

Change in Share Capital and Particulars of Shareholders

1. Change in share capital

(1) Structure of share capital

| | Number of shares at beginning of the year | Percentage in total issued shares (%) | Increase/ (decrease) during the year | Number of shares at the end of the year | Percentage in total issued Shares (%) |
|--|---|--|--|---|--|
| 1. Non-circulating shares | | | | | |
| Domestic promoter Legal Person Shares (State-owned legal person Shares) | 220,000,000 | 48.89 | — | 220,000,000 | 48.89 |
| 2. Circulating Shares | | | | | |
| 1. Domestic listed RMB ordinary shares (A Shares) | 60,000,000 | 13.33 | — | 60,000,000 | 13.33 |
| 2. Overseas Listed foreign investment shares (H Shares) | 170,000,000 | 37.78 | — | 170,000,000 | 37.78 |
| Total number of circulating shares | 230,000,000 | 51.11 | — | 230,000,000 | 51.11 |
| Total number of shares issued | 450,000,000 | 100.00 | — | 450,000,000 | 100.00 |

(2) Issue and listing of shares

For the three years ended 31 December 2002, the Company has not issued any shares.

2. Particular of Shareholders

As at 31 December 2002, the Company had in total 39,464 shareholders, of which 1 was the holder of domestic legal person shares (State-owned legal person shares), 39,367 were shareholders of domestic listed Renminbi ordinary shares (A Shares) and 96 were shareholders of overseas listed foreign investment shares (H Shares). The Company had not issued any employee shares.

The major shareholders of the Company and their respective shareholdings were as follows:

| Name of shareholders | Nature of shares | Type of Shares | Number of shares held at year end (Shares) | Percentage to total shares issued (%) | Increase/ (Decrease) during the year (Shares) |
|---|---|-------------------|---|--|--|
| Dongfang Electrical Machinery Works ("DFEW") | A share; State-owned legal person shares | A | 220,000,000 | 48.89 | — |
| HKSCC Nominees Limited | Circulating H shares | H | 167,989,999 | 37.33 | -280,000 |
| Xiang Cai Securities Limited (湘財證券有限責任公司) | Circulating A shares | A | 1,051,271 | 0.23 | — |
| Chuk Yee Men Liza | Circulating H shares | H | 478,000 | 0.11 | — |
| Yu Hua Securities Investment Fund (裕華證券投資基金) | Circulating A shares | A | 299,386 | 0.07 | — |
| Yang De Qun (楊德群) | Circulating A shares | A | 289,100 | 0.06 | -1,700 |
| Cheng Yuk Ling | Circulating H shares | H | 200,000 | 0.04 | — |
| Chen Zhong Yi (陳中一) | Circulating A shares | A | 175,000 | 0.04 | — |
| Jilin Province Retirement Fund (吉林省老年福利基金會) | Circulating A shares | A | 173,113 | 0.04 | — |
| Ma Wen Yu (馬文玉) | Circulating A shares | A | 150,000 | 0.03 | 9,155 |

Change in Share Capital and Particulars of Shareholders *(continued)*

- (1) Dongfang Electrical Machinery Works("DFEW") is the authorized holder of 220,000,000 domestic legal person shares (State-owned legal person shares). The Company was incorporated in 1958 with Mr. Zhu Yuanchao being the Legal Representative of the Company. The principal operations of the Company include manufacturing of electromechanical equipment, production of mining equipment and parts, technological innovation of electric power stations, manufacturing of electronic products, transportation of automobiles, repairs of automobiles, technological consultation, services, transfer, training and development. The registered capital amounted to RMB128,420,000. None of the shares held by it was pledged in the reporting period.
- (2) Shares held by HKSCC Nominees Limited are shares held on behalf of its customers. The Company has not received any information as to any holders of H Shares holding more than 10% of the total issued share capital of the Company.
- (3) Save as disclosed herein, the directors are not aware of any person directly or indirectly interested in the equity securities of the Company as recorded in the register required to be kept under section 16(1) of the Hong Kong Securities (Disclosure of Interests) Ordinance or required to be disclosed under the provision of relevant PRC laws and regulations.
- (4) To the knowledge of the Company, there is no connected party relation among the top ten shareholders nor there any activities in concert among them.

