shareholders of Listed Companies		

4. Particulars of the controlling shareholder and the actual controller

1) Particulars of the controlling shareholder

(1) Legal person

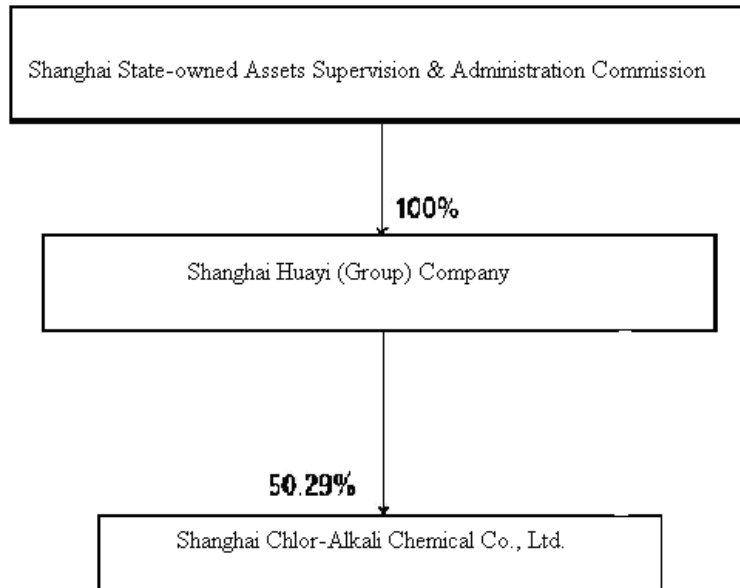
Name	Shanghai Huayi (Group) Company
Unit principal or legal representative	Liu Xunfeng
Establishment date	January 23, 1997

Main business	Operation and management of state-owned assets within authorized range, investment on industry, manufacture and sale for chemical and medical products and equipment, installation, maintenance and contracted service for projects of chemical and medical equipment.
Shares held in other domestic or overseas listed companies during the report period	During the report period Shanghai Huayi (Group) Company held 72.15% equity interest of Double Coin Holdings Limited and 31.53% equity interest of Shanghai 3F New Material Co., Ltd..

2) Particulars of the actual controller

(1) Legal person

Name	State-owned Assets Supervision and Administration Commission of Shanghai Municipal Government
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5. Note on the limitation of shares for reduction

□Applicable√Not applicable

7. Particulars of the Directors, Supervisors, Senior Executives and Staff Members**1. Changes in shareholding and particulars of rewards****1) Particulars of Directors, Supervisors and senior executives (including the ones leaving post during the report period)**

√Applicable □Not applicable

Unit: Share

Name	Position (note)	Gender	Age	Start date of office term	End date of office term	Shares held at year-beginning	Shares held at year-end	Increase or decrease	Reason of change	Reward got from the Company during the report period (RMB'0000)(before tax)	Get reward from the Company's related party or not
Huang Dailie	Chairman of the Board	Male	57	12-30-2014	12-20-2015	0	1,000	1,000	Bought from secondary market	0	No
Hu Yongkang	Director, Party secretary and deputy general manager	Male	60	12-20-2012	12-20-2015	0	3,000	3,000	Bought from secondary market	82.71	No
Zhang Weiming	Director, general manager	Male	48	08-30-2015	12-20-2015	0	10,000	10,000	Bought from secondary market	13.04	No
Wang Zengjin	Director	Male	49	12-20-2012	12-20-2015	0	1,000	1,000		0	No
Yu Zhaojun	Employee representative Director	Male	57	12-20-2012	12-20-2015	0	2,000	2,000	Bought from secondary market	62.55	No

Li Zengquan	Independent Director	Male	41	12-20-2012	12-20-2015	0	0	0		10	No
Zhang Guoming	Independent Director	Male	53	12-30-2014	12-20-2015	0	0	0		10	No
Shao Zhengzhong	Independent Director	Male	51	12-30-2014	12-20-2015	0	0	0		10	No
Zhang Wenlei	Outside Director	Male	45	12-20-2012	12-20-2015	0	1,000	1,000	Bought from secondary market	10	No
Chen Yao	Chairman of Supervisory Committee	Male	52	09-17-2013	12-20-2015	0	0	0		0	No
Yu Bing	Supervisor	Male	41	12-20-2012	12-20-2015	0	1,000	1000	Bought from secondary market	0	No
Dong Yan	Supervisor	Female	42	12-20-2012	12-20-2015	0	1,000	1000	Bought from secondary market	48.34	No
Wang Mingchun	Employee representative Supervisor	Female	54	12-20-2012	12-20-2015	0	10,000	10000	Bought from secondary market	38.35	No
Wang Linzhao	Employee representative Supervisor	Male	53	12-20-2012	12-20-2015	0	1,000	1000	Bought from secondary market	70.51	No
Chao Jinrong	CFO	Male	40	12-20-2012	12-20-2015	0	1,000	1000	Bought from secondary market	56.65	No
Yuan Maoquan	Deputy general manager	Male	47	12-20-2012	12-20-2015	0	1,000	1,000	Bought from secondary	65.85	No

									market		
Xu Peiwen	Secretary of the Board of Directors	Male	59	12-20-2012	12-20-2015	0	7,000	7,000	Bought from secondary market	57.67	No
Wang Hao	Deputy general manager	Male	48	11-07-2014	12-20-2015	12,500	22,500	10,000	Bought from secondary market	24.16	No
Total	/	/	/	/	/	12,500	62,500	50,000	/	559.83	/

Name	Main work experience
Huang Dailie	He used to be the Deputy Party secretary, executive Director and general manager of Shanghai Huayi Group Enterprise Development Co., Ltd. and manager of Enterprise Adjustment Department of Huayi Group. Now he is deputy secretary of CPC Committee of Shanghai Huayi (Group) Company, chairman of trade union, employee Director and Chairman of the Board of Shanghai Chlor-Alkali Chemical Co., Ltd.
Hu Yongkang	He used to be general manager, Party secretary and Chairman of the Board of Shanghai Wujin Chemical Co., Ltd. and Party secretary and deputy general manager of Shanghai Chlor-Alkali Chemical Co., Ltd. Now he is the Director of Shanghai Chlor-Alkali Chemical Co., Ltd.
Zhang Weiming	He used to be the assistant of general manager and deputy general manager of Shanghai Huayi Acrylic Acid Co., Ltd., deputy general manager of economic operating department of Shanghai Huayi (Group) Company and general manager of safety & environmental protection department and chief of armed security department of Shanghai Huayi (Group) Company. Now he is the Director and general manager of Shanghai Chlor-Alkali Chemical Co., Ltd.
Wang Zengjin	He used to be the chief economist and assets controller of assets financial department, head of management department and deputy general manager of Tyre & Rubber Group Co., Ltd., routine vice director and director of Tyre Research Institute of Tyre & Rubber Group Co., Ltd., deputy general manager of Double Coin Holdings Limited and general manager of assets management department of Shanghai Huayi (Group) Company. Now he is the general manager of assets management department, member of CPC committee and deputy secretary of Shanghai Huayi (Group) Company and Director of Shanghai Chlor-Alkali Chemical Co., Ltd.
Yu Zhaojun	He used to be Party secretary of PVC factory of Shanghai Chlor-Alkali Chemical Co., Ltd. Now he is the employee representative director, Deputy Party secretary, secretary of Party discipline committee and chairman of trade union of Shanghai Chlor-Alkali Chemical Co., Ltd.
Li Zengquan	He used to be the professor and master's tutor in Accounting Institute of Shanghai University of Finance and Economics, senior researcher and senior visiting scholar of Accounting Department of City University of Hong Kong, Independent Director of Bus Share, Independent Director of Haibo Share and financial consultation expert of Xuhui District State-owned Assets Supervision and Administration Commission, and has got the title of Twilight Scholar. Now he is the vice dean of Accounting Institute of Shanghai University of Finance and Economics, proofreader of Economic Research and many other authoritative periodicals, member of editorial board of China Journal of Accounting Research, Independent Director of Oriental Fortune, Independent Director of East China Computer, Independent Director of Shenneng Share and Independent Director of Shanghai Chlor-Alkali Chemical Co., Ltd.

