

Details of Share Capital and Shareholders

SHARE CAPITAL STRUCTURE

During the current year, there were no allotment of shares, bonus issue, conversion of statutory reserve into share capital and other changes in the share capital structure of the Company. Details are as follows:

	At 1.1.2000 and 31.12.2000 Number of shares (Ordinary shares of RMB1 each)
Type of shares	
Non-trading shares	
State-owned shares (Promoter's capital)	102,397,700
Legal person shares	17,609,700
Total non-trading shares	120,007,400
Trading shares	
Shanghai listed shares (A shares)	60,000,000
Hong Kong listed shares (H shares)-	65,000,000
Total trading shares	125,000,000
Total number of shares	245,007,400

ISSUED SHARE CAPITAL

Set out below are the details of the Company's issued share capital:

	A shares	H shares
Date of issue	3rd December, 1993 to 18th December, 1993	26th November, 1993
Place of listing	Shanghai	Hong Kong
Issue price	RMB4.43 per share	RMB2.2 (payable in HK\$1.98) per share
Number of shares issued	60,000,000 shares	65,000,000 shares
Date of listing	3rd January, 1994	7th December, 1993
Number of shares approved for listing	60,000,000 shares	65,000,000 shares

SHARES HELD BY EMPLOYEE SHAREHOLDERS

The Company issued 60,000,000 A shares to members of the public during 1993, including 6,600,000 shares subscribed for by the employees of the predecessor entity Kunming Machine Tool Plant ("employee shares"). Details of the issue of the employee shares are as follows:

Period of issue:

3rd December, 1993 to 18th December, 1993

Number of shares issued:

6,600,000 shares

Issue price:

RMB4.43 per share

Escrow period:

3rd January, 1994 to 3rd July, 1994

Escrow agent:

Yunnan Securities Company

In accordance with the relevant rules of the government and arrangements made by the Shanghai Securities Exchange, the employee shares of the Company were listed on the Shanghai Securities Exchange on 24th August, 1994.

NUMBER OF SHAREHOLDERS

Details of the Company's shareholders as at 31st December, 2000 are as follows:

Total number of shareholders:	13,282
A share shareholders:	12,937
State shareholder:	1
Legal person shareholder:	1
Individual shareholders:	12,935
H share shareholders:	345

SHAREHOLDINGS OF SUBSTANTIAL SHAREHOLDERS

Name of shareholder	Number of shares held		Type of shares	Shareholding percentage (%)
	At end of the year	At beginning of the year		
Yunnan Provincial People's Government	102,397,700	102,397,700	A share	41.79
HKSCC Nominees Limited	60,613,999	60,349,499	H share	24.74
Kunming Jinghua Company	17,609,700	17,609,700	A share	7.19
Guo Xin Securities Company Limited	1,036,100	(Note)	A share	0.42
Xu Guochao	503,668	(Note)	A share	0.21
Liu Lipin	499,269	(Note)	A share	0.20
Lu Fushang	498,800	(Note)	A share	0.20
Chen Wenneng	498,365	(Note)	A share	0.20
Yang Jinshan	498,000	(Note)	A share	0.20
Hu Fuqi	491,670	(Note)	A share	0.20

Note: As the respective shareholdings of these shareholders in the Company was below 5% at the end of the year, no disclosure has been made regarding their interests at the beginning of the fiscal year, according to the disclosure requirement set out in Issue No. 2 of "The Content and Format of Disclosure of Information by Listed Companies - The Content and Format of Annual Report" of the PRC.

Included in top 10 shareholders above, (1) is state-owned shares held by Yunnan Provincial People's Government and (2) is foreign invested shareholder.

Other than the substantial shareholders disclosed above as at 31st December, 2000. there were no other shareholders whose shareholdings exceeded the amount required to be disclosed under Article 60 of "Administration of the Issuing and Trading of Shares Provisional Regulations" and Issue No. 2 of "The Content and Format of Disclosure of Information by Listed Companies - The Content and Format of Annual Report" of the PRC and the register of substantial shareholders maintained under Section 16(1) of the Securities (Disclosure of Interests) Ordinance of Hong Kong ("SDI Ordinance") showed that the Company was not notified of any interests representing 10% or more of the Company's issued share capital.