

CHANGES OF SHARE CAPITAL AND SHAREHOLDERS

(I) SHARE CAPITAL CHANGE

1. Change of the share capital

Unit: share

	At the beginning of the year	Right issue	Movements during the year (+,-)					At the end of the year	Proportion (%)
			Bonus issue	Conversion from reserves	New share	Others	Sub-total		
(I) Unlisted shares									
(1) Promoter's shares	210,800,080	-	-	-	-	-	-	210,800,080	42.61
Including:									
State-owned shares	210,800,080	-	-	-	-	-	-	210,800,080	42.61
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	42.61
(II) Listed shares									
(1) PRC listed domestic shares	126,479,500	-	-	-	-	-	-	126,479,500	25.57
(2) PRC listed foreign shares	-	-	-	-	-	-	-	-	-
(3) Overseas listed foreign shares	157,398,000	-	-	-	-	-	-	157,398,000	31.82
(4) Others	-	-	-	-	-	-	-	-	-
Total listed shares	283,877,500	-	-	-	-	-	-	283,877,500	57.39
(III) Total number of shares	494,677,580	-	-	-	-	-	-	494,677,580	100

2. Share issue and listing information

As at December 31, 2005, the Company has not arranged any further issue of any new shares, derivatives, bonus shares, rights shares or conversion of shares from reserves, and there was not any employee shares and any changes in total number and capital structure since the issue of 157,398,000 new H shares and 126,479,500 new A shares on August 3, 1993 and September 22, 1993 respectively.

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(II) SHAREHOLDERS INFORMATION

1. Number of shareholders

As recorded in the register of members of the Company on December 31, 2005, there are 52,426 shareholders, including a shareholder of non-listed state-owned A-Shares, 52,198 shareholders of listed A-Shares and 227 shareholders of listed H-Shares.

2. Top ten shareholders information

Unit: share

Name	Addition/ Deductions in 2005 (share)	Number of shares at the end of year (share)	Percentage (%)	Shares classification (listed or unlisted)	Shares pledged or congealed	Shareholders' Classification
China State Shipbuilding Corporation	–	210,800,080	42.613	Unlisted	None	State-owned shares
HKSCC Nominees Limited	2,464,000	146,942,999	29.705	Listed	Unknown	Foreign capital shares
Tong Qian Securities Investment Fund	–	18,283,146	3.696	Listed	Unknown	Legal entity's shares
Hang Ye Jing Qi Securities Investment Fund	–	10,250,490	2.072	Listed	Unknown	Legal entity's shares
HSBC Nominees (Hong Kong) Limited	40,000	4,994,000	1.010	Listed	Unknown	Foreign capital shares
Chan Cheuk Sang	–2,100,000	900,000	0.182	Listed	Unknown	Foreign capital shares
Pan Jing Chang	–31,869	269,331	0.054	Listed	Unknown	Natural person shares
Huang Xubin	–	259,700	0.052	Listed	Unknown	Natural person shares
Zhang Jinghui	–	222,901	0.045	Listed	Unknown	Natural person shares
Chan Kwok Tai Eddie	–	210,000	0.041	Listed	Unknown	Foreign capital shares

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3. Top ten listed shareholders information

Name	Number of shares at the end of year (share)	Share Classification
HKSCC Nominees Limited	146,942,999	H Shares
Tong Qian Securities Investment Fund	18,283,146	A Shares
Hang Ye Jing Qi Securities Investment Fund	10,250,490	A Shares
HSBC Nominees (Hong Kong) Limited	4,994,000	H Shares
Chan Cheuk Sang	900,00	H Shares
Pan Jing Chang	269,331	A Shares
Huang Xubin	259,700	A Shares
Zhang Jinghui	222,901	A Shares
Chan Kwok Tai Eddie	210,000	H Shares
Vegetable Group	201,901	A Shares

Note:

Except that Tong Qian Securities Investment Fund and Hang Ye Jing Qi Securities Investment Fund belonged to Rong Tong Fund Management Corporation, the Company is not aware of whether the top 10 shareholders or the top 10 listed shareholders disclosed above are connected with each other or they are persons acting in concert as defined in the "Rules Governing the Disclosure of Change in Shareholders' Shareholding in Listing Companies".

Apart from the shareholders disclosed above, as at December 31, 2005, the Company had not received any notice from any person whose shareholding reached the level which is required to be disclosed under the Securities and Futures Ordinance ("SFO").

4. Brief introduction of the controlling shareholder and actual controller

China State Shipbuilding Corporation ("CSSC") is the controlling shareholder of the State-owned shares, which accounted for 42.613% of the shares of the Company. CSSC, the registered capital of which is RMB6,374,300,000, was founded on July 1, 1999 through reorganizing China State Shipbuilding Company. Mr. Chen Xiaojin is legal representative of CSSC. 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.

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The actual controller of the Company is the State-owned Assets Supervision and Administration Commission of the State Council ("SASAC"). CSSC manages the state-owned shares of the Company under SASAC's authorization.

During the period under review, the controlling shareholder and actual controller e of the Company has not changed.

The following diagram depicts the property right and controlling relationship between the Company and actual controller:

