

Movement in Share Capital and Shareholders' Profile

MOVEMENT IN SHARE CAPITAL

As at 31 December 2006, the share structure of the Company was as follows:

Unit: Share

	At 1 January 2006		Increase (+)/decrease (-) during the year			At 31 December 2006	
	Number	Percentage (%)	Issue of additional shares	Other	Sub-total	Number	Percentage (%)
I. Shares subject to trading moratorium	1,130,539,826	38.15	+2,970,000,000	-110,611,316	+2,859,388,684	3,989,928,510	67.25
1. State-owned shares	1,130,503,576	38.15	+2,970,000,000	-110,601,666	+2,859,398,334	3,989,901,910	67.25
2. State-owned legal person shares	—	—	—	—	—	—	—
3. Other domestic shares	36,250	0.00	—	-9,650	-9,650	26,600	0.00
Including: shares held by domestic corporations	—	—	—	—	—	—	—
share held by domestic individuals	36,250	0.00	—	-9,650	-9,650	26,600	0.00
4. Foreign investment shares	—	—	—	—	—	—	—
Including: shares held by overseas corporations	—	—	—	—	—	—	—
shares held by overseas individuals	—	—	—	—	—	—	—
II. Shares not subject to trading moratorium	1,832,445,871	61.85	—	+110,611,316	+110,611,316	1,943,057,187	32.75
1. Ordinary domestic shares	942,445,871	31.81	—	+110,611,316	+110,611,316	1,053,057,187	17.75
2. Domestically listed foreign investment shares	—	—	—	—	—	—	—
3. H shares	890,000,000	30.04	—	—	—	890,000,000	15.00
4. Others	—	—	—	—	—	—	—
III. Total shares	2,962,985,697	100.00	+2,970,000,000	—	+2,970,000,000	5,932,985,697	100.00

MOVEMENT IN SHARE CAPITAL *(continued)*

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

- (1) The company issued 2,970 million new shares to Angang Holding on 26 January 2006 as part of the consideration for acquisition of the 100% equity interest in ANSI by the Company.
- (2) The “鞍鋼JTC1”warrants issued by Angang Holding in December 2005 was due for exercise in December 2006, resulting in the decrease of 110,601,666 shares of the Company held by Angang Holding.
- (3) Due to the said reasons, the number of state-owned shares increased by 2,859,398,334 shares.
- (4) Domestic shares subject to trading moratorium decreased by 9,650 shares. This is mainly attributable to the shares of the Company held by Mr. Yao Lin, a former Director of the Company and Mr. Zhou Fa, a former supervisor of the Company released from moratorium as there has been six months from their resignation, and the exercise of “鞍鋼JTC1”warrants held by the Directors and supervisors of the Company.
- (5) Due to these said reasons, the number of shares subject to trading moratorium increased by 2,859,388,684 shares.
- (6) The shares not subject to trading moratorium and the ordinary domestic shares not subject to moratorium increased by 110,611,316 shares respectively, as a result of the exercise of the “鞍鋼JTC1”warrants upon expiry and the shares held by Mr. Yao Lin, a former director of the Company and Mr. Zhou Fa, a former supervisor of the Company, released from moratorium.

DETAILS OF SHAREHOLDERS

- As at 31 December 2006, the Company has a total of 62,336 shareholders, of which 307 were holders of H shares.
- As at 31 December 2006, the 10 largest shareholders, the 10 largest shareholders not subject to trading moratorium 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	67.25%	3,989,901,910	3,989,901,910	—
HKSCC Nominees Limited	Holder of H shares	14.86%	881,436,159	—	Unknown
中國工商銀行－嘉實策略 增長混合型證券投資基金	Other	0.88%	52,208,266	—	Unknown
泰和證券投資基金	Other	0.60%	35,884,172	—	Unknown
中國人壽保險股份有限公司 －分紅－個人分紅 －005L-FH002深	Other	0.50%	29,463,919	—	Unknown
全國社保基金－零六組合	Other	0.46%	27,126,732	—	Unknown
國際金融－滙豐－ MORGAN STANLEY & CO. INTERNATIONAL LIMITED	Other	0.45%	26,446,590	—	Unknown
中國建設銀行－華夏優勢 增長股票型證券投資基金	Other	0.42%	25,039,557	—	Unknown
國泰君安－花旗－ DEUTSCHE BANK AKTIENGESELLSCHAFT	Other	0.42%	24,916,422	—	Unknown
申銀萬國－農行－ BNP PARIBAS	Other	0.42%	24,796,108	—	Unknown

DETAILS OF SHAREHOLDERS (continued)

