

Movement in Share Capital and Shareholders' Profile

MOVEMENT IN SHARE CAPITAL

As at 31 December 2005, the share structure of the Company was as follows:

Unit: Share

	At 1 January 2005		Increase (+)/decrease (-) during the year					At 31 December 2005	
	Number	Percentage (%)	Issue of additional shares	Bonus issue	Shares converted from capital reserve	Others	Sub-total	Number	Percentage (%)
I. Shares subject to trading moratorium	1,319,029,000	44.52	—	—	—	-188,489,174	-188,489,174	1,130,539,826	38.15
1. State-owned shares	1,319,000,000	44.52	—	—	—	-188,496,424	-188,496,424	1,130,503,576	38.15
2. State-owned legal person shares	—	—	—	—	—	—	—	—	—
3. Other domestic shares	29,000	0.00	—	—	—	7,250	7,250	36,250	0.00
Including: shares held by domestic corporations	—	—	—	—	—	—	—	—	—
share held by domestic individuals	29,000	0.00	—	—	—	7,250	7,250	36,250	0.00
4. Foreign investment shares	—	—	—	—	—	—	—	—	—
Including: shares held by overseas corporations	—	—	—	—	—	—	—	—	—
shares held by overseas individuals	—	—	—	—	—	—	—	—	—
II. Shares not subject to trading moratorium	1,643,913,246	55.48	—	—	—	188,532,625	188,532,625	1,832,445,871	61.85
1. Ordinary domestic shares	753,913,246	25.44	—	—	—	188,532,625	188,532,625	942,445,871	31.81
2. Domestically listed foreign investment shares	—	—	—	—	—	—	—	—	—
3. H shares	890,000,000	30.04	—	—	—	—	—	890,000,000	30.04
4. Others	—	—	—	—	—	—	—	—	—
III. Total shares	2,962,942,246	100.00	—	—	—	43,451	43,451	2,962,985,697	100.00

Note: Reasons for the changes in the share structure during the reporting period:

- (1) The number of the domestic shares not subject to moratorium was increased by 43,451 shares as a result of the conversion of the Company's convertible debentures.
- (2) As a result of the consideration paid by Angang Holding pursuant to State-owned Share Reform Plan, 188,496,424 state-owned shares were converted into 188,489,174 ordinary domestic shares which are not subject to any trading moratorium and 7,250 shares held by senior management which are subject to a trading moratorium.

Movement in Share Capital and Shareholders' Profile (Continued)

DETAILS OF SHAREHOLDERS

- As at 31 December 2005, the Company has a total of 99,451 shareholders, of which 551 were holders of H shares.
- As at 31 December 2005, the 10 largest shareholders and their respective shareholdings were as follows:

Name	Capacity	Percentage of shareholding (%)	Number of shares	Number of shares subject to trading moratorium	Number of shares pledged / frozen
Angang Holding	Holder of state-owned shares	38.15	1,130,503,576	1,130,503,576	—
HKSCC Nominees Limited	Holder of H shares	29.59	876,637,646	0	Unknown
國泰君安 - 花旗 - DEUTSCHE BANK AKTIENGESELLSCHAFT	Other	2.03	60,200,659	0	Unknown
國際金融 - 滙豐 - MORGAN STANLEY & CO. INTERNATIONAL LIMITED	Other	1.30	38,497,009	0	Unknown
華泰證券有限責任公司	Other	0.93	27,626,803	0	Unknown
銀河 - 渣打 - CITIGROUP GLOBAL MARKETS LIMITED	Other	0.89	26,401,308	0	Unknown
東方證券股份有限公司	Other	0.79	23,416,356	0	Unknown
申銀萬國 - 花旗 - UBS LIMITED	Other	0.79	23,267,500	0	Unknown
中國工商銀行 - 博時精選股票證券投資基金	Other	0.72	21,241,804	0	Unknown
國泰君安證券股份有限公司	Other	0.68	20,000,388	0	Unknown

Movement in Share Capital and Shareholders' Profile (Continued)

DETAILS OF SHAREHOLDERS (continued)

3. As at 31 December 2005, the 10 largest holders of the shares not subject to any trading moratorium and their respective shareholdings were as follows:

Name	Number of shares not subject to moratorium	Class of shares
HKSCC Nominees Limited	876,637,646	H shares
國泰君安 - 花旗 - DEUTSCHE BANK AKTIENGESELLSCHAFT	60,200,659	Ordinary domestic shares
國際金融 - 滙豐 - MORGAN STANLEY & CO. INTERNATIONAL LIMITED	38,497,009	Ordinary domestic shares
華泰證券有限責任公司	27,626,803	Ordinary domestic shares
銀河 - 渣打 - CITIGROUP GLOBAL MARKETS LIMITED	26,401,308	Ordinary domestic shares
東方證券股份有限公司	23,416,356	Ordinary domestic shares
申銀萬國 - 花旗 - UBS LIMITED	23,267,500	Ordinary domestic shares
中國工商銀行 - 博時精選股票證券投資基金	21,241,804	Ordinary domestic shares
國泰君安證券股份有限公司	20,000,388	Ordinary domestic shares
中國銀行 - 同盛證券投資基金	19,297,285	Ordinary domestic shares

Note:

Explanations of the connected relationship or concerted action among the shareholders mentioned above under paragraphs 2 and 3:

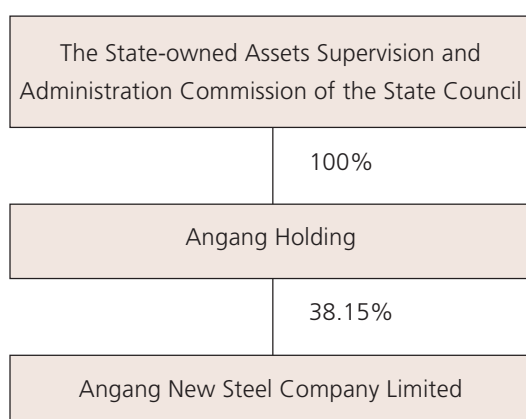
Angang Holding, the largest shareholder of the Company, has no relationship with any of the other 10 largest shareholders of the Company or any of the other 10 largest holders of shares not subject to trading moratorium. Nor is Angang Holding a party to any concerted action as described in the Procedures for the Administration of Information Disclosure for Movement in Shareholdings of the Shareholders of Listed Companies. The Company is not aware of any connected relationship among other shareholders of the Company or any parties acting in concert as described in Procedures for the Administration of Information Disclosure for Movement in Shareholdings of the Shareholders of Listed Companies.

DETAILS OF SHAREHOLDERS *(continued)*

4. Details of the controlling shareholder of the Company

Controlling shareholder:	Angang Holding
Legal representative:	Liu Jie
Year of incorporation:	1948
Principal business:	Production of steel products, metal products (non-franchise), cast iron tubes, metal structures, metal wire and products, sintering and coking products, cement, power generation, metallurgical machinery and parts, electrical machinery, electricity transmission and supply and control facilities and meters, mining of iron and manganese ores, refractory earth and stone extraction.
Principal products:	Steel pressing products and metal products
Registered capital:	Rmb10,794,160,000
Shareholding structure:	Wholly-owned by the State of the PRC

5. Shareholding and controlling structure between the Company and its ultimate controlling shareholder



DETAILS OF SHAREHOLDERS *(continued)*

6. Interests and short positions in the shares and underlying shares of the Company held by substantial shareholders and others

Save for disclosed below, as at 31 December 2005, none of other persons (other than the Company's directors, supervisors and senior management) had any interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the Securities and Futures Ordinance (Cap 571, the Laws of Hong Kong ("SFO")).

Interest in ordinary shares

Name of shareholder	Number and class of shares	Percentage in total share capital	Percentage in total issued H shares	Percentage in total issued domestic shares	Capacity
Angang Holding	1,130,503,576 State-owned Shares	38.15%	—	54.54%	Beneficial owner
HKSCC Nominees Limited	876,637,646 H Shares	29.59%	98.50%	—	nominee

DETAILS OF SHAREHOLDERS (continued)

7. Expected expiry dates of the trading moratoria on the shares of the Company

The following expected timetable of the expiry dates of various trading moratoria on the shares of the Company listed on the Shenzhen Stock Exchange assumes there will be no change in the total share capital of the Company and the shareholdings of its directors, supervisors and senior management from the date hereof to 1 January 2011:

Date	Number of shares released	Total number of outstanding shares subject to moratorium	Total number of shares not subject to moratorium
Date hereof	—	4,100,539,826	1,832,445,871
6 December 2006	113,097,854 ⁽¹⁾	3,987,441,972	1,945,543,725
2 December 2008	427,614,303	3,559,827,669	2,373,158,028
23 February 2009	—	3,559,827,669	2,373,158,028
1 January 2011	3,559,791,419	36,250 ⁽²⁾	5,932,949,447

Note:

- (1) Representing the number of the shares to be transferred from Angang Holding to the holders of tradable A shares assuming the warrants granted by Angang Holding to such shareholders under the State-owned Share Reform Plan have been fully exercised on the expiry day.
- (2) Representing the number of the shares held by the directors, supervisors and senior management of the Company which are subject to a trading moratorium till the expiry of 6-month after his resignation.

In addition, on 25 January 2006, CSRC issued an approval to the Company to issue a total of 2.97 billion tradable A shares to Angang Holdings as part of consideration for the acquisition of the entire equity interest in ANSI. As at the date hereof, such shares have been deposited with China Securities Depository and Clearing Corporation Limited, Shenzhen Branch.

Movement in Share Capital and Shareholders' Profile *(Continued)*

DETAILS OF SHAREHOLDERS *(continued)*

8. Trading moratorium on the previously non-tradable shares held by the 10 largest shareholders as at 31 December 2005

Unit: Share

Name	Number of shares subject to moratorium	Expiry date of moratorium	Number of shares released from moratorium	Trading moratorium
Angang Holding	4,100,503,576	2 December 2008	427,614,303 <i>(Note)</i>	1. The shares held by Angang Holding following the completion of the State-owned Share Reform Plan will be subject to a trading moratorium of 36 months from the date of the listing of such shares except for the state-owned shares to be transferred to the holders of tradable A shares upon his/her exercise of the warrants;
		1 January 2011	3,559,791,419 <i>(Note)</i>	2. On 25 January 2006, CSRC issued an approval to the Company to issue a total of 2.97 billion tradable shares to Angang Holding as part of the consideration for the acquisition of the entire equity interest in ANSI. Such shares are subject to a trading moratorium of 36 months from the completion of the issuance of such shares to Angang Holding; 3. Angang Holding shall maintain a minimum of 60% shareholding in the Company following the completion of the acquisition till 31 December 2010.

Note: Assuming the warrants granted by Angang Holding to the holder of tradable A shares under the State-owned Share Reform Plan have been fully exercised on the expiry day.