

Changes in Share Capital and Shareholders

1. CHANGES IN STRUCTURE OF SHARE CAPITAL OF THE COMPANY DURING THE REPORTING PERIOD WERE AS FOLLOWS:

	Before changes (shares)	Difference (+, -) Allotment (shares)	After changes (shares)
1. Unlisted shares			
a. Promoters' shares	622,480,000	—	622,480,000
Including:			
Domestic legal person shares	622,480,000	—	622,480,000
Total number of unlisted shares	622,480,000	—	622,480,000
2. Listed shares			
a. RMB denominated ordinary shares ("A Shares")	—	+200,000,000	200,000,000
b. Overseas listed foreign shares ("H Shares")	361,000,000	—	361,000,000
Total number of listed shares	361,000,000	+200,000,000	561,000,000
3. Total number of shares	983,480,000	+200,000,000	1,183,480,000

2. ISSUE AND LISTING OF SHARES

On 24 January 2002, the Company successfully issued 200,000,000 A Shares with par value of RMB1.00 each at an issue price of RMB4.10 per share, which raised total proceeds of RMB820 million. Net proceeds after deducting the issuing expenses amounted to approximately RMB793.54 million. On 7 February 2002, all of the above A Shares were listed and traded on the Shanghai Stock Exchange.

3. SUMMARY OF TRADING OF THE COMPANY'S SHARES IN 2002

	A Share/RMB	H Share/HK\$
Opening price on the first trading day at the beginning of the year	6.20	1.77
Closing price on the last trading day at the year end	6.40	2.625
Highest trading price during the year	8.39	2.675
Lowest trading price during the year	6.2	1.70

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4. PARTICULARS OF SHAREHOLDERS OF THE COMPANY

- i. As at 31 December 2002, the total number of shareholders of the Company was 34,289, of which 206 were holders of H Shares.
- ii. As at 31 December 2002, the shareholdings of the top 10 shareholders of the Company were as follows:

Rank	Name of shareholders	No. of shares held (shares)	Percentage of shareholdings (%)	Class of shares
1	Anhui Conch Holdings Company Limited	622,480,000	52.60	Legal entity shares
2	HKSCC Nominees Limited	358,739,998	30.31	H Shares
3	Taihe Fund	7,346,283	0.62	A Shares
4	Fenghe Jiazhi (Fund)	6,749,850	0.57	A Shares
5	Henan Financial	5,828,288	0.49	A Shares
6	Penghua Growth (Fund)	5,063,896	0.43	A Shares
7	Tongqian Fund	4,756,288	0.40	A Shares
8	Huaan Chuangxin (Fund)	4,331,118	0.37	A Shares
9	Anxin Fund	4,300,000	0.36	A Shares
10	Jiashi Growth (Fund)	4,029,224	0.34	A Shares

Notes:

1. Amongst the shareholders listed above, Anhui Conch Holdings Company Limited held 622,480,000 shares, representing approximately 52.6% of the total share capital of the Company. There was no change in its shareholding during the reporting period, nor was there any pledge or stop order in respect of the shares.
2. HKSCC Nominees Limited held 358,739,998 H Shares, representing approximately 30.31% of the total share capital of the Company and approximately 99.37% of the total issued H Shares of the Company, on behalf of its various clients.
3. Amongst the above shareholders, Taihe Fund, Fenghe Jiazhi (Fund) and Jiashi Growth (Fund) are under the management of one fund management company. Huaan Chuangxin (Fund) and Anxin Fund are under the management of another fund management company. Except the aforesaid, the Company is not aware of any connected relationship amongst the above-mentioned shareholders.
4. Other than the shareholders mentioned in this paragraph 4, as at 31 December 2002, the Company is not aware of any interests required to be recorded in accordance with section 16(1) of the Securities (Disclosure of Interests) Ordinance, Chapter 396 of the Laws of Hong Kong.

iii. Particulars of the controlling shareholder of the Company

Official name of the company:	Anhui Conch Holdings Company Limited ("Holdings")
Legal representative of the company:	Guo Wensan
Date of establishment:	8 November 1996
Registered capital:	RMB800 million
Scope of business:	Asset management; investment, financing; properties transaction; construction materials; chemical industrial products; transportation; storage; construction project; development of technological products; technical support services; import and export trade, etc.

During the reporting period, there is no change in the controlling shareholder of the Company.

iv. Particulars of the controlling shareholder of the controlling shareholder of the Company

According to the relevant document of the Anhui Provincial Government, the Anhui Provincial Government confirmed that Anhui Province Investment Holdings Company Limited ("AIH") was to be the investor of the provincial state-owned assets of Holdings. AIH holds 89% of the equity interests in Holdings and Anhui Conch Fund Investment Company Ltd. holds the remaining 11% equity interest.

AIH is a state-owned company under the auspices of the Anhui Provincial Government. Its legal representative is Qian Jin. AIH was established on 31 July 1998 with a registered capital of RMB1,220,000,000. Its scope of operation includes raising, managing and operating infrastructure fund, railway construction fund and other construction fund of Anhui Province; property investment and capital management.

5. PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

For the year ended 31 December 2002, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Group.

6. PRE-EMPTIVE RIGHTS

The articles of association of the Company and the laws of the PRC contain no provision for the creation of any pre-emptive rights requiring the Company to offer new shares to its shareholders on a pro-rata basis to their shareholdings.