

## DISCLOSURE OF INTERESTS AND OTHER MATTERS

### Establishment of Level I American Depositary Receipt Program

On February 14, 2002, a Level I American Depositary Receipt (the “ADR”) program sponsored by the Company in respect of its H shares, with the Bank of New York as depositary, was established in the United States and became effective. Each of the American Depositary Shares (the “ADSs”) evidenced by the ADRs represents 30 deposited H shares of the Company. The ADSs are traded on the over-the-counter market in the United States.

### Purchase, Sale or Redemption of the Company's Shares

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's shares during the Period.

### Shareholdings of Directors and Supervisors

As at June 30, 2002, none of the Directors, chief executive or supervisors of the Company or their respective associates had any interest in the share capital of the Company or any of its associated corporations (as defined in Securities (Disclosure of Interests) Ordinance (Chapter 396 of the Laws of Hong Kong)(the “SDI Ordinance”)) according to the register maintained by the Company pursuant to Section 29 of the SDI Ordinance or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

During the Period, neither the Company nor any of its subsidiaries had made any arrangements which would enable the Directors, chief executive or supervisors of the Company or their respective spouses or children under the age of 18 to subscribe for equity or debt securities of the Company or any of its associated corporations (as defined in the SDI Ordinance). No rights to subscribe for equity or debt securities of the Company had been granted to any person during the Period.

## DISCLOSURE OF INTERESTS AND OTHER MATTERS (CONT'D)

### Substantial Shareholders

As at June 30, 2002, the following shareholders held 10% or more of the share capital of the Company according to the register of interests in shares required to be kept by the Company pursuant to Section 16(1) of the SDI Ordinance:

#### The Group's Substantial Shareholders

Name	Number of shares	Percentage
Zhejiang Communications Investment Group Co., Ltd.	2,432,500,000 (domestic shares)	56.01%
Huajian Transportation Economic Development Center	476,760,000 (domestic shares)	10.98%
HKSCC Nominees Limited	1,407,842,499 (H shares)	32.42%

Save as disclosed above, no person had registered an interest in the share capital of the Company that was required to be recorded pursuant to Section 16(1) of the SDI Ordinance.

### Compliance with Code of Best Practice

The Company was not able to hold a full board meeting during the Period. Except for the above, the Directors are not aware of any information that would reasonably indicate that the Company is not, or was not for any part of the Period, in compliance with the Code of Best Practice set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange.

### Appreciations

I would like to congratulate the new management team, led by Mr. FANG Yunti, General Manager of the Company, for a job well done, and thank all the employees of the Company for their contribution and support to the new management.

By Order of the Board  
**GENG Xiaoping**  
Chairman

Hangzhou, August 20, 2002