



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 with limited liability)
(Stock Code: 0368)

ANNOUNCEMENT
FIRST QUARTERLY REPORT FOR 2005

Highlights of the results of the Company for the three months ended 31 March 2005:

From January 1 to March 31, 2005, the Company's turnover was RMB8,317,490,103, representing an increase of 32% as compared with the corresponding period of 2004, and net profit was RMB147,189,750, representing a decrease of 43% as compared with the corresponding period of 2004.

All the financial information set out in this quarterly report has been prepared in accordance with the PRC accounting rules and regulations and the applicable rules of the Shenzhen Stock Exchange of the PRC. The Company's quarterly report is unaudited.

This announcement is made pursuant to the disclosure obligation under Rule 13.09(2) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

1. Important Notice

- 1.1 The board of directors (the "Board") of Jilin Chemical Industrial Company Limited (the "Company") and the directors collectively and individually accepts full responsibility for the truthfulness, accuracy and completeness of the information contained in this quarterly report and warrant that there are no misrepresentations, misleading statements in or material omissions from this quarterly report.
- 1.2 The Company's directors Xu Fengli, Ni Muhua, Jiang Jixiang, Lan Yunsheng, Fanny Li, Wang Peirong and Zhou Henglong did not attend the board meeting. Directors Xu Fengli, Ni Muhua, Jiang Jixiang, Lan Yunsheng appointed chairman Yu Li and independent directors Fanny Li, Wang Peirong and Zhou Henglong appointed independent director Lü Yanfeng, respectively, to attend the meeting and vote on their behalf in respect of the resolutions considered at the meeting.
- 1.3 The first quarterly report of the Company is unaudited.
- 1.4 The chairman, Mr. Yu Li, the chief financial officer (deputy chief accountant), Ms. Zhang Liyan, and the head of the financial department, Mr. Liao Hongwei, accept full responsibility for the truthfulness and completeness of the financial statements contained in this quarterly report.

2. Company Profile

2.1 General information regarding the Company

Abbreviation	A shares: Jilin Chemical	H shares: Jilin Chemical	
Stock Exchange	Shenzhen Stock Exchange	Hong Kong Stock Exchange	New York Stock Exchange
Stock code	000618	0368	JCC
	Secretary to the Board	Securities matters representative	
Name	Zhang Liyan	Nil	
Telephone	0432-3903651	3903652	
Contact address	No. 9 Longtan Street, Longtan District, Jilin City, Jilin Province, PRC		
Facsimile	0432-3028126		
E-mail	ZLY@jcc.com.cn		

2.2 Financial Information

2.2.1 Major Accounting Figures and Financial Benchmarks

	As at March 31, 2005 RMB	As at December 31, 2004 RMB	Increase/(decrease) as at March 31, 2005 compared with as at December 31, 2004 (%)
Total assets	12,910,660,355.00	14,392,756,371.00	-10.30
Shareholder's equity (excluding minority interests)	6,000,814,178.00	5,853,624,428.00	2.51
Net assets per share	1.69	1.64	3.05
Adjusted net assets per share	1.66	1.61	3.11
	During the reporting period	From January 1, 2005 to March 31, 2005	increase/ (decrease) during the reporting period compared with the same period of last year (%)
Net cash flows from operating activities	826,670,511.00	826,670,511.00	83.91
Earning per share	0.04	0.04	-42.86
Return on net assets (%)	2.45	2.45	-4.88
Return on net assets after non-operating profit/loss (%)	2.50	2.50	-5.00
Note: non-operating profit/loss			Amounts
1. Net profit from disposal of fixed assets			-2,653,943.00
2. Loss on non-seasonal shut down			8,147,692.00
3. Write-back of asset impairment provision			-764,295.00
4. Other non-operating profit/loss			-170,716.00
5. Net income tax expense			-1,504,384.00
Total			3,054,354.00

2.2.2 Profit Statement

Unaudited profit statement for the period from January 1, 2005 to March 31, 2005 of Jilin Chemical Industrial Company Limited

In Rmb Yuan

Items	From	From	From	From
	January 1 to March 31, 2005 Consolidated (Unaudited)	January 1 to March 31, 2004 Consolidated (Unaudited)	January 1 to March 31, 2005 Parent Company (Unaudited)	January 1 to March 31, 2004 Parent Company (Unaudited)
1. INCOME FROM PRINCIPAL OPERATION	8,317,490,103	6,281,600,192	8,294,856,515	6,269,380,537
<i>Less: Cost of principal operation</i>	(7,655,435,483)	(5,542,813,367)	(7,635,701,898)	(5,517,017,029)
Tax of principal operation and other levies	(214,427,314)	(196,580,779)	(214,427,314)	(196,580,779)
2. PROFIT FROM PRINCIPAL OPERATION	447,627,306	542,206,046	444,727,303	555,782,729
<i>Add: Other operating (Loss)/profit</i>	(37,607,988)	(11,956,367)	(37,386,234)	(13,713,683)
<i>Less: Operating expenses</i>	(5,378,102)	(12,181,041)	(5,377,452)	(12,174,927)
Administrative expenses	(133,788,519)	(131,571,573)	(123,604,180)	(126,547,736)
Financial expenses, net	(51,411,413)	(126,658,406)	(50,081,814)	(125,370,218)
3. OPERATING PROFIT	219,441,284	259,838,659	228,277,623	277,976,165
<i>Add: Investment income/(loss)</i>	5,139,926	5,449,794	(3,875,378)	(5,177,240)
Subsidy income	2,683,084	–	2,683,084	–
Non-operating income	3,365,934	146,382	3,364,114	121,899
<i>Less: Non-operating expenses</i>	(8,936,663)	(13,697,330)	(8,936,663)	(13,638,467)
4. TOTAL PROFIT	221,693,565	251,737,505	221,512,780	259,282,357
<i>Less: Income tax</i>	(74,323,030)	–	(74,323,030)	–
Minority interests	(180,785)	7,544,852	–	–
5. NET PROFIT	147,189,750	259,282,357	147,189,750	259,282,357

