

CHANGES IN SHARE CAPITAL AND SHAREHOLDERS

(I) CHANGES IN SHARE CAPITAL

Unit: Share

Share capital structure	Before change	Placement	Bonus share	Shares transferred from reserve fund	Increase	Others	After change
1) Shares 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
Overseas legal person shares	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
2. Subscriber legal person shares	284,532,900	-	-	-	-	-	284,532,900
3. Internal staff shares	-	-	-	-	-	-	-
4. Preference shares or others	-	-	-	-	-	-	-
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.

(II) SHARE ISSUES AND LISTINGS

1. The Company issued 1,222 million H Shares at HK\$3.11 (RMB3.33) per share which were listed on the Hong Kong Stock Exchange on 27th June 1997.
2. 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.
3. The Company's Sponsored Level I American Depositary Receipt Programme was effective on 23rd December 2002 and the shares have been traded in the over-the-counter market in the United States.



(III) SHAREHOLDINGS OF MAJOR SHAREHOLDERS

1. Number of Shareholders at the End of the Reporting Period

As at 31st December 2004, there were a total of 36,907 shareholders whose names appeared on the share register of the Company, of which 35,947 were domestic shareholders and 960 were foreign shareholders.

2. Shareholdings of Major Shareholders

(1) As at 31st December 2004, 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	State-owned Shares
2	Huajian Transportation Economic Development Centre	597,471,000		11.86	Stated-owned Legal Person Shares
3	J.P. Morgan Chase & Co.	131,104,500	131,104,500	2.60	H Shares
4	Sumitomo Mitsui Asset Management Limited	99,548,000	22,912,000	1.98	H Shares
5	UBS AG	74,454,000	74,454,000	1.48	H Shares
6	Galaxy Securities Co., Ltd.	27,287,472	-712,051	0.54	A Shares
7	Huaxia Securities Co., Ltd.	21,160,000	4,500,000	0.42	Social Legal Person Shares
8	Shenyin Wanguo Securities Co., Ltd.	14,450,000		0.29	Social Legal Person Shares
9	上海海基物業發展有限公司	14,150,000	14,150,000	0.28	Social Legal Person Shares
10	Winner Glory Development Ltd	12,000,000		0.24	H Shares

Note: Connection between the top ten shareholders:

- (a) The Company is not aware if the top ten shareholders are connected to each other or acting in concert.
- (b) 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.

CHANGES IN SHARE CAPITAL AND SHAREHOLDERS

(2) 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.

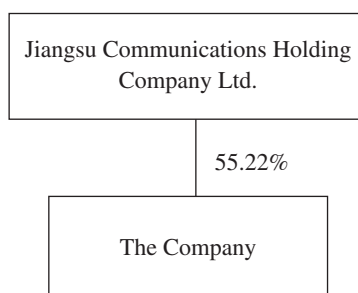
Communications Holding was incorporated with the capital from the provincial government, which has authorised the former as an operating unit of State-owned assets with investment nature and as an investing organ. Its legal representative is Mr. Shen Chang Quan. Its registered capital amounted to RMB4,600,000,000. To such extent as authorised by the provincial government, the Company is engaged in the operation and management of State-owned assets; investment, construction, operation and management of transport infrastructure, transports and other related sectors; and industrial investment and domestic trading within the scope of authorisation of the provincial government.

Communications Holding does not hold more than 5% shares in other listed companies apart from the Company.

On 15th September 2004, Jiangsu Communications Holding Co., Ltd. and Jiangsu Communications Industrial Group Co., Ltd., another transportation investment entity, duly commenced merger and reorganisation processes in accordance with the "Notice of the Merger and Reorganisation of Legal Persons Jiangsu Communications Holding Co., Ltd. and Jiangsu Communications Industrial Group Co., Ltd." issued by the Jiangsu Provincial People's Government. The new company name after the merger was its former name, "Jiangsu Communications Holding Co., Ltd.". Its corporate nature remained as solely state-owned. The former Jiangsu Communications Industrial Group Co., Ltd. was cancelled, with its liabilities, debts, external guarantee and shareholding in the form of external investment taken over by Jiangsu Communications Holding Co., Ltd. The registration process for industrial and commercial changes after the merger is currently underway.

Upon the merger, the shareholding of Jiangsu Communications Holding Co., Ltd. in the Company remained unchanged.

