

DIRECTORS' AND SUPERVISORS' INTEREST IN SHARES

As at 30 June 2003, none of the directors, the supervisors or persons associated with them had any interest in the shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance) that is required to be declared to the Company and the Stock Exchange of Hong Kong under Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (including interests and short positions which any such director or supervisor is taken or deemed to have under such provisions of the Securities and Futures Ordinance), or as recorded in the register maintained by the Company as required under Section 352 of the Securities and Futures Ordinance, or as required by the Model Code for Securities Transactions by Directors of Listed Companies for directors of listed companies in dealing in securities.

SHARE CAPITAL

Share capital of the Company as at 30 June 2003 is as follows:

Nature of Shares	Number of Shares	% of Issued Share Capital
Domestic Shares	2,461,596,200	57.93%
H Shares	1,787,406,000	42.07%

DIRECTORS' AND SUPERVISORS' INTEREST IN CONTRACTS

No director or supervisor had a material interest in any contract of the Company to which the Company, its subsidiaries, its ultimate holding company or its fellow subsidiaries was a party during the six months ended 30 June 2003.

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the six months ended 30 June 2003 was the Company, its subsidiaries, its ultimate holding company or its fellow subsidiaries a party to any arrangement to enable the Company's directors or supervisors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Other Information

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2003, so far as is known to the directors of the Company, the following persons (other than a director or supervisor) had an interest or short position in the shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance, or as recorded in the register maintained by the Company as required under Section 336 of the Securities and Futures Ordinance.

Name	Number of shares held	Nature of shares	Percentage of the Company's share capital
China National Foreign Trade Transportation (Group) Corporation	2,461,596,200	Domestic Shares	57.93%
Deutsche Post Beteiligungen Holding GmbH	201,852,000	H Shares	4.75%
UPS Air Couriers of America Limited	124,657,000	H Shares	2.93%
Deutsche Bank Aktiengesellschaft	92,050,000	H Shares	2.17%

Save as disclosed above, as at 30 June 2003, so far as is known to the directors of the Company, there are no other persons (other than a director or supervisor) who had an interest or short position in the shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance, or as recorded in the register maintained by the Company as required under section 336 of the Securities and Futures Ordinance.

SUBSTANTIAL SHAREHOLDERS' INTERESTS PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Save as disclosed in the Company's prospectus dated 29 January 2003, there was no purchase, sale or redemption of any of the H Shares by any member of the Group during the six months ended 30 June 2003.

SIGNIFICANT RELATED PARTY TRANSACTIONS

The significant related party transactions undertaken by the Group during the six months ended 30 June 2003 are set out in note 21 to the unaudited condensed consolidated interim financial statements.

ACQUISITIONS AND DISPOSALS

Save as disclosed in the Company's prospectus dated 29 January 2003, there were no material acquisitions and disposals of subsidiaries or associated companies of the Company for the six months ended 30 June 2003.

CODE OF BEST PRACTICE

To the best knowledge of the directors, the Company has complied with the Code of Best Practice, as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("Listing Rules"), throughout the accounting period covered by the unaudited condensed consolidated interim financial statements as contained in this interim report.

AUDIT COMMITTEE

The Company has set up an audit committee and has established written terms of reference for the committee in accordance with the Code of Best Practice, as set out in Appendix 14 of the Listing Rules. The principal activities of the audit committee include the appointment of external auditor, review and supervision of the Group's financial reporting process and internal controls as well as to offer advice and recommendations

to the Board of Directors. The audit committee comprises one executive director and two independent non-executive directors. The current committee members are Mr. Sun Shuyi, Mr. Koo Kuo Hwa and Ms. Tao Suyun. The unaudited condensed consolidated interim financial statements as contained in this interim report has been reviewed by the audit committee.

MAJOR SUBSEQUENT EVENTS

Details of major subsequent events are set out in Note 22 to the unaudited condensed consolidated interim financial statements.