2. As at 31 December 2006, the 10 largest shareholders, the 10 largest shareholders not subject to trading moratorium and their respective shareholdings were as follows: (Continued)

Name	Number of shares not subject to trading moratorium	Class of shares
HKSCC Nominees Limited	881,436,159	H shares
中國工商銀行－嘉實策略 增長混合型證券投資基金	52,208,266	Ordinary domestic shares
泰和證券投資基金	35,884,172	Ordinary domestic shares
中國人壽保險股份有限公司－ 分紅－個人分紅 －005L-FH002深	29,463,919	Ordinary domestic shares
全國社保基金－零六組合	27,126,732	Ordinary domestic shares
國際金融－滙豐－MORGAN STANLEY & CO. INTERNATIONAL LIMITED	26,446,590	Ordinary domestic shares
中國建設銀行－華夏優勢增長 股票型證券投資基金	25,039,557	Ordinary domestic shares
國泰君安－花旗－DEUTSCHE BANK AKTIENGESELLSCHAFT	24,916,422	Ordinary domestic shares
申銀萬國－農行－BNP PARIBAS	24,796,108	Ordinary domestic shares
中國工商銀行－南方穩健 成長貳號證券投資基金	22,545,187	Ordinary domestic shares

Explanations of the connected relationship or concerted action among the shareholders mentioned above:

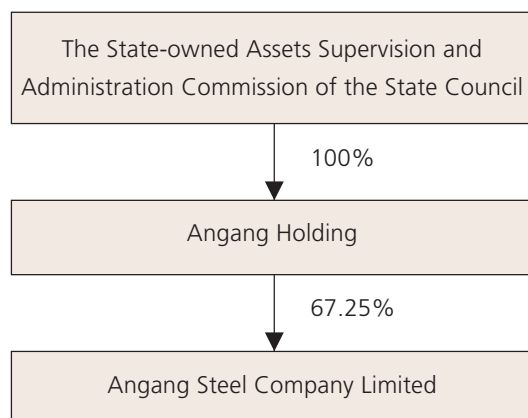
Angang Holding, the largest shareholder of the Company, has no relationship with any of the other 10 largest shareholders of the Company or any of the 10 largest shareholders not subject to trading moratorium. Nor is Angang Holding a party to any concerted action as described in the Procedures for the 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)

3. Details of the controlling shareholder of the Company

Controlling shareholder:	Angang Holding
Legal representative:	Liu Jie (Zhang Xiaogang with effect from 14 February 2007)
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 million
Shareholding structure:	Wholly-owned by the State of the PRC

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



DETAILS OF SHAREHOLDERS (continued)

5. 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 2006, 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 (Chap 571, the Laws of Hong Kong ("SFO")).

Interest in ordinary shares of the Company

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	3,989,901,910 State-owned Shares	67.25%	—	79.12%	Beneficial owner
HKSCC Nominees Limited	881,436,159 H Shares	14.86%	99.04%	—	Nominee

DETAILS OF SHAREHOLDERS (continued)

6. Expected expiry dates of the trading moratorium 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 outstanding shares not subject to moratorium	Explanation
31 December 2006	110,611,316	3,989,928,510	1,943,057,187	Exercise of "鞍鋼JTCI" warrant upon expiry and trading moratorium released after expiry of lock-up period for those directors and supervisors who resigned.
2 December 2008	430,110,492	3,559,818,018	2,373,167,679	Lock-up period of 36 months for a portion of shares expired but restriction that the stake in the Company held by Angang Holding should not be less than 60% as at the end of 2010 is still effective.
23 February 2009	—	3,559,818,018	2,373,167,679	Lock-up period of 36 months for a portion of shares expired but restriction that the stake in the Company held by Angang Holding should not be less than 60% as at the end of 2010 is still effective.
1 January 2011	3,559,791,418	26,600 ⁽¹⁾	5,932,959,097	Lock-up period pledged by Angang Holding expired and the trading moratorium was released.

Note: (1) 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.

DETAILS OF SHAREHOLDERS (continued)

7. Trading moratorium on the former holders of non-tradable shares out of the 10 largest shareholders as at 31 December 2006

Unit: Share

No.	Name	Number of shares subject to moratorium	Expiry date of moratorium	Number of shares released from moratorium	Trading moratorium
1	Angang Holding	3,989,901,910	2 December 2008	430,110,492	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	3,559,791,418	2. On 23 February 2006, the Company issued a total of 2.97 billion tradable A shares to Angang Holding. Such shares were deposited to Angang Holding's account and are subject to a trading moratorium of 36 months from the completion of the transfer 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 of 100% equity interest in ANSI till 31 December 2010.