Zhang Guoming	He used to be the deputy general manager of Shanghai Lianfa Property Management Development Company, executive director of Hong Kong Tianhe Asset Management Company, Independent Director of Shanghai Qiangsheng Holdings Co., Ltd and Chairman of the Board of Shanghai Jiaxiang Investment Co., Ltd. Now he is Chairman of the Board of Shanghai Nowei Investment Management Co., Ltd., Chairman of the Board of Shanghai Dingli Refreshing Technology Co., Ltd., Independent Director of Dongfeng Electronic Science and Technology Co., Ltd., Independent Director of Shanghai Xinpeng Industrial Co., Ltd. and Independent Director of Shanghai Chlor-Alkali Chemical Co., Ltd.
Shao Zhengzhong	He used to be the lecturer of material science department of Fudan University, the lecturer, associate professor, subdean and professor of polymer science department of Fudan University and associate professor of biology research institute of Aarhus University in Denmark. Now he is the doctoral tutor in polymer science department of Fudan University. He is also the councilor of Shanghai Municipal Chemistry & Chemical Engineering Association, subeditor of Journal of Materials Chemistry-B of Britain Royal Society of Chemistry (RSC) and member of multiple academic committees and the Independent Director of Shanghai Chlor-Alkali Chemical Co., Ltd.
Zhang Wenlei	He used to be deputy chief of technical operation department, chief of general department and deputy secretary general of China Chlor-Alkali Industry Association. Now he is vice chairman and secretary general of China Chlor-Alkali Industry Association, routine councilor of China Petrochemical Industry Association, vice chairman of China Chemical Environment Protection Association, Independent Director of Binhua Co., Ltd., Independent Director of Tangshan Sanyou Chemical Group Co., Ltd. and outside Director of Shanghai Chlor-Alkali Chemical Co., Ltd.
Chen Yao	He used to be the manager of foreign cooperation department of Shanghai Huayi (Group) Company, Party secretary, deputy general manager of Double Coin Holdings Limited and secretary of discipline committee of Shanghai Huayi (Group) Company. Now he is the member of CPC committee of Shanghai Huayi (Group) Company and deputy general manager of Shanghai Huayi (Group) Co., Ltd. and Chairman of the Supervisory Committee of Shanghai Chlor-Alkali Chemical Co., Ltd.
Yu Bin	He used to be the deputy general manager, CFO, manager of finance department of Huayi Group Enterprise Development Co., Ltd., and deputy general manager of financial department of Shanghai Huayi (Group) Company and general manager of Shanghai Minhang Huayi Petty Loan Co., Ltd. Now he is the deputy general manager of Shanghai Huayi Group Finance Co., Ltd. and Supervisor of Shanghai Chlor-Alkali Chemical Co., Ltd.
Dong Yan	She used to be the member of cadre section and allotment section of human resource department and chief of personnel wage section of Shanghai Tianyuan (Group) Co., Ltd. and Shanghai Chlor-Alkali Chemical Co., Ltd., and the assistant manager and manager of human resource department of Shanghai Chlor-Alkali Chemical Co., Ltd. Now she is the Supervisor and deputy chief economic engineer of Shanghai Chlor-Alkali Chemical Co., Ltd.
Wang Mingchun	He used to be deputy Party secretary, secretary of Party disciplinary committee and chairman of trade union of PVC factory of Shanghai Chlor-Alkali Chemical Co., Ltd., vice chairman of trade union of Shanghai Chlor-Alkali Chemical Co., Ltd. and secretary of CPC committee of PVC factory. Now he is the employee representative Supervisor of Shanghai Chlor-Alkali Chemical Co., Ltd.
Wang Linzhao	He used to be the manager of production control department of Shanghai Chlor-Alkali Chemical Co., Ltd., deputy general manager of Shanghai Tianyuan Huasheng Chemical Co., Ltd., secretary of CPC general branch and factory director of Huasheng Chemical Plant. and production controller of Shanghai Chlor-Alkali Chemical Co., Ltd. Now he is the employee representative Supervisor and assistant of general manager of Shanghai Chlor-Alkali Chemical Co., Ltd.
Cao Jinrong	He used to be the deputy manager of assets department of Shanghai Huayi (Group) Company and deputy general manager of Shanghai Huayi Group Investment Co., Ltd. Now he is CFO of Shanghai Chlor-Alkali Chemical Co., Ltd.
Yuan Maoquan	He used to be the assistant chief and routine deputy chief of technical center of Shanghai Chlor-Alkali Chemical Company and deputy chief engineer of Shanghai Chlor-Alkali Chemical Co., Ltd. Now he is the deputy general manager of Shanghai Chlor-Alkali Chemical Co., Ltd.

Xu Peiwen	He used to be the Board Secretary of Shanghai Tianyuan (Group) Co., Ltd., and since 2000 he has been the Board Secretary and chief of the Board Secretary's office of Shanghai Chlor-Alkali Chemical Co., Ltd.
Chen Jiang	He used to be the manager of technical development department of Shanghai Chlor-Alkali Chemical Co., Ltd. and assistant general manager and deputy general manager of Shanghai Chlor-Alkali Chemical Co., Ltd. He left the post in the Company in August 2015.

2) Equity incentive awarded to the Director, Supervisor and senior executives during the report period

Applicable Not applicable

2. Particulars of Directors, Supervisors and senior executives (including the ones leaving post during the report period)

1) Position in shareholder's unit

Applicable Not applicable

Name	Name of shareholder's unit	Position in shareholder's unit	Start date of office term
Huang Dailie	Shanghai Huayi (Group) Company	Deputy secretary of CPC Committee, chairman of trade union and employee Director	12-02-0215
Chen Yao	Shanghai Huayi (Group) Company	Vice president	12-02-0215

2) Position in other unit

Applicable Not applicable

Name	Name of other unit	Position in other unit	Start date of office term
Zhang Weiming	Shanghai Huntsman Polyurethane Co., Ltd.	Director, Vice Chairman of the Board of Directors	08-20-2015
Zhang Weiming	Shanghai Huayi Group Financial Responsibility Co., Ltd.	Director	08-20-2015
Li Zengquan	East Money Information Co., Ltd.	Independent Director	01-22-2014
Li Zengquan	Shanghai East China Computer Co., Ltd.	Independent Director	04-19-2014
Li Zengquan	Shenneng Co., Ltd.	Independent Director	05-20-2014
Zhang Wenlei	Binhua Group Co., Ltd.	Independent Director	05-09-2014
Zhang Wenlei	Tangshan Sanyou Chemical Industries Co., Ltd.	Independent Director	09-15-2014
Wang Linzhao	Shanghai Jinyuan Tap Water Co., Ltd.	Director	07-01-2014
Wang Linzhao	Shanghai Lianheng Isocyanic Acid Grease Co., Ltd.	Director	01-10-2016
Cao Jinrong	Shanghai Ruisheng Enterprise Co. Ltd.	Executive Director	03-01-2012

