

Changes in Share Capital and Particulars of Shareholders

(I) CHANGES IN SHARE CAPITAL

1. STRUCTURE OF SHARE CAPITAL

Unit: Share

Number (%)	Before the change		Increase (+)/decrease (-) Conversion of surplus			After the change		
	Percentage	Issue of (%)	Bonus new shares	reserve share	into shares	Others	Sub-total	Percentage Number
I. Non-circulating shares								
1. Promoter's shares	220,000,000	48.89					220,000,000	48.89
Including:								
State-owned shares								
Shares owned by Domestic								
Legal Person	220,000,000	48.89					220,000,000	48.89
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	48.89					220,000,000	48.89
II. Listed circulating shares								
1. RMB ordinary shares	60,000,000	13.33					60,000,000	13.33
2. Domestic listed foreign investment shares								
3. Overseas listed foreign investment shares	170,000,000	37.78					170,000,000	37.78
4. Others								
Total listed circulating shares	230,000,000	51.11					230,000,000	51.11
III. Total shares	450,000,000	100					450,000,000	100

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.

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

(II) SHAREHOLDERS

1. Number of shareholders and shareholding (as at 31 December 2005)

Unit: Share

Total number of shareholders at the end of the reporting period

18,463

The top ten shareholders of the Company and their respective shareholdings

Name of shareholder	Type of shareholder	Percentage (%)	Total number of shares held	Increase/decrease in the year	Class of shares	Number of non-circulating shares held	Number of shares pledged or frozen
Dongfang Electrical Machinery Works ("DEMWO")	State-owned shareholder	48.89	220,000,000		Non-circulating	220,000,000	Nil
HKSCC Nominees Limited	Overseas investment shareholder	37.54	168,939,799	399,800	circulating		Unknown
Industrial and Commercial Bank of China - Shenwan Paris Shengli Selection Securities Investment Fund	Others	0.71	3,208,752	2,080,116	Circulating		Unknown
Jing Fu Securities Investment Fund	Others	0.67	3,034,253	970,102	Circulating		Unknown
Bank of China - Hai Fu Tong Income Securities Investment Fund	Others	0.66	2,993,643		Circulating		Unknown
Orient Securities Company Limited	Others	0.43	1,950,759	449,631	Circulating		Unknown
Portfolio 104, National Social Insurance Fund	Others	0.35	1,589,133	97,994	Circulating		Unknown
Industrial and Commercial Bank of China - Anrui Securities Investment Fund	Others	0.31	1,381,580	-108,715	Circulating		Unknown
Industrial and Commercial Bank of China - Zhongyin International China Selection Mixed Open-ended Securities Investment Fund	Others	0.30	1,352,772		Circulating		Unknown
Bank of China - Hai Fu Tong Share Securities Investment Fund	Others	0.29	1,285,279		Circulating		Unknown

The top ten holders of circulating shares and their respective shareholdings

Name of shareholder	Number of circulating shares held	Class of shares
HKSCC Nominees Limited	168,939,799	Overseas listed foreign investment shares
Industrial and Commercial Bank of China - Shenwan Paris Shengli Selection Securities Investment Fund	3,208,752	RMB ordinary shares
Jing Fu Securities Investment Fund	3,034,253	RMB ordinary shares
Bank of China - Hai Fu Tong Share Securities Investment Fund	2,993,643	RMB ordinary shares
Orient Securities Company Limited	1,950,759	RMB ordinary shares
Portfolio 104, National Social Insurance Fund	1,589,133	RMB ordinary shares
Industrial and Commercial Bank of China - Anrui Securities Investment Fund	1,381,580	RMB ordinary shares
Industrial and Commercial Bank of China - Zhongyin International China Selection Mixed Open-ended Securities Investment Fund	1,352,772	RMB ordinary shares
Bank of China "V Hai Fu Tong Share Securities Investment Fund	1,285,279	RMB ordinary shares
China Construction Bank "V Bao Kang Flexible Securities Investment Fund	1,040,384	RMB ordinary shares

Statement on connected party relation or act in concert among the above shareholders:

The Company is not aware of any connection or any act in concert among the top ten shareholders and the top holder of circulating shares.

