



華能國際電力股份有限公司

HUANENG POWER INTERNATIONAL, INC.

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

(Stock Code: 902)

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The board of directors of Huaneng Power International, Inc. proposes to amend the Articles of Association. The proposed amendments are subject to the approval of the shareholders of the Company by way of special resolution at the annual general meeting for 2005 to be convened on 13th June, 2006 and will become effective after the relevant procedures for the approval and/or registration or filing in the PRC have been completed.
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On 25th April, 2006, the board of the directors of Huaneng Power International, Inc. (the “Company”) resolved to propose to the shareholders of the Company to amend the articles of association of the Company as follows:

1. The original paragraph 2 of Article 1 which provides that:

“These Articles of Association (“Articles of Association”) are drawn up by the Company in accordance with the “Company Law of the People’s Republic of China” (the “Company Law”), “Special regulations of the State Council regarding the issue of shares overseas and the listing of shares overseas by joint stock limited companies” (the “Special Regulations”), “Mandatory provisions for the Articles of Association of the company to be listed overseas” (“Mandatory Provisions”), and other relevant laws, requirements of relevant administrative regulations and the Company’s articles of association passed at the first shareholders’ general meeting held on 30th June, 1994 and the amendments made up to the effective date of this articles of association (“Original Articles”).”

is hereby amended as follows:

“These Articles of Association (“Articles of Association”) are drawn up by the Company in accordance with the “Company Law of the People’s Republic of China” (the “Company Law”), “Securities Law of the People’s Republic of China”, “Special regulations of the State Council regarding the issue of and the listing of shares overseas by joint stock limited companies” (the “Special Regulations”), “Mandatory provisions for the Articles of Association of the Company to be listed overseas” (“Mandatory Provisions”), requirements of relevant administrative regulations, the Company’s articles of association passed at the first shareholders’ meeting held on 30th June, 1994 and the amendments made up to the effective date of this articles of association (“Original Articles”).”

2. The Original Article 8 which provides that:

“Article 8 With the approvals by the corporate approval agency authorised by the State Council, the Company may operate as a holding company in the manner as set out in paragraph 2 of Article 12 of the Company Law in accordance with its operation and management needs. The Company may invest in other limited liability companies and joint stock limited companies and undertake liabilities up to the amount of the relevant investment.”

is hereby amended as follows:

“Article 8 The Company may invest in other limited liability companies and joint stock limited companies and undertake liabilities up to the amount of the relevant investment.”

3. The original paragraphs 7 and 8 of Article 15 which provide that:

“The current share capital structure of the Company is: a total of 12,055,383,440 issued ordinary shares, including:

- (1) 5,157,680,000 shares held by Huaneng International Power Development Corporation, representing 42.78% of the total share capital;
- (2) 904,500,000 shares held by Hebei Provincial Construction Investment Company, representing 7.50% of the total share capital;
- (3) 624,750,000 shares held by Jiangsu Provincial International Trust & Investment Company, representing 5.18% of the total share capital;
- (4) 561,700,000 shares held by Fujian International Trust & Investment Company, representing 4.66% of the total share capital;
- (5) 499,370,000 shares held by Liaoning Energy Investment (Group) Limited Liability Company, representing 4.14% of the total share capital;
- (6) 452,250,000 shares held by Dalian Municipal Construction Investment Company, representing 3.75% of the total share capital;
- (7) 135,750,000 shares held by Nantong Investment Management Centre, representing 1.13% of the total share capital;
- (8) 108,000,000 shares held by Min Xin Holdings Limited, representing 0.90% of the total share capital;
- (9) 38,000,000 shares held by Shantou Power Development Joint Stock Company Limited, representing 0.32% of the total share capital;
- (10) 13,000,000 shares held by Dandong Energy Investment Development Centre, representing 0.11% of the total share capital;
- (11) 5,000,000 shares held by Shantou Electric Power Development Company, representing 0.04% of the total share capital;
- (12) 500,000,000 listed domestic shares, representing 4.15% of the total share capital;
- (13) 3,055,383,440 overseas-listed foreign shares, representing 25.34% of the total share capital,”

are now amended as follows:

“The current share capital structure of the Company has a total 12,055,383,400 issued ordinary shares, of which 9,000,000,000 shares, representing approximately 74.66% of the total shares of the Company, are listed domestic shares held by shareholders and 3,055,383,440 shares, representing approximately 24.34% of the total shares of the Company, are overseas-listed shares held by shareholders.”

4. The Original Article 20 which provides that:

“Article 20 The Company may, based on its operating and development needs, authorize the increase of its capital pursuant to the Company’s Articles of Association. The Company may increase its capital in the following ways:

- (1) by offering new shares for subscription to unspecified investors;
- (2) by placing new shares to its existing shareholders;
- (3) by allotting bonus shares to its existing shareholders;
- (4) by any other means which is permitted by the laws and administrative regulations.

After the Company’s increase of share capital by means of the issuance of new shares has been approved in accordance with the provisions of the Company’s Articles of Association, the issuance thereof should be made in accordance with the procedures set out in the relevant laws and administrative regulations of the State.”

is hereby amended as follows:

“Article 20 The Company may, based on its operating and development needs, authorize the increase of its capital pursuant to the Company’s Articles of Association.

The Company may increase its capital in the following ways:

- (1) by public offering;
- (2) by way of private placement;
- (3) by allotting bonus shares to its existing shareholders;
- (4) to increase the share capital with common reserve fund;
- (5) by any other means which is permitted by the laws, administrative regulations and the department under the securities authority of the State Council.

After the Company’s increase of share capital by means of the issuance of new shares has been approved in accordance with the provisions of the Company’s Articles of Association, the issuance thereof should be made in accordance with the procedures set out in the relevant laws and administrative regulations of the State.”

5. The Original Article 24 which provides that:

“Article 24 The Company may, in accordance with the procedures set out in the Company’s Articles of Association and with the approval of the relevant governing authority of the State, repurchase its outstanding shares under the following circumstances:

- (1) cancellation of shares for the purposes of reducing its capital;
- (2) merging with another company that holds shares in the Company;
- (3) other circumstances permitted by laws and administrative regulations.”

is hereby amended as follows:

“Article 24 The Company may, in accordance with the procedures set out in the Company’s Articles of Association and with the approval of the relevant governing authority of the State, repurchase its outstanding shares under the following circumstances:

- (1) cancellation of shares for the purposes of reducing its capital;
- (2) merging with another company which holds the shares of the Company;
- (3) awarding the shares to the employees of the Company;
- (4) the shareholders requesting the Company to repurchase their shares when they have disputes over the resolutions regarding the merger and division of the Company which has been passed at the general meeting;
- (5) other circumstances permitted by laws and administrative regulations.”

6. The Original Article 27 which provides that:

“Article 27 Shares which have been legally repurchased by the Company shall be cancelled within the period as required by law or administrative regulations, and the Company shall apply to the original company registration authority for registration of the change in its registered capital.

The aggregate par value of the cancelled shares shall be deducted from the Company’s registered share capital.