3. Rewards of the Directors, Supervisors and senior executives

Decision-making process for the rewards of the Directors, Supervisors and senior executives	The rewards of the Directors, Supervisors and senior executives shall be decided by the Company's salary & examination committee.
Basis for deciding the rewards of the Directors, Supervisors and senior executives	Issued according to the "Examination Measures for the Reward of the Directors, Supervisors and senior executives".
Actual issuing of the rewards of the Directors, Supervisors and senior executives	The Board of Directors decided the reward standard for the Directors, Supervisors and Senior Executives getting salary from the Company this year and paid the rewards monthly in accordance with the Company's unified salary management system and the annual performance review by the salary & checking committee of the Board of Directors. The standard for allowance to Independent Directors was examined and passed by the shareholders' meeting.
Total reward got actually by all the Directors, Supervisors and Senior Executives at end of the report period	RMB 5,598,300

4. Changes of the Directors, Supervisors and senior executives

Name	Position	Change	Reason of change
Zhang Weimin	Director, general manager	Engaged	On August 14, 2015 he was engaged as the general manager by the 23rd meeting of 8 Board of Directors. On August 31, 2015, he was elected as the Director by the Company's first provisional shareholders' meeting of 2015.
Chen Jiang	Deputy general manager	Leaved post	In August 2015 he submitted the resignation for personal reason.

5. Punishment by the securities regulatory authorities in recent 3 years

Applicable Not applicable

6. Employees of the parent company and main subsidiaries

1) Particulars of employees

Number of in-service employees of the parent company	1,117
Number of in-service employees of main subsidiaries	223
Total number of in-service employees	1,340
Number of retired employees borne by the parent company and main subsidiaries	4188
Profession structure	
Type of profession	Number of people
Production personnel	732
Sales people	46
Technical personnel	114
Finance personnel	19
Administrative personnel	206
Total	1,117
Educational status	
Type of educational status	Number of people
Bachelor or higher	283
Junior college	348
Senior high school (technical secondary school)	418
Lower than senior high school	68
Total	1,117

2) Salary policy

The Company implements the "Position Level Salary Measures of Shanghai Chlor-Alkali Chemical Co., Ltd."

3) Training plan

In 2015 the Company made employee training for 5598 mentimes. The training includes 4418 mentimes for front-line employees, accounting for 78.92% in total training. The main training content: post operation training, all special work training (including the training for obtaining certificate of post), QHSE training, post change training, skill grade training (including the training for certificate), HSE training, team building training and the training for enhancing the management skill of first-line manager. The training includes 1180 mentimes for non front-line employees, accounting for 21.08% in total training. Main training content: Professional skill training for engineers, special topic lecture for specialized technical personnel, management and strategy course training, title and further education training, QHS training, HSE training and other post ability training.

8. Company Governance

1. Introduction for the Company's governance

The Company kept on improving the Company's corporate governance structure, regulating its operation and strengthening its internal management strictly in accordance with the provisions and requirements of the Company Law, Securities Law and the Management Principle of the Listed Companies and the files for company's governance issued by China Securities Regulatory Committee and Shanghai Stock Exchange.

1) About the shareholders and the shareholders' meeting

The Company convened the shareholders' meeting strictly according to relevant provisions and procedures in the Articles of Association and the Rules of Procedure of the Shareholders' Meeting. It can ensure the equal position and lawful rights and interests of all the shareholders, especially the middle and small shareholders, let them enjoy and exercise fully their rights. All of the Company's related transactions have been made strictly according to the principle of fair and equitable, the

pricing principle are disclosed to the public, and the related Director and related shareholders avoided the voting.

2) The controlling shareholder and the listed Company

The controlling shareholder exercises its right and bears the obligation according to law, not intervening directly or indirectly the Company's decision-making and operating activities without the authority of the shareholders' meeting. The Company and the controlling shareholder make Five Independence, i.e. assets, business, organization, finance and personnel. The Company's Board of Directors, Supervisory Committee and the internal institutions can all make operation independently to ensure the Company making and implementing the significant decisions independently.

3) The Directors and the Board of Directors

The Company elects the Directors strictly in accordance with the procedure specified in the Company Law and Articles of Association, the Board of Directors is of scientific composition, clear responsibilities and perfect systems. The Company establishes four special committees, i.e. strategy, audit, nomination and salary & checking, under the Board of Directors, and all these committees can work earnestly and diligently strictly in accordance with the Articles of Association and the Work Enforcement Regulations of the Special Committees under the Board of Directors. For the Company's significant decisions and investments all the Directors can well play their professional role, raise their professional opinions and proposals, provide great support to the Company's scientific policy-making, and perform their duties loyally, cautiously, earnestly and diligently.

4) Supervisors and the Supervisory Committee

The Company's Supervisory Committee elects the Supervisors strictly in accordance with the procedure specified in the Company Law and the Articles of Association, and the convening procedure conforms to the Rules of Procedure of the Supervisory Committee and has intact and true meeting record. The Company's Supervisors can perform earnestly their duties, make supervision independently on the Company's finance and operation status and the legitimacy and compliance of the Company's Directors, managers and other senior executives based on the manner of being responsible to all the shareholders, and safeguard the lawful rights and interests of the Company and the shareholders.

5) The performance appraisal and incentive and constraint mechanism

The Company has established and gradually improved the performance appraisal standard and incentive and constraint mechanism for the Directors, Supervisors and senior executives, and the engagement of the senior executives is open and transparent and meets the requirements of relevant laws and statutes.

6) Information disclosure and transparency

The Company has truly, accurately, completely and timely discloses relevant information strictly in accordance with the requirements of relevant laws and codes and its own Management System on the Information Disclosure Affairs and the internal report system on Significant Information, and ensure all the investors can obtain effective information equally. In the report period, the Company totally completed 4 periodic reports and 31 provisional announcements, making the investors can learn the status of the Company timely, fairly, accurately and completely.

7) Management on insider information

During the report period, the Company executed strictly the Management on Registration of the Persons in the Know of Insider Information, got down with the work on keeping secret of the insider information and required to fill in the record file of the person in the know of the insider information to safeguard the interest of the shareholders.