2.3 *As at March 31, 2005, the Company had a total of 65,722 shareholders.*

As at March 31, 2005, the total shareholders and the top 10 shareholders of listed shares of the Company were as follows:

Total number of shareholders as at March 31, 2005 65,722 shareholders

Information on the top 10 shareholders of listed shares of the Company

Name of shareholders	Class	Number of listed shares held (shares)
HKSCC Nominees Limited	H shares	821,672,699
HSBC Nominees (Hong Kong) Limited	H shares	135,627,300
Industrial and Commercial Bank of China-Pu Feng Securities Investment Funds	A shares	3,694,432
Bank of China-Tong Sheng Securities Investment Funds	A shares	3,692,197
Qiu Mingsheng	A shares	2,542,569
Zhang Jiuru	A shares	1,881,302
Qiao Liang	A shares	1,450,000
Zhang Yufu	A shares	1,272,800
Zhang Li	A shares	1,250,000
Chen Shumei	A shares	1,056,300

3. Management Discussion and Analysis

3.1 Analysis of operating activities of the Company during the reporting period

For the three months ended March 31, 2005, the Company processed 1.73 million tons of crude oil, representing an increase of 11.2% as compared with the corresponding period of 2004 and it recorded a sale of products of approximately 2.17 million tonnes, representing an increase of approximately 6.6% as compared with the corresponding period of last year; an income from principal operations of approximately RMB 8,317,490,103, representing an increase of approximately 32% as compared with the corresponding period of last year; a net profit of approximately RMB 147,189,750, representing a decrease of approximately 43% as compared with the corresponding period of last year; a shareholders' equity of approximately RMB 6,000,814,178, representing an increase of approximately 2.5% as compared with that as at the December 31, 2004.

During the first quarter of 2005, the Company had adopted effective measures to ensure the safe, stable, optimized and full operation of its production facilities, to increase the sales of petrochemical and synthetic rubber products and reduce the financial costs to mitigate the adverse impact of the unfavorable factors. However, the domestic price of the crude price had been increasing due to the substantial increase in the international price of crude oil and the rising range of the price of crude oil was higher than that of gasoline and diesel oil in the PRC. As a result, the Company's net profit decreased approximately 43% as compared with the corresponding period of 2004.

3.1.1 Major operations or products accounting for more than 10% of the Company's income or profits from principal operation

in Rmb

Operations or products	Income from principal operation	Cost of principal operation	Gross Profit (%)
Petroleum products	3,860,635,131.20	4,252,487,723.27	-10.15
Of which: connected transaction	3,731,366,104.00	4,105,137,034.00	-10.02
Petrochemical and organic chemical products	3,827,029,695.46	2,804,475,802.01	26.72
Including: connected transaction	2,136,481,824.00	1,486,262,798.00	30.43

3.1.2 Seasonal or cyclical nature of the Company's operation

Applicable Non-applicable

3.1.3 Profit composition during the reporting period (significant changes of profit from principal operation, profit from other operations, costs during the reporting period, investment profit, subsidy income, and non-operating income and expenses (net) as a percentage of the total profit as compared with the previous reporting period and the reason for such changes)

in Rmb

Items	Form January 1, to March 31, 2005		Form January 1, to March 31, 2004		Change in ratio	Reasons for change
	Amounts	As a percentage of total profit (%)	Amounts	As a percentage of total profit (%)		
Total profit	221,693,565.00	100.00	251,737,505.00	100.00	-	-
Profit from principal operation	447,627,306.00	201.91	542,206,046.00	215.39	-13.48	-
Profit/(loss) from other operations	-37,607,988.00	-16.96	-11,956,367.00	-4.75	-12.21	-
Expenses during the reporting period	190,578,034.00	85.96	270,411,020.00	107.42	-21.46	Note
Investment income	5,139,926.00	2.32	5,449,794.00	2.16	0.16	-
Subsidy income	2,683,084.00	1.21	-	-	-	-
Non-operating income and expenses, net	-5,570,729.00	-2.51	-13,550,948.00	-5.38	2.87	-

Note: The decrease of expenses during the reporting period as percentage of the total profits is attributable to the reduction of interest expenses as a result of the decrease of interest-bearing liabilities in the first quarter.

3.1.4 Significant changes of principal operation and its structure as compared with the previous reporting period and the reason for such changes

Applicable Non-applicable

3.1.5 Significant change of profitability of principal operation (gross profit margin) as compared with the previous reporting period and the reason for such change

Applicable (*see 3.1*) Non-applicable

3.2 Analysis of significant events and its effects and solutions

Applicable Non-applicable

3.3 Changes of significant accounting policies, accounting estimates and basis of preparation of the consolidated financial statements and major differences arising from the application of different accounting policies, and the reason for such changes

Applicable Non-applicable

3.4 Statement from the board of directors and supervisory committee issued based on "unqualified opinion" on the audited financial statements

Applicable Non-applicable

3.5 Warning in respect of forecast on possible accumulated loss from the beginning of the year to the end of the next reporting period or significant changes as compared with the corresponding period of previous year, and the reason for such change

Applicable Non-applicable

3.6 Amendment to the annual business plan or budget disclosed by the Company

Applicable Non-applicable

The Board of Directors of the Company comprises of :

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

By Order of the Board

Yu Li

Chairman

Jilin, PRC

April 19, 2005

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