Unless the Company is in the course of liquidation, it must comply with the following provisions in relation to repurchase of its outstanding shares:

- (1) where the Company repurchases shares at par value, payment shall be made out of a book surplus on the distributable profits of the Company or out of proceeds of the new issue of shares made for that purpose;
- (2) where the Company repurchases shares of the Company at a premium to its par value, payment up to the par value may be made out of the book surplus on the distributable profits of the Company or out of the proceeds of the new issue of shares made for that purpose. Payment of the portion in excess of the par value shall be effected as follows:
 1. if the shares being repurchased were issued at par value, payment shall be made out of the book surplus on the distributable profits of the Company;
 2. if the shares being repurchased were issued at a premium to its par value, payment shall be made out of the book surplus on the distributable profits of the Company or out of the proceeds of the new issue of shares made for that purpose, provided that the amount paid out of the proceeds of the new issue shall not exceed the aggregate amount of premiums received by the Company on the issue of the shares repurchased nor shall it exceed the book value of the Company’s capital common reserve fund account (including the premiums on the new issue) at the time of the repurchase;
- (3) the Company shall make the following payments out of the Company’s distributable profits:
 1. payment for the acquisition of the right to repurchase its own shares;

2. payment for the variation of any contract for the repurchase of its shares;
3. payment for the release of its obligation(s) under any contract for the repurchase of shares;

(4) after the Company’s registered capital has been reduced by the aggregate par value of the cancelled shares in accordance with the relevant provisions, the amount deducted from the distributable profits of the Company for payment of the par value of shares which have been repurchased shall be transferred to the Company’s capital common reserve fund account.”

is hereby amended as follows:

“Article 27 Shares which have been legally repurchased by the Company shall be transferred or cancelled within the period as required by law or administrative regulation, and the Company shall, if necessary, apply to the original company registration authority for registration of the change in its registered capital.

The aggregate par value of the cancelled shares shall be deducted from the Company’s registered share capital.

Unless the Company is in the course of liquidation, it must comply with the following provisions in relation to repurchase of its outstanding shares:

- (1) where the Company repurchases shares at par value, payment shall be made out of the book on the surplus distributable profits of the Company or out of proceeds of the new issue of shares made for that purpose;
- (2) where the Company repurchases shares of the Company at a premium to its par value, payment up to the par value may be made out of the book surplus on the distributable profits of the Company or out of the proceeds of the new issue of shares made for that purpose. Payment of the portion in excess of the par value shall be effected as follows:
 1. if the shares being repurchased were issued at par value, payment shall be made out of the book surplus on the distributable profits of the Company;
 2. if the shares being repurchased were issued at a premium to its par value, payment shall be made out of the book surplus on the distributable profits of the Company or out of the proceeds of the new issue of shares made for that purpose, provided that the amount paid out of the proceeds of the new issue shall not exceed the aggregate amount of premiums received by the Company on the issue of the shares repurchased nor shall it exceed the book value of the Company’s capital common reserve fund account (including the premiums on the new issue) at the time of the repurchase;
- (3) the Company shall make the following payments out of the Company’s distributable profits:
 1. payment for the acquisition of the right to repurchase its own shares;
 2. payment for the variation of any contract for the repurchase of its shares;
 3. payment for the release of its obligation(s) under any contract for the repurchase of shares;
- (4) after the Company’s registered capital has been reduced by the aggregate par value of the cancelled shares in accordance with the relevant provisions, the amount deducted from the distributable profits of the Company for payment of the par value of shares which have been repurchased shall be transferred to the Company’s capital common reserve fund account.”

7. The Original Article 32 which provides that:

“Article 32 Share certificates of the Company shall be signed by the Chairman. Where the stock exchange(s) on which the Company’s shares are listed require other senior executive(s) of the Company to sign on the share certificates, the share certificates shall also be signed by such executive(s). The share certificates shall take effect after being sealed or imprinted with the seal of the Company. The share certificate shall only be sealed with the Company’s seal under the authorization of the Board of Directors. The signatures of the board of directors or other senior executive(s) of the Company may be printed in printed form.”

is hereby amended as follows:

“Article 32 Share certificates of the Company shall be signed by the legal representative. Where the stock exchange(s) on which the Company’s shares are listed require(s) other senior executive(s) of the Company to sign on the share certificates, the share certificates shall also be signed by such executive(s). The share certificates shall take effect after being sealed or imprinted with the seal of the Company. The share certificate shall only be sealed with the Company’s seal under the authorization of the board of directors. The signatures of the Chairman of the Board of Directors or other senior executive(s) of the Company may be printed in printed form.”

8. The original paragraph 2 of Article 40 which provides that:

“Application by a holder of domestic shares, who has lost his share certificate, for a replacement share certificate shall be dealt with in accordance with Article 150 of the Company Law.”

is hereby amended as follows:

“Application by a holder of domestic shares, who has lost his share certificate, for a replacement share certificate shall be dealt with in accordance with the Company Law.”

9. The Original Article 44 which provides that:

“Article 44 The shareholders of ordinary shares of the Company shall enjoy the following rights:

- (1) to receive dividends and other distributions in accordance with the number of shares held;
- (2) to attend or appoint a proxy to attend shareholders’ general meetings and to vote thereat;
- (3) to supervise the Company’s business operations, to present proposals or to raise queries;
- (4) to transfer shares in accordance with laws, administrative regulations and provisions of the Company’s Articles of Association;
- (5) to obtain relevant information in accordance with the provisions of the Articles of Association, which information includes:
 - i. to obtain a copy of the Articles of Association, subject to payment of costs;
 - ii. to inspect and copy, subject to payment of a reasonable fee:
 - (i) all parts of the register of shareholders;
 - (ii) personal particulars of each of the Company’s Directors, Supervisors, President and other senior management, including:
 - (a) present and former name and alias;
 - (b) principal address (place of residence);
 - (c) nationality;
 - (d) primary and all other part-time occupations and duties;
 - (e) identification documents and the numbers thereof;
 - (iii) report on the state of the Company’s share capital;
 - (iv) reports showing the aggregate par value, quantity, highest and lowest price paid in respect of each class of shares repurchased by the Company since the last accounting year and the aggregate amount paid by the Company for this purpose;
 - (v) minutes of shareholders’ general meeting.
- (6) in the event of the termination or liquidation of the Company, to participate in the distribution of remaining assets of the Company in accordance with the number of shares held;
- (7) other rights conferred by laws, administrative regulations and the Articles of Association of the Company.”

is hereby amended as follows:

“Article 44 The shareholders of ordinary shares of the Company shall be entitled to the following rights:

- (1) to receive dividends and other distributions in accordance with the number of shares held;
- (2) to attend or appoint a proxy to attend shareholders’ general meetings and to vote thereat;
- (3) to supervise the Company’s business operations, to present proposals or to raise queries;
- (4) to transfer shares in accordance with laws, administrative regulations and provisions of the Company’s Articles of Association;
- (5) to obtain relevant information in accordance with the provisions of the Articles of Association, which information includes:
 - i. to obtain a copy of the Company’s Articles of Association, subject to payment of costs;
 - ii. to inspect and copy, subject to payment of a reasonable fee:
 - (i) all parts of the register of shareholders;
 - (ii) personal particulars of each of the Company’s Directors, Supervisors, President and other senior management including:
 - (a) present and former name and alias;
 - (b) principal address (place of residence);
 - (c) nationality;
 - (d) primary and all other part-time occupations and duties;
 - (e) identification documents and the numbers thereof;
 - (iii) report on the state of the Company’s share capital;
 - (iv) reports showing the aggregate per value, quantity, highest and lowest price paid in respect of each class of shares repurchased by the Company since the last accounting year and the aggregate amount paid by the Company for this purpose;
 - (v) minutes of shareholders’ general meetings, resolutions passed by the Board of Directors and resolutions passed by the Supervisory Committee.
- (6) in the event of the termination or liquidation of the Company, to participate in the distribution of remaining assets of the Company in accordance with the number of shares held;
- (7) other rights conferred by laws, administrative regulations and the Articles of Association of the Company.”

10. The original paragraph 1 of Article 49 which provides that:

“The shareholders’ general meetings exercise the following powers:

- (1) to decide on the Company’s operational policies and investment plans;
- (2) to elect and replace directors and decide on matters relating to the remuneration of directors;
- (3) to elect and replace supervisors who are representatives of the shareholders and decide on matters relating to the remuneration of supervisors;
- (4) to examine and approve reports of the Board of Directors;

- (5) to examine and approve reports of the Supervisory Committee;
- (6) to examine and approve the Company's proposed annual financial budget and final accounts; .
- (7) to examine and approve the Company's profit distribution plan and plan for recovery of losses;
- (8) to decide on the increase or the reduction of the Company's registered capital;
- (9) to decide on issues such as merger, division, dissolution and liquidation of the Company and other matters;
- (10) to decide on the issue of bonds by the Company;
- (11) to decide on the appointment, dismissal or termination of appointment of auditors;
- (12) to amend the Articles of Association of the Company;
- (13) to approve and amend the Rules and Procedures for Shareholders' General Meetings;
- (14) to review proposals of shareholders holding shares representing five percent (5%) or more of the total voting rights of the Company;
- (15) to decide on external guarantee provided by the Company; and
- (16) other matters that should be resolved at shareholders' general meetings under the laws, administrative regulations and the Articles of Association of the Company."

is hereby amended as follows:

"The shareholders' meetings exercise the following powers;

- (1) to decide on the Company's operational policies and investment plans;
- (2) to elect and replace directors and decide on matters relating to the remuneration of directors;
- (3) to elect and replace supervisors who are representatives of the shareholders and decide on matters relating to the remuneration of supervisors;
- (4) to examine and approve reports of the Board of Directors;
- (5) to examine and approve reports of the Supervisory Committee;
- (6) to examine and approve the Company's proposed annual financial budget and final accounts;
- (7) to examine and approve the Company's profit distribution plan and plan for recovery of losses;
- (8) to decide on the increase or the reduction of the Company's registered capital;
- (9) to decide on issues such as merger, division, dissolution and liquidation or alteration of the nature of the Company;
- (10) to decide on the issue of bonds by the Company;
- (11) to decide on the appointment, dismissal or termination of appointment of auditors;
- (12) to amend the Articles of Association of the Company;
- (13) to approve and amend the Rules and Procedures for Shareholders' General Meetings;
- (14) to review proposals of shareholders holding shares representing five percent (5%) or more of the total voting rights of the Company;
- (15) to decide on external guarantee provided by the Company; and
- (16) to examine and approve matters relating to the change of use of proceeds from fund raising;
- (17) to examine and approve share incentive scheme;
- (18) other matters that should be resolved at shareholders' general meetings under the laws, administrative regulations and the Articles of Association of the Company."

11. To add a new article after the Original Article 49:

- "Article 50 The following external guarantee provided by the Company shall be a subject to the approval by the shareholders' meeting:
- (1) any guarantee after its made will cause the total amount of the Company's external guarantees reaching or exceeding 50% of the most recent audited net asset value of the Company;
 - (2) any guarantee after it is made will cause the total amount of the Company's external guarantees reaching or exceeding 30% of the most recent audited total asset value of the Company;
 - (3) provision of guarantee to any person whose asset/liability ratio exceeds 70%;
 - (4) any single guarantee with an amount exceeding 10% of the most recent audited net asset value of the Company; and
 - (5) provision of guarantee to the Company's shareholders, beneficial controllers and their related parties."

12. The Original Article 65 which provides that:

- "Article 65 "Shareholders (including proxies) voting at a shareholders' general meeting shall exercise their voting rights according to their number of shares carrying voting rights, and each share has one vote. If any shareholder (including proxies) is, under the listing rules of the respective stock exchanges where the Company's shares have been listed, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted."

is hereby amended as follows:

- "Article 65 "Shareholders (including proxies) voting at a shareholders' general meeting shall exercise their voting rights according to their number of shares carrying voting rights, and each share has one vote. If any shareholder (including proxies) is, under the listing rules of the respective stock exchanges where the Company's shares have been listed, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted."

13. The Original Article 71 which provides that:

- "Article 71 The following matters shall be resolved by way of a special resolution at a shareholder's general meeting:
- (1) the increase or reduction in share capital and the issue of shares of any class, warrants and other similar securities;
 - (2) the issue of debentures of the Company;
 - (3) the division, merger, dissolution and liquidation of the Company;
 - (4) the amendment of the Company's Articles of Association;
 - (5) any other matters considered by the shareholders, general meeting, and resolved by way of an ordinary resolution, to be of a nature which may have a material impact on the Company and should be adopted by special resolutions."

is hereby amended as follows:

- "Article 71 The following matters shall be resolved by way of a special resolution at a shareholder's general meeting:
- (1) the increase or reduction in share capital and the issue of shares of any class, warrants and other similar securities;
 - (2) the issue of debentures of the Company;
 - (3) the division, merger, dissolution and liquidation of the Company or alteration of the nature of the Company;
 - (4) the amendment of the Company's Articles of Association;
 - (5) any other matters considered by the shareholders, general meeting, and resolved by way of an ordinary resolution, to be of a nature which may have a material impact on the Company and should be adopted by special resolutions."