2. Briefing on the shareholders' meeting

The meeting	Convening date	Index on the website specified for carrying the resolutions	Date for disclosing the resolutions
2014 shareholders' meeting	06-26-2015	www.sse.com.cn	06-27-2015
2015 first provisional shareholders' meeting	08-31-2015	www.sse.com.cn	09-01-2015
2015 2nd provisional shareholders' meeting	11-16-2015	www.sse.com.cn	11-17-2015

3. Duty performance of the Directors

1) Particulars of the Directors for joining the Board meetings and shareholders meeting

Name of Director	Independent Director or not	Particulars of joining the Board meetings						Particulars of joining the shareholders' meeting
		Number of Board meetings in current year	Number of attendances in person	Number of attendances through communication	Number of attendances through commitment	Number of absences	Whether not attending in person the meeting consecutively for 2 times or not	Number of attendances in the shareholders' meeting
Huang Dailie	No	10	10	0	0	0	No	3
Hu Yongkang	No	10	10	0	0	0	No	3
Zhang Weiming	No	2	2	0	0	0	No	1
Wang Zengjin	No	10	10	0	0	0	No	2
Yu Zhaojun	No	10	10	0	0	0	No	3
Li Zengquan	Yes	10	10	0	0	0	No	1
Zhang Guoming	Yes	10	10	0	0	0	No	2
Shao Zhengzhong	Yes	10	10	0	0	0	No	3
Zhang Wenlei	No	10	10	0	0	0	No	2

Number of Board meetings convened in current year	10
Incl.: Number of on-site meetings	1
Number of meetings convened through communication	9
Number of meetings convened on-site and through communication	0

2) Objection of the Independent Directors on relevant events of the Company

Note on objection of the Independent Directors for relevant events of the Company

In the report period, the Independent Directors did not make any objection for relevant events.

4. Important opinions and proposals raised by the special committees under the Board of Directors while performing their duties in the report period, and if any objection exists, the details shall be disclosed

In 2015 the special committee of the Company's Board of Directors, based on the provisions of the Enforcement Regulations of Special Committees under the Board of Directors, performed their duties earnestly, conducted work actively, gave full play to their own special skills and played active role on the decision-making of the Board of Directors for significant events. The audit committee could perform its duty earnestly in the work for annual report and relevant work, raised construction suggestions on the Company's periodic report, internal control systems, asset disposal and related transactions, and supervised the Company to make healthful, stable and rapid development furthermore. The salary & checking committee convened meeting to check the salary of the senior executives in 2014, and raised the checking plan on the salary of the senior executives in 2015. The nomination committee convened the meeting to discuss and make proposal for change of the Company's Directors. The Company lay stress on exerting the knowledge of the special committees

under the Board of Directors in specialty and information to promote the decision-making of the Board of Directors more scientific and more effective.

5. Note of the Supervisory Committee on discovering the Company's risk

The Supervisory Committee did not have any objection on the supervision events in the report period.

6. Note of the Company on being unable to ensure independence and self operation capability in business, assets, organization and finance with the controlling shareholder

The Company did not have any event of being unable to ensure independence and self operation capability in business, assets, organization and finance with the controlling shareholder

7. Establishing and implementing of the check mechanism and incentive mechanism for the senior executives in the report period

The Company implements the Checking Method on the Salary of Senior Executives of the Company, and the salary & checking committee under the Board of Directors made the annual performance review, decided the reward standard for the Directors, Supervisors and Senior Executives getting salary from the Company and paid the rewards monthly.

8. Whether disclose the internal control self-assessment report or not

Applicable Not applicable

For details of the Internal Control Self-assessment Report of Shanghai Chlor-Alkali Chemical Co., Ltd., see relevant announcement in the website of Shanghai Stock Exchange www.sse.com.cn on March 29, 2016.

Note on significant deficiencies in the internal control during the report period

Applicable Not applicable

9. Note on relevant status of the auditor's report for internal control

For details of the Auditor's Report for Internal Control of Shanghai Chlor-Alkali Chemical Co., Ltd. in 2015, see relevant announcement in the website of Shanghai Stock Exchange www.sse.com.cn on March 29, 2016.

Whether disclose the auditor's report for internal control or not: yes

9. Particulars of Preference Shares

Applicable Not applicable

10. Particulars of the Company's Bonds

Applicable Not applicable

11. Financial Report

1. Auditor's report

Applicable Not applicable

Auditor's Report

XKSHBZ [2016] No. 111593

To all the shareholders of Shanghai Chlor-Alkali Chemical Co., Ltd.:

We have audited the attached financial statements of Shanghai Chlor-Alkali Chemical Co., Ltd., including the consolidated and the Company's balance sheets as of Dec. 31, 2015, the consolidated and the Company's income statements in 2015, the consolidated and the Company's cash flow statements, the consolidated and the Company's statements of changes in owner's equity and the notes on the financial statements.

1) The responsibility of the management

To prepare the financial statements and make fair presentation in it is the responsibility of the management of the Company. Such responsibility shall include: (1) to prepare the financial statements and make fair presentation in them in accordance with the provisions of the enterprise accounting standard; (2) to design, execute and maintain necessary internal control to prevent the financial statements from making significant misreport caused by fraud or error.

2) Responsibility of the certified public accountants

Our responsibility is to express audit opinion to the financial statements based on the execution of the audit work. We have made the audit work in accordance with the provisions in the audit standard of China certified public accountant. The audit standard of China certified public accountant requires us to observe the code of professional ethics of China certified public accountants, plan and execute the audit work and obtain the reasonable assurance for not making significant misreport in the financial statements.

The audit work involves the implementation of audit procedure to obtain the amount of financial statements and disclosed audit evidences. The selection of the audit procedure depends on the judgment of the certified public accountants, including the evaluation to the risk of significant misreport of the financial statements caused by the fraud or error. While making risk evaluation, the certified public accountant shall consider the internal control related to the preparing of the financial statements and the fair presentation to design proper audit procedure, but the purpose is not to express opinion for the effectiveness of the internal control. The audit work shall also include to evaluate the suitability of the accounting policy selected by the management and the reasonableness of the accounting estimate and to evaluate the general presentation of the financial statements.

We believe, the audit evidences we have obtained are adequate and proper and provide basis for express the audit opinion.

3) Audit opinion

We deem that, the financial statements of the Company have been prepared in accordance with the provisions of the enterprise accounting standard in all significant aspects, and have reflected the consolidated and the Company's financial status on Dec. 31, 2015 and the consolidated and the Company's operating results and cash flow in 2015.

BDO China Shu Lun Pan Certified Public Accountants LLP

China certified public accountant: Gu Xuefeng

China certified public accountant: Ling Min

Shanghai, China

March 25, 2016

2. Financial statements

Consolidated Balance Sheet

Dec. 31, 2015

Prepared by: Shanghai Chlor-Alkali Chemical Co., Ltd.

Unit: RMB

Item	Note	Closing balance	Beginning balance
Current assets:			
Monetary capital		240,425,945.13	402,636,250.64
Settlement provisions			
Capital lent			
Financial assets measured with fair value and having change attributed to profit or loss of current period			
Derivative financial assets			
Notes receivable		336,221,352.79	313,867,535.80
Accounts receivable		259,044,580.24	321,902,440.07
Advance payment		136,446,799.31	220,825,719.39
Premium receivable			
Reinsurance accounts receivable			
Receivable deposit for reinsurance contract			
Interest receivable			
Dividend receivable			
Other receivables		3,561,716.78	1,895,445.80
Redemptory financial assets for sale			
Inventories		384,885,265.71	497,804,243.07
Assets held for sale			
Non-current assets due in 1 year			
Other current assets			
Subtotal of current assets		1,360,585,659.96	1,758,931,634.77

Non-current assets:		
Loan and advances issued		
Salable financial assets	424,078,182.70	349,855,650.23
Held-to-maturity investments		
Long-term receivable		
Long-term equity investment	288,855,432.45	270,736,394.62
Investment real estate		
Fixed assets	2,132,521,000.23	2,727,746,278.61
Construction in progress	305,408,986.91	288,223,047.31
Engineering materials	1,381,336.82	1,173,259.66
Disposal of fixed assets		
Productive biological assets		
Oil gas assets		
Intangible assets	281,295,016.13	311,958,605.26
Development expenditure	30,247,277.15	25,794,289.58
Goodwill		
Long-term prepaid and deferred expenses	23,460,981.73	19,069,279.62
Deferred income tax assets	20,529.71	1,229,186.56
Other non-current assets		
Subtotal of non-current assets	3,487,268,743.83	3,995,785,991.45
Total of assets	4,847,854,403.79	5,754,717,626.22
Current liabilities:		
Short-term loan	620,000,000.00	868,531,399.29
Loan from central bank		
Absorbed deposit and interbank deposit		
Loan from other financial institutions		
Financial liabilities measured with fair value and having change attributed to profit or loss of current period		
Derivative financial liabilities		
Notes payable		
Accounts payable	376,955,805.82	395,974,896.16
Advance receipts	253,175,587.07	304,022,294.89
Financial assets sold for repurchase		
Handling charges and commission payable		
Wages payable	780,802.00	28,052,005.16
Tax payable	14,824,741.55	27,392,973.52
Interest payable	2,788,929.31	3,916,313.32
Dividends payable	2,724,553.75	2,724,553.75
Other payables	441,394,365.43	713,938,238.76
Reinsurance accounts payable		
Provision for insurance contract		
Receipt from vicariously traded securities		
Receipt from vicariously underwriting securities		
Liabilities held for sale		
Non-current liabilities due in 1 year		
Other current liabilities		
Subtotal of current liabilities	1,712,644,784.93	2,344,552,674.85
Non-current liabilities:		
Long-term loan		
Bonds payable		
Incl.: Preference share		
Perpetual debt		
Long-term payables	645,000,000.00	950,000,000.00

Long-term wages payable		190,880,000.00	184,380,000.00
Specific payables		11,050,000.00	11,050,000.00
Estimated liabilities			
Deferred income		6,650,100.00	6,198,450.00
Deferred income tax liability		11,653,477.05	2,274,880.65
Other non-current liabilities			
Subtotal of non-current liabilities		865,233,577.05	1,153,903,330.65
Total of liabilities		2,577,878,361.98	3,498,456,005.50
Owner's equity			
Share capital		1,156,399,976.00	1,156,399,976.00
Other equity instruments			
Incl.: Preference share			
Perpetual debt			
Capital reserves		1,674,270,987.60	1,683,394,015.86
Less: Treasury stock			
Other composite income		12,317,916.44	1,920,380.37
Specific reserves			
Surplus reserves		11,329,760.39	11,329,760.39
General risk reserve			
Undistributed profit		-592,773,594.89	-688,388,625.23
Subtotal of owner's equity attributable to parent company		2,261,545,045.54	2,164,655,507.39
Minority interest		8,430,996.27	91,606,113.33
Total of owner's equity		2,269,976,041.81	2,256,261,620.72
Total of liabilities and owner's equity		4,847,854,403.79	5,754,717,626.22

Legal representative: Mr. Huang Dailie Principle in charge of accounting: Zhang Weiming Head of accounting dept.: Lai Yonghua

Balance Sheet of Parent Company

Dec. 31, 2015

Prepared by: Shanghai Chlor-Alkali Chemical Co., Ltd.

Unit: RMB

Item	Note	Closing balance	Beginning balance
Current assets:			
Monetary capital		212,133,296.30	361,841,267.49
Financial assets measured with fair value and having change attributed to profit or loss of current period			
Derivative financial assets			
Notes receivable		334,581,352.79	283,210,505.19
Accounts receivable		253,571,576.96	263,729,293.70
Advance payment		137,481,599.22	215,176,188.42
Interest receivable			
Dividend receivable			
Other receivables		10,766,735.59	7,971,011.77
Inventories		371,277,788.79	428,301,688.75
Assets held for sale			
Non-current assets due in 1 year			
Other current assets			
Subtotal of current assets		1,319,812,349.65	1,560,229,955.32
Non-current assets:			
Salable financial assets		413,190,044.22	338,978,781.42
Held-to-maturity investments			

Long-term receivable			
Long-term equity investment		355,444,207.96	454,050,813.30
Investment real estate			
Fixed assets		2,111,593,701.25	2,570,275,614.49
Construction in progress		302,075,871.66	270,291,468.93
Engineering materials		1,381,336.82	1,173,259.66
Disposal of fixed assets			
Productive biological assets			
Oil gas assets			
Intangible assets		259,886,963.38	265,269,075.06
Development expenditure		30,247,277.15	25,794,289.58
Goodwill			
Long-term prepaid and deferred expenses		23,152,249.71	16,525,841.24
Deferred income tax assets			
Other non-current assets		20,000,000.00	50,000,000.00
Subtotal of non-current assets		3,516,971,652.15	3,992,359,143.68
Total of assets		4,836,784,001.80	5,552,589,099.00
Current liabilities:			
Short-term loan		620,000,000.00	821,281,399.29
Financial liabilities measured with fair value and having change attributed to profit or loss of current period			
Derivative financial liabilities			
Notes payable			
Accounts payable		370,153,498.98	357,965,113.50
Advance receipts		253,775,506.41	299,962,187.40
Wages payable		513,377.00	27,774,004.42
Tax payable		12,682,879.20	24,552,210.54
Interest payable		2,788,929.31	3,916,313.32
Dividends payable		1,189,676.90	1,189,676.90
Other payables		457,108,038.56	762,117,190.54
Liabilities held for sale			
Non-current liabilities due in 1 year			
Other current liabilities			
Subtotal of current liabilities		1,718,211,906.36	2,298,758,095.91
Non-current liabilities:			
Long-term loan			
Bonds payable			
Incl.: Preference share			
Perpetual debt			
Long-term payables		645,000,000.00	950,000,000.00
Long-term wages payable		190,880,000.00	184,380,000.00
Specific payables		11,050,000.00	11,050,000.00
Estimated liabilities			
Deferred income		6,650,100.00	6,198,450.00
Deferred income tax liability		10,785,123.90	1,409,344.92
Other non-current liabilities			
Subtotal of non-current liabilities		864,365,223.90	1,153,037,794.92
Total of liabilities		2,582,577,130.26	3,451,795,890.83
Owner's equity:			
Share capital		1,156,399,976.00	1,156,399,976.00
Other equity instruments			
Incl.: Preference share			
Perpetual debt			

Capital reserves		1,690,068,638.82	1,690,068,638.82
Less: Treasury stock			
Other composite income		11,345,002.84	955,919.02
Specific reserves			
Surplus reserves		11,329,760.39	11,329,760.39
Undistributed profit		-614,936,506.51	-757,961,086.06
Total of owner's equity		2,254,206,871.54	2,100,793,208.17
Total of liabilities and owner's equity		4,836,784,001.80	5,552,589,099.00

Legal representative: Mr. Huang Dailie Principle in charge of accounting: Zhang Weiming Head of accounting dept.: Lai Yonghua

