

Movement In Share Capital and Information on Shareholders

1. Movements in share capital:

	Number at the beginning of the year	Change during the year <i>(in '000 shares)</i>	Number at the end of the year
A. Shares not yet permitted to be traded			
1. Shares held by the Promoter	220,000	-	220,000
Including:			
State-owned shares	-	-	-
Shares owned by domestic legal person	220,000	-	220,000
Shares owned by foreign legal persons	-	-	-
Others	-	-	-
2. .Subscriber legal person shares	-	-	-
3. Employee shares (A Shares)	-	-	-
Sub-total	<u>220,000</u>	<u>-</u>	<u>220,000</u>
B. Shares permitted to be traded			
1. Domestically listed domestic shares (A Shares)	23,000	180,000	203,000
2. Domestically listed foreign shares	-	-	-
3. Overseas listed foreign shares (H Shares)	180,800	-	180,800
4. Others	-	-	-
Sub-total	<u>203,800</u>	<u>180,000</u>	<u>383,800</u>
C. Total number of shares in issue	<u>423,800</u>	<u>180,000</u>	<u>603,800</u>

2. Issuance and listing of shares

The information on the issuance and listing of shares within 3 years of the end of the current accounting period are as follows:

Type of shares	Additional A Shares
Par value	RMB1.00 per share
Issue price	RMB7.21 per share
Date of issuance	26th-31st May 2000
Number of shares issued	180,000,000
Number of shares listed	180,000,000
Date of listing	23rd June 2000
Listing Exchange	Shenzhen Stock Exchange

Movement in Share Capital and Information on Shareholders

3. Number of shareholders

As at 31st December 2000, the number of registered shareholders of the Company is as follows:

Type of shareholders	Number of Shareholders
Legal person shares held by the promoter (A Shares)	1
Overseas listed foreign shares (H Shares)	109
Domestically listed domestic shares held by the public (A Shares)	107,331
Total number of shareholders	107,441

4. Shareholdings of substantial shareholders

As at 31st December 2000, the ten largest registered shareholders of the Company are as follows:

Name of Shareholders	Notes	Type	Number of shares held	Percentage to total issued share capital %
China National Textile Machinery (Group) Company Limited	(1)a	A Shares	220,000,000	36.44
HKSCC Nominees Limited	(1)b	H Shares	176,655,999	29.26
重慶成長實業有限公司	(2)	A Shares	6,000,000	0.99
Shanghai Huayuan Joint Stock Company Limited	(2)	A Shares	5,289,007	0.88
Nanjing Textile Industry (Group) Company Limited	(2)	A Shares	2,680,800	0.44
Hangzhou Textile Machinery Group Factory	(2)	A Shares	1,887,500	0.31
Guotou Water and Electricity Company	(2)	A Shares	1,878,750	0.31
Huaxia Securities Company Limited		A Shares	1,516,833	0.25
北航城鄉科技實業有限公司	(2)	A Shares	1,500,000	0.25
武漢香烟伴侶生物工程股份有限公司	(2)	A Shares	1,000,000	0.17

Notes:

(1) Particulars of shareholders holding 5% or more of the registered capital in the Company:

(a) China National Textile Machinery (Group) Company Limited is principally engaged in the manufacture and sale of textile machinery. Its legal representative is Lu Yunliang. In 2000, there was no change in its shareholdings of the Company's unlisted and uncirculated shares nor were they pledged.

(b) HKSCC Nominees Limited has confirmed that the H Shares registered in its name were held by it on behalf of their clients and that none of them held interests of 5% or more of the Company's H Shares in issue.

(2) After the issuance of additional new shares in May 2000, 重慶成長實業有限公司, Shanghai Huayuan Joint Stock Company Limited, Nanjing Textile Industry (Group) Company Limited, Hangzhou Textile Machinery Group Factory, Guotou Water and Electricity Company, 北航城鄉科技實業有限公司 and 武漢香烟伴侶生物工程股份有限公司 became strategic investors of the Company. The specified period for non-disposal of the shares for 北航城鄉科技實業有限公司 and 武漢香烟伴侶生物工程股份有限公司 was from 23rd June 2000 to 23rd June 2001. The specified period for non-disposal of the shares for the other 5 strategic investors have already expired on 23rd December 2000.