

changes in *share capital and shareholders*

(1) Changes in Share Capital (in Share)

SHARE CAPITAL STRUCTURE	BEFORE CHANGE	PLACEMENT	BONUS SHARE	SHARES TRANSFERRED FROM RESERVE FUND	INCREASE	OTHERS	AFTER CHANGE
1) Share not in circulation							
1. Promoter's shares	3,381,214,600						3,381,214,600
Including:							
State-owned shares	2,781,743,600						2,781,743,600
Domestic Legal person shares	599,471,000						599,471,000
Foreign legal person shares							
Others							
2. Legal person shares	284,532,900						284,532,900
3. Internal staff shares							
4. Preference shares							
Sub-total of shares not in circulation	3,665,747,500						3,665,747,500
2) Shares in circulation							
1. RMB ordinary shares	150,000,000						150,000,000
2. Domestic listed foreign shares							
Overseas listed foreign shares	1,222,000,000						1,222,000,000
Others							
Sub-total of shares in circulation	1,372,000,000						1,372,000,000
3) 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.

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(2) Share Issue and Listing

1. 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.
2. 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 2003, there were a total of 15,524 shareholders whose names appeared on the share register of the Company, of which 14,433 were domestic shareholders and 1,091 were foreign shareholders.

2. Shareholding of Major Shareholders

(1) As at 31st December 2003, shareholdings 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 HELD
1	Jiangsu Communications Holding Company Ltd.	2,781,743,600		55.22	Stated-owned Shares
2	Huajian Transportation Economic Development Centre	597,471,000		11.86	Stated-owned Legal Person Shares
3	The Capital Group Companies, Inc	93,820,000	-60,876,000	1.86	H Shares
4	China Ocean Shipping (Group) Limited	83,181,500		1.65	H Shares
5	Sumitomo Life Insurance Company	76,636,000	76,636,000	1.52	H Shares
6	Galaxy Securities Co., Ltd.	27,999,523	9,016,018	0.56	A Shares
7	Huaxia Securities Company	16,660,000		0.33	Social Legal Person Shares
8	Shenyin Wanguo Securities Co., Ltd.	14,450,000		0.29	Social Legal Person Shares
9	Winner Glory Development Ltd	12,000,000		0.24	H Shares
10	Jiangsu Xinsu Investment Management Co.	8,484,000		0.17	Social Legal Person Shares

Note: Connection between the top ten shareholders:

- (a) The top ten shareholders of the Company are not connected to each other or acting in concert;
- (b) 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;
- (c) 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 new shares.

(2) As at 31st December 2003, people directly or indirectly having an interest in 5 percent or more of the share capital of the Company were as follows:

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

Jiangsu Communications Holding Co., Ltd. (“Communications Holding”), the Company’s controlling shareholder, was established on 15th September 2000. Communications Holding held on behalf of the State 2,781,743,600 State-owned shares of the Company, representing approximately 55.22% of the total share capital of the Company.

Communications Holding was incorporated with the capital from the provincial government, which authorized 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 authorized 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 5 percent or more domestic shares - Huajian Transportation Economic Development Centre (“Huajian Centre”)

Huajian Centre held as beneficial owner 597,471,000 State-owned Legal Person Shares, representing approximately 11.86% of the total share capital of the Company.

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 and 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) Interest of the major shareholder in the Company’s H Shares or underlying shares and short positions

Name of Shareholders	Capacity	Number of H Shares	Approximate % of Holding in H Shares
The Capital Group Companies, Inc. (note 1)	Interests in controlled corporation	93,820,000	7.68
Capital Research and Management Company (note 1)	Investment manager	88,250,000	7.22
China Ocean Shipping (Group) Company (note 2)	Interests in controlled corporation	83,181,500	6.81
COSCO Hong Kong (Group) Limited (note 2)	Interests in controlled corporation	83,181,500	6.81
Rise Hoppy Investment Ltd. (note 2)	Beneficial owner	83,181,500	6.81
Sumitomo Life Insurance Company	Interests in controlled corporation	76,636,000	6.27
Sumitomo Mitsui Asset Management Company, Limited (note 3)	Investment manager	76,636,000	6.27

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Note 1: The Capital Group Companies Inc. was taken to have a duty of disclosure in the 88,250,000 H Shares held by its 100% subsidiary Capital Research and Management Company in the capacity as an investment manager (which in turn was taken to have a duty of disclosure) and the 5,570,000 H shares held by another wholly-owned subsidiary which also acted as investment manager.

Note 2: The three references to 83,181,500 H Shares relate to the same block of shares in the Company. China Ocean Shipping (Group) Company was the controlling shareholder of COSCO (Hong Kong) Group Limited, which was in turn the controlling shareholder of Rise Hoppy Investment Ltd.

Note 3: The two references to 76,636,000 H Shares relate to the same block of shares in the Company. Sumitomo Life Insurance Company was the controlling shareholder of Sumitomo Mitsui Asset Management Company, Limited.

Save as disclosed above, as at 31st December, 2003, there were no other entries recorded in the register required to be kept under section 336 of the Securities and Futures Ordinance showing the interests or short positions of every person, other than a director, supervisor or chief executive of the Company, in the shares and underlying shares of the Company.

- (3) As at 31st December 2003, shareholdings of the top ten shareholders of the Company in respect of shares in circulation are as follows:

Name of Shareholders	Number of shares held at the end of the period (shares)	Category of the Shares
The Capital Group Companies, Inc	93,820,000	H Shares
China Ocean Shipping (Group) Limited	83,181,500	H Shares
Sumitomo Life Insurance Company	76,636,000	H Shares
Galaxy securities Co., Ltd.	27,999,523	A Shares
Winner Glory Development Ltd	12,000,000	H Shares
上海市企業年金發展中心銀河平衡	4,921,554	A Shares
Agricultural Bank of China, Jiangsu Branch — Manpower Services Co.	4,010,099	A Shares
Wang Jianguo	3,340,598	A Shares
上海天好電子商務有限公司	3,266,370	A Shares
Song Zhenghai	3,113,739	A Shares

Notes: The Company is not aware if the top shareholders of the Company are connected to each other.

- (4) Purchase, Sale and Redemption of Shares of the Company

For the year ended 31st December 2003, there was no purchase, sale or redemption by the Company or any of its subsidiaries of its listed securities.

- (5) Pre-emption Rights

In accordance with the Company's Articles of Association and the laws of the People's Republic of China, no pre-emption rights 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.