

## Chapter III Movement in Share Capital and Information on Shareholders

### Section 1 Changes in the number of shares during the year

	Before changes '000	Placing '000	Increases/(decreases)			Others '000	After changes '000
			Bonus shares '000	Conversion from statutory surplus reserve '000	Issue of additional shares '000		
<b>A. Shares not permitted to be traded</b>							
1. Shares held by the Promoter	220,000	—	—	—	—	—	220,000
Including:	—	—	—	—	—	—	—
State-owned shares	—	—	—	—	—	—	—
Shares owned by domestic legal persons	220,000	—	—	—	—	—	220,000
Shares owned by foreign legal persons	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—
2. Subscriber legal person shares	—	—	—	—	—	—	—
3. Employee shares (A Shares)	—	—	—	—	—	—	—
4. Preferred shares or other shares	—	—	—	—	—	—	—
Sub-total	220,000	—	—	—	—	—	220,000
<b>B. Shares permitted to be traded</b>							
1. Domestically listed domestic shares (A Shares)	203,000	—	—	—	—	—	203,000
2. Domestically listed foreign shares	—	—	—	—	—	—	—
3. Overseas listed foreign shares	180,800	—	—	—	—	—	180,800
4. Others	—	—	—	—	—	—	—
Sub-total	383,800	—	—	—	—	—	383,800
<b>C. Total number of shares in issue</b>	603,800	—	—	—	—	—	603,800

### Section 2 Issue and listing of shares

The Company has not issued any shares over the past three years as at the end of reporting period, and the total number of shares and capital structure of the Company remain unchanged.

### Section 3 Information on Shareholders

#### 1. As at 31st December 2004, 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)	63
Domestically listed domestic shares held by the public (A Shares)	89,649
Total number of shareholders	89,713

**Section 3 Information on Shareholders (continued)****2. Shareholdings of substantial shareholders**

As at 31st December 2004, the Company's top ten registered shareholders and the top ten shareholders of shares permitted to be traded are as follows:

**Shareholdings of the top ten Shareholders**

Name of shareholder	Increase or decrease during the year (shares)	Number of shares held at the end of the year (shares)	Percentage of total share capital (%)	Type of shares (traded or not traded)	Number of shares pledged or held under moratorium (shares)	Nature of shares (state-owned shares or foreign owned shares)
China Textile Machinery (Group) Company Limited	–	220,000,000	36.44	not traded	nil	State-owned legal person shares
HKSCC Nominees Limited (note i(2))	189,900	178,713,899	29.60	traded	unknown	H shares
中國工商銀行－國聯安德盛小盤精選證券投資基金	unknown	1,253,606	0.208	traded	unknown	A shares
招商銀行股份有限公司－長城久泰						
中信標普300指數證券投資基金	unknown	778,818	0.129	traded	unknown	A shares
中國工商銀行－融通深證100指數證券投資基金	343,015	650,540	0.108	traded	unknown	A shares
Poon Chiu Leung	–	600,000	0.099	traded	unknown	H shares
裕陽證券投資基金	unknown	490,783	0.081	traded	unknown	A shares
北京亞商投資諮詢有限公司	165,734	343,600	0.057	traded	unknown	A shares
HSBC Nominees (Hong Kong) Limited	–	324,000	0.054	traded	unknown	H shares
豐和價值證券投資基金	unknown	300,000	0.050	traded	unknown	A shares

**Shareholdings of the top ten Shareholders of traded Shares**

Name of shareholder	Number of traded shares held at the end of the year (Shares)	Nature of shares
HKSCC Nominees Limited	178,713,899	H shares
中國工商銀行－國聯安德盛小盤精選證券投資基金	1,253,606	A shares
招商銀行股份有限公司－長城久泰中信標普300指數證券投資基金	778,818	A shares
中國工商銀行－融通深證100指數證券投資基金	650,540	A shares
Poon Chiu Leung	600,000	H shares
裕陽證券投資基金	490,783	A shares
北京亞商投資諮詢有限公司	343,600	A shares
HSBC Nominees (Hong Kong) Limited	324,000	H shares
豐和價值證券投資基金	300,000	A shares
詹藍	296,400	A shares

**Section 3 Information on Shareholders (continued)****2. Shareholdings of substantial shareholders (continued)**

Notes:

i Particulars of shareholders holding 5% or more of the registered capital in the Company:

- (1) Established on 28th December 1983, China Textile Machinery (Group) Company Limited ("China Textile Machinery"), holder of the state-owned legal shares of the Company with Wang Tiankai as its legal representative. It has a registered capital of RMB2,735,820,000. Its business scope mainly covers the manufacture and sales of textile machinery. There were no changes in the shareholdings held by China Textile Machinery in the Company, and none of these shares were under pledge or lock-up during the year.

China Textile Machinery is the wholly-owned subsidiary of China Hengtian Group Company. Established in September 1998, China Hengtian Group Company has a registered capital of RMB1,801,950,000 with Wang Tiankai as its legal representative. Its principal business is the design, manufacture and sales of complete sets of textile machinery and the related components and other machinery and equipment.

The structure of controlling relationship between the beneficial controller of the top substantial shareholder of the Company, the top substantial shareholder and the Company is shown as follows:

China Hengtian Group Company	
	87.52%
China Textile Machinery (Group) Company Limited	
	36.44%
The Company	

- (2) The H shares held by HKSCC Nominees Limited were held, in the capacity of an agent, on behalf of various respective clients.
- ii. Among the top ten registered shareholders of the Company aforesaid, China Textile Machinery is not connected with any of the other nine shareholders, nor is it a party acting in concert with any of them as defined in Administrative Measures for Information Disclosure of the Shareholdings of Listed Companies. It is not known as to whether other shareholders of traded shares are connected with one another or whether any of these shareholders falls within the meaning of parties acting in concert as defined in Administrative Measures for Information Disclosure of the Shareholdings of Listed Companies.
- iii. As at 31 December 2004, so far as the Directors, supervisors and senior management of the Company are aware, the interests in the shares of the Company which are required to be recorded in the register kept in accordance with section 336, Part XV of the Securities and Futures Ordinance (excluding those held by the Directors, supervisors and senior management of the Company) were as follows:

Long positions in the H shares of the Company:		Approximate % of total issued H share capital (%)	Approximate % of total issued share capital (%)
	Number of H shares		
Zhang Sheng Hang	10,240,000	5.66	1.69
Platinum Asset Management Limited as trustee for the Platinum Asset Management Trust	10,980,000	6.07	1.82

Save as disclosed above, in accordance with the register required to be kept under Section 336, Part XV of the Securities and Futures Ordinance, the Company has not received any notice regarding the interests or short positions owned in the shares and underlying shares of the Company as at 31 December 2004.