



JILIN CHEMICAL INDUSTRIAL COMPANY LIMITED

吉林化學工業股份有限公司

(a joint stock limited company incorporated in the People's Republic of China)

(Stock Code: 0368)

ANNOUNCEMENT

An explosion occurred at the Company on 30 December 2004. The Company anticipates that this incident will not have an impact on the operations and financial situation of the Company. A further announcement will be made, if and when appropriate.

At 2:20 p.m. on 30 December, 2004, an explosion occurred at cleansing tower two of No. 641 synthetic gas workshop of the chemical fertilizer plant of Jilin Chemical Industrial Company Limited (the "Company"), which caused three deaths and left three people injured.

Immediately after the incident, the Company immediately implemented a contingency plan and took immediate contingency measures. The management and relevant departments of the Company arrived at the site promptly, organized rescue campaigns in accordance with its security plan, carried out decisive measures to stabilize its production and dealt with problems arising from the incident effectively.

At present, the condition of each of the injured staff members has stabilised, however, the cause of the incident is still under investigation. All equipment connected to the synthetic gas workshop have resumed normal production. The Company anticipate that this incident will not have an impact on the operations and financial situation of the Company.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

A further announcement will be made, if and when appropriate.

By Order of the Board
Zhang Liyan
Company Secretary

31 December, 2004

Registered Address of the Company:
No. 9 Longtan Street, Longtan District
Jilin City, Jilin Province
The People's Republic of China

As at the date of this announcement, the Board consists of the following directors:

Executive Directors:

Yu Li
Shi Jianxun
Zhang Xingfu

Non-executive Directors:

Xu Fengli
Ni Muhua
Jiang Jixiang
Lan Yunsheng

Independent Non-executive Directors:

Lü Yanfeng
Wang Peirong
Fanny Li
Zhou Henglong

“Please also refer to the published version of this announcement in The Standard”