

Changes in Share Capital and Shareholders



(I) Number of Shareholders at the End of the Reporting Period

Unit: Shares

| Share capital structure | Before change | Placement | Bonus share | Shares transferred from reserve fund | Increase | Others | After change |
|--|---------------|-----------|-------------|--------------------------------------|----------|--------|---------------|
| I. 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 |
| II. Shares in circulation | | | | | | | |
| 1. RMB ordinary shares | 150,000,000 | — | — | — | — | — | 150,000,000 |
| 2. Domestic listed foreign shares | — | — | — | — | — | — | — |
| 3. Overseas listed foreign shares | 1,222,000,000 | — | — | — | — | — | 1,222,000,000 |
| 4. Others | — | — | — | — | — | — | — |
| Sub-total of shares in circulation | 1,372,000,000 | — | — | — | — | — | 1,372,000,000 |
| III. Shares in total | 5,037,747,500 | — | — | — | — | — | 5,037,747,500 |

Note: During the reporting period, there has been no change in 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 million 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 ADR 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 2005, there were a total of 26,128 shareholders registered on the registers of members of the Company, of whom 25,319 were domestic shareholders and 809 were foreign shareholders.

Changes in Share Capital and Shareholders



2. Shareholdings of Major Shareholders

(l) As at 31st December 2005, shareholdings of the top ten shareholders of the Company were as follows:

| Rank | Name of shares shareholders | Number of shares held at the end of the period | Change during the period (+/-) | Shareholding proportion in the total share capital (%) | Category of the shares held |
|------|---|--|--------------------------------|--|---------------------------------|
| 1 | Jiangsu Communications Holdings Company Ltd. | 2,781,743,600 | — | 55.22 | State-owned shares |
| 2 | Huajian Transportation Economic Development Centre | 597,471,000 | — | 11.86 | State-owned legal person shares |
| 3 | HSBC Halbis Partners (Hong Kong) Limited | 159,892,000 | 159,892,000 | 3.17 | H shares |
| 4 | Sumitomo Mitsui Asset Management Limited | 97,302,000 | (2,246,000) | 1.93 | H shares |
| 5 | JPMorgan Chase & Co. | 71,115,500 | — | 1.41 | H shares |
| 6 | Genesis Fund Managers, LLP | 58,576,000 | 58,576,000 | 1.16 | H shares |
| 7 | Huaxia Securities Co., Ltd. | 21,160,000 | — | 0.42 | Social legal person shares |
| 8 | Galaxy Securities Co., Ltd. | 17,201,566 | (10,085,906) | 0.34 | A shares |
| 9 | Shenyin Wanguo Securities Co., Ltd. | 14,450,000 | — | 0.29 | Social legal person shares |
| 10 | Shanghai Haiji Property Development Company Limited (上海海基物業發展有限公司) | 14,150,000 | — | 0.28 | Social legal person shares |

Note: Connection between the top ten shareholders:

- The Company is not aware whether the top ten shareholders are connected to each other or acting in concert.
- During the reporting period, there were no connected persons, strategic investors or general legal persons who have become one of the top ten shareholders of the Company as a result of the placing of new shares.
- The Form 2, which was submitted by Genesis Fund Managers, LLP to Hong Kong Stock Exchange on 1st April 2006, stated that the company has held the relevant equity interest since 4th July 1997.

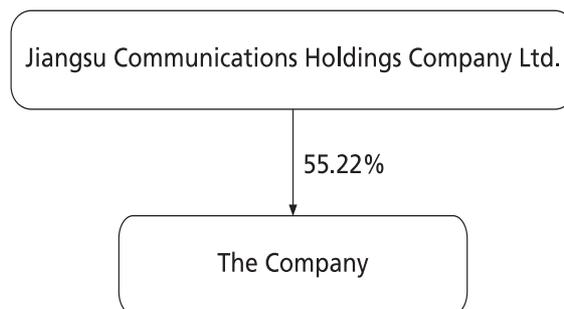


(2) Controlling shareholders -Jiangsu Communications Holdings Co., Ltd.

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

Communications Holdings was incorporated with the capital from the provincial government of Jiangsu Province, which has authorized 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 RMB4.6 billion. On 15th September 2004, Communications Holdings merged with Jiangsu Communications Industrial Group Co., Ltd. (江蘇交通產業集團有限公司), another investing organ of transportation in Jiangsu Province. After the merger, it applied for the registration of industrial and commercial changes and at present, its registered capital amounted to RMB16.8 billion. To such extent as authorized 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; collection of tolls from vehicles according to the relevant rules; and industrial investment and domestic trading within the scope of authorization of the provincial government.