14. The Original Article 74 which provides that:

- "Article 74 The shareholders' general meeting shall be convened and presided by the Chairman. If the Chairman fails to preside the meeting, the meeting shall be convened and presided by the Vice Chairman. When the Chairman and Vice Chairman are unable to attend the meeting, the Board of Directors may assign a director to convene the meeting on its behalf and also act as the chairman of the meeting. If the chairman of the meeting has not been delegated, shareholders attending the meeting may elect a person as the chairman. If the shareholders, for any reason, are unable to elect a chairman, the shareholders attending the meeting who has the most voting rights (including the proxy) shall act as the chairman of the meeting."

is hereby amended as follows:

- "Article 74 The shareholders' general meeting shall be convened by the board of directors and presided by the Chairman. Where the Chairman is unable to or does not perform the duty, the Vice Chairman shall preside the meeting. Where the Vice Chairman is unable to or does not perform the duty, the meeting shall be presided by a director nominated by more than one-half of the directors. If the board of directors is unable to or does not perform the duty to convene the shareholders' meeting, the Supervisory Committee shall convene and preside the meeting timely. If the Supervisory Committee does not convene and preside the meeting for a period longer than 90 consecutive days, any single shareholder or shareholders holding an aggregate of more than 10% total shares of the Company can convene and preside the meeting."

15. The Original Article 89 which provides that:

- "Article 89 A director may resign prior to expiry of his term of office. The resigning director shall submit his written resignation report to the Board of Directors.
- If the resignation of a director results in the number of members of the Board of Directors of the Company falling below the minimum number stipulated by laws, the resignation report of such director shall only be effective after the succeeding director has filled the vacancy arising from his resignation. The Board of Directors shall convene an extraordinary general meeting as soon as possible and elect a director to fill the vacancy arising from the resignation of the director. Before the shareholders' general meeting passes a resolution on the election of directors, the resigning director and the powers of the Board of Directors shall be reasonably restricted."

is hereby amended as follows:

- "Article 89 A director may resign prior to expiry of his term of office. The resigning director shall submit his written resignation report to the Board of Directors.
- If the resignation of a director results in the number of members of the board of directors of the Company falling below the minimum number stipulated by laws, the resignation report of such director shall only be effective after the succeeding director has filled the vacancy arising from his resignation. The board of directors shall convene an extraordinary general meeting as soon as possible and elect a director to fill the vacancy arising from the resignation of the director. Before the designated director taking up the office, the original director shall perform his duties in accordance with the law, administrative regulations and the provision of the Articles of Association."

16. The Original Article 98 which provides that:

- "Article 98 The Board of Directors should be responsible to the shareholder's general meeting and shall exercise the following powers:
- (1) to be responsible for convening shareholders' general meetings and reporting its work to the shareholders' general meeting;
 - (2) to implement the resolutions of shareholders' general meetings;

- (3) to decide on the Company's business operating plans and investment proposals;
- (4) to formulate the Company's proposed annual financial budget and final accounts;
- (5) to formulate the Company's profit distribution plan and plan for recovery of losses;
- (6) to formulate proposals for the increase in or the reduction of the Company's registered capital and the issuance of corporate bonds;
- (7) to prepare plans for the merger, division or distribution of the Company;
- (8) to decide on the establishment of the Company's internal management structure;
- (9) to appoint or dismiss the Company's President, and according to the President's nomination, to appoint or dismiss the Vice President and officer in charge of financial matters of the Company and to decide on their remuneration;
- (10) to formulate the Company's basic management systems;
- (11) to formulate the proposals for amendments of the Company's Articles of Association;
- (12) to formulate the proposals for amendments of the Rules and Procedures for Shareholders' General Meetings.
- (13) subject to the relevant law and the authorised power of the Articles of Association of the Company, to decide on matters regarding external guarantee provided by the Company;
- (14) other powers given by the Articles or authorised by the shareholders' general meetings.

Except for the matters in paragraphs (6), (7), (11) and (13) which require the consent of at least two-thirds of all the directors; other matters may be decided upon by at least one-half of all the directors.

Where in a period, no meeting is arranged for the Board of Directors, if entrusted by the Board of Directors, the Chairman and Vice Chairman are permitted to exercise jointly part of the powers of the Board of Directors, including:

- (1) to approve the establishment or cancellation of plans for development and construction projects;
- (2) to approve the President's plans for the appointment and transfer of department managers of the Company and assignment of agency managers;
- (3) to approve plans for the use of significant amount of capital;
- (4) to approve the establishment or cancellation plan relating to branch companies or branch institutions; and
- (5) to approve other significant issues."

is hereby amended as follows:

- "Article 98 The Board of Directors should be responsible to the shareholder's general meeting and shall exercise the following powers:
- (1) to be responsible for convening shareholders' general meetings and reporting its work to the shareholders' general meeting;
 - (2) to implement the resolutions of shareholders' general meetings;
 - (3) to decide on the Company's business operating plans and investment proposals;
 - (4) to formulate the Company's proposed annual financial budget and final accounts;
 - (5) to formulate the Company's profit distribution plan and plan for recovery of losses;
 - (6) to formulate proposals for the increase in or the reduction of the Company's registered capital and the issuance of corporate bonds;
 - (7) to prepare plans for the merger, division or distribution of the Company or alteration of the nature of the Company;
 - (8) to decide on the establishment of the Company's internal management structure;
 - (9) to appoint or dismiss the Company's President, and according to the President's nomination, to appoint or dismiss the Vice President and officer in charge of financial matters of the Company and to decide on their remuneration;
 - (10) to formulate the Company's basic management systems;
 - (11) to formulate the proposals for amendments of the Company's Articles of Association;
 - (12) to formulate the proposals for amendments of the Rules and Procedures for Shareholders' General Meetings;
 - (13) subject to the relevant law and the authorised power of the Articles of Association of the Company, to decide on matters regarding guarantee provided by the Company;
 - (14) other powers given by the Articles or authorised by the shareholders' general meetings.

Except for the matters in paragraphs (6), (7), (11) and (13) which require the consent of at least two-thirds of all the directors; other matters may be decided upon by more than one-half of all the directors.

Where in a period, no meeting is arranged for the Board of Directors, if entrusted by the Board of Directors, the Chairman and Vice Chairman are permitted to exercise jointly part of the powers of the Board of Directors, including:

- (1) to approve the establishment or cancellation of plans for development and construction projects;
- (2) to approve the President's plans for the appointment and transfer of department managers of the Company and assignment of agency managers;
- (3) to approve plans for the use of significant amount of capital;
- (4) to approve the establishment or cancellation plan relating to branch companies or branch institutions; and
- (5) to approve other significant issues."

