

### III Change in Share Capital and substantial Shareholders

#### 1. Structure of Share Capital and Changes During the Reporting Period

	Beginning of the reporting period	changes(+/-) reporting period	Unit: Rmb End of the reporting period
a. Non-circulating shares			
State-owned legal person shares	450,520,000	-70,000,000	380,520,000
Social legal person shares	21,300,000	+70,000,000	91,300,000
b. Circulating shares			
PRC listed A shares	143,600,000		143,600,000
Foreign listed H shares	257,950,000		257,950,000
c. Total shares	873,370,000		873,370,000

Note: During the reporting period, there was no change in the total share capital of the Company. Change in the number of state-owned legal person shares and social legal person shares is attributable to the change in shareholding structure due to 70,000,000 shares held by Northeast Electrical Transmission and Transformation Equipment Group Corporation Limited ("NET"), the largest shareholder of the Company, having been put up for auction for repayment of debts.

#### 2. Shareholders

##### (1) Number of the shareholders at the end of reporting period

As at 30 June 2001, the total number of shareholders of the Company was 62,661, including 1 State-owned legal person shareholder, 104 social legal person shareholders, 144 H shares shareholders and 62,412 A shares shareholders.

##### (2) Ten largest shareholders of the Company

Position	Number	Name of Shareholders	Classification	31 Dec 2000	30 June 2001	Percentage(%)
(1)		Northeast Electrical Transmission and Transformation Equipment Group Corporation ("NET")	State-owned legal person shares	450,520,000	380,520,000	43.57
(2)		Hong Kong Registrars Ltd.	Listed H shares	257,950,000	257,950,000	28.81
(3)		Shanghai Kun Ling Industrial and Trading Co., Ltd.	public legal person shares (A shares)	0	20,000,000	2.29
(4)		Shanghai Hao Jia Trade and Economic Co., Ltd.	public legal person shares (A shares)	0	20,000,000	2.29
(5)		The Trust & Investment Company of the Industrial	public legal person shares			

	and Commercial Bank of China in Shenyang	(A shares)	7,100,000	7,100,000	0.81
(6)	Shekou Industrial Zone of Shenzhen	public legal person share (A shares)	4,970,000	4,970,000	0.57
(7)	Shanghai Kongda Technology Development Co., Ltd.	public legal person shares (A shares)	0	4,000,000	0.46
(8)	China Zhong Da Software Development Company	public legal person share (A shares)	3,550,000	3,550,000	0.40
(9)	Shanghai Huanhua Engineering Equipment Co., Ltd.	public legal person share (A shares)	0	3,200,000	0.37
(10)	Shanghai Zhihai Chemical Industry and Trading Co., Ltd.	public legal person share (A shares)	0	3,000,000	0.34

Note: None of the above 10 shareholders are associated with each other.

- (3) The legal person shares held by any of the holders of 5% or more of the Company's legal person shares were mortgaged, subject to a freezing order and put up for auction as follows:

NET, the largest shareholder of the Company, originally held 450,520,000 State-owned legal person shares. As its creditor Sichuan Dongfang Electrical Group Finance Company required property preservation, a total of 90 million shares were ruled to be frozen by Chengdu Intermediate People's Court in Sichuan Province. Of which, 30 million shares and 40 million shares were put up for auction on 20 March 2001 and 19 June 2001 respectively. As Liaoning Construction Bank required property preservation, NET's another 20 million shares were ruled to be frozen by Shenyang Intermediate People's Court; as Anshan Hecheng Group Co., Ltd. required property preservation, NET's another 44 million shares were ruled to be frozen by Anshan Intermediate People's Court; as State Development Bank, Shenyang branch, required property preservation, NET's another 266,520,000 shares were ruled to be frozen by Shenyang Intermediate People's Court; and as China Merchants Bank, Shenyang branch, required property preservation, NET's another 30 million shares were ruled to be frozen by Shenyang Intermediate People's Court. To date, the shares held by the largest shareholder were reduced to 380,520,000 shares and were all frozen.