

Notice of 2000 Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting ("AGM") of Dongfang Electrical Machinery Company Limited (the "Company") for the year 2000 will be held on Friday, 25 May 2001 at the Conference Room of the Company, 13 Huanghe Xi Road, Deyang, Sichuan Province, the People's Republic of China (the "PRC") at 9:00 a.m. for the following purposes:

I. Special resolution: amendment of Articles of Association

Article 15 of the Articles of Association concerning the scope of business of the Company shall be supplemented as follows:

"contracting for overseas' power generating equipment, electromechanical and complete projects as well as tender for domestic international projects; export of equipment and materials necessary for the above overseas' projects; deployment of staff necessary for the above overseas' projects; manufacturing and sale of wind power generating equipment and manufacturing and sale of forge pieces, compressors and insulators,"

II. Ordinary resolutions:

1. To consider and approve the report of the Board of Directors for the year 2000;
2. To consider and approve the report of the Supervisory Committee for the year 2000;
3. To consider and approve the Audited Financial Statements of the Company for the year 2000 and the 2001 Work Plan;
4. To consider and approve the Profit after Taxation Distribution Proposal for the year 2000;
5. To consider and approve the appointment of auditors for the year 2001 and to authorize the Board of Directors to fix their remuneration;
6. To consider and approve the financial policy relating to disposal of staff quarters.

Notes:

- I. All shareholders whose names appear on the Register of Members of the Company by the close of business on 24 April 2001 are entitled to attend the AGM for the year 2000 of the Company. The Register of Members of the Company's H Shares will be closed from 25 April 2001 to 25 May 2001 (both days inclusive) during which period no transfer of H Shares will be effected. All share transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrars in respect of the Company's H shares, namely HKSCC Registrars Limited at 2nd Floor, Vicwood Plaza, 199 Des Voeux Road, Central, Hong Kong by 4:00 p.m. on Tuesday, 24 April 2001. Holders of the Company's H Shares whose names appear on the Register of Members of the Company on 24 April 2001, or their proxies, are entitled to attend the AGM and should bring along their identity cards or passports when attending the AGM. If a shareholder attends the AGM by his proxy/proxies, the proxy/proxies should bring along the instrument appointing him as the proxy.

2. Any shareholders entitled to attend and vote at the AGM may appoint a proxy or several proxies (who need not be a shareholder) to attend the AGM and vote thereat.
3. For shareholders who appoint more than one proxy, the voting right can only be exercised when a poll is taken.
4. The instrument appointing a proxy must be in writing under the hand of the appointee or his attorney duly authorized in writing. If the form of proxy is signed by the attorney on behalf of the appointee, the power of attorney or other authority must be notarially certified. The notarially certified power of attorney or other authority together with the instrument appointing the proxy must be delivered to the registered address of the Company 24 hours prior to the time appointed for the holding of AGM.
5. Shareholders who intend to attend the AGM should send a written reply indicating the intention to attend the AGM to the Company's registered address before 5 May 2001. The dispatch of the reply may be by hand, by mail or by fax. It is hereby requested that the reply be made on the reply slip set out below or its photocopy. The above-mentioned written reply does not affect the right of shareholders to attend the AGM.
6. The AGM is expected to last for half day. Shareholders and proxies attending the AGM should be responsible for their own travelling and accommodation expenses.

Registered address of the Company:

13 Huanghe Xi Road, Deyang, Sichuan Province, the PRC

Tel No.: 86-838-2409358

Fax No.: 86-838-2402125

Postal Code: 618000

By Order of the Board

Gong Dan

Secretary to the Board of Directors

Deyang, Sichuan Province, the PRC

6th April 2001