

# Movements in Share Capital and Shareholders

## 1) SHARE MOVEMENTS

### (1) Table on Share Movement

During the reporting period, the Company has completed the State Share Reform. The State Share Reform did not involve any movements in the total number of shares. Movements in the share capital structure are as follows:

Unit: '000 shares

	Prior to current movements		Current movements (+,-)					After current movements	
	Number of shares	(%)	New shares issues	Bonus issues	Transferred from reserves	State Share Reform	Sub-total	Number of shares	(%)
a. Shares subject to selling restrictions									
1. State-owned shares	4,034,560	62.50	-	-	-	-204,000	-204,000	3,830,560	59.34
2. State-owned legal person shares	-	-	-	-	-	-	-	-	-
3. Shares owned by other domestic entities									
Among which:									
Shares owned by domestic legal persons	87,810	1.36	-	-	-	-	-	87,810	1.36
Shares owned by domestic natural persons	-	-	-	-	-	-	-	-	-
4. Shares owned by foreign entities									
Among which:									
Shares owned by foreign legal persons	-	-	-	-	-	-	-	-	-
Shares owned by foreign natural persons	-	-	-	-	-	-	-	-	-
b. Shares without selling restrictions									
1. RMB-denominated ordinary shares	600,000	9.29	-	-	-	+204,000	+204,000	804,000	12.45
2. Foreign shares listed domestically	-	-	-	-	-	-	-	-	-
3. Foreign shares listed overseas	1,732,930	26.85	-	-	-	-	-	1,732,930	26.85
4. Others	-	-	-	-	-	-	-	-	-
c. Total number of shares	<u>6,455,300</u>	<u>100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,455,300</u>	<u>100</u>

## (2) Timetable for the listing and trading of shares subject to selling restrictions

Unit: Shares

Time	Number of shares available for listing and trading upon expiry of lock-up period	Balance of shares subject to selling restrictions	Balance of shares subject to no selling restrictions	Explanation
2 April 2007	87,810,000	3,830,560,000	2,624,740,000	31 March 2007 was a statutory holiday and was postponed to the next trading day in accordance with the rules.
31 March 2009	3,830,560,000	0	6,455,300,000	

## Movements in Share Capital and Shareholders (Continued)

### 2) THE NUMBER OF SHAREHOLDERS AND SHAREHOLDINGS

#### (1) The number of shareholders and details of the 10 largest shareholders

- As at the end of the reporting period, the Company had a total of 103,916 shareholders, including 101,773 A share holders and 2,143 H share holders.
- Shareholding of the 10 largest shareholders:

Unit: Shares

Name of shareholder	Type of shareholder	As a percentage to number of shares held (%)	Number of shares held	Number of non-circulating shares held	Number of pledged or frozen shares
Magang (Group) Holding Company Limited	State-owned shareholders	60.080	3,878,330,000	3,878,330,000	0
HKSCC (Nominees) Limited	Foreign shareholders	25.519	1,647,298,997	0	Unknown
E Fund Selective Value Equity Fund	Others	0.709	45,770,577	0	Unknown
HSBC (Nominees) Limited	Foreign shareholders	0.477	30,784,000	0	Unknown
華夏優勢增長股票型證券投資基金	Others	0.387	24,994,676	0	Unknown
上投摩根雙息平衡混合型證券投資基金	Others	0.376	24,253,525	0	Unknown
上投摩根中國優勢證券投資基金	Others	0.373	24,067,690	0	Unknown
E Fund Strategic Growth II Equity Fund	Others	0.369	23,799,908	0	Unknown
Morgan ChinaFund A Stanley Share	Foreign shareholders	0.316	20,366,616	0	Unknown
金鑫證券投資基金	Others	0.201	12,995,029	0	Unknown

3. Shareholding of the 10 largest holders of shares without selling restrictions:

Name of shareholder	Number of shares without selling restrictions held	Type of shares
HKSCC (Nominees) Limited	1,647,298,997	Overseas listed foreign shares
E Fund Selective Value Equity Fund	45,770,577	RMB-denominated ordinary shares
HSBC (Nominees) Limited	30,784,000	Overseas listed foreign shares
華夏優勢增長股票型證券投資基金	24,994,676	RMB-denominated ordinary shares
上投摩根雙息平衡混合型證券投資基金	24,253,525	RMB-denominated ordinary shares
上投摩根中國優勢證券投資基金	24,067,690	RMB-denominated ordinary shares
E Fund Strategic Growth II Equity Fund	23,799,908	RMB-denominated ordinary shares
Morgan Stanley China A Share Fund	20,366,616	RMB-denominated ordinary shares
金鑫證券投資基金	12,995,029	RMB-denominated ordinary shares
GOLDMAN, SACHS & CO.	10,000,046	RMB-denominated ordinary shares

Note 1: There was no connected relationship between Magang (Group) Holding Company Limited (“Holding”) and any of the afore-mentioned shareholders, nor were they concerted parties as defined in the Measures for the Management of Information Disclosure on Changes in Shareholding of Shareholders of Listed Companies. China International Fund Management Co., Ltd. was the manager of both 上投摩根雙息平衡混合型證券投資基金 and 上投摩根中國優勢證券投資基金; E Fund Management Co., Ltd. was the manager of both 易方達價值精選股票型證券投資基金 and 易方達策略成長二號混合型證券投資基金. Save as disclosed above, the Company is not aware of whether the other nine shareholders had connected relationship or whether they were concerted parties.

Note 2: Holding, the controlling shareholder of the Company, held 3,878,330,000 circulating A shares of the Company with selling restrictions, of which 3,830,560,000 A shares were held on behalf of the State (representing approximately 59.34% of the total share capital of the Company) and 47,770,000 A shares (representing approximately 0.74% of the total share capital of the Company) were held in the capacity of a domestic legal person, which were the same as the previous reporting period. Holding was established on 1 September 1993 as a solely State-owned enterprise. The legal representative of Holding is Mr. Gu Jianguo. The Group had a registered capital of RMB6,298,290,000. Its principal operations and products include: mining and sorting of mineral products; construction engineering design; construction; property development; integrated technology service; domestic trading; food and beverages; production services; mechanical and electrical equipment manufacturing; and metallic products.

Note 3: No shares held by Holding during the reporting period were pledged, held in lien or placed in custody, but the Company is not aware whether or not shares held by other shareholders interested in 5% or more of the Company’s shares were pledged, held in lien or placed in custody.

Note 4: HKSCC (Nominees) Limited held 1,647,298,997 shares of the Company on behalf of multiple clients.

Note 5: As at 31 December 2006 and 31 March 2007, being the latest practicable date of the report, as far as the Directors were aware, the public float of the Company complied with the requirements as stipulated in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

## Movements in Share Capital and Shareholders (Continued)

- (2) Save as those disclosed above, details of the shareholders of the Company's H shares required to be disclosed pursuant to Section 336 of the Securities and Futures Ordinance as at 31 December 2006 are as follows:

Name of shareholder	Capacity as holder or deemed holder of interests	Number of shares interested or deemed interested	Approximate percentage of issue H shares (%)
Morgan Stanley	Interests of controlled entities	190,122,156 (Long position)	10.97
		11,239,023 (Short position)	0.65
AllianceBernstein L.P.	Interests of controlled entities	155,996,000 (Long position)	9.00
JPMorgan Chase & Co.	Interests of controlled entities	153,315,320 (Long position)	8.85
		128,225,000 (Lending pool)	7.40
Halbis Capital Management (Hong Kong) Limited	Investment manager	89,556,000 (Long position)	5.16

**(3) Shareholding of the 10 largest shareholders subject to selling restrictions and their respective selling restrictions**

Unit: Shares

No.	Name of shareholder subject to selling restrictions	Number of shares held subject to selling restrictions	Time of listing and trading	Additional listed and tradeable shares	Selling restrictions
1	Magang (Group) Holding Company Limited	3,878,330,000	2 April 2007 31 March 2009	47,770,000 3,830,560,000	Note 1 Note 2
2	Shanghai Quan Long Shiye Company Limited	9,800,000	2 April 2007	9,800,000	Note 1
3	People's Insurance Company of China – Anhui Branch	3,000,000	2 April 2007	3,000,000	Note 1
4	鹽城市航空綜合經營有限公司	3,000,000	2 April 2007	3,000,000	Note 1
5	廣州金屬材料公司	1,000,000	2 April 2007	1,000,000	Note 1
6	江蘇金屬材料總公司	1,000,000	2 April 2007	1,000,000	Note 1
7	南京大廠物資部公司	1,000,000	2 April 2007	1,000,000	Note 1
8	鄭州金氏實業有限公司	1,000,000	2 April 2007	1,000,000	Note 1
9	江蘇儀征市物資公司	1,000,000	2 April 2007	1,000,000	Note 1
10	合肥市金屬材料總公司	600,000	2 April 2007	600,000	Note 1

Note 1: The legal person shares held will not be listed for trading or transferred within 12 months from the tradeable date of the shares.

Note 2: After the implementation of the State Share Reform, the Company's shares held by Holding will not be listed for trading or transferred within 12 months from the date of listing, and the State-owned shares held by Holding also will not be listed for trading or transferred in the following 24 months. However, so far as it is permitted under the scope of prevailing policies, Holding may carry out incentive stock option plan(s) or share transfer to particular investor(s). Target(s) of the incentive stock option plan(s) should hold the shares for such period as prescribed under the relevant policies and the particular investor(s) should, after acquiring the shares from Holding, continue to hold such transfer for the same period as undertaken by Holding.

**(4) Flow chart indicating the proprietorship and controlling relationship between the Company and the de facto controller**

