

CHANGES OF SHARE CAPITAL AND SHAREHOLDERS

(I) SHARE CAPITAL CHANGE

1. Share issue

As at 31st December 2003, no arrangement was made by the Company for further issue of any new shares, derivatives, bonus shares, rights shares or conversion of shares from reserves, since the issue of 15,739.80 new H shares on 3rd August 1993, and 12,647.95 new A shares on 3rd August, 1993 and 22nd September, 1993 respectively.

2. Change of the share capital

The Company had made no arrangement for the issue of new shares, bonus shares, rights shares, conversion from reserves, splitting or consolidation of shares for the year under review. Accordingly, there was not any change in the share capital of the Company. The share capital structure of the Company is set out in the following table:

Unit: share

	At the beginning of the year	Movements during the year (+,-)				At the end of the year
		Right issue	Bonus issue	Conversion from reserves	Others	Sub-total
(I) Unlisted shares						
(1) Promoter's Shares	210,800,080					210,800,080
Including:						
State-owned shares	210,800,080	—	—	—	—	210,800,080
Domestic legal person shares	—	—	—	—	—	—
Foreign legal person shares	—	—	—	—	—	—
Others	—	—	—	—	—	—
(2) Subscribed legal person shares	—	—	—	—	—	—
(3) Employee shares	—	—	—	—	—	—
(4) Preference shares or others	—	—	—	—	—	—
Total unlisted shares	210,800,080	—	—	—	—	210,800,080
(II) Listed shares						
(1) PRC listed domestic shares	126,479,500	—	—	—	—	126,479,500
(2) PRC listed foreign shares	—	—	—	—	—	—
(3) Overseas listed foreign shares	157,398,000	—	—	—	—	157,398,000
(4) Others	—	—	—	—	—	—
Total listed shares	283,877,500	—	—	—	—	283,877,500
(III) Total number of shares	494,677,580	—	—	—	—	494,677,580

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(II) SHAREHOLDERS INFORMATION

1. Number of shareholders

As recorded in the register of members of the Company on 31st December 2003, the number and classification of shareholders were as follows:

Classification	Number of shareholders
Holders of State-owned shares	1
Individual holders of A Shares	66,404
Holders of H Shares	280
Total	66,685

2. Substantial Shareholdings

(I) As at 31st December 2003, the names of the top 10 shareholders and the amount of their respective shareholdings at the end of year were as follows:

Name	Addition/ Deductions in 2003 (share)	Number of shares at the end of year (share)	Percentage (%)	Shares classification (listed or unlisted)	Shares pledged or congealed	Share Classification
CHINA STATE SHIPBUILDING CORPORATION	—	210,800,080	42.613	Unlisted	None	State-owned Shares
HKSCC NOMINEES LIMITED	+488,000	144,506,999	29.212	Listed	Unknown	H Shares (Note)
HSBC NOMINEES (HONG KONG) LIMITED	+196,000	4,916,000	0.994	Listed	Unknown	H Shares
CHAN CHEUK SANG	—	2,400,000	0.485	Listed	Unknown	H Shares
HARVEST FUND MANAGEMENT	1,327,202	0.268				A Shares
NANFANG STEADY GROWTH	—	1,124,543	0.227	Listed	Unknown	A Shares
YUYANG FUND	—	855,537	0.173	Listed	Unknown	A Shares
TAN LI XIANG	—	450,000	0.091	Listed	Unknown	A Shares
CHEUNG YEE MEI ELIZABETH	—	364,000	0.074	Listed	Unknown	H Shares
LV MING	—	340,000	0.069	Listed	Unknown	A Shares

Note: there is no requirement for the equity to submit or record in the register book required to be kept in accordance with section 336 of Securities and Futures Ordinance ("SFO") (chapter 571, the Laws of Hong Kong).

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3. China State Shipbuilding Corporation ("CSSC") is the representative holder of the State-owned shares, which accounted for 42.613% of the shares of the Company. CSSC, the registered capital of which is RMB6.374 billion, was founded on 1st July 1999 through reorganizing China State Shipbuilding Company. Mr. Chen Xiaojin is legal representative of the Company. The business of CSSC includes: shipbuilding, ship-repairing, manufacturing and export/import of marine equipment, diversified business such as other steel structure manufacturing and international cooperation, joint venture, financing, technology trading and exchange workforce exportation etc. None of the Company's shares held by CSSC was pledged during the period under review.
4. Apart from the top 10 shareholders disclosed above, as at 31st December 2003, the Company had not received any notice from H shareholders whose shareholding reached the level, which required to be disclosed under "SFO".
5. The Company has not been noticed the relations among the top 10 shareholders disclosed above or each of them was accordant behavior relation, which defined in "Information Disclosure Management Procedure to Changes of Share-holding of List Company".
6. **The top 10 listed shareholders**

As at 31st December 2003, the names of the top 10 shareholders and the amount of their respective shareholdings at the end of year were as follows:

Name	Number of shares at the end of year (share)	Share Classification
HKSCC NOMINEES LIMITED	144,506,999	H Shares
HSBC NOMINEES (HONG KONG) LIMITED	4,916,000	H Shares
CHAN CHEUK SANG	2,400,000	H Shares
HARVEST FUND MANAGEMENT	1,327,202	A Shares
NANFANG STEADY GROWTH	1,124,543	A Shares
YUYANG FUND	855,537	A Shares
TAN LI XIANG	450,000	A Shares
CHEUNG YEE MEI ELIZABETH	364,000	H Shares
LV MING	340,000	A Shares
LIU QIZHU	300,000	A Shares

The Company has not been noticed the relations among the top 10 shareholders disclosed above or each of them was accordant behavior relation, which defined in "Information Disclosure Management Procedure to Changes of Share-holding of List Company".