

SHAREHOLDERS AND THE CHANGE OF SHARE CAPITAL

(I) Changes in Share Capital

1. Summary of Changes in Share Capital

Unit: Per share

	Before Changes	Additional Issues	Increase (+) or Decrease (-)		After Changes	Percentage of Shares (%)
			Others	Sub-total		
I. Unlisted Shares						
1. Promoters' shares including:						
Shares held by the State	3,376,134,600	–	(594,391,000)	(594,391,000)	2,781,743,600	55.22
Shares held by State-owned legal persons	3,000,000	–	596,471,000	596,471,000	599,471,000	11.90
Shares held by foreign legal persons	–	–	–	–	–	N/A
Others	–	–	–	–	–	N/A
2. Shares held by social legal persons	286,612,900	–	(2,080,000)	(2,080,000)	284,532,900	5.65
3. Shares held by employees	–	–	–	–	–	N/A
4. Preference shares or others including: transferred or allotted shares	–	–	–	–	–	N/A
Total Unlisted Shares	3,665,747,500	–	–	–	3,665,747,500	72.77
II. Listed Shares						
1. Ordinary shares in RMB	–	150,000,000	–	150,000,000	150,000,000	2.98
2. Foreign shares listed in PRC	–	–	–	–	–	N/A
3. H shares listed overseas	1,222,000,000	–	–	–	1,222,000,000	24.25
4. Others	–	–	–	–	–	N/A
Total listed shares	1,222,000,000	150,000,000	–	150,000,000	1,372,000,000	27.23
III. Total	4,887,747,500	150,000,000	–	150,000,000	5,037,747,500	100.00

2. Share Issue and Listing

(1) Issue of H Share and Use of Proceeds

On 31st December 1996, the State Council Securities Committee issued document ZhengWeiFa 1996 No. 67, permitting the Company to be a pre-qualified enterprise to be listed overseas. On 4th June 1997, the Company was entitled to issue H Shares overseas with the permission granted by

document ZhengWeiFa 1997 No. 38 issued by State Council Securities Committee. In the middle of June 1997, the Company issued 1,222,000,000 H Shares to be listed overseas at the issue price of HK\$3.11 (RMB3.33) per share and listed on the Stock Exchange of Hong Kong Limited on 27th June 1997. Through the H Share Issue, the Company raised approximately RMB4,069,000,000 with proceeds (net of expenses) amounted to RMB 3,926,000,000.

As at 31st December 2000, the proceeds from the H Share Issue were utilised as set out in the prospectus in the following manners:

- (a) RMB1,345,786,000 was used in the acquisition of the land use rights and the operating rights of Nanjing-Shanghai Class 2 Highway for a term of 15 years;
- (b) RMB601,855,000 and RMB1,398,016,000 were used, based on the construction progress, for the investment in and construction of Guangjing Expressway and Xicheng Expressway respectively, in each of which the Company holds an 85% interest;
- (c) RMB 93,888,000 was used in the construction and upgrading of the surveillance and control, communication and toll systems for Shanghai-Nanjing Expressway;
- (d) RMB250,000,000 was used for the repayment of loans; and
- (e) The balance of approximately RMB236,455,000 was deposited in commercial banks in the PRC as liability reserves of Guangjing Expressway and Xicheng Expressway and as a remedial works reserve for the surveillance and control, communication and toll systems of Shanghai-Nanjing Expressway.

(2) Issue of A Shares and Use of Proceeds

In accordance with the Notice on Approving Jiangsu Expressway Company Limited for Public Offer of Shares, ZhengJianFaXing Zi 2000 No.177 issued by China Securities Regulatory Commission, the Company was approved to issue 150,000,000 ordinary

shares in RMB (A Shares) to the public at the issue price of RMB4.20 per share. The issue of shares was successfully launched on Shanghai Stock Exchange on 22nd to 23rd December 2000 by means of online pricing issue and placing to investors from the secondary market. Through the issue of A Shares, the Company raised approximately RMB 630,000,000 and subsequently the net proceeds (net of expenses of RMB 15,500,000) amounted to approximately RMB 614,500,000.

As at 31st December 2000, the proceeds from the A Share Issue were applied as set out in the prospectus in the following manners:

- (a) RMB472,670,218 was used to acquire 381,185,660 shares in Yangtze Bridge held by Jiangsu Communications Holding Co., Ltd. ("Communications Holding"), representing 17.83% of the equity interest of the Company.
- (b) the balance will be further used to acquire no less than 46,263,940 shares (representing 2.17% of the equity interest of the company) in Yangtze Bridge held by Communications Holding to increase the Company's shareholding in Yangtze Bridge to more than 20%. The balance is now deposited in commercial banks in China.

(3) Changes in Capital Structure

Following the Company's issue of 150,000,000 Ordinary shares in RMB (A Shares) to the public on Shanghai Stock Exchange on 22nd to 23rd December 2000 by means of online pricing issue and placing to investors from the secondary market, the total share capital of the Company was increased from 4,887,747,500 shares to 5,037,747,500 shares.