The ownership and controlling relationship between the Company and the de facto controller:



(3) Shareholders holding 10 percent or more domestic shares - Huajian Transportation Economic Development Centre

Name of shareholder	Huajian Transportation Economic Development Centre
Legal representative	Fu Yu Ning
Date of incorporation	18th December 1993
Registered capital	RMB500,000,000
Corporate nature	People's ownership
Shareholding	11.86%
Scope of business	Its principal businesses are investment and management of roads, docks, ports and ocean passages; research and development of new technologies, new products and new materials related to transport infrastructure and the sale of the relevant products, and so forth.

3. As at 31st December 2004, shareholdings of the top ten holders of shares in circulation are as follows:

No.	Name of Shareholders	Number of shares held at the end of the period (shares)	Category of shares
1	J.P. Morgan Chase & Co.	131,104,500	H Shares
2	Sumitomo Life Insurance Company	99,548,000	H Shares
3	UBS AG	76,454,000	H Shares
4	Galaxy securities Co., Ltd.	27,287,472	A Shares
5	Winner Glory Development Ltd	12,000,000	H Shares
6	普惠證券投資基金	1,911,070	A Shares
7	中信信托投資有限責任公司	1,573,900	A Shares
8	興和證券投資基金	1,386,707	A Shares
9	裕陽證券投資基金	594,031	A Shares
10	Arsenton Nominees Limited	522,000	H Shares

Notes: The Company is not aware if the top ten shareholders in respect of shares in circulation of the Company are connected to each other or acting in concert.

The Company is not aware of whether or not there are connected relationships between the top ten holders of shares in circulation and the top ten shareholders.

CHANGES IN SHARE CAPITAL AND SHAREHOLDERS

4. As at 31st December 2004, as far as the Company is aware, the following individuals or companies held 5% or more of the interests and short positions in the shares or underlying shares of the Company as recorded in the register required to be maintained under the Securities and Futures Ordinance of Hong Kong:

Name	Capacity	Direct Interests	Number of H Shares	Percentage of H Shares (total shares)
J.P. Morgan Chase & Co. (Note 1)	Interests in controlled corporation	No	131,104,500	10.73 (2.60)
Sumitomo Life Insurance Company (Note 2)	Interests in controlled corporation	No	99,548,000	8.15 (1.98)
UBS AG (Note 3)	Beneficial owner	Yes	74,454,000	6.09 (1.48)

Note 1: The 131,104,500 H Shares in which J.P. Morgan Chase & Co. was deemed to hold interest included:

- (1) 484,900 H Shares (reported as lending pool) in which J.P. Morgan Chase Bank (a 100% subsidiary of J.P. Morgan Chase & Co.) was deemed to hold interest in the capacity of a custodian corporation/approved lending agent;
- (2) 22,705,600 H Shares in which a 100% subsidiary of J. P.Morgan Chase & Co. was deemed to hold interest because of its controlling interests in a corporation, while such corporation was reported as the beneficial owner of the H Shares concerned; and
- (3) 7,914,000 H Shares in which a 100% subsidiary was deemed to hold interest because of its controlling interests in a corporation, while such corporation was regarded as having disclosure obligations as an investment manager.

Note 2: Sumitomo Life Insurance Company was the controlling shareholder of Sumitomo Mitsui Asset Management Company, Limited which was deemed to hold interest in the shares in the capacity of an investment manager.

Note 3: (1) Out of the total shares which UBS AG was interested in, 204,000 H Shares were reported to be held in the capacity of an investment manager, and 74,250,000 H Shares were reported to be held in the capacity of a beneficial owner.

(2) The 74,454,000 H Shares included 2,000,000 shares of non-listed derivatives.

(3) 112,000 H Shares are held by UBS Global Asset Management (Japan) Limited which is wholly-owned by UBS AG.

Save as disclosed above, as far as the Company is aware, as at 31st December 2004, there is no other person who is required to make disclosure under the Securities and Futures Ordinance.

(IV) PURCHASE, SALE AND REDEMPTION OF SHARES OF THE COMPANY

As at 31st December 2004, there was no purchase, sale or redemption by the Company or any of its subsidiaries of the Company's shares.

(V) 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.

(VI) PUBLIC FLOAT

As at 31st December 2004 and 28th February 2005 (the latest practicable date of this disclosure statement), the Company complied with the 25% public float requirement under the Hong Kong Listing Rules.