

Financial Highlights

JILIN CHEMICAL INDUSTRIAL COMPANY LIMITED Annual Report 2004

Financial information of the Group for the year ended December 31, 2004 prepared in accordance with PRC GAAP is set out below:

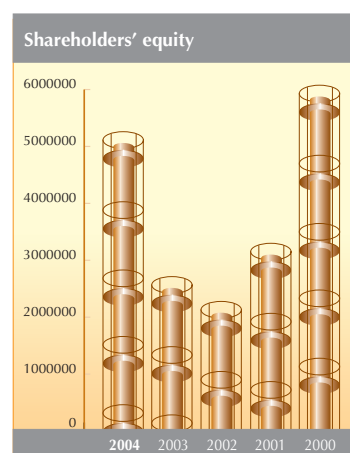
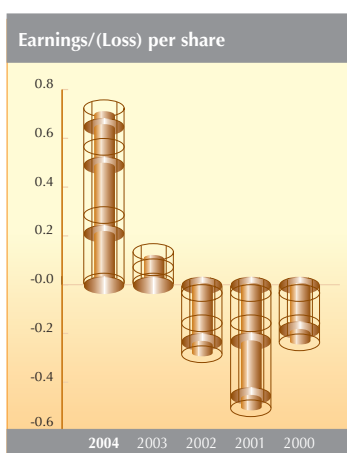
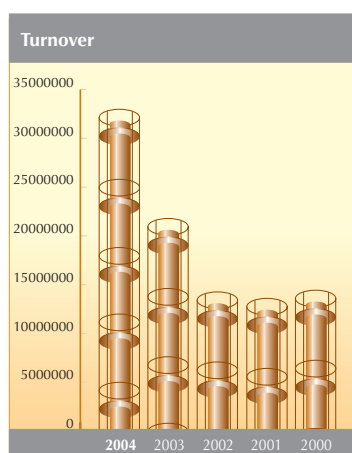
	<i>RMB thousands</i>
Profit before tax	2,353,441
Net profit	2,573,760
Net profit before non-operating (profit)/loss (Note)	2,569,248
Profit from principal operations	3,289,861
Loss from other operations	(54,162)
Operating profit	2,321,307
Profits from investment	40,509
Subsidy income	-
Net non-operating expense	(8,376)
Net cash inflow from operations	3,372,529
Net decrease from cash and cash equivalents	(20,870)

Note: Non-operating (profit)/loss under PRC GAAP was approximately RMB4,512 thousands, of which net profit from disposal of fixed assets was RMB26,412 thousands, loss on non-seasonal shutdown was RMB18,561 thousands; other losses were RMB1,117 thousands and net income tax expense was RMB2,222 thousands.

PREPARED IN ACCORDANCE WITH IFRS

Items

<i>RMB thousands except for per share data</i>	2004	2003	2002	2001	2000
For the year ended December 31					
Turnover	31,857,423	20,652,809	13,138,387	12,518,532	13,396,247
Profit/(Loss) before tax	2,356,568	426,123	(1,027,638)	(1,815,134)	(877,343)
Net profit/(loss)	2,544,510	427,609	(1,023,099)	(1,817,369)	(835,990)
Earnings/(Loss) per share	RMB0.71	RMB0.12	(RMB0.29)	(RMB0.51)	(RMB0.24)
As at December 31					
Total assets	13,594,197	12,665,589	13,665,141	13,829,838	17,973,843
Shareholders' equity	5,055,066	2,510,556	2,082,947	3,106,046	5,873,895
Net assets per share	RMB1.42	RMB0.70	RMB0.58	RMB0.87	RMB1.65



