

Changes in Share Capital and Shareholders

(1) CHANGES IN STRUCTURE OF SHARE CAPITAL OF THE COMPANY DURING THE REPORTING PERIOD

(Unit: '000)

| | Before changes | Difference Allotment (+, -) | After changes |
|--|-------------------|-----------------------------------|------------------|
| 1. Unlisted shares | | | |
| a. Promoters' shares | 622,480 | | 622,480 |
| Including: | | | |
| Domestic legal person shares | 622,480 | | 622,480 |
| Total number of unlisted shares | 622,480 | | 622,480 |
| 2. Listed shares | | | |
| a. RMB denominated ordinary shares ("A Shares") | 200,000 | | 200,000 |
| b. Overseas listed foreign shares ("H Shares") | 361,000 | +72,200 | 433,200 |
| Total number of listed shares | 561,000 | +72,200 | 633,200 |
| 3. Total number of shares | 1,183,480 | | 1,255,680 |

(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.

During the reporting period, pursuant to the document Zheng Jian Guo He Zi [2003] No. 39 of China Securities Regulatory Committee, entitled "Approval Relating to Consent for Anhui Conch Cement Company Limited to Issue Additional Overseas-Listed Foreign-Investment Shares", the Company successfully issued 72,200,000 H Shares of RMB1 each on 5 November, 2003 at an issue price of HK\$8.2 and raised a total of HK\$592,040,000, or RMB631,290,000 and the net amount after issue expenses is approximately RMB617,620,000. On 12 November, 2003, the abovementioned H Shares are listed on The Stock Exchange of Hong Kong Limited in their entirety. After the issue of these additional H Shares, the number of shares of the Company increased from 1,183,480,000 to 1,255,680,000 shares, the proportion of State-owned legal person shares in the share capital fell from 52.60% to 49.57% the proportion of A shares in issue to the total share capital fell from 16.90% to 15.93%; and the proportion of H Shares in issue in the total share capital increased from 30.50% to 34.50%.

(3) SUMMARY OF TRADING OF THE COMPANY'S SHARES IN 2003

| | A Share/RMB | H Share/HK\$ |
|---|-------------|--------------|
| Opening price on the first trading day at the beginning of the year | 6.39 | 2.55 |
| Closing price on the last trading day at the year end | 11.43 | 10.00 |
| Highest trading price during the year | 12.10 | 11.90 |
| Lowest trading price during the year | 6.00 | 2.55 |

(4) PARTICULARS OF SHAREHOLDERS OF THE COMPANY

- i. As at 31 December, 2003, the total number of shareholders of the Company was 10,782, of which 101 were holders of H Shares.
- ii. As at 31 December, 2003, the shareholdings of the top ten shareholders and the top ten holders of outstanding shares of the Company were as follows:

| Rank | Name of shareholder | No. of shares held <i>(shares)</i> | Percentage of shareholding <i>(%)</i> | Class of shares |
|------|--|--|---|---------------------------------|
| 1 | Anhui Conch Holdings Company Limited | 622,480,000 | 49.57 | State-owned legal entity shares |
| 2 | HKSCC Nominees Limited | 430,855,898 | 34.31 | H Shares |
| 3 | Jingfu Securities Investment Fund | 12,974,973 | 1.03 | A Shares |
| 4 | Guo Xin Securities Company | 11,257,640 | 0.90 | A Shares |
| 5 | 深圳國際信託投資有限責任公司 | 9,955,294 | 0.80 | A Shares |
| 6 | Bank of Communications – Hanxing Securities Investment Fund | 7,366,527 | 0.59 | A Shares |
| 7 | 通乾證券投資基金 | 6,676,921 | 0.53 | A Shares |
| 8 | Bank of Communications – Guotai Jinying Growth Securities Investing Fund | 6,231,849 | 0.50 | A Shares |
| 9 | 深圳市國信證券網絡有限公司 | 6,166,044 | 0.49 | A Shares |
| 10 | Bank of Communications – Kerui Securities Investment Fund | 5,717,491 | 0.46 | A Shares |
| 11 | 景宏證券投資基金 | 5,289,057 | 0.42 | A Shares |

Notes:

- (1) Amongst the shareholders listed above, Anhui Conch Holdings Company Limited remained to hold 622,480,000 shares, but its shareholding ratio in the total share capital of the Company decreased from 52.60% to 49.57% after the issue of additional 72,200,000 H Shares by the Company on 5 November, 2003. No pledge or stop order was given in respect of the shares held during the reporting period.

