

# Changes in Share Capital and Shareholders

## (1) Changes in Share Capital

(in Share)

| Share capital Structure                | Before Change | Placement | Shares Transferred |                   |          |        | After Change  |
|--|---------------|-----------|--------------------|-------------------|----------|--------|---------------|
|  |               |           | Bonus Share        | from Reserve Fund | Increase | Others |               |
| I. Shares not in circulation           |               |           |                    |                   |          |        |               |
| 1. Promoter's share                    | 3,381,214,600 | —         | —                  | —                 | —        | —      | 3,381,214,600 |
| Including:                             |               |           |                    |                   |          |        |               |
| State-owned shares                     | 2,781,743,600 | —         | —                  | —                 | —        | —      | 2,781,743,600 |
| Domestic legal person share            | 599,471,000   | —         | —                  | —                 | —        | —      | 599,471,000   |
| Foreign legal person share             | —             | —         | —                  | —                 | —        | —      | —             |
| Others                                 | —             | —         | —                  | —                 | —        | —      | —             |
| 2. Legal person share                  | 284,532,900   | —         | —                  | —                 | —        | —      | 284,532,900   |
| 3. Internal staff share                | —             | —         | —                  | —                 | —        | —      | —             |
| 4. Preference share                    | —             | —         | —                  | —                 | —        | —      | —             |
| Sub-total of shares not in circulation | 3,665,747,500 | —         | —                  | —                 | —        | —      | 3,665,747,500 |
| II. Shares in circulation              |               |           |                    |                   |          |        |               |
| 1. RMB ordinary share                  | 150,000,000   | —         | —                  | —                 | —        | —      | 150,000,000   |
| 2. Domestic listed foreign share       | —             | —         | —                  | —                 | —        | —      | —             |
| Overseas listed foreign share          | 1,222,000,000 | —         | —                  | —                 | —        | —      | 1,222,000,000 |
| Others                                 | —             | —         | —                  | —                 | —        | —      | —             |
| Sub-total of shares in circulation     | 1,372,000,000 | —         | —                  | —                 | —        | —      | 1,372,000,000 |
| III. Shares in total                   | 5,037,747,500 | —         | —                  | —                 | —        | —      | 5,037,747,500 |

Note: During the reporting period, there has been no change in the total number of shares or in the shareholding structure of the Company.

## (2) Share Issue and Listing

- The Company issued 150,000,000 domestic public shares (A shares) to domestic investors at the issue price of RMB4.20 per share. The issue of shares was successfully launched from 22nd December to 23rd December 2000 by means of online pricing issue and placing to investors from the secondary market. The shares were listed on the Shanghai Stock Exchange on 16th January 2001.
- The Company's Sponsored Level I American Depositary Receipt Programme was effective on 23rd December 2002 and have been traded in the over-the-counter market in the United States.

## (3) Profile of Shareholding of Major Shareholders

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

As at 31st December 2002, there were a total of 18,352 shareholders whose names appeared on the share register of the Company, of which 16,842 were domestic shareholders and 1,510 were foreign shareholders.

## 2. Shareholding of Major Shareholders

(i) As at 31st December 2002, shareholding of the top ten shareholders of the Company are as follows:

| No. | Name of Shareholders                                       | Number of shares held at the end of the period | Changes in shareholding during the period (+/-) | Shareholding proportion in the Total Share capital (%) | Category of the Shares          |
|-----|--|--|---|--|---------------------------------|
| 1   | Jiangsu Communications Holding Company Ltd.                | 2,781,743,600                                  | —   | 55.22  | State-owned Shares              |
| 2   | Huajian Transportation Economic Development Centre         | 597,471,000                                    | —   | 11.86  | State-owned Legal Person Shares |
| 3   | The Capital Group Companies, Inc                           | 154,696,000                                    | —   | 3.07   | H Shares                        |
| 4   | Capital Research and Management Company                    | 88,250,000                                     | 88,250,000                                      | 1.75   | H Shares represented by ADRs    |
| 5   | Galaxy Securities Co., Ltd.                                | 18,893,505                                     | -426,765  | 0.38   | A Shares                        |
| 6   | Huaxia Securities Company Shares                           | 16,660,000                                     | —   | 0.33   | Social Legal Person Shares      |
| 7   | Shenyin Wanguo Shares Securities Stock Company Limited     | 14,450,000                                     | —   | 0.29   | Social Legal Person Shares      |
| 8   | Winner Glory Development Ltd.                              | 12,000,000                                     | —   | 0.24   | H Shares                        |
| 9   | Jiangsu Xinsu Investment Management Company                | 8,484,000                                      | —   | 0.17   | Social Legal Person Shares      |
| 10  | Jiangsu Huiyuan Real Estate Development Industrial Company | 6,200,000                                      | —   | 0.12   | Social Legal Person Shares      |

