

Consolidated Cash Flow Statement

For the year ended December 31, 2004

(Amounts in thousands)

JILIN CHEMICAL INDUSTRIAL COMPANY LIMITED Annual Report 2004

	Notes	2004 RMB	2003 RMB
CASH FLOWS FROM OPERATING ACTIVITIES	26	3,074,779	3,578,324
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditures		(642,091)	(675,078)
Acquisition of Jilian (Jilian) Petrochemicals Limited	27	–	(54,000)
Purchase of intangible assets	16	(40)	(6,394)
Proceeds from disposal of property, plant and equipment		74,289	13,335
NET CASH USED IN INVESTING ACTIVITIES		(567,842)	(722,137)
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital investment by minority interests		–	100
Proceeds from borrowings		9,004,241	5,440,491
Repayments of borrowings		(11,532,048)	(8,294,084)
NET CASH USED IN FINANCING ACTIVITIES		(2,527,807)	(2,853,493)
(Decrease)/increase in cash and cash equivalents		(20,870)	2,694
Cash and cash equivalents at beginning of year		35,499	32,805
Cash and cash equivalents at end of year	20	14,629	35,499

The accompanying notes are an integral part of these financial statements.