(II) Profile of Shareholders

1. Number of Shareholders as at the End of the Reporting Period

As at 31st December 2000, the shareholders whose names were listed in the share register totaled 124,617, including:

Number of Shareholders of A Shares:	121,554
Number of Social Legal Person Shareholders:	1,206
Number of Shareholders of H Shares:	1,857

2. Alteration of Shareholdings of the Major Shareholders

According to the documents issued by the Ministry of Finance, CaiGuan Zi 1999 No. 156, "Reply on the Holding and Management by Huajian Transportation Economic and Development Center of State-owned Equity Interest of Listed Highway Companies", and by the Ministry of Communications, JiaoCaiFa 1999 No. 366, "Notice on Forwarding the Reply on the Holding and Management by Huajian Transportation Economic and Development Center of State-owned Equity Interest of Listed Highway Companies", the holding company of the Company has signed the "Agreement on the Alteration of State-owned Equity Interest" on 22nd November, 2000, by which

597,471,000 shares of state shares held by Communications Holding on behalf of the Ministry of Communications were altered into state-owned legal person shares and to be held by Huajian Transportation Economic and Development Centre.

Following the bankruptcy of Jiangsin Provincial Automobile Transportation Company ("JPATC"), one of the promoters of the Company, 1,000,000 state-owned legal person shares and 30,000 social legal person shares of the Company held by Jiangsin Provincial Automobile Transportation Company ("JPATC") were transferred to Communications Holding. During the same period, Communications Holding also received 2,050,000 social legal person shares from social legal persons.

As at 31st December 2000, the shares held by Communications Holding were reduced from 3,376,134,600 shares to 2,781,743,600 shares, representing 55.22% of the total share capital of the Company.

Huajian Transportation Economic and Development Center held 597,471,000 state-owned legal person shares of the Company, representing 11.86% of the total share capital of the Company, and became the second largest shareholder of the Company.

Ten Largest Shareholders of the Company

Shareholders	Category of Shares	Number of Shares at the End of the Period	Percentage of Total Share Capital (%)	Increase/Decrease in Shares at the End of the Period
Jiangsu Communications Holding Co., Ltd.	State Shares	2,781,743,600	55.22	(594,391,000)
Huajian Transportation Economic and Development Centre	State-owned Legal Person Shares	597,471,000	11.86	597,471,000
The Capital Group Companies, Inc	H Shares	212,212,000	4.21	85,698,000
Real Cheer Ltd.	H Shares	152,463,500	3.03	
華夏證券有限公司	Social Legal Person Shares	16,660,000	0.33	
申銀萬國證券股份有限公司	Social Legal Person Shares	14,450,000	0.29	
Winner Glory Development Ltd	H Shares	12,000,000	0.24	
江蘇鑫蘇投資管理公司	Social Legal Person Shares	9,020,000	0.18	
昆山市土地開發總公司	Social Legal Person Shares	7,500,000	0.15	
江蘇滙遠房地產發展實業公司	Social Legal Person Shares	6,200,000	0.12	

3. Major Shareholders of the Company

As at 31st December 2000, the shareholdings of more than 10% of the share capital of the Company were as follows:

Shareholders	Number of Shares	Percentage of Total Shares (%)
Jiangsu Communications Holding Co., Ltd.	2,781,743,600	55.22
Huajian Transportation Economic and Development Centre	597,471,000	11.86

- (1) Pursuant to document SuZhengFu 2000 No.132, Approval by Provincial Government on Establishment of Jiangsu Communications Holding Co., Ltd., the holding company of the Company (Jiangsu Communications Investment Corp.) was transformed as Jiangsu Communications Holding Co., Ltd. on 15th September 2000.

The holding company was incorporated with the capital from the provincial government. The authorised holding company is an operating unit of investment nature with state-owned assets and an investment entity, whose legal representative is Shen Chang Quan. To such extent as authorized by the provincial government, the Company is engaged in operation and management of state-owned assets; investment, construction, operation and management of communications infrastructures, transportation and relevant industries; industrial investment and domestic trade (Operation items under special prescriptions by the state subject to particular approval).

- (2) Huajian Transportation Economic and Development Centre was incorporated on December 18, 1993 as a 全民所有制企業 (State-owned enterprise) representative is Zhu Yao Ting, with core businesses in overall development and contractual construction of roads, docks, ports and channels; research and development and marketing of new technologies, new products and new

materials related to communication infrastructures; and non-core businesses as in the distribution of construction materials, electromechanical equipment, automotives (cars excluded) and parts, hardware and appliances and articles of daily use; consultancy of financial information; manpower training.

4. Interests held by the Company's Directors and Supervisors

As at 31st December 2000, none of the directors, supervisors, senior management and their respective associates had any beneficial interests in the Company's issued share capital or any of its associated corporations, which are required to be recorded on the register required to be kept under Section 29 of the Securities (Disclosure of Interest) Ordinance.

At no time during the year was the Company or its associated corporations a party to any arrangement to enable the directors, supervisors, chief executives of the Company and their respective associates to acquire benefits by means of the acquisition of shares in, or debentures, of the Company or its associated corporations.

5. Purchase, Sale and Repurchase of Shares of the Company

The Company had not purchased, sold or repurchased any shares of the Company during the period from 1st January 2000 to 31st December 2000.