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(4) PARTICULARS OF SHAREHOLDERS OF THE COMPANY (Continued)

- (2) HKSCC Nominees Limited held 430,855,898 H Shares, representing approximately 34.31% of the total share capital of the Company and approximately 99.46% of the total issued H Shares of the Company, on behalf of its various clients.
- (3) Amongst the above shareholders, except the relationships between Guo Xin Securities Company and 深圳市國信證券網絡有限公司, and Jingfu Securities Investment Fund and 景宏證券投資基金, the Company is not aware of any connected relationship amongst the above-mentioned shareholders.
- (4) As at 31 December, 2003, the following persons (other than the directors or chief executives of the company) hold interests in shares and underlying shares or short positions of the Company and are required to be entered into the register maintained by the Company under section 336 of the Securities and Futures Ordinance (Chapter 571) of the Laws of Hong Kong:

| Name of shareholders | Number of ordinary shares held | Capacity | Percentage owned in that class of shares |
|--|---|-------------------------------------|--|
| Anhui Conch Holdings Company Limited | 622,480,000 domestic shares (long position) | Beneficial owner | 75.68% |
| Anhui Provincial Investment Group Limited | 622,480,000 domestic shares (long position) | Interest of controlled corporation | 75.68% |
| Anhui Conch Venture Investment Company Limited | 622,480,000 domestic shares (long position) | Interests of controlled corporation | 75.68% |
| Taiwan Cement Corporation | 55,830,000 H Shares (long position) | Interests of controlled corporation | 12.89% |
| TCC International Limited | 54,154,000 H Shares (long position) | Interests of controlled corporation | 12.50% |
| TCC International Limited | 1,676,000 H Shares (long position) | Beneficial owner | 0.39% |
| TCC International Holdings Limited | 1,676,000 H Shares (long position) | Beneficial owner | 0.39% |
| Nice Perfect Limited | 54,000,000 H Shares (long position) | Beneficial owner | 12.47% |
| The Capital Group Companies, Inc. | 31,656,000 H Shares (long position) | Investment Manager | 7.31% |
| Capital Research and Management Company | 15,860,000 H Shares (long position) | Beneficial owner | 3.66% |
| Capital International, Inc. | 15,796,000 H Shares (long position) | Beneficial owner | 3.65% |
| J.P. Morgan Chase & Co. | 19,993,619 H Shares (long position) | Interests of controlled corporation | 4.61% |
| J.P. Morgan Chase & Co. | 14,099,619 H Shares (lending pool) | Interests of controlled corporation | 3.25% |

Other than the shareholders mentioned above, as at 31 December, 2003, the Company is not aware of any interests required to be recorded in accordance with section 336 of the Securities and Futures Ordinance (Chapter 571) of the Laws of Hong Kong.

(4) PARTICULARS OF SHAREHOLDERS OF THE COMPANY *(Continued)*

iii. Particulars of the controlling shareholder of the Company

| | |
|---------------------------------------|--|
| Official Chinese 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.

During the reporting period, upon the approval of Anhui Provincial People's Government, the Holdings underwent a restructuring, after which the Holdings was converted from a wholly State-owned company to a limited liability company controlled by the State, retaining its status of being owned and controlled by the State. Anhui Provincial Investment Group Limited 安徽省投資集團有限責任公司 ("AIG"), as the contributor of the provincial State-owned assets of Anhui Province, being the largest and controlling shareholder of the Holdings, holds 51% of the registered capital of the Holdings. Anhui Conch Venture Investment Company Limited 安徽海螺創業投資有限責任公司 holds 49% of the registered capital of the Holdings.

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

During the reporting period, there was no change to the controlling shareholder of the controlling shareholder of the Company, and it remains to be AIG.

AIG is a limited company controlled by the State under the auspices of the Anhui Provincial Government. Its legal representative is Qian Jin. AIG 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, 2003, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

(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.