

Changes in Share Capital and Shareholders

(I) Changes in Structure of Share Capital of the Company During the Reporting Period

('000 shares)

	Before changes	Difference in changes (+, -)	After changes
1. Unlisted shares			
1. Promoters' shares	622,480	0	622,480
Including:			
Domestic legal person shares	622,480	0	622,480
Total number of unlisted shares	622,480	0	622,480
2. Listed shares			
1. RMB denominated ordinary shares ("A Shares")	200,000	0	200,000
2. Overseas listed foreign shares ("H Shares")	433,200	0	433,200
Total number of listed shares	633,200	0	633,200
3. Total number of shares	1,255,680	0	1,255,680

There was no change in the total number of shares and structure of share capital of the Company during the reporting period.

(II) Issue and Listing of Shares

On 24 January 2002, the Company successfully issued 200,000,000 A Shares of RMB1 each at an issue price of RMB4.10 per share, which raised total proceeds of RMB820 million. Net proceeds after issue 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.

On 5 November 2003, the Company successfully issued 72,200,000 H Shares of RMB1 each at an issue price of HK\$8.20, which raised total proceeds of HK\$592,040,000, equivalent to approximately RMB631,290,000. Net proceeds after issue expenses amounted to approximately RMB617,620,000. On 12 November 2003, all of the above H Shares were listed and traded on The Stock Exchange of Hong Kong Limited.

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(III) Summary of Trading of the Company's Shares in 2004

	A Share/RMB	H Share/HK\$
Opening price on the first trading day at the beginning of the year	11.26	10.10
Closing price on the last trading day at the end of the year	8.18	8.45
Highest trading price during the year	16.84	14.20
Lowest trading price during the year	7.28	6.75

(IV) Particulars of Shareholders

- As at 31 December 2004, the total number of shareholders of the Company was 14,105, of which 87 were holders of H Shares.
- As at 31 December 2004, the shareholdings of the top ten shareholders and the top ten holders of listed shares of the Company were as follows:

Rank	Name of shareholder	No. of shares held at the end of the year (shares)	Percentage of shareholding (%)	Class of shares
1	Anhui Conch Holdings Company Limited	622,480,000	49.57	State-owned legal person shares
2	HKSCC Nominees Limited	414,611,997	33.02	H Shares
3	通乾證券投資基金	13,565,160	1.08	A Shares
4	Agricultural Bank of China – 長盛動態精選證券基金	9,135,844	0.73	A Shares
5	Guo Xin Securities Company Limited	9,102,432	0.72	A Shares
6	融通新藍籌證券投資基金	9,085,593	0.72	A Shares
7	Bank of Communications – 融通行業景氣證券投資基金	8,645,088	0.69	A Shares
8	Industrial and Commercial Bank of China – 申萬巴黎盛利精選證券投資基金	7,886,023	0.63	A Shares
9	China Merchants Bank Co., Ltd. – 中信經典配置證券投資基金	6,464,043	0.51	A Shares
10	Industrial and Commercial Bank of China – 天元證券投資基金	5,534,184	0.44	A Shares
11	全國社保基金一零六組合	5,333,200	0.42	A Shares

Changes in Share Capital and Shareholders

(IV) Particulars of Shareholders (Continued)

2. (Continued)

Notes:

- (1) Anhui Conch Holdings Company Limited held 622,480,000 shares of the Company, representing 49.57% of the total share capital of the Company and there was no change during the reporting period.
- (2) HKSCC Nominees Limited held 414,611,997 H Shares of the Company, representing 33.02% of the total share capital of the Company and 95.71% of the total issued H Share capital of the Company, on behalf of its various clients.
- (3) Amongst the above shareholders, except the relationships between 通乾證券投資基金, 融通新藍籌證券投資基金 and Bank of Communications — 融通行業景氣證券投資基金, the Company is not aware of any connected relationship amongst the above shareholders.
- (4) As at 31 December 2004, the following persons (other than the directors or chief executives of the Company) held interests or short positions in shares and underlying shares 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 of the Laws of Hong Kong (Chapter 571):

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)	Interests of controlled corporation	75.68%
Anhui Conch Venture Investment Company Limited	622,480,000 domestic shares (long position)	Interests of controlled corporation	75.68%
The Capital Group Companies, Inc.	71,388,000 H Shares (long position)	Interests of controlled corporation	16.48%
Capital Research and Management Company	6,460,000 H Shares (long position)	Beneficial owner	1.49%
Capital International, Inc.	64,928,000 H Shares (long position)	Beneficial owner	14.99%
Templeton Asset Management Limited	32,034,000 H Shares (long position)	Investment manager	7.39%
J. P. Morgan Chase & Co.	19,856,167 H Shares (long position)	Interests of controlled corporation	4.58%
J. P. Morgan Chase & Co.	8,862,167 H Shares (lending pool)	Interests of controlled corporation	2.05%

Other than the shareholders mentioned above, as at 31 December 2004, 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).

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(IV) Particulars of Shareholders (Continued)

3. Particulars of the controlling shareholder of the Company

Official Chinese name:	Anhui Conch Holdings Company Limited
Legal representative:	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.

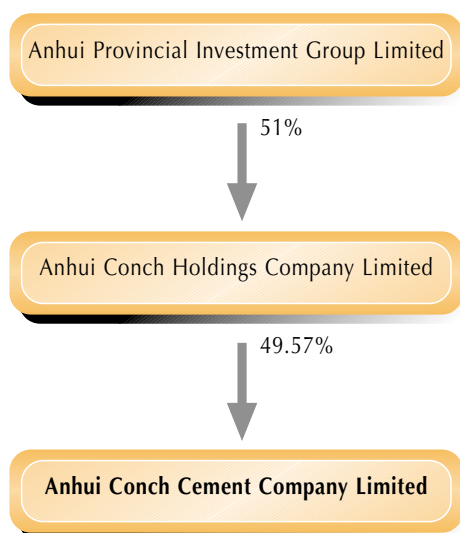
During the reporting period, there was no change in the controlling shareholder of the Company.

4. Particulars of the controlling shareholder of the controlling shareholder of the Company

Official Chinese name:	Anhui Provincial Investment Group Limited
Legal representative:	Qian Jin
Date of establishment:	31 July 1998
Registered capital:	RMB1.22 billion
Scope of business:	Raising, managing and operating the provincial infrastructure fund, railway construction fund and other construction fund, property investment and capital management, etc.

During the reporting period, there was no change in the controlling shareholder of the controlling shareholder of the Company.

5. The relationship between the Company and the controlling shareholder of the controlling shareholder in respect of property rights and control



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(IV) Particulars of Shareholders *(Continued)*

6. Public float

On the basis of publicised information and to the best knowledge of the directors, the Company has maintained the prescribed public float under the Listing Rules as at the date of this report.

(V) Purchase, Sale and Redemption of Listed Shares

During the year ended 31 December 2004, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed shares of the Company.

(VI) Pre-emptive Rights

The articles of association of the Company and the laws of the PRC contain no provision requiring the Company to offer to its existing shareholders any pre-emptive rights to acquire new shares on a pro-rata basis to their shareholdings.