PREPARED IN ACCORDANCE WITH PRC GAAP

Items

RMB thousands except for per share data

For the year ended December 31

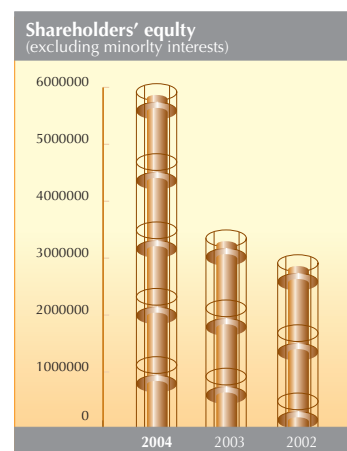
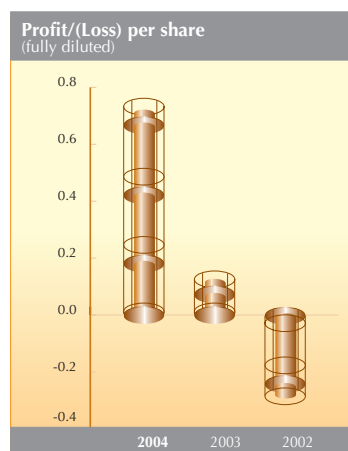
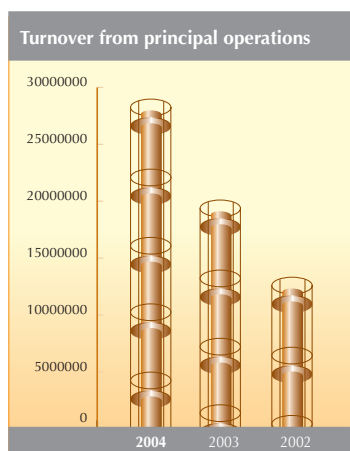
	2004	2003	2002
Turnover from principal operations	27,902,787	19,064,872	12,319,139
Net profit/(loss)	2,573,760	423,995	(1,025,733)
Profit/(Loss) per share (fully diluted)	RMB0.72	RMB0.12	(RMB0.29)
Profit/(Loss) per share (weighted average)	RMB0.72	RMB0.12	(RMB0.29)
Net cash inflows from operating activities per share	RMB0.95	RMB1.12	RMB0.52
Return on net assets (fully diluted)	43.97%	12.93%	(35.92%)
Return on net assets (weighted average)	56.36%	13.82%	(30.45%)

As at December 31

	2004	2003	2002
Total assets	14,392,756	13,434,898	14,336,231
Shareholders' equity (excluding minority interests)	5,853,624	3,279,864	2,855,869
Net assets per share	RMB1.64	RMB0.92	RMB0.80
Adjusted net assets per share	RMB1.61	RMB0.86	RMB0.76

Notes:

1. The shares outstanding as at December 31, 2004, 2003 and 2002 were 3,561,078,000 shares, 3,561,078,000 shares, and 3,561,078,000 shares, respectively.
2. The weighted average number of shares for 2004, 2003 and 2002 was 3,561,078,000 shares, 3,561,078,000 shares, and 3,561,078,000 shares, respectively.



The Differences under PRC GAAP and IFRS

For the year ended December 31, 2004, the net profit as reported under PRC GAAP was approximately RMB2,573,760 thousands and the net profit as reported under IFRS was approximately RMB2,544,510 thousands. The significant differences between PRC GAAP and IFRS are set out in the 'Supplementary Information' section to this report.

Return on net assets and profit per share prepared in accordance with No. 9 Regulations regarding the Preparation of Information Announcement for Public Listed Companies Issued by the China Securities Regulatory Commission:

Profit for 2004	Return on net assets %		Profit per share (RMB)	
	Fully diluted	Weighted average	Fully diluted	Weighted average
Profit from principal operations	56.20	72.04	0.9238	0.9238
Operating profit	39.66	50.83	0.6519	0.6519
Net profit	43.97	56.36	0.7227	0.7227
Net profit after non-operating (profit)/loss	43.89	56.26	0.7215	0.7215

Notes:

The method of calculation of fully diluted and weighted average financial items prepared in accordance with PRC GAAP is as follows:

- Return on net assets (fully diluted) = net profit during the year ended December 31, 2004/net assets as at December 31, 2004 × 100%
- Return on net assets (weighted average) = net profit during the year ended December 31, 2004/(net assets as at January 1, 2004 + net assets as at December 31, 2004)/2 × 100%
- Profit per share (fully diluted) = net profit during the year ended December 31, 2004/shares outstanding as at December 31, 2004
- Profit per share (weighted average) = net profit during the year ended December 31, 2004/(shares outstanding as at January 1, 2004 + shares outstanding as at December 31, 2004)/2

During the year ended December 31, 2004, changes in shareholders' equity of the Group under PRC GAAP were as follows:

Items	Share capital (RMB)	Capital surplus (RMB)	Statutory common fund reserve (RMB)	Statutory common welfare fund included in statutory common fund reserve (RMB)	Accumulated losses (RMB)	Total shareholders' equity (RMB)
As at January 1, 2004	3,561,078,000	2,293,618,886	701,442,717	126,834,279	(3,276,275,225)	3,279,864,378
Increase during 2004	-	-	-	-	2,573,760,050	2,573,760,050
Decrease during 2004	-	-	-	-	-	-
As at December 31, 2004	<u>3,561,078,000</u>	<u>2,293,618,886</u>	<u>701,442,717</u>	<u>126,834,279</u>	<u>(702,515,175)</u>	<u>5,853,624,428</u>

The decrease in accumulated losses of RMB2,573,760,050 was attributable to the net profit generated during the year.