Note: Connection between the top ten shareholders:

- The top ten shareholders of the Company are not connected to each other or acting in concert;
- During the reporting period, the Company has not been notified of any pledge or moratorium of the shares held by legal person shareholders holding more than 5 percent of the shares;
- During the reporting period, none of the connected parties, strategic investors or general legal persons has become one of the top ten shareholders of the Company as a result of the placing of the new shares;
- The shares held by Capital Research and Management Company were in the form of the Company's ADRs invested and managed by its funds and amounted to an equivalent of 88,250,000 H shares, of which Smallcap World Fund, Inc. held ADRs equivalent to 79,250,000 H shares.

# Changes in Share Capital and Shareholders

(ii) As at 31st December 2002, people directly or indirectly having an interest in 10 percent or more of the share capital of the Company as recorded in the register maintained under Section 16 of the Securities (Disclosure of Interest) Ordinance were as follows:

(a) Controlling shareholders - Jiangsu Communications Holding Co., Ltd.

Pursuant to the Approval by the Provincial Government on Establishment of Jiangsu Communications Holding Co., Ltd., document SuZhengFu 2000 No. 132, the original controlling shareholder of the Company, Jiangsu Communications Investment Corp., was transformed to Jiangsu Communications Holding Co., Ltd. ("Communications Holding"), on 15th September 2000. Communications Holding held 2,781,743,600 shares of the Company, representing 55.22% of the total share capital of the Company.

Communications Holding was incorporated with the capital from the provincial government, which authorised it as an operating unit with investment nature and State-owned assets and an investment entity. Its legal representative is Mr. Shen Chang Quan. Its registered capital amounted to RMB4,600,000,000. To such extent as authorised by the provincial government, the Company is engaged in operation and management of State-owned assets; investment, construction, operation and management of the infrastructure, the transport and other related sectors; industrial investment and domestic trading (except specific projects which are subject to the approval of the State).

Apart from the Company, Communications Holding does not hold more than 5% shares in other listed companies.

(b) Shareholders holding 10 percent or more domestic shares - Huajian Transportation Economic and Development Centre

Huajian Centre was incorporated on 18th December 1993 as a State-owned enterprise. Its legal representative is Fu Yu Ning. Its registered capital amounted to RMB500,000,000. Its core businesses are the comprehensive development and contractual construction of roads, docks, ports channels; research and development of new technologies, new products and new materials related to transport infrastructure and the sale of the relevant products; provision of the financial consultancy service; manpower training, etc.

(c) The Capital Group Companies, Inc. held 154,696,000 H Shares of the Company, representing 12.66% of the Company's total issued H shares.

### 3. Shareholding interests of the Company's Directors, Supervisors and Senior Management

As at 31st December 2002, none of the directors, supervisors, senior management and their respective associates had any beneficial interests in the issued share capital of the Company or any of its associates which are required to be recorded on the register of the Company.

At no time during the year was the Company or its associates a party to any arrangement which enables the directors, supervisors, senior management and their respective associates (including their spouses and children under the age of 18) to acquire benefits by means of the acquisition of shares or debentures of the Company or any of its associates.

### 4. Purchase, Sale and Repurchase of Shares of the Company

As at 31st December 2002, the Company has not purchased, sold or repurchased any shares of the Company.

### 5. Share Options

In accordance with the Company's Articles of Association and the laws of the People's Republic of China, no share options were granted by the Company pursuant to which the Company would have been required to offer new shares to existing shareholders in proportion to their shareholdings.