Consolidated Income Statement

Jan. to Dec., 2015

Unit: RMB

Item	Note	Amount in current period	Amount in previous period
1. Gross operating income		6,170,874,223.67	7,015,409,267.56
Incl.: Operating income		6,170,874,223.67	7,015,409,267.56
Interest income			
Premium earned			
Income from handling charges and commission			
2. Gross operating cost		6,427,713,999.83	7,674,426,880.15
Incl.: Operating cost		5,559,439,778.97	6,375,944,582.66
Interest cost			
Expenditure for handling charges and commission			
Surrender value			
Net expenditure for compensation			
Net provision for insurance contract appropriated			
Bonus payment for policy			
Reinsurance premium			
Business tax and surcharges		19,193,727.90	17,827,448.28
Selling cost		199,911,085.12	205,248,898.35
Management cost		402,196,032.57	633,388,738.66
Financial expenses		140,436,053.89	121,456,535.42
Loss from assets impairment		106,537,321.38	320,560,676.78
Plus: Income from change of fair value ("—" for loss)			
Investment income ("—" for loss)		147,125,155.93	62,632,834.28
Incl.: Investment income from affiliated enterprises and joint ventures		44,597,649.84	46,522,824.01
Income from currency exchange ("—" for loss)			
3. Operating profit ("—" for loss)		-109,714,620.23	-596,384,778.31
Plus: Non-operating income		220,140,784.81	13,543,603.10
Incl.: Net gain from disposal of non-current assets		175,597,261.11	1,152,634.58
Less: Non-operating expenditure		864,280.61	126,817.45
Incl.: Loss from disposal of non-current assets		520,754.37	40,812.45
4. Gross profit ("—" for gross loss)		109,561,883.97	-582,967,992.66
Less: Income tax cost		4,672,427.26	4,622,713.67
5. Net profit ("—" for net loss)		104,889,456.71	-587,590,706.33
Net profit attributable to owners of parent company		95,615,030.34	-592,502,499.95

Minority interest income		9,274,426.37	4,911,793.62
6. Other composite income after tax		10,397,536.07	-17,770,996.38
Other composite income attributed to owners of parent company after tax		10,397,536.07	-17,770,996.38
1) Other composite income unable to be reclassified into profit and loss afterwards		-13,980,000.00	-20,380,000.00
(1) Change of net liabilities or net assets through remeasuring and setting beneficial plan		-13,980,000.00	-20,380,000.00
(2) Part shared in other composite income unable to be reclassified into profit and loss in the invested unit under equity method			
2) Other composite income to be reclassified into profit and loss afterwards		24,377,536.07	2,609,003.62
(1) Part shared in other composite income to be reclassified into profit and loss in the invested unit under equity method			
(2) Profit and loss from change of fair value of salable financial assets		24,377,536.07	2,609,003.62
(3) Profit and loss from held-to-maturity investments reclassified into salable financial assets			
(4) Effective part of the profit and loss from hedge of cash flow			
(5) Conversion difference of foreign currency in financial statement			
(6) other			
Other composite income attributed to minority shareholders after tax			
7. Total amount of composite income		115,286,992.78	-605,361,702.71
Total composite income attributable to owners of parent company		106,012,566.41	-610,273,496.33
Total composite income attributable to minority shareholders		9,274,426.37	4,911,793.62
8. Earnings per share:			
1) Basic earnings per share (RMB)		0.0827	-0.5124
2) Diluted earnings per share (RMB)		0.0827	-0.5124

Legal representative: Mr. Huang Dailie Principle in charge of accounting: Zhang Weiming Head of accounting dept.: Lai Yonghua

Income Statement of Parent Company

Jan. to Dec., 2015

Unit: RMB

Item	Note	Amount in current period	Amount in previous period
1. Operating income		5,306,202,144.25	6,432,026,063.17
Less: Operating cost		4,779,946,815.88	5,885,413,772.01
Business tax and surcharges		16,200,534.43	14,534,262.10
Selling cost		184,902,755.30	187,923,372.52
Management cost		352,189,770.28	574,961,996.42
Financial expenses		139,259,008.16	118,604,257.55
Loss from assets impairment		104,311,645.14	314,225,426.94
Plus: Income from change of fair value ("—" for loss)			
Investment income ("—" for loss)		196,816,182.18	67,674,160.81

Incl.: Investment income from affiliated enterprises and joint ventures		44,597,649.84	46,522,824.01
2. Operating profit ("—" for loss)		-73,792,202.76	-595,962,863.56
Plus: Non-operating income		217,277,438.15	9,552,010.09
Incl.: Net gain from disposal of non-current assets		175,459,449.37	1,139,551.41
Less: Non-operating expenditure		460,655.84	80,000.00
Incl.: Loss from disposal of non-current assets		376,422.17	
3. Gross profit ("—" for gross loss)		143,024,579.55	-586,490,853.47
Less: Income tax cost			
4. Net profit ("—" for net loss)		143,024,579.55	-586,490,853.47
5. Other composite income after tax		10,389,083.82	-17,890,351.36
1) Other composite income unable to be reclassified into profit and loss afterwards		-13,980,000.00	-20,380,000.00
(1) Change of net liabilities or net assets through remeasuring and setting beneficial plan		-13,980,000.00	-20,380,000.00
(2) Part shared in other composite income unable to be reclassified into profit and loss in the invested unit under equity method			
2) Other composite income to be reclassified into profit and loss afterwards		24,369,083.82	2,489,648.64
(1) Part shared in other composite income to be reclassified into profit and loss in the invested unit under equity method			
(2) Profit and loss from change of fair value of salable financial assets		24,369,083.82	2,489,648.64
(3) Profit and loss from held-to-maturity investments reclassified into salable financial assets			
(4) Effective part of the profit and loss from hedge of cash flow			
(5) Conversion difference of foreign currency in financial statement			
(6) other			
6. Total amount of composite income		153,413,663.37	-604,381,204.83
7. Earnings per share:			
1) Basic earnings per share (RMB)			
2) Diluted earnings per share (RMB)			

Legal representative: Mr. Huang Dailie Principle in charge of accounting: Zhang Weiming Head of accounting dept.: Lai Yonghua

Consolidated Cash Flow Statement

Jan. to Dec., 2015

Unit: RMB

Item	Note	Amount in current period	Amount in previous period
1. Cash flow from operating activities:			
Cash received from sale of commodities and rendering of service		7,510,561,650.86	7,821,130,000.73
Net increase of customers' deposit and interbank deposit			
Net increase of loan from central bank			
Net increase of loans from other financial institutions			

