

II. MOVEMENTS IN SHARE CAPITAL AND SHAREHOLDINGS OF SHAREHOLDERS

(1) Changes in the Company's share capital during the reporting period

There was no movement in the total number of shares and the share capital structure of the Company during the reporting period.

(2) The total number of shareholders of the Company at the end of the reporting period was 38,180 (of which 38,066 were holders of A shares and 114 were holders of H shares).

(3) Shareholdings of the top ten shareholders and the top ten shareholders of circulating shares of the Company at the end of the reporting period.

1. Shareholdings of the top ten shareholders

| Name of shareholders (full name) | Increase (+)/ decrease (-) during the reporting period | Number of shares held at the end of the year | Percentage to share capital (%) | Type of shares (circulating or non- circulating) | Number of shares pledged or frozen | Unit: share Type of shareholders (State or foreign shareholders) |
|---|---|---|---------------------------------------|---|---|--|
| Beiren Group Corporation | 0 | 250,000,000 | 59.24 | Non-circulating | Nil | State-owned shareholder |
| HKSCC NOMINEES (HONG KONG) LIMITED | 308,000 | 97,339,199 | 23.07 | Circulating | Unknown | Foreign shareholder |
| Hao Hong Property HSBC NOMINEES (HONG KONG) LIMITED | Unknown | 2,049,882 | 0.49 | Circulating | Unknown | Legal person shareholder |
| De Sheng Xiao Pan | 10,000 | 702,000 | 0.17 | Circulating | Unknown | Foreign shareholder |
| HUI KAU YU | Unknown | 412,494 | 0.10 | Circulating | Unknown | Legal person shareholder |
| WONG CHUNG KING | 0 | 400,000 | 0.09 | Circulating | Unknown | Foreign shareholder |
| Shanxi Trust | 0 | 298,000 | 0.07 | Circulating | Unknown | Foreign shareholder |
| KWAN KAM ON | -10,576,774 | 269,069 | 0.06 | Circulating | Unknown | Legal person shareholder |
| Han Zhi | 90,000 | 190,000 | 0.05 | Circulating | Unknown | Foreign shareholder |
| | Unknown | 188,457 | 0.04 | Circulating | Unknown | Natural person shareholder |

2. Shareholdings of the top shareholders of circulating shares

| Name of shareholders (full name) | Number of shares held at the end of the period | Unit: Rmb Type of shares (A,B,H shares or others) |
|-------------------------------------|--|--|
| HKSCC NOMINEES (HONG KONG) LIMITED | 97,339,199 | H shares |
| Hao Hong Property | 2,049,882 | A shares |
| HSBC NOMINEES (HONG KONG) LIMITED | 702,000 | H shares |
| De Sheng Xiao Pan | 412,494 | A shares |
| HUI KAU YU | 400,000 | H shares |
| WONG CHUNG KING | 298,000 | H shares |
| Shanxi Trust | 269,069 | A shares |
| KWAN KAM ON | 190,000 | H shares |
| Han Zhi | 188,457 | A shares |
| Quan Zheyun | 170,000 | A shares |

Notes:

- More than 5% (inclusive of 5%) of the Company's shares held by Beiren Group Corporation, a legal person shareholder, are untradeable. Its shareholding in the Company remained unchanged during the reporting period. There was no charge, freeze or custody imposed on the shares held by such company.
- HKSCC Nominees Limited held shares on behalf of its clients and the Company has not been notified by HKSCC Nominees Limited that there were any shareholders of H shares who held more than 5% of the total share capital in the Company.
- The Company did not discover that the Company's 10 major shareholders are related or acting in concert.
- Save as disclosed above, as far as the Directors are aware, none of the persons (not being a Director or chief executive of the Company) has any interests or short positions in the shares or underlying shares of the Company which were required to be notified to the Company under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance ("SFO") or which were required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.
- Neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company's shares during the reporting period.
- There is no provision for pre-emptive rights under the relevant PRC laws and the Company's Articles of Association.
- As at 30 June 2004, the Company did not issue any convertible securities, options, warrants or any other similar rights.

(4) During the reporting period, there was no movement in the controlling shareholders of the Company.