

Asset Impairment Provision

As at December 31, 2004

(In RMB Yuan)

JILIN CHEMICAL INDUSTRIAL COMPANY LIMITED Annual Report 2004

Items	As at January 1, 2004		Current year addition		Reverl caused by increase of assets value		Current year reduction Other transfer-out (Note)		Total		As at December 31, 2004	
	Group	Company	Group	Company	Group	Company	Group	Company	Group	Company	Group	Company
1. Bad debt provision	940,414,318	940,410,761	12,422,128	11,759,327	-	-	(238,013,393)	(238,013,393)	(238,013,393)	(238,013,393)	714,823,053	714,156,695
Including: Accounts receivable	868,271,165	868,267,608	11,050,304	10,387,503	-	-	(237,879,702)	(237,879,702)	(237,879,702)	(237,879,702)	641,441,767	640,775,409
Other receivables	72,143,153	72,143,153	1,371,824	1,371,824	-	-	(133,691)	(133,691)	(133,691)	(133,691)	73,381,286	73,381,286
2. Provision for impairment of short-term investments	-	-	-	-	-	-	-	-	-	-	-	-
Including: Equity investments	-	-	-	-	-	-	-	-	-	-	-	-
Bond investments	-	-	-	-	-	-	-	-	-	-	-	-
3. Inventory provision	178,752,836	178,752,836	87,210,545	86,536,302	-	-	(9,666,302)	(9,666,302)	(9,666,302)	(9,666,302)	256,297,079	255,622,836
Including: Raw materials	58,579,019	58,579,019	12,241,643	12,241,643	-	-	-	-	-	-	70,820,662	70,820,662
Work in progress	7,149,932	7,149,932	-	-	-	-	(1,506,078)	(1,506,078)	(1,506,078)	(1,506,078)	5,643,854	5,643,854
Finished goods	21,714,235	21,714,235	674,243	-	-	-	(6,178,349)	(6,178,349)	(6,178,349)	(6,178,349)	16,210,129	15,535,886
Spare parts	90,362,644	90,362,644	74,294,659	74,294,659	-	-	(1,394,902)	(1,394,902)	(1,394,902)	(1,394,902)	163,262,401	163,262,401
Low value consumables and packing materials	947,006	947,006	-	-	-	-	(586,973)	(586,973)	(586,973)	(586,973)	360,033	360,033
4. Provision for impairment of long-term investments	-	-	-	-	-	-	-	-	-	-	-	-
Including: Long-term equity investments	-	-	-	-	-	-	-	-	-	-	-	-
Long-term bond investments	-	-	-	-	-	-	-	-	-	-	-	-
5. Provision for impairment of fixed assets	323,843,932	309,861,188	-	-	-	-	(41,820,684)	(39,930,076)	(41,820,684)	(39,930,076)	282,023,248	269,931,112
Including: Buildings	58,153,374	57,553,374	-	-	-	-	(4,148,584)	(3,233,227)	(4,148,584)	(3,233,227)	54,004,790	54,320,147
Machinery	208,243,922	206,691,178	-	-	-	-	(31,758,961)	(31,440,522)	(31,758,961)	(31,440,522)	176,484,961	175,250,656
Equipment	52,908,460	44,378,460	-	-	-	-	(5,911,563)	(5,254,751)	(5,911,563)	(5,254,751)	46,996,897	39,123,709
Motor vehicles	4,538,176	1,238,176	-	-	-	-	(1,576)	(1,576)	(1,576)	(1,576)	4,536,600	1,236,600
6. Provision for impairment of intangible assets	-	-	6,698,195	6,698,195	-	-	-	-	-	-	6,698,195	6,698,195
Including: Technical know-how	-	-	6,698,195	6,698,195	-	-	-	-	-	-	6,698,195	6,698,195
Land use right	-	-	-	-	-	-	-	-	-	-	-	-
7. Provision for impairment of construction in progress	-	-	7,220,081	7,220,081	-	-	-	-	-	-	7,220,081	7,220,081
8. Provision for trust loan	-	-	-	-	-	-	-	-	-	-	-	-

Note:

- (1) The reduction in bad debt provision in 2004 represents the write-off of receivables against the related bad debt provision due to bankruptcy of the debtors.
- (2) The other transfer-out of inventory provision in 2004 represents the utilization of the provision due to sale or usage of the inventories.
- (3) The other transfer-out of provision for impairment of fixed assets in 2004 is due to the disposal or scrapping of fixed assets provided in prior years.