17. The Original Article 99 which provides that:

- "Article 99 All the directors of the Company shall carefully deal with and strictly control the liability risks arising from external guarantees and shall adhere to the following principles when deciding on matters relating to external guarantees:
- (1) The Company shall adhere to the principles of equality, willingness, fairness, honesty and mutual benefits when providing guarantees to other parties;
 - (2) Before deciding on the matters relating to the provision of guarantees for other parties or deciding to submit the relevant matters to the shareholders' general meeting for examination, the Company shall fully understand the credit conditions of the target guaranteed parties to which a guarantee is given and fully analyse the impact of the guarantee on the interests and risks of the Company.
 - (3) The Company may only provide guarantees to the enterprises with good credit conditions and repayment abilities.
 - (4) The Company shall comply with the stipulations of the applicable laws and shall not provide guarantees to the parties to which the Company is prohibited to provide guarantees under the relevant laws.
 - (5) The amount of any single guarantee provided by the Company shall not exceed 30% of the net assets as stated in the consolidated accounting statements of the Company for the latest accounting year; the aggregate guarantee amount provided for a single party shall not exceed 30% of the net assets as stated in the consolidated accounting statements of the Company for the latest accounting year; the aggregate amount of external guarantees shall not exceed 50% of the net assets as stated in the consolidated accounting statements of the Company for the latest accounting year."

is hereby amended as follows:

- "Article 99 All the directors of the Company shall carefully deal with and strictly control the liability risks arising from external guarantees and shall adhere to the following principles when deciding on matters relating to external guarantees:
- (1) The Company shall adhere to the principles of equality, willingness, fairness, honesty and mutual benefits when providing guarantees to other parties;
 - (2) Before deciding on the matters relating to the provision of guarantees for other parties or deciding to submit the relevant matters to the shareholders' general meeting for examination, the Company shall fully understand the credit conditions of the guaranteed parties to which a guarantee is given and fully analyse the impact of the guarantees on the interests and risks of the Company.
 - (3) The Company may only provide guarantees to the enterprises with good credit conditions and repayment abilities.
 - (4) The Company shall comply with the stipulations of the applicable laws and shall not provide guarantees to the parties to which the Company is prohibited to provide guarantees under the relevant laws."

18. The Original Article 100 which provides that:

- "Article 100 Subject to applicable law, the Board of Directors has the power to decide on external guarantee provided by the Company, where the amount involved is within the range from 5% to 20% of the net assets of the Company under the latest consolidated accounts. The Chairman and the Vice Chairman have the power to decide on external guarantee provided by the Company, where the amount involved is less than 5% of the net assets of the Company under the latest consolidated accounts."

is hereby amended as follows:

- "Article 100 Unless required by the applicable laws and the provisions of the Articles of Associations, the Board of Directors has the power to decide on external guarantee provided by the Company, where the amount involved is within the range from 5% to 20% of the net assets of the Company under the latest consolidated accounts. The Chairman and the Vice Chairman have the power to decide on external guarantee provided by the Company, where the amount involved is less than 5% of the net assets of the Company under the latest consolidated accounts."

19. The original paragraph 1 of Article 103 which provides that:

- "Meetings of the Board of Directors shall be convened at least twice a year by the Chairman. Written notice of the place and time of the meeting shall be given to all directors at least ten (10) days before the meeting. Ad hoc meeting of the Board of Directors may be convened upon the request of Chairman of the Company, one-third or more of the directors, the Supervisory Committee or the President of the Company."

is hereby amended as follows:

- "Meetings of the Board of Directors shall be convened at least twice a year by the Chairman. Written notice of the place and time of the meeting shall be given to all directors and supervisors at least ten (10) days before the meeting. Ad hoc meeting of the Board of Directors may be convened upon the request of the shareholders holding more than 10% voting right of the Company, Chairman of the Company, one-third or more of the directors, the Supervisory Committee or the President of the Company. The Chairman shall convene and preside the board meeting within 10 days upon receipt of the request of the shareholders holding more than 10% voting right of the Company, the one-third or more of the directors, the Supervisory Committee or the President of the Company."

20. The Original Article 105 which provides that:

- "Article 105 Meetings of the Board of Directors shall be held only if more than half of the directors are present.
- Each director shall have one vote. Resolutions made by the Board of Directors shall be approved by the majority of members of the Board of Directors. Where there is an equal votes cast both for and against a resolution, the Chairman shall have an additional vote."

is hereby amended as follows:

- "Article 105 Meetings of the Board of Directors shall be held only if the majority of the directors are present.
- Each director shall have one vote. Resolutions made by the Board of Directors shall be approved by the majority of the members of the Board of Directors."

21. The Original Article 105 which provides that:

- "Article 105 Meetings of the Board of Directors shall be held only if more than half of the directors are present.
- Each director shall have one vote. Resolutions made by the Board of Directors shall be approved by the majority of members of the Board of Directors. Where there is an equal votes cast both for and against a resolution, the Chairman shall have an additional vote."

is hereby amended as follows:

- "Article 105 Meetings of the Board of Directors shall be held only if the majority of the directors are present.
- Each director shall have one vote. Resolutions made by the Board of Directors shall be approved by the majority of the members of the Board of Directors."

21. The Original Article 107 which provides that:
“Article 107 Matters determined in a board meeting shall be recorded by the Board of Directors in the form of Records of Meeting. Directors attending the meeting and the recorder of the meeting shall sign on the Record of Meeting. Directors shall be liable for board resolutions. If a board resolution is in breach of the law, administrative regulations or the Articles of Association and thus causes the Company to suffer any loss, the directors who cast vote for the motion shall assume the liability to compensate. But directors who are proved to have cast a dissenting vote against the motion during the voting as recorded in the Records of Meeting shall be exempted from liability.”

is hereby amended as follows:

“Article 107 Matters determined in a board meeting shall be recorded by the Board of Directors in the form of Records of Meeting. Directors attending the meeting and the recorder of the meeting shall sign on the Record of Meeting. Directors shall be liable for board resolution. If a board resolution is in breach of the law, administrative regulations or the Articles of Association or shareholders' resolutions and thus causes the Company to suffer any loss, the directors who cast an affirmative vote for the motion shall assume the liability to compensate. But directors who are proved to have cast a dissenting vote against the motion during the voting as recorded in the Records of Meeting shall be exempted from liability.”

22. The Original Articles 114 which provides that:

“Article 114 The President shall be accountable to the Board of Directors and exercise the following duties and powers:
(1) to be in charge of the Company's production, operation and management, to co-ordinate the implementation of the resolutions of the board of directors;
(2) to organize the implementation of the Company's annual business plan and investment proposal;
(3) to draft plans for the establishment of the Company's internal management structure;
(4) to draft the Company's basic management system;
(5) to formulate basic rules and regulations for the Company;
(6) to propose the appointment or dismissal of the Company's Vice President(s) and officer in charge of financial matters;
(7) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board of Directors;
(8) to sign the loan agreements and other relevant documents for and on behalf of the Company;
(9) other powers conferred by the Articles of Association and the Board of Directors.”

is hereby amended as follows:

“Article 114 The President shall be accountable to the board of directors and exercise the following duties and powers:
(1) to be in charge of the Company's production, operation and management, to co-ordinate the implementation of the resolutions of the board of directors and to report his work to the Board of Directors;
(2) to organize the implementation of the Company's annual business plan and investment proposal;
(3) to draft plans for the establishment of the Company's internal management structure;
(4) to draft the Company's basic management system;
(5) to formulate specific rules and regulations for the Company;
(6) to propose the appointment or dismissal of the Company's Vice President(s) and officer in charge of financial matters;
(7) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board of Directors;
(8) other powers conferred by the Company's Articles of Association and the Board of Directors.”

23. The Original Articles 120 which provides that:

“Article 120 The Company's Directors, Presidents and officer in charge of financial matters shall not act concurrently as Supervisors.”

is hereby amended as follows:

“Article 120 The Company's Directors and senior management shall not act concurrently as Supervisors.”

24. The Original Article 121 which provides that:

“Article 121 The Supervisory Committee shall have at least one meeting a year, which is covered by the Chairman of the Supervisory Committee.”

is hereby amended as follows:

“Article 121 The Supervisory Committee shall have at least one meeting in each six months. Ad hoc meeting of the Supervisory Committee may be convened if so proposed by the Supervisors. The Chairman of the Supervisory Committee shall be responsible for the convening and presiding the meetings. If the Chairman of the Supervisory Committee is unable to perform or does not perform his duties, the Vice Chairman of the Supervisory Committee could convene and preside the meeting of the Supervisory Committee. If the Vice Chairman of the Supervisory Committee is unable to perform or does not perform his duties, the meeting of the Supervisory Committee could be convened and presided by the majority of the Supervisors.”

25. The Original Article 122 which provides that:

“Article 122 The Supervisory Committee shall be accountable to the shareholders' general meeting and exercise the following functions and powers in accordance with law:

- (1) to review the Company's financial position;
- (2) to supervise the Directors, President and other senior management to ensure that they do not act in contravention of any law, administrative regulations or the Articles of Association of the Company;
- (3) to demand the Directors, President and other senior management to rectify their error if they have acted in a harmful manner to the Company's interest;
- (4) to check and inspect the financial report, business report and plans for distribution of profits to be submitted by the Board of Directors to the shareholders' general meetings and to authorize, in the Company's name, publicly certified and practicing accountants to assist in the review on such information should any doubt arise in respect thereof;
- (5) to propose and to convene the extraordinary general meeting;
- (6) to represent the Company to negotiate with or to bring actions against a director;
- (7) other duties and powers as may be specified by the Articles of Association of the Company.

Supervisors shall attend meetings of the Board of Directors.”

is hereby amended as follows:

“Article 122 The Supervisory Committee shall be accountable to the shareholders' general meeting and exercise the following functions and powers in accordance with law:

- (1) to review the Company's financial position;
- (2) to supervise behaviour of the Directors and senior management in their performance of the Company's power and duties, and to propose to the shareholders' meeting to remove the relevant director and senior management if they act in contravention of any law, administrative regulations, the Articles of Association of the Company or shareholders' resolutions;
- (3) to demand the Directors, President, Vice Presidents and other senior management to rectify their error if they have acted in a harmful manner to the Company's interest;
- (4) to check and inspect the financial report, business report and plans for distribution of profits to be submitted by the Board of Directors to the shareholders' meetings and to authorize, in the Company's name, publicly certified and practicing accountants to assist in the review on such information should any doubt arise in respect thereof;
- (5) to review the periodic report prepared by the board of directors and to provide written opinion;
- (6) to propose and to convene the extraordinary general meeting, to convene and preside shareholders' meeting when the board of directors do not perform such duties;
- (7) to represent the Company to negotiate with or to bring actions against a director;
- (8) to carry out investigation when finding irregularities in the operation of the Company, and if necessary, to engage professional institutes, such as accounting firms and law firms to assist its work;
- (9) other duties and powers as may be specified by law, administrative regulations, the Articles of Association of the Company and conferred by the shareholders' meeting.

Supervisors shall attend meetings of the board of directors.”

26. The Original Article 126 which provides that:

“Article 126 A person may not serve as a Director, Supervisor, President or senior management of the Company if any of the following circumstances arises:

- (1) a person who does not have or who has limited capacity for civil conduct;
- (2) a person who has been found guilty of corruption, bribery, infringement of property or misappropriation of property or other crimes which destroy the social economic order, and the sentence is enforced for less than five (5) years or a person who has been deprived of his political rights and not more than five (5) years have lapsed since the sentence was served;
- (3) a person who is a former director, factory manager or president of a company or enterprise which has been dissolved or put into liquidation as a result of mismanagement and who was personally liable for the winding up of such company or enterprise, where less than three (3) years have elapsed since the date of completion of the insolvent liquidation of the company or enterprise;
- (4) a person who is a former legal representative of a company or enterprise the business licence of which was revoked, or which was ordered to close down and who are personally liable therefor, where less than three (3) years have elapsed since the date of the cancellation of the business licence;
- (5) a person who has a relatively large amount of debts which have become due and outstanding;
- (6) a person who is currently under investigation by the judicial authorities for violation of criminal law;
- (7) a person who, according to laws and administrative regulations, cannot take up management role in an enterprise;
- (8) a person other than a natural person;
- (9) a person who has been adjudged by the supervising authority for violation of relevant securities regulations and such conviction involves a finding that such person has acted fraudulently or dishonestly, where not more than five (5) years have lapsed from the date of such conviction.”

is hereby amended as follows:

“Article 126 A person may not serve as a Director, Supervisor, President or senior management of the Company if any of the following circumstances arises:

- (1) a person who does not have or who has limited capacity for civil conduct;
- (2) a person who has been found guilty of corruption, bribery, infringement of property or misappropriation of property or destruction of the socialism market economic order, and the sentence is enforced for less than (5) years or a person who has been deprived of his political rights and not more than five (5) years have lapsed since the sentence was served;
- (3) a person who is a former director, factory manager or president of a company or enterprise which has been dissolved or put into liquidation as a result of mismanagement and who was personally liable for the winding up of such company or enterprise, where less than three (3) years have elapsed since the date of completion of the insolvent liquidation of the company or enterprise;

(4) a person who is a former legal representative of a company or enterprise the business licence of which was revoked, or which was ordered to close down and who are personally liable therefor, where less than three (3) years have elapsed since the date of the cancellation of the business licence;

- (5) a person who has a relatively large amount of debts which have become due and outstanding;
- (6) a person who is currently under investigation by the judicial authorities for violation of criminal law;
- (7) a person who, according to laws and administrative regulations, cannot take up management role in an enterprise;
- (8) a person other than a natural person;
- (9) a person who has been adjudged by the supervising authority for violation of relevant securities regulations and such conviction involves a finding that such person has acted fraudulently or dishonestly, where not more than five (5) years have lapsed from the date of such conviction.”

27. The Original Article 154 which provides that:

“Article 154 After the payment of all applicable taxes according to the tax law, the Company shall follow the following principles to distribute its profit:

- (1) The Company's profit after tax shall firstly use to make up the losses of the previous years. There shall not be any distribution before the losses of previous years are made up. The undistributed profit of previous years could be used for distribution for the current year.
- (2) After making up the losses, the Company's profit after tax shall be appropriated in the order set out below according to the relevant laws:
 1. appropriation to the statutory surplus reserve fund;
 2. appropriation to the statutory public welfare fund;
 3. appropriation to the discretionary surplus reserve fund;
 4. payment of dividends for ordinary shares.
- (3) When the Company distributes the profit after tax for the current year, 10% of the profit shall be appropriated to the statutory surplus reserve fund, 5% to 10% shall be appropriated to the statutory public welfare fund. When the aggregate amount of the statutory surplus reserve fund exceeds 50% of the registered capital of the Company, the appropriation is not required to make.
- (4) The proposal regarding the appropriation to the discretionary surplus reserve fund and the payment of dividends in accordance with paragraph (2) of this article and the appropriation to the statutory public welfare fund in accordance with paragraph (3) of this article shall be formulated by the Board of Directors and approved by the shareholders' general meeting.”

is hereby amended as follows:

“Article 154 After the payment of all applicable taxes according to the tax law, the Company shall follow the following principles to distribute its profit:

- (1) The Company's profit after tax shall firstly use to make up the losses of the previous years. There shall not be any distribution before the losses of previous years are made up. The undistributed profit of previous years could be used for distribution for the current year.
- (2) After making up the losses, the Company's profit after tax shall be appropriated in the order set out below according to the relevant laws:
 1. appropriation to the statutory surplus reserve fund;
 2. appropriation to discretionary surplus reserve fund;
 3. payment of dividends for ordinary shares.
- (3) When the Company distributes the profit after tax for the current year, 10% of the profit shall be appropriated to the statutory surplus reserve fund. When the accumulative amount of the statutory surplus reserve fund exceeds 50% of the registered capital of the Company, the appropriation is not required to make.
- (4) The proposal regarding the appropriation to the discretionary surplus reserve fund and the payment of dividends in accordance with paragraph (2) of this article shall be formulated by the Board of Directors and approved by the shareholders' general meeting.”

28. The Original Article 156 which provides that:

“Article 156 The dividends or other distribution of the Company shall be calculated and declared in Renminbi. Cash dividends and other distribution to domestic shares shall be paid in Renminbi. Cash dividends and other distribution to foreign-invested shares shall be paid in US dollars, except for the foreign-invested shares traded on The Stock Exchange of Hong Kong, the cash dividends or other distribution shall be paid in Hong Kong dollars.

As regards the dividends or other distribution paid by the Company in a currency other than Renminbi, the exchange rate of Renminbi to such foreign currency shall be the average of the medium of the closing prices as announced by the People's Bank of China on two working days in the week before the dividend or other distribution is declared.”

is hereby amended as follows:

“Article 156 The dividends or other distribution of the Company shall be calculated and declared in Renminbi. Cash dividends and other distribution to domestic shares shall be paid in Renminbi. Cash dividends and other distribution to foreign-invested shares shall be paid in US dollars, except for the foreign-invested shares traded on The Stock Exchange of Hong Kong, the cash dividends or other distribution shall be paid in Hong Kong dollars.

As regards the dividends or other distribution paid by the Company in a currency other than Renminbi, the exchange rate of such foreign currency to Renminbi shall be the average of the medium of the closing prices as published by the People's Bank of China on two working days in the week before the dividend or other distribution is declared.”

29. The Original Article 170 which provides that:

“Article 170 The Company shall be dissolved and liquidated upon the occurrence of any of the following events:

- (1) the expiration of the business period;
- (2) a resolution regarding the dissolution is passed at the shareholders' general meeting;
- (3) dissolution is necessary due to a merger or division of the Company;
- (4) the Company is legally declared insolvent due to its failure to repay debts as they become due;
- (5) the Company is ordered to close down because of its violation of laws and administrative regulations.”

is hereby amended as follows:

“Article 170 The Company shall be dissolved and liquidated upon the occurrence of any of the following events:

- (1) the expiration of the business period;
- (2) a resolution regarding the dissolution is passed at the shareholders' general meeting;
- (3) dissolution is necessary due to a merger or division of the Company;
- (4) the Company is legally declared insolvent due to its failure to repay debts as they become due;
- (5) the Company's business licence has been cancelled or withdrawn, the Company is ordered to close down in accordance with the law;
- (6) that the operation and management of the Company faces severe difficulty while the continuation of its existence will cause significant loss to the shareholders and the position cannot be resolved by other means, the People's Court may, at the request of shareholders holding more than 10% of voting rights of the Company, dissolve the Company in accordance with the law. ”

30. The Original Article 171 which provides that:

“Article 171 Where the Company dissolves under sub-paragraphs (1) and (2) of the preceding article, a liquidation committee shall be set up within 15 days thereafter, and the composition of the liquidation committee shall be determined by an ordinary resolution in a shareholders' general meeting.

Where the Company dissolves under sub-paragraph (4) of the preceding article, the People's Court will co-ordinate the shareholders, relevant authorities and professionals to set up the liquidation committee in accordance with the law and to proceed with the liquidation.

Where the Company dissolves under sub-paragraph (5) the relevant supervising authority will co-ordinate the shareholders, relevant authorities and professionals to set up the liquidation committee to proceed with the liquidation.”

is hereby amended as follows:

“Article 171 Where the Company dissolves under sub-paragraph (1), (2), (5) or (6) of the preceding article, a liquidation committee shall be set up within 15 days from occurrence of the liquidation event, and the composition of the liquidation committee shall be determined by an ordinary resolution in a shareholders' general meeting.

Where the Company dissolves under sub-paragraph (4) of the preceding article, the People's Court will co-ordinate the shareholders, relevant authorities and professionals to set up the liquidation committee in accordance with the law and to proceed with the liquidation.”

31. The Original Article 174 which provides that

“Article 174 During the liquidation period, the liquidation committee shall exercise following functions and powers:

- (1) to categorise the Company's assets and prepare a balance sheet and an inventory of assets respectively;
- (2) to notify the creditors or via publishing public announcement;
- (3) to dispose of and liquidate the unfinished business of the Company;
- (4) to pay all outstanding taxes;
- (5) to settle claims and debts;
- (6) to deal with the surplus assets remaining after repayment by the Company of its debts;
- (7) to represent the Company in any civil proceedings.”

is hereby amended as follows:

“Article 174 During the liquidation period, the liquidation committee shall exercise following functions and powers:

- (1) to categorise the Company's assets and prepare a balance sheet and an inventory of assets respectively;
- (2) to notify the creditors or via publishing public announcement;
- (3) to dispose of and liquidate the unfinished businesses of the Company;
- (4) to pay all outstanding taxes, including those incurred in the course of liquidation;
- (5) to settle claims and debts;
- (6) to deal with the surplus assets remaining after repayment by the Company of its debts;
- (7) to represent the Company in any civil proceedings.”

32. To add a new article as Article 184:

“Article 184 Unless stipulated otherwise by the Articles of Association, the expression of “above”, “within” and “below” shall include the figures mentioned whilst the expressions of “short of”, “other than”, “less than”, “more than”, “exceeding”, “in excess of” shall not include the figures mentioned.”

33. The expression, such as “(including two-third)”, “including (one-tenth)”, which are contained in Original Article shall be deleted.

34. The original article 35 of the Rules and Procedures for Shareholders' General Meetings which provides that:

“Article 35 The shareholders' general meeting shall be convened and presided by the Chairman. If the Chairman fails to preside the meeting, the meeting shall be convened and presided by the Vice Chairman. When the Chairman and Vice Chairman are unable to attend the meeting, the Board of Directors may assign a director to convene the meeting on its behalf and also act as the Chairman of the meeting. If the Chairman of the meeting has not be delegated, shareholders attending the meeting may elect a person as the chairman. If the shareholders, for any reason, are unable to elect a chairman, the shareholders attending the meeting who has the most voting rights (including the proxy) shall act as the chairman of the meeting.”

is hereby amended as follows:

“Article 35 The shareholders' general meetings shall be convened by the Board of Directors and presided by the Chairman. Where the Chairman is unable to or does not perform the duty, the Vice Chairman shall preside the meeting. Where the Vice Chairman is unable to or does not perform the duty, the meeting shall be presided by a director nominated by more than one-half of the directors. If the Board of Directors is unable to or does not perform the duty to convene the shareholders' meeting, the Supervisory Committee shall convene and preside the meeting timely. If the Supervisory Committee does not convene and preside the meeting for a period longer than 90 consecutive days, any single shareholder or shareholders holding an aggregate of more than 10% total shares of the Company can convene and preside the meeting.”

35. The last paragraph original of article 4 of the Rules and Procedures of the Board of Directors Meetings which provides that:

“In case of any of the following situations, the chairman shall sign the notice for convening ad hoc board meeting within 7 working days:

1. the Chairman considers necessary;
2. jointly proposed by more than one-third of the directors;
3. proposed by the Supervisory Committee;
4. proposed by the President.”

is hereby amended as follows:

“In case of any of the following situations, the chairman shall convene and preside the board meeting within 10 days:

1. proposed by shareholders holding more than 10% of the total voting rights;
2. the Chairman considers necessary;
3. jointly proposed by more than one-third of the directors;
4. proposed by the Supervisory Committee;
5. proposed by the President.”

36. The original paragraph 1 of article 10 of the Rules and Procedures of the Board of Directors Meetings which provides that:

“Article 10 Attendance of the Meeting

The board meeting shall be held only if more than one-half of directors one present. The board meeting shall be attended by the directors in person. Any director who is unable to attend the meeting, could entrust other director to attend the meeting on his behalf in writing. The proxy document shall set out the name of the proxy, the matter entrusted, the scope of authority, the duration of the effective period, and shall be signed or sealed by the entrustor.”

is hereby amended as follows:

“Article 10 Attendance of the Meeting

The board meeting shall be held only if more than one-half of directors are present. The board meeting shall be attended by the directors in person. Any director who is unable to attend the meeting could entrust another director to attend the meeting on his behalf in writing. The proxy document shall set out the name of the proxy, the matter entrusted, the scope of authority, the duration of the effective period, and shall be signed or sealed by the entrustor.”

37. The original paragraph 4 of article 13 of the Rules and Procedures of the Board of Directors Meetings which provides that:

“Except for the resolutions regarding (1) the formulation of the proposal to increase or reduce the registered capital of the Company and of the proposal of issue of debentures: (2) the proposals of the merger, division and dissolution of the Company; (3) the formulation of the proposal to amend the Articles of Association of the Company, all of the which shall be approved by more than two-third of all directors, all other matters shall be resolved with the consent of more than half of all directors. Each director shall have one vote. Where the votes for and against a resolution are equal, the Chairman is entitled to cast one more vote.”

is hereby amended as follows:

“Except those matters shall be passed with the consent of more than two-third of all directors in accordance with explicit requirements of the applicable laws and the Articles of Association of the Company, all other matters could be resolved with the consent of the majority of all directors.”

38. The original article 4 of the Rules and Procedures of the Supervisory Committee Meetings which provides that:

“Article 4 Any person as per requirements under Section 57 and Section 58 of the Company Law of the People's Republic of China, and who has been prohibited by the China Securities and Regulatory Commission to participate in market activities and such prohibition has still not been uplifted, cannot act as the Company's Supervisor, Directors, Managers and other senior management shall not act concurrently as Supervisor.”

is hereby amended as follows:

“Article 4 Any person with the situation that he shall not act as Supervisor of any company under the regulations of the applicable laws, who has been prohibited by the supervising authority or securities regulatory authority to participate in market activities and such prohibition has still not been uplifted, cannot act as the Company's Supervisor.

Directors and senior management shall not act concurrently as Supervisor.”

39. The original article 13 of the Rules and Procedures of the Supervisory Committee Meetings which provides that:

“Article 13 The Supervisory Committee shall convene at least one meeting a year. The written notice of meeting shall be issued 10 days before the meeting.

The meeting of the Supervisory Committee could be convened if it is proposed by the Chairman of the Supervisory Committee or by more than one-half of Supervisors.”

is hereby amended as follows:

“Article 13 The Supervisory Committee shall convene at least one meeting in each six months. The written notice of meeting shall be issued 10 days before the meeting.

The meeting of the Supervisory Committee could by convened if it is proposed by the Supervisors.”

40. The original article 15 of the Rules and Procedures of the Supervisory Committee Meetings

“Article 15 The meetings of the Supervisory Committee shall be convened by the chairman of the Supervisory Committee. The meeting of the Supervisory Committee can be held only if more than two-third (including two-third) of the Supervisors are present at the meeting. If necessary, it may request Directors, Presidents and other senior management to attend the meeting.”

is hereby amended as follows:

“Article 15 The meetings of the Supervisory Committee shall be convened and presided by the Chairman of the Supervisory Committee. If the Chairman of the Supervisory Committee is unable to or does not perform the duty, the vice chairman of the Supervisory Committee should convene and preside the meetings of the Supervisory Committee. If the Vice Chairman of the Supervisory Committee is unable to or does not perform the duty, the meeting of the Supervisory Committee could be convened and presided by more than one-half of the Supervisors. The meeting of the Supervisory Committee can be held only if more than two-third (including two-third) of the Supervisors are present at the meeting. If necessary, it may require Directors, President and other senior management to attend the meeting.”

According to the articles of association of the Company and the relevant laws and regulations, the proposed amendments are subject to the approval of the shareholders of the Company by way of special resolution at the annual general meeting for 2005 to be convened on 13th June, 2006. Further, the proposed amendments will become effective after the relevant procedures for the approval and/or registration or filing in the PRC have been completed.

By Order of the Board
Huaneng Power International, Inc.
Huang Long
Vice Chairman

As at the date of this announcement, the directors of the Company are:

Li Xiaopeng (Executive Director)	Qian Zhongwei (Independent non-executive director)
Huang Yongda (Non-Executive Director)	Xia Donglin (Independent non-executive director)
Na Xizhi (Executive Director)	Liu Jipeng (Independent non-executive director)
Huang Long (Executive Director)	Wu Yusheng (Independent non-executive director)
Wu Dawei (Non-executive Director)	Yu Ning (Independent non-executive director)
Shan Qunying (Non-executive Director)	
Ding Shida (Non-executive Director)	
Xu Zujian (Non-executive Director)	
Liu Shuyuan (Non-executive Director)	

Please also refer to the published version of this announcement in South China Morning Post and Wen Wei Po Post.