

Changes in Share Capital and Particulars of Shareholders

(I) CHANGES IN SHARE CAPITAL

1. STRUCTURE OF SHARE CAPITAL

Unit: Share

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	Number of shares at beginning of the year	CHANGES IN SHARE CAPITAL (+/-)						Number of shares at the end of the year
		Share placement	Bonus issue	Conversion of surplus reserve into shares	Issue of new shares	Others	Sub-total	
1. Non-circulating shares								
1. Promoter's shares	220,000,000							220,000,000
Including:								
State-owned shares								
Shares owned by Domestic Legal Person	220,000,000							220,000,000
Shares owned by Overseas Legal Person								
Others								
2. Legal person shares								
3. Employee shares								
4. Preferential shares or others								
Total unlisted circulating shares	220,000,000							220,000,000
2. Listed circulating shares								
1. RMB ordinary shares	60,000,000							60,000,000
2. Domestic listed foreign investment shares								
3. Overseas listed foreign investment shares	170,000,000							170,000,000
4. Others								
Total listed circulating shares	230,000,000							230,000,000
3. Total shares	450,000,000							450,000,000

2. ISSUE AND LISTING OF SHARES

(1) Issue of shares during last three years

For the past three years, the Company had no new issue, placement or listing of shares.

(2) Total number of shares and changes in share capital structure

There is no change in the total number of shares and the share capital structure arising from bonus issue and share placement during the reporting period.

(3) Existing employee shares

The Company had no employee shares at the end of the reporting period.

(4) Public float

Based on the information that is publicly available to the Company as at the latest practicable date prior to the printing of this annual report and within the knowledge of the Directors, there was sufficient public float of the Company's shares under the continuing listing requirement of the Stock Exchange of Hong Kong Limited.

Changes in Share Capital and Particulars of Shareholders

(continued)

(II) SHAREHOLDERS

1. As at 31 December 2004, the Company had a total of 20,419 shareholders, of which one was the holder of non-circulating shares, 20,358 were holders of circulating A shares, and 60 were holders of circulating H shares.
2. The top ten shareholders of the Company and their respective shareholdings were as follows:

Unit: share

Name of shareholders (in full) :	Increase/ (Decrease) during the year	Number of shares held at end of the year	Percentage	Class of shares (circulating or (%) non-circulating)	Number of shares pledged or frozen	Nature of Shareholders (state-owned or foreign investment shareholders)
Dongfang Electrical Machinery Works ("DFEW")	0	220,000,000	48.89	Non-circulating		Legal person shareholders
HKSCC Nominees Limited	302,000	168,539,999	37.45	Circulating	Unknown	Foreign investment shareholders
Bank of Communications — Huaan Innovation Securities Investment Fund	—	3,811,882	0.85	Circulating	Unknown	Public shareholders
Bank of Communications — Hanxing Securities Investment Fund	—	2,780,646	0.62	Circulating	Unknown	Public shareholders
Jing Fu Securities Investment Fund	-25,909	2,064,151	0.46	Circulating	Unknown	Public shareholders
Industrial and Commercial Bank of China — Guolian Andesheng Small Cap Selection Securities Investment Fund	—	1,591,344	0.35	Circulating	Unknown	Public shareholders
Orient Securities Company Limited	—	1,501,128	0.33	Circulating	Unknown	Public shareholders
Portfolio 104, National Social Insurance Fund	637,156	1,491,139	0.33	Circulating	Unknown	Public shareholders
Industrial and Commercial Bank of China — Anrui Securities Investment Fund	—	1,490,295	0.33	Circulating	Unknown	Public shareholders
Bank of Communications — Puhui Securities Investment Fund	—	1,411,663	0.31	Circulating	Unknown	Public shareholders

Statement on connected party relation or act in concert among the top 10 shareholders: The Company is not aware of any connection among the top ten shareholders or any act in concert among them.

Changes in Share Capital and Particulars of Shareholders

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3. CONTROLLING SHAREHOLDER AND THE ULTIMATE CONTROLLER

(1) Controlling shareholder

Name of company:	Dongfang Electrical Machinery Works ("DFEW")
Legal person representative:	Mr. Zhu Yuanchao
Registered capital:	RMB128,420,000
Date of incorporation:	1958
Principal operational activities:	its major operation scope 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.

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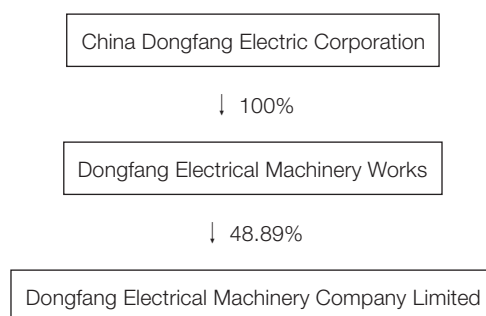
(2) Information of ultimate controller of the Company

Name of company:	China Dongfang Electric Corporation
Legal person representative:	Mr. Wangji
Registered capital:	RMB872,740,000
Date of incorporation:	1984
Principal operations or operational activities:	its major operation scope include chief contracting and sub-contracting for projects of hydro, fire and nuclear electricity station, technological development and technological enquiry service for facilities package of electricity station, manufacturing of package of facilities and sales of facilities.

(3) Change in controlling shareholder and the ultimate controller

There is no change in the controlling shareholder and the ultimate controller during the reporting period.

(4) Framework of the relation of property right and controlling between the Company and the ultimate controller



4. Other legal person shareholders holding 10% or more shares

There was no other legal person shareholder holding 10% or more shares at the end of the reporting period.

Changes in Share Capital and Particulars of Shareholders

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5. The respective shareholdings of top ten shareholders of the circulating shares were as follows:

Name of shareholders:	Number of circulating shares held at end of the year	Class (A, B, H or others)
HKSCC Nominees Limited	168,539,999	H Shares
Bank of Communications — Huaan Innovation Securities Investment Fund	3,811,882	A Shares
Bank of Communications — Hanxing Securities Investment Fund	2,780,646	A Shares
Jing Fu Securities Investment Fund	2,064,151	A Shares
Industrial and Commercial Bank of China — Guolian Andesheng Small Cap Selection Securities Investment Fund	1,591,344	A Shares
Orient Securities Company Limited	1,501,128	A Shares
Portfolio 104, National Social Insurance Fund	1,491,139	A Shares
Industrial and Commercial Bank of China — Anrui Securities Investment Fund	1,490,295	A Shares
Bank of Communications — Puhui Securities Investment Fund	1,411,663	A Shares
Industrial and Commercial Bank of China — Shenwan Paris Shengli Selection Securities Investment Fund	1,128,636	A Shares

The Company is not aware of any connection among the top ten holders of circulating shares or any act in concert among them.

The Company is not aware of any connection among the top ten holders of circulating shares and the top ten shareholders.

6. 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. Particulars of shareholders holding over 5% of the issued H share capital of the Company are as follows:

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



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7. Save as disclosed above, the directors have not been informed of any person (not being a director or principal executive officers 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.
8. Neither the Company nor its subsidiaries did purchase, sell nor redeem any of the Company’s shares during the reporting period.
9. There is no provision for pre-emptive rights under the relevant PRC laws and the Company’s Articles of Association.
10. As at 31 December 2004, the Company had not issued any convertible securities, options, warrants or any other similar rights.