

## Other Information

**DIRECTORS' AND SUPERVISORS' INTEREST IN SHARES**

As at 30 June 2004, none of the directors, supervisors had any interest in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance) that is required to be disclosed to the Company and the Stock Exchange of Hong Kong Limited 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.

**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 2004.

**DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

At no time during the six months ended 30 June 2004 was the Company, its subsidiaries, its ultimate holding company or its fellow subsidiaries a party to any arrangement which would enable the Company's directors or supervisors to acquire benefits by means of an acquisition of shares in or debentures of the Company or any other body corporate.

**SHARE CAPITAL**

Share capital of the Company as at 30 June 2004 is as follows:

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

## Other Information

**SUBSTANTIAL SHAREHOLDERS**

As at 30 June 2004, 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 and underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange of Hong Kong Limited 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	Short Position	Class of Shares	Percentage of the Company's Total Issued Share Capital	Percentage of the Company's Issued H 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%	11.29%
Deutsche Bank Aktiengesellschaft	161,363,000	—	H shares	3.80%	9.03%
UPS Air Couriers of America Limited	124,657,000	—	H shares	2.93%	6.97%
Oppenheimerfunds, Inc	92,079,000	—	H shares	2.17%	5.15%
J.P. Morgan Chase & Co.	90,154,000	—	H shares	2.12%	5.04%
	—	52,459,000 <sup>(P)</sup>	H shares	1.23%	2.93%

<sup>(P)</sup> *Lending Pool*

Save as disclosed above, as at 30 June 2004, 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 and underlying 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.

**PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

There was no purchase, sale or redemption of the listed securities of the Company during the six months ended 30 June 2004.

**SIGNIFICANT RELATED PARTY TRANSACTIONS**

The significant related party transactions undertaken by the Group during the six months ended 30 June 2004 are set out in Note 20 to the unaudited condensed consolidated interim financial statements.

**ACQUISITIONS AND DISPOSALS**

There were no material acquisitions and disposals of subsidiaries or associated companies of the Company during the six months ended 30 June 2004.

## Other Information

### COMPLIANCE WITH THE CODE OF BEST PRACTICE AND THE MODEL CODE

During the six months ended 30 June 2004, the Company has adopted similar practice to 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 (the “Listing Rules”). None of the directors of the Company is aware of information that would reasonably indicate that the Company is not, or was not during the six months ended 30 June 2004, in compliance with such practice.

The Company has also adopted the Model Code as set out in Appendix 10 of the Listing Rules as the code of conduct regarding directors’ securities transactions. During the six months ended 30 June 2004, all directors and supervisors of the Company have complied with the Model Code and the required standard regarding directors’ securities transactions.

Mr. Koo Kou Hwa and Mr. Sun Shuyi are the independent non-executive directors of the Company. In accordance with Rule 3.10 (1) of the Listing Rules, the board of directors of the Company proposed Mr. Lu Zhengfei (“Mr. Lu”) to be appointed as the Company’s independent non-executive director. Mr. Lu’s proposed appointment will be voted on by shareholders at the Company’s extraordinary general meeting proposed to be held on 27 September 2004, notice of which has been given to shareholders. If Mr. Lu’s appointment is approved, the board will consist of three independent non-executive directors.

### 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 function 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 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 have been reviewed by the audit committee.

### MAJOR SUBSEQUENT EVENTS

Details of major subsequent events are set out in Note 21 to the unaudited condensed consolidated interim financial statements.