Cash received for premium of original insurance contract			
Net cash received for reinsurance business			
Net increase of deposit and investment of the insured			
Net increase of financial assets measured with fair value and having change attributed to profit or loss of current period			
Cash from receiving interest, handling charge and commission			
Net increase of loans from other financial institutions			
Net increase of fund for buy-back business			
Tax rebate received		1,550,381.55	640,058.18
Other cash received related to operating activities		176,962,786.84	156,646,472.25
Subtotal of cash inflow from operating activities		7,689,074,819.25	7,978,416,531.16
Cash paid for purchase of commodities and accepting of service		6,546,749,918.62	6,943,640,631.86
Net increase of customer's loan and advances			
Net increase of deposit in central bank and interbank deposit			
Cash for payment of compensation for original insurance contract			
Cash for payment of interest, handling charge and commission			
Cash for payment of policy bonus			
Cash paid to or for employees		392,633,278.07	601,151,343.25
Cash paid for various taxes		209,497,530.89	203,873,014.61
Other cash paid related to operating activities		234,341,659.22	258,811,541.27
Subtotal of cash outflow from operating activities		7,383,222,386.80	8,007,476,530.99
Net cash flow from operating activities		305,852,432.45	-29,059,999.83
2. Cash flow from investment activities:			
Cash received from disinvestment			
Cash received from investment income		50,188,256.22	21,390,010.27
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		366,988,374.84	38,134.62
Net cash received from disposal of subsidiaries and other business units		201,393,475.46	
Other cash received related to investment activities		568,000.00	
Subtotal of cash inflow from investment activities		619,138,106.52	21,428,144.89
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets		116,302,260.65	404,176,849.64
Cash paid for investment		40,466,400.00	112,202,451.75
Net increase of mortgage loan			
Net cash paid for acquiring subsidiaries and other business units			
Other cash paid related to investment activities			50,000.00
Subtotal of cash outflow from investment activities		156,768,660.65	516,429,301.39
Net cash flow from investment activities		462,369,445.87	-495,001,156.50
3. Cash flow from financing activities:			
Cash received from absorbing investment			
Incl.: Cash received by subsidiaries from absorption of minorities' investment			
Cash received from loan		2,487,739,713.32	1,909,331,399.29
Cash received from bond issuance			
Other cash received related to financing activities			12,160,000.00

Subtotal of cash inflow from financing activities	2,487,739,713.32	1,921,491,399.29
Cash paid for redemption of debt	3,277,077,512.61	1,433,600,855.65
Cash paid for distribution of dividends, profit or payment of interest	140,724,441.68	134,454,579.97
Incl.: Cash paid to minority shareholders as dividend and profit by subsidiaries		
Other cash paid related to financing activities		
Subtotal of cash outflow from financing activities	3,417,801,954.29	1,568,055,435.62
Net cash flow from financing activities	-930,062,240.97	353,435,963.67
4. Impact of changes in exchange rate on cash and cash equivalents	-325,298.50	-124,286.85
5. Net increase of cash and cash equivalents	-162,165,661.15	-170,749,479.51
Plus: Beginning balance of cash and cash equivalents	402,534,911.44	573,284,390.95
6. Closing balance of cash and cash equivalents	240,369,250.29	402,534,911.44

Legal representative: Mr. Huang Dailie Principle in charge of accounting: Zhang Weiming Head of accounting dept.: Lai Yonghua

Cash Flow Statement of Parent Company

Jan. to Dec., 2015

Unit: RMB

Item	Note	Amount in current period	Amount in previous period
1. Cash flow from operating activities:			
Cash received from sale of commodities and rendering of service		6,511,335,605.62	7,161,542,311.10
Tax rebate received		279,357.64	
Other cash received related to operating activities		156,904,899.36	168,932,480.24
Subtotal of cash inflow from operating activities		6,668,519,862.62	7,330,474,791.34
Cash paid for purchase of commodities and accepting of service		5,714,454,512.78	6,466,432,119.57
Cash paid to or for employees		317,693,761.30	508,048,968.27
Cash paid for various taxes		182,897,891.76	170,218,563.80
Other cash paid related to operating activities		198,804,795.65	223,070,162.72
Subtotal of cash outflow from operating activities		6,413,850,961.49	7,367,769,814.36
Net cash flow from operating activities		254,668,901.13	-37,295,023.02
2. Cash flow from investment activities:			
Cash received from disinvestment			
Cash received from investment income		75,126,857.37	21,151,336.80
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		366,829,419.15	
Net cash received from disposal of subsidiaries and other business units		224,174,251.71	
Other cash received related to investment activities		568,000.00	
Subtotal of cash inflow from investment activities		666,698,528.23	21,151,336.80
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets		75,105,899.49	376,753,836.62
Cash paid for investment		40,466,400.00	112,202,451.75
Net cash paid for acquiring subsidiaries and other business units			
Other cash paid related to investment activities			50,000.00
Subtotal of cash outflow from investment activities		115,572,299.49	489,006,288.37
Net cash flow from investment activities		551,126,228.74	-467,854,951.57
3. Cash flow from financing activities:			

Cash received from absorbing investment			
Cash received from loan		2,373,595,009.82	1,761,781,399.29
Other cash received related to financing activities			12,160,000.00
Subtotal of cash inflow from financing activities		2,373,595,009.82	1,773,941,399.29
Cash paid for redemption of debt		3,189,876,409.11	1,308,850,855.65
Cash paid for distribution of dividends, profit or payment of interest		137,950,238.68	118,874,246.53
Other cash paid related to financing activities			
Subtotal of cash outflow from financing activities		3,327,826,647.79	1,427,725,102.18
Net cash flow from financing activities		-954,231,637.97	346,216,297.11
4. Impact of changes in exchange rate on cash and cash equivalents		-1,271,463.09	-114,435.64
5. Net increase of cash and cash equivalents		-149,707,971.19	-159,048,113.12
Plus: Beginning balance of cash and cash equivalents		361,841,267.49	520,889,380.61
6. Closing balance of cash and cash equivalents		212,133,296.30	361,841,267.49

Legal representative: Mr. Huang Dailie Principle in charge of accounting: Zhang Weiming Head of accounting dept.: Lai Yonghua

Consolidated Statement of Changes in Owners' Equity
Jan. to Dec., 2015

Unit: RMB

Item	Current period												
	Owner's equity attributable to parent company											Minority interest	Total of owner's equity
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other composite income	Specific reserves	Surplus reserves	General risk reserve	Undistributed profit		
Preference shares		Perpetual debt	Other										
1. Closing balance of last year	1,156,399,976.00				1,683,394,015.86		1,920,380.37		11,329,760.39		-688,388,625.23	91,606,113.33	2,256,261,620.72
Plus: Change of accounting policy													
Correction of previous errors													
Business merger under same control													
Other													
2. Beginning balance of current year	1,156,399,976.00				1,683,394,015.86		1,920,380.37		11,329,760.39		-688,388,625.23	91,606,113.33	2,256,261,620.72
3. Increase or decrease in current period ("—" for decrease)					-9,123,028.26		10,397,536.07				95,615,030.34	-83,175,117.06	13,714,421.09
1) Total amount of composite income							10,397,536.07				95,615,030.34	9,274,426.37	115,286,992.78
2) Capital increase and decrease by					-9,123,028.26							-89,649,543.43	-98,772,571.69

owners													
(1) Common share invested by the shareholder													
(2) Capital input by the holder of other equity instruments													
(3) Shares payment attributed to owners' equity													
(4) Other					-9,123,028.26							-89,649,543.43	-98,772,571.69
3) Profit distribution												-2,800,000.00	-2,800,000.00
(1) Appropriation of surplus reserves													
(2) Appropriation of provision for normal risk													
(3) Distribution to owners (or shareholders)												-2,800,000.00	-2,800,000.00
(4) Other													
4) Owners' equity carried forward internally													
(1) Capital reserves transferred into capital (or share capital)													
(2) Surplus													

