

2. Changes in Share Capital and Shareholdings of Major Shareholders

(1) Changes in share capital

During the reporting period, there was no change in the total number of shares and the share capital structure of the Company.

(2) Particulars of shareholders

As at 30 June 2004, the Company had a total of 25,977 shareholders, among which 25,907 were holders of A shares and 70 were holders of H shares.

Shareholdings of top ten shareholders and top ten holders of circulating shares

Unit: share

The total number of shareholders at the end of the reporting period 25,977

The top ten shareholders were as follows:

Name of shareholders (full name)	Increase (+)/ Decrease (-) during the period	Number of shares held at the end of the period	Percentage (%)	Type of shares	Number of shares pledged or frozen	Nature of shareholders
Dongfang Electrical Machinery Works ("DFEW")	0	220,000,000	48.89	Non- circulating	Nil	State-owned shareholders
HKSCC Nominees Limited	72,000	168,309,999	37.40	Circulating	Unknown	Foreign shareholders
Bank of China — China AMC Return Fund	—	3,383,526	0.75	Circulating	Unknown	Legal person shareholders
Jing Fu Securities Investment Fund (景福證券投資基金)	1,119,001	3,209,061	0.71	Circulating	Unknown	Legal person shareholders
Industrial and Commercial Bank of China — 廣發聚富開放式證券投資基金	—	1,500,833	0.33	Circulating	Unknown	Legal person shareholders
Portfolio 104 of National Social Insurance Fund (全國社保基金一零四組合)	109,206	963,189	0.21	Circulating	Unknown	Legal person shareholders
Yu Yang Securities Investment Fund (裕陽證券投資基金)	299,682	898,607	0.20	Circulating	Unknown	Legal person shareholders
Bank of Communications — 久富證券投資基金	—	848,382	0.19	Circulating	Unknown	Legal person shareholders
Industrial and Commercial Bank of China — 國聯安德盛小盤精選證券投資基金	—	684,447	0.15	Circulating	Unknown	Legal person shareholders
Bank of China — 興安證券投資基金	—	669,447	0.15	Circulating	Unknown	Legal person shareholders

The top ten holders of circulating shares were as follows:

Name of shareholders (full name)	Number of circulating shares held at the end of the period	Type (A/ B/ H shares or others)
HKSCC Nominees Limited	168,309,999	H shares
Bank of China		
— China AMC Return Fund	3,383,526	A shares
Jingfu Securities Investment Fund (景福證券投資基金)	3,209,061	A shares
Industrial and Commercial Bank of China		
— 廣發聚富開放式證券投資基金	1,500,833	A shares
Portfolio 104 of National Social Insurance Fund (全國社保基金—零四組合)	963,189	A shares
Yuyang Securities Investment Fund (裕陽證券投資基金)	898,607	A shares
Bank of Communications		
— 久富證券投資基金	848,382	A shares
Industrial and Commercial Bank of China		
— 國聯安德盛小盤精選證券投資基金	684,447	A shares
Bank of China		
— 興安證券投資基金	669,447	A shares
CHUK YEE MEN LIZA	478,000	H shares

Description of connected relationships and actions in concert among the shareholders	The Company is not aware of any connected relationship or action in concert among the top ten shareholders and the top ten holders of circulating shares
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Description of agreed term of shareholding in respect of strategic investors and general legal persons' participation in issue of new shares	Name of shareholders	Agreed term of shareholding
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- (1) DFEW is the authorized holder of 220,000,000 domestic legal person shares (State-owned legal person shares). None of the shares held by it was pledged, immobilized or under custody in the reporting period.

- (2) Shares held by HKSCC Nominees Limited are those held by HKSCC Nominees Limited on behalf of its customers. The Company has not received any information as to any holder of H shares holding more than 10% of the total share capital of the Company. Particulars of shareholders holding over 5% of the total H share capital were as follows:

Name	Type of shareholders	Number of shares held (shares)	Percentage of total issued shares (%)	Percentage of total issued H shares (%)
J. P. Morgan Chase & Co.	H shares	10,200,000	2.27	6.00
Invesco Asia Limited	H shares	10,000,000	2.22	5.88

- (3) Save as disclosed above, the directors have not been informed of any person (not being a director or chief executive of the Company) who holds interest or short positions in the shares or underlying shares of the Company, which were required to be notified to the Company under the provisions of Divisions 2 and 3 of Part XV of the Hong Kong Securities and Futures Ordinance ("SFO"), or to be recorded in the register required to be kept pursuant to Section 336 of the SFO.
- (4) Neither the Company nor its subsidiaries purchased, sold nor redeemed any of the Company's shares during the reporting period.
- (5) There is no provision for pre-emptive rights under the relevant PRC laws and the Company's Articles of Association.
- (6) As at 30 June 2004, the Company had not issued any convertible securities, options, warrants or any other similar rights.

- (3) During the reporting period, there was no change in the controlling shareholder of the Company.**