

DISCLOSURE OF INTERESTS AND OTHER MATTERS

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.

Disclosure of Directors', Supervisors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares and Debentures

As at June 30, 2003, none of the Directors, Supervisors and chief executive of the Company and their respective associates had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

Other Interests Discloseable under the SFO

As at June 30, 2003, the following persons (other than the Directors, Supervisors and chief executive of the Company) had interests in the shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name	Number of shares	Percentage of share capital (domestic shares)
Zhejiang Communications Investment Group Co., Ltd.	2,432,500,000	83.61%
Huajian Transportation Economic Development Center	476,760,000	16.39%

Name	Number of shares	Percentage of share capital (H shares)
The Capital Group Companies, Inc.	129,199,300	9.01%
J.P. Morgan Chase & Co.	95,404,000	6.65%
State Street Corporation	71,976,912	5.02%

Save as disclosed above, the Company is not aware of any other person having any interests or short positions (other than the Directors, Supervisors and chief executive of the Company) in the shares and underlying shares of the Company as recorded in the register required to be kept pursuant to Section 336 of the SFO.

DISCLOSURE OF INTERESTS AND OTHER MATTERS (CONT'D)

Compliance with Code of Best Practice

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 thank our frontline employees who have worked diligently throughout the SARS outbreak on implementing measures to contain the disease and minimizing the impact on our business operations, as well as to thank all employees for their contribution in achieving an excellent first-half.

By Order of the Board

GENG Xiaoping

Chairman

Hangzhou, August 18, 2003