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reserves transferred into capital (or share capital)													
(3) Deficit covered by surplus reserves													
(4) Other													
5) Specific reserve													
(1) Appropriated in current period								14,426,417.80					14,426,417.80
(2) Used in current period								14,426,417.80					14,426,417.80
6) Other													
4. Closing balance of current period	1,156,399,976.00				1,674,270,987.60		12,317,916.44		11,329,760.39		-592,773,594.89	8,430,996.27	2,269,976,041.81

Item	Previous period											Minority interest	Total of owner's equity
	Owner's equity attributable to parent company												
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other composite income	Specific reserves	Surplus reserves	General risk reserve	Undistributed profit		
	Preference shares	Perpetual debt	Other										
1. Closing balance of last year	1,156,399,976.00				1,586,284,015.86		6,971,376.75		11,329,760.39		87,215,874.60	93,414,319.71	2,941,615,323.31
Plus: Change of accounting policy							12,720,000.00				-177,320,000.00		-164,600,000.00
Correction of previous errors													
Business merger under													

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same control													
Other													
2. Beginning balance of current year	1,156,399,976.00				1,586,284,015.86		19,691,376.75		11,329,760.39		-90,104,125.40	93,414,319.71	2,777,015,323.31
3. Increase or decrease in current period ("—" for decrease)					97,110,000.00		-17,770,996.38				-598,284,499.83	-1,808,206.38	-520,753,702.59
1) Total amount of composite income							-17,770,996.38				-592,502,499.95	4,911,793.62	-605,361,702.71
2) Capital increase and decrease by owners													
(1) Common share invested by the shareholder													
(2) Capital input by the holder of other equity instruments													
(3) Shares payment attributed to owners' equity													
(4) Other													
3) Profit distribution											-5,781,999.88	-6,720,000.00	-12,501,999.88
(1) Appropriation of surplus reserves													
(2) Appropriation of provision for normal risk													
(3) Distribution to owners (or shareholders)											-5,781,999.88	-6,720,000.00	-12,501,999.88
(4) Other													
4) Owners' equity carried forward internally													
(1) Capital													

reserves transferred into capital (or share capital)													
(2) Surplus reserves transferred into capital (or share capital)													
(3) Deficit covered by surplus reserves													
(4) Other													
5) Specific reserve													
(1) Appropriated in current period								21,814,745.60					21,814,745.60
(2) Used in current period								21,814,745.60					21,814,745.60
6) Other					97,110,000.00								97,110,000.00
4. Closing balance of current period	1,156,399,976.00				1,683,394,015.86		1,920,380.37		11,329,760.39		-688,388,625.23	91,606,113.33	2,256,261,620.72

Legal representative: Mr. Huang Dailie Principle in charge of accounting: Zhang Weiming Head of accounting dept.: Lai Yonghua

Consolidated Statement of Changes in Owners' Equity of Parent Company
Jan. to Dec., 2015

Unit: RMB

Item	Current period										
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other composite income	Specific reserves	Surplus reserves	Undistributed profit	Total of owner's equity
		Preference shares	Perpetual debt	Other							
1. Closing balance of last year	1,156,399,976.00				1,690,068,638.82		955,919.02		11,329,760.39	-757,961,086.06	2,100,793,208.17
Plus: Change of accounting policy											
Correction of previous errors											
Other											
2. Beginning balance of current year	1,156,399,976.00				1,690,068,638.82		955,919.02		11,329,760.39	-757,961,086.06	2,100,793,208.17

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3. Increase or decrease in current period ("—" for decrease)						10,389,083.82			143,024,579.55	153,413,663.37
1) Total amount of composite income						10,389,083.82			143,024,579.55	153,413,663.37
2) Capital increase and decrease by owners										
(1) Common share invested by the shareholder										
(2) Capital input by the holder of other equity instruments										
(3) Shares payment attributed to owners' equity										
(4) Other										
3) Profit distribution										
(1) Appropriation of surplus reserves										
(2) Distribution to owners (or shareholders)										
(3) Other										
4) Owners' equity carried forward internally										
(1) Capital reserves transferred into capital (or share capital)										
(2) Surplus reserves transferred into capital (or share capital)										
(3) Deficit covered by surplus reserves										
(4) Other										
5) Specific reserve										
(1) Appropriated in current period							14,426,417.80			14,426,417.80
(2) Used in current period							14,426,417.80			14,426,417.80
6) Other										
4. Closing balance of current period	1,156,399,976.00				1,690,068,638.82	11,345,002.84		11,329,760.39	-614,936,506.51	2,254,206,871.54

Item	Previous period										
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other composite income	Specific reserves	Surplus reserves	Undistributed profit	Total of owner's equity
		Preference shares	Perpetual debt	Other							
1. Closing balance of last year	1,156,399,976.00				1,592,958,638.82		6,126,270.38		11,329,760.39	11,631,767.29	2,778,446,412.88
Plus: Change of							12,720,000.00			-177,320,000.00	-164,600,000.00

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accounting policy										
Correction of previous errors										
Other										
2. Beginning balance of current year	1,156,399,976.00			1,592,958,638.82		18,846,270.38		11,329,760.39	-165,688,232.71	2,613,846,412.88
3. Increase or decrease in current period ("—" for decrease)				97,110,000.00		-17,890,351.36			-592,272,853.35	-513,053,204.71
1) Total amount of composite income						-17,890,351.36			-586,490,853.47	-604,381,204.83
2) Capital increase and decrease by owners										
(1) Common share invested by the shareholder										
(2) Capital input by the holder of other equity instruments										
(3) Shares payment attributed to owners' equity										
(4) Other										
3) Profit distribution									-5,781,999.88	-5,781,999.88
(1) Appropriation of surplus reserves										
(2) Distribution to owners (or shareholders)									-5,781,999.88	-5,781,999.88
(3) Other										
4) Owners' equity carried forward internally	-									
(1) Capital reserves transferred into capital (or share capital)										
(2) Surplus reserves transferred into capital (or share capital)										
(3) Deficit covered by surplus reserves										
(4) Other										
5) Specific reserve										
(1) Appropriated in current period							21,814,745.60			21,814,745.60
(2) Used in current period							21,814,745.60			21,814,745.60
(3) Other				97,110,000.00						97,110,000.00
4. Closing balance of current period	1,156,399,976.00			1,690,068,638.82		955,919.02		11,329,760.39	-757,961,086.06	2,100,793,208.17

Legal representative: Mr. Huang Dailie Principle in charge of accounting: Zhang Weiming Head of accounting dept.: Lai Yonghua

12. Documents for Reference

Documents for reference	1. Financial statements signed and stamped by legal representative, principal in charge of accounting, CFO and head of accounting department;
Documents for reference	2. The original auditor's report stamped by the public accounting firm and signed and stamped by the certified public accountant;
Documents for reference	3. Articles of Association of Shanghai Chlor-Alkali Co., Ltd. during the report period
Documents for reference	4. The formal version of all files and originals of the announcements disclosed in the newspapers appointed by China Securities Regulatory Committee during the report period;
Documents for reference	5. The Company shall furnish the above documents for reference while China Securities Regulatory Committee and the stock exchange request to provide them and the shareholders request to consult them according to the requirements of the statute or the Articles of Association.

Chairman of the Board: Huang Dailie

Presenting date approved by the Board of Directors: March 29, 2016