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. |

Changes in Share Capital and Shareholders



3. As at 31st December 2005, 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) | Type of shares |
|-----|--|---|----------------|
| 1 | HSBC Halbis Partners (Hong Kong) Limited | 159,892,000 | H shares |
| 2 | Sumitomo Mitsui Asset Management Company, Limited | 97,302,000 | H shares |
| 3 | JPMorgan Chase & Co. | 71,115,500 | H shares |
| 4 | Genesis Fund Managers, LLP | 58,576,000 | H shares |
| 5 | Galaxy securities Co., Ltd. | 17,201,566 | A shares |
| 6 | Industrial and Commercial Bank of China – Nuoan Balanced Securities Investment Fund (中國工商銀行－諾安平衡證券投資基金) | 13,430,891 | A shares |
| 7 | Winner Glory Development Ltd | 12,000,000 | H shares |
| 8 | Bank of China – Jiashi Value-added Servicing Industry Securities Investment Fund (中國銀行－嘉實服務增值行業證券投資基金) | 9,243,263 | A shares |
| 9 | Bank of China – Haifutong Income Growth Securities Investment Fund (中國銀行－海富通收益增長證券投資基金) | 8,880,000 | A shares |
| 10 | Industrial and Commercial Bank of China – Dongwu Jiahe Performance Selected Portfolio Open-ended Securities Investment Fund (中國工商銀行－東吳嘉禾優勢精選混合型開放式證券投資基金) | 5,532,730 | A shares |

Notes: The Company is not aware whether the top ten holders of listed shares 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.



4. As at 31st December 2005, 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 ("SFO"):

| Name | Capacity | Direct Interests | Number of H Shares | Percentage of H Shares (total shares) |
|--|-------------------------------------|------------------|--------------------|---------------------------------------|
| HSBC Halbis Partners (Hong Kong) Limited ⁽¹⁾ | Interests in controlled corporation | No | 159,892,000 | 13.08 (3.17) |
| Sumitomo Mitsui Asset Management Company, Limited ⁽²⁾ | Interests in controlled corporation | No | 97,302,000 | 7.96 (1.93) |
| Sumitomo Life Insurance Company ⁽²⁾ | Interests in controlled corporation | No | 85,352,000 | 6.98 (1.69) |
| JPMorgan Chase & Co. ⁽³⁾ | Interests in controlled corporation | No | 71,115,500 | 5.82 (1.41) |
| Affiliated Managers Group Inc. ⁽⁴⁾ | Interests in controlled corporation | No | 58,576,000 | 5.36 (1.16) |
| Genesis Fund Managers, LLP ⁽⁴⁾ | Beneficial owner | Yes | 58,576,000 | 5.36 (1.16) |

Notes:

- (1) *HSBC Halbis Partners (Hong Kong) Limited was deemed to hold interest in the shares in the capacity of an investment manager. In its Form 2, which was submitted by HSBC Halbis Partners (Hong Kong) Limited to the Hong Kong Stock Exchange on 1st April 2006, it was stated that its parent company is HSBC Holdings plc.*
- (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. Sumitomo Mitsui Asset Management Company, Limited was deemed to hold interest in the shares in the capacity of an investment manager.*
- (3) *JPMorgan Chase & Co. was deemed to hold interest because of its controlling interests in the following corporations:*
- (i) *65,566,900 shares (reported as lending pool) held by JPMorgan Chase Bank, N.A. (a 100% subsidiary);*
 - (ii) *5,548,600 shares held by J.P. Morgan Whitefriars Inc., (a 100% subsidiary).*
- (4) *Same equity interest. In the Form 2 submitted by Genesis Fund Managers, LLP to Hong Kong Stock Exchange on 4th January 2006, it stated that the company has held the relevant equity interest since 4th July 1997. Its Managing Partner is Affiliated Managers Group Inc.*

Save as disclosed above, as far as the Company is aware, as at 31st December 2005, there was no person who was required to make disclosure under the SFO.

Changes in Share Capital and Shareholders



(IV) Purchase, Sale and Redemption of Shares of the Company

As at 31st December 2005, there was no purchase, sale or redemption of the Company's shares by the Company or any of its subsidiaries.

(V) Pre-emption Rights

In accordance with the laws of the People's Republic of China and the Company's articles of association, 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 2005 and 7th April 2006 (the latest practicable date of this disclosure statement), the Company complied with the 25% public float requirement under the Rules Governing the Listing of Securities on Hong Kong Stock Exchange.