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

(II) SHAREHOLDERS *(continued)*

2. Controlling shareholder and the ultimate controller

(1) Change of controlling shareholder

Name of the new controlling shareholder:	China Dongfang Electric Corporation
Date of change of controlling shareholder:	17 February 2006
Newspapers for disclosure of changes of the controlling shareholder:	China Securities Journal, Shanghai Securities News, Wen Wei Po, The Standard (in English)

Dongfang Electrical Machinery Works ("DFEW"), the former holding company of the Company, entered into 《國有法人股劃轉協議》 (Transfer Agreement regarding State-owned Legal Person Shares) with China Dongfang Electric Corporation ("DEC") on 10 November 2005, pursuant to which DFEW transferred all its 220,000,000 state-owned legal person shares of the Company (representing 48.89% of the Company's total share capital) to DEC at nil consideration. Upon completion of the equity transfer, DEC will hold 220,000,000 state-owned legal person shares of the Company and become the first largest shareholder of the Company while DFEW will no longer hold any share of the Company. The abovementioned shares are state-owned legal person shares. DEC has been granted waivers from mandatory offer for A shares and H shares of the Company respectively by China Securities Regulatory Commission and Securities and Futures Commission of Hong Kong. According to the Reply to Transfer of State-owned shares in Dongfang Electrical Machinery Company Limited issued by State-owned Assets Supervision and Administration Commission of the State Council, DFEW was approved to transfer 220,000,000 state-owned shares in the Company (representing 48.89% of the Company's total share capital) held by it to DEC at nil consideration. According to the Confirmation of Share Transfer issued by China Securities Depository and Clearing Corporation Limited, Shanghai Branch, the 220,000,000 state-owned shares in the Company have been transferred to the account of DEC and registered under its name on 17 February 2006.

(2) Information of the legal person controlling shareholder

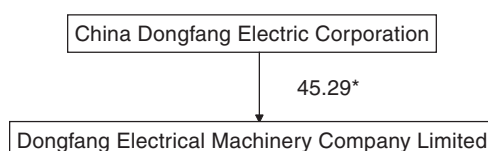
Name of company:	China Dongfang Electric Corporation
Legal person representative:	Mr. Wang Ji
Registered capital:	RMB872,743,000
Date of incorporation:	1984
Principal operations or operational activities:	its major operation include chief contracting and sub-contracting for projects of hydro, fire and nuclear electricity station, technological development and technological enquiry service for facilities package of electricity station, manufacturing of package of facilities and sales of facilities.

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

(II) SHAREHOLDERS *(continued)*

2. Controlling shareholder and the ultimate controller *(continued)*

(3) Framework of the relation of property right and controlling between the Company and the controlling shareholder



* The percentage of share holding is a result of the Share Segregation Reform. Details are contained in the section "Significant Events"

3. 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.

4. Shares held by HKSCC Nominees Limited are shares held on behalf of its customers. The Company has not received any report of 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 (%)
Government of Singapore Investment Corporation Pte Ltd	H Shares	14,024,000	3.1	8.25
J.P. Morgan Chase & Co.	H Shares	11,892,000	2.6	2.6
		10,892,000	2.4	6.41
		(Lending Pool)	(Lending Pool)	(Lending Pool)
Fidelity International Limited	H Shares	11,626,000	2.5	6.84
Invesco Asia Limited in its capacity as manager / adviser of various accounts	H Shares	11,380,000	2.5	6.69

5. 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.

6. Neither the Company nor its subsidiaries did purchase, sell nor redeem any of the Company's shares during the reporting period.

7. There is no provision for pre-emptive rights under the relevant PRC laws and the Company's Articles of Association.

8. As at 31 December 2005, the Company had not issued any convertible securities, options, warrants or any other similar rights.