

### III. CHANGES IN SHARE CAPITAL AND SHAREHOLDING OF SUBSTANTIAL SHAREHOLDERS

#### (1) Changes in Share Capital

During the reporting period, there was no change in share capital of the Company.

(2) As at 30 June 2003, the number of shareholders of the Company was 32,115, of which there were 32,034 shareholders holding A Shares of the Company and 81 shareholders holding H Shares of the Company.

#### (3) Shareholding of the top ten shareholders

As at 30 June 2003, the top ten shareholders of the Company and their respective shareholdings are as follows:

Name of shareholders	Increase(+)/decrease (-) during the period	Number of shares held at the end of the period (Shares)	Percentage to total shares (%)	Class	Number of shares pledged or frozen	Type of shares
Panda Electronics Group Limited	0	355,015,000	54.2	Non-circulating	Nil	State-owned legal person shares
HKSCC Nominees Limited	-3,196,000	236,447,899	36.1	Circulating	Unknown	Circulating H Shares
Cheng Chang Yung Tsung Alice	+3,050,000	3,050,000	0.47	Circulating	Unknown	Circulating H Shares
Tse Wing Pak	0	550,000	0.08	Circulating	Unknown	Circulating H Shares
Wang Bin	0	253,900	0.04	Circulating	Unknown	Circulating A Shares
Kay and Company Limited	0	200,000	0.03	Circulating	Unknown	Circulating H Shares
Chen Chien Ming	0	200,000	0.03	Circulating	Unknown	Circulating H Shares
Xinghe Securities Investment Fund	0	197,099	0.03	Circulating	Unknown	Circulating A Shares
Wu Xinhai	0	197,000	0.03	Circulating	Unknown	Circulating A Shares
Huang Yulan	0	191,100	0.03	Circulating	Unknown	Circulating A Shares

#### Notes:

- (1) During the reporting period, there was no change in controlling shareholders of the Company. Panda Electronics Group Limited held 355,015,000 non-circulating State-owned legal person shares, representing 54.2% of the issued shares of the Company, on behalf of the State. By way of conversion of indebtedness into equity interests, China Huarong Asset Management Corporation acquired 36.84% equity interests in Panda Electronics Group Limited and became the first substantial shareholder of that company. Details of the above matters were disclosed in the announcement published in "Shanghai Securities Daily", "China Securities Daily", Hong Kong "Wen Wei Pao" and "The Standard" on 29 May 2003.
- (2) HKSCC Nominees Limited held 236,447,899 H Shares, representing 36.10% of the issued share capital of the Company, on behalf of various clients. Of which, Morgan Stanley Dean Witter Investment Management Company notified the Company on 12 April 2001 that it held 37,431,000 H Shares of the Company through HSBC (Nominees) Limited which represented 5.71% of the total issued share capital of the Company (The Company had received no notice of change until the end of the reporting period). Save as disclosed above, as at the end of the reporting period, the Company is not aware of any individual client holding 5% or more than 5% of the total issued share capital of the Company.
- (3) All the top ten shareholders are not strategic investors of the Company. There was also no new shareholder arising from placing of shares. There is no relationship between the controlling shareholder Panda Electronics Group Limited and the second to tenth largest shareholders. The H and A shares held by the above second to tenth largest shareholders are circulating shares offered to the public and the Company is uninformed of any connected relationship among the second to tenth largest shareholders.