

Other Information

DIRECTORS' AND SUPERVISORS' INTEREST IN SHARES

Based on the register maintained by the Company as required under Section 352 of the Securities and Futures Ordinance, as at 30 June 2005, 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 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 2005 was 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%

SUBSTANTIAL SHAREHOLDERS

Based on the register maintained by the Company as required under Section 336 of the Securities and Futures Ordinance, as at 30 June 2005, 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.

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 Bank Aktiengesellschaft	219,453,000	—	H shares	5.16%	12.28%
Deutsche Post Beteiligungen Holding GmbH	201,852,000	—	H shares	4.75%	11.30%
UPS Air Couriers of America Limited	124,657,000	—	H shares	2.93%	6.97%
Oppenheimerfunds, Inc	111,622,000	—	H shares	2.63%	6.25%
Oppenheimer Developing Markets Fund	91,900,000	—	H shares	2.16%	5.14%
J.P. Morgan Chase & Co.	84,498,000	—	H shares	1.99%	4.73%
—	—	47,420,000 ^(p)	H shares	1.12%	2.65%

^(p) Lending Pool

Other Information

Save as disclosed above, based on the register maintained by the Company as required under section 336 of the Securities and Futures Ordinance, as at 30 June 2005, 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.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES OF THE COMPANY

There was no purchase, sale or redemption of the listed securities of the Company by any members of the Group during the six months ended 30 June 2005.

SIGNIFICANT RELATED PARTY TRANSACTIONS

The significant related party transactions undertaken by the Group during the six months ended 30 June 2005 are set out in Note 21 to the unaudited condensed consolidated interim financial statements.

ACQUISITIONS AND DISPOSALS

On 30 June 2005, the Group acquired certain equity interests in seven companies at a cash consideration of RMB80.55 million. The name of the companies and the percentage of interest acquired are listed as follows:

Name of the company	Percentage of interest
Subsidiary:	
China Taicang Marine Shipping Agency Co., Ltd.	100%
Jointly controlled entities:	
Jiangsu Nissin Sinotrans International Transportation Co., Ltd.	50%
Ningbo Dagang Container Co., Ltd.	50%
Xuzhou Sinotrans Maruzen Transportation Co., Ltd.	50%
Sinotrans Hi-Tech Logistics (Suzhou) Co., Ltd.	30%
Associates:	
Shanghai Haihui International Container Repair Co., Ltd.	35%
Changshu Nissin Sinotrans Transportation Co., Ltd.	30%

Save as disclosed above, there were no other material acquisitions and disposals of subsidiaries or jointly controlled entities or associated companies of the Group for the six months ended 30 June 2005.

CORPORATE GOVERNANCE

Compliance with the code on corporate governance practices

The Company is committed to high standards of corporate governance and has been taking action to follow the code provisions set out in the Code on Corporate Governance Practices (the "Code") contained in Appendix 14 of the Listing Rules. The Terms of Reference of Audit Committee and Terms of Reference of Remuneration Committee of the Company have been modified in March 2005 to reflect the requirements of certain provisions set out in the Code.

Other Information

Board of directors

As at 30 June 2005, the board of directors of the Company comprises 11 directors. The members were as follows:

Chairman:	Mr. Zhang Bin
Executive directors:	Mr. Zhang Bin, Mr. Zhang Jianwei, Ms. Tao Suyun, Mr. Li Jianzhang
Non-executive directors:	Mr. Yang Yuntao, Ms. Liu Jinghua, Mr. Jerry Hsu, Mr. Ken Torok, Mr. Lee Chong Kwee
Independent non-executive directors:	Mr. Sun Shuyi, Mr. Lu Zhengfei

Due to the passing away of Mr. Koo Kou Hwa, an independent director, the Company has only 2 independent non-executive directors in the Board at present, resulting in the Company failing to comply with the requirements under Rule 3.10(1) of the Listing Rules. The board of the Company has nominated Mr. Miao Yuexin as a new independent non-executive director of the Company. Once the proposal is approved by the extraordinary general meeting of shareholders on 30 August 2005, the number of the Company's independent directors will increase to 3 and thereafter in compliance with the requirements of Rule 3.10(1) of the Listