

1. CHANGES IN SHARE CAPITAL

(1) Table of changes in share capital of the company

Unit: Shares

		Beginning of the year	Increase/ (decrease) during the year					End of the year	
			Allotment	Bonus shares	Transfers	Additions	Others	Sub-total	
I.	Non-circulating shares								
1.	Promoter's shares	120,007,400	-	-	-	-	-	-	120,007,400
	Comprising:								
	Stated-owned shares	31,345,554	-	-	-	-	-	-	31,345,554
	Domestic legal person shares	-	-	-	-	-	-	-	-
	Overseas legal persons	-	-	-	-	-	-	-	-
	Others	71,052,146	-	-	-	-	-	-	71,052,146
2.	Legal person shares	17,609,700	-	-	-	-	-	-	17,609,700
3.	Internal employees shares	-	-	-	-	-	-	-	-
4.	Preference shares or others	-	-	-	-	-	-	-	-
	Total non-circulating shares	120,007,400	-	-	-	-	-	-	120,007,400
II.	Circulating shares								
1.	Renminbi ordinary shares	60,000,000	-	-	-	-	-	-	60,000,000
2.	Domestic listed foreign shares	-	-	-	-	-	-	-	-
3.	Overseas listed foreign shares	65,000,000	-	-	-	-	-	-	65,000,000
4.	Others	-	-	-	-	-	-	-	-
	Total circulating shares	125,000,000	-	-	-	-	-	-	125,000,000
III.	Total	245,007,400	-	-	-	-	-	-	245,007,400

(2) Issue and listing of share

(1) Issue of share in the previous last 3 years

There is no issue and listing of share including issue of new shares and allotment of shares up to the reported date.

(2) Number and structure of shares

There is no change in the number and structure of shares due to bonus shares and allotment of shares up to the reported date.

(3) Internal employees shares

There is no employees shares in the Company up to the reported date.

2. SHAREHOLDING OF THE COMPANY

- (1) As at 31st December, the Company has 27,482 shareholders. Including were 3 shareholders of non-circulating shares, 27,344 shareholders of A shares and 135 shareholders of H shares.
- (2) The top ten shareholders of the Company:

Unit: Shares

Name of shareholders	Increase/ (Decrease)	Number of shares held at the end of the year (shares)	Proportion (%)	Class (Trading/ non-trading)	Number of shares pledged or frozen	Type of shareholders (State or foreign shareholders)
Xian Jiaotong University Industrial (Group) Incorporation	–	71,052,146	29.00	Non-trading	28,200,000 pledged	State owned legal person shares
HKSCC Nominees Limited	(24,000)	63,597,998	26.13	Trading	Unknown	H shares (Social public shares)
Yunnan Provincial People's Government	–	31,345,554	12.8	Non-trading	–	State owned shares
Kunming Jinghua Company	–	17,609,700	7.19	Non-trading	–	State owned shares
Yunnan Power Group Limited	–	441,000	0.18	Trading	Unknown	Social public shares
Wang Yan Li	–	192,700	0.08	Trading	Unknown	Social public shares
Yang Shi	(20,000)	170,000	0.07	Trading	Unknown	Social public shares
Hao Peng Hui	–	147,000	0.06	Trading	Unknown	Social public shares
HSBC Nominees (Hong Kong) Limited	–	136,000	0.055	Trading	Unknown	H shares (Social public shares)
Li Xia Xiang	–	126,369	0.051	Trading	Unknown	Social public shares

Details of the connected relationship among the top ten shareholders of shares of the Company and consistent action.

None of the top ten largest shareholders of the Company have relationship with each other and the Company was not notified by its shareholders that there is any relationship between the shareholders of non-circulating shares, the shareholders of the state owned shares and the public shareholders.

Other than the substantial shareholders disclosed above as at 31st December, 2004, 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" of the PRC and Issue No. 2 of "The Content and Format of Disclosure of information of Annual Report of the Listed Companies" (Amended in 2003) and the register of substantial shareholders maintained under showed that the Group was not notified of any interests representing 5% or more of the issued share capital of the Company.

There are 4 top 10 largest shareholders holding 5% or more of the Company's shares. They are the Xian Jiaotong University Industrial (Group) Incorporation ("Jiaotong Group") which holds the State owned legal person shares; Yunnan Provincial People's Government ("Yunnan Government") which holds the State owned shares; Kunming Jinghua Company which holds the legal person shares. All of the shares held by these shareholders are non-circulating and are not pledged, frozen, mortgaged nor designated. The overseas listed shares (H shares) of the Company were held by the HKSCC Nominees Limited.

Note: Credit Suisse First Boston (HK) Co. Ltd. holds 3,592,000 H Shares, which represents 5.53% of the total H shares.

3. SUBSTANTIAL SHAREHOLDER AND ACTUAL HOLDERS OF THE COMPANY

(1) Substantial shareholders

Company name:	Jiaotong Group
Legal representative:	Xi You Min
Registered capital:	RMB30,000,000
Date of incorporation:	18th May, 1994
Main field of business activities:	Legally prohibited, not allowed to operate, should be approved, not allowed to operate before approval, not required to be legally approved, business which company is free to select, start the business activities.

(2) Actual holder

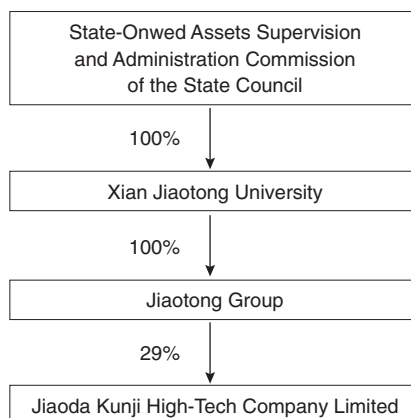
Company name: Xian Jiaotong University

Jiaotong Group, substantial shareholders of the company, was the wholly owned subsidiary of the Xian Jiaotong University.

(3) Change of substantial shareholders and actual holders

There is no change in substantial shareholders and actual holders up to the reported date.

(4) Flowchart for the relationship between actual holders and the Company



4. OTHER SHAREHOLDER WHO HOLD 10% OR MORE OF THE ISSUED SHARE CAPITAL OF THE COMPANY

The Yunnan Provincial People's Government holds 12.8% of the total number of the issued share capital of the Company.

5. THE TOP TEN SHAREHOLDERS OF CIRCULATING SHARES OF THE COMPANY

Unit: Shares

Name of shareholders	Number of shares held at the end of the year (shares)	Type of circulating shares
HKSCC Nominees Limited	63,597,998	H shares
Yunnan Power Group Limited	441,000	A shares
Wang Yan Li	192,700	A shares
Yang Shi	170,000	A shares
Hao Peng Hui	147,000	A shares
HSBC Nominees (Hong Kong) Limited	136,000	H shares
Li Jia Xiang	126,369	A shares
Zhang Wei Guo	122,000	A shares
Sun Jing Jing	110,000	A shares
Zhou You Zheng	102,850	A shares

There is no connected relationship among the top ten shareholders of circulating shares of the Company, shareholders of legal person shares and shareholders of stated-owned shares.

The Company was not notified of any connected relationship and consistent action regulated by 《Information Disclosure Management Procedure to changes of Share-holding of List Company》 among the top ten shareholders of circulating shares of the Company.