

Changes in Share Capital and Shareholdings of Substantial Shareholders

1. There is no change as to the number of shares or to the structure of share capital of the Company during the reporting period.
2. The number of shareholders and shareholding of substantial shareholders of the Company as at the end of the reporting period.

i) As at 30 June 2003, the total number of the registered shareholders of the Company was 21,806, of which 161 were holders of H shares.

ii) As at 30 June 2003, the shareholdings of the top 10 registered shareholders of the Company were as follows:

No.	Name of Shareholders	No. of share 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	358,477,898	30.29	H Shares
3	Hanxing Securities Investment Fund	10,290,527	0.87	A Shares
4	Penghua Growth Securities Investment Fund	9,077,781	0.77	A Shares
5	Fenghe Jiazhi Securities Investment Fund	8,414,969	0.71	A Shares
6	Henan Financial Securities Company	6,889,736	0.58	A Shares
7	Anxin Securities Investment Fund	6,281,493	0.53	A Shares
8	Jingfu Securities Investment Fund	6,011,048	0.51	A Shares
9	Tongqian Securities Investment Fund	5,839,689	0.49	A Shares
10	Guoyuan Securities Company Limited	4,711,370	0.40	A Shares

Notes:

- a) Amongst the shareholders set out above, all the shares held by Anhui Conch Holdings Company Limited are promoter legal entity shares, representing approximately 52.6% of the total share capital of the Company. There was no change in its shareholdings during the reporting period, nor was there any pledge or stop order in respect of its shares. The Company is not aware of any change, any pledge or stop order in respect of the shares held by the public during the reporting period.
- b) HKSCC Nominees held 358,477,898 H shares, representing approximately 30.29% of the total share capital of the Company, on behalf of its various clients.
- c) Of the above shareholders, the holder of the legal entity shares is not a connected party to any of such public shareholders, nor is it a party acting in concert with any of them. The Company is not aware whether such public shareholders are, among themselves, connected parties to each other or parties acting in concert.
- d) During the reporting period, there was no change in the controlling shareholder of the Company.

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3. Purchase, sale and redemption of listed share

For the six months ended 30 June 2003, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed shares of the Company.

4. The controlling shareholder of the controlling shareholder of the Company

According to the relevant documents issued by Anhui Province Government, the Anhui Provincial Government made a decision that 35.7% of the equity interest in the registered capital of Anhui Conch Holdings Company Limited ("Conch Holdings"), which is the Company's controlling shareholder, held by Anhui Provincial Investment Group Limited ("APIG") will be transferred to Anhui Conch Venture Investment Company Limited ("Conch Venture"). Conch Holdings currently holds 52.6% of the equity interest in the registered capital in the Company. After the transfer, APIG will remain to be the Company's actual controlling shareholder and have absolute controlling interest over the Company by holding 51% equity interest in the registered capital of Conch Holdings. Conch Venture will in aggregate hold 49% equity interest in the registered capital in Conch Holdings. The agreement for the said equity transfer was entered into on August 12, 2003 and the procedures for the equity transfer are currently in progress. The equity interest held by Conch Holdings in the registered capital in the Company remained unchanged after the transfer.