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**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)**

**PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION**

The Board passed resolutions on 17 March 2005, among other things, proposing to amend the relevant provisions of the Articles of Association in order to comply with the provisions under Certain Rules in Respect of the Strengthening of the Protection of the Interests of the Public Shareholders issued by China Securities Regulatory Committee.

The proposed amendments to the Articles of Association are subject to the approval of the shareholders of the Company by way of special resolutions and approval and/or endorsement on registration as may be required by the relevant PRC authorities.

The board of the directors (the "Board") of Jilin Chemical Industrial Company Limited (the "Company") passed resolutions on 17 March 2005, among other things, proposing to amend the relevant provisions of the articles of association of the Company (the "Articles of Association") in order to comply with the provisions under Certain Rules in Respect of the Strengthening of the Protection of the Interests of the Public Shareholders issued by China Securities Regulatory Committee.

The proposed amendments to the Articles of Association (collectively the "Proposed Amendments") are as follows:

1. THAT the Articles of Association be and are hereby amended by re-numbering the existing Article 80 as Article 81 and inserting the following provisions as new Article 80:

"Article 80

Apart from the approval by the shareholders at the general meeting, any of the following issues or the relevant applications in relation thereto shall only be carried out if approved by at least half of the shares carrying voting rights held by the public shareholders voting at the general meeting:

- (a) Any issue of new shares to the public (including issue of overseas listed foreign investment shares or other share titles), issue of convertible debentures, placing of shares to existing shareholders (except in such placings where the controlling shareholders have provided an undertaking to fully subscribe for the shares in cash before the general meeting is convened);

- (b) Major asset restructuring if the assets to be acquired are being proposed to be acquired at a total price which is 20% higher than the audited book net value of such assets;
- (c) Repayment of debts due to the Company by any shareholder using his shares of the Company;
- (d) Overseas listing of any significant subsidiary of the Company;
- (e) Other relevant issues which may have a substantial impact on the interests of the public shareholders in the development of the Company.

The notice of any general meeting at which any issue mentioned above will be considered shall be re-announced within three (3) days after the record date.

The announcement of the resolutions of the general meeting shall set out the number of the public shareholders voting at the general meeting, the shares held by them and the percentage of such shares in the total number of the shares held by the public shareholders and the results of their votes as well as the shareholdings of the 10 largest public shareholders voting at the general meeting and the results of their votes.

If the Company convenes a general meeting to consider and approve any issue mentioned above, it shall provide the shareholders with an on-line voting system and such on-line voting shall be carried out in accordance with the relevant implementation rules.

The board of directors, the independent directors and eligible shareholders may solicit votes of the shareholders of the Company to be cast at the general meeting. The person soliciting votes from the public shareholders shall carry out such activities in accordance with the relevant implementation rules.”

2. THAT the articles following the existing Article 80 be and are hereby re-numbered accordingly.

The Proposed Amendments are subject to the approval of the shareholders of the Company by way of special resolutions and approval and/or endorsement on registration as may be required by the relevant PRC authorities.

As of the date hereof, the Board comprises of:

<i>Executive Directors:</i>	Yu Li, Shi Jianxun, Zhang Xingfu
<i>Non-executive Directors:</i>	Xu Fengli, Ni Muhua, Jiang Jixiang, Lan Yunsheng
<i>Independent Non-executive Directors:</i>	Lü Yanfeng, Wang Peirong, Fanny Li, Zhou Henglong

By order of the Board of Directors  
**Zhang Liyan**  
Company Secretary

31 March 2005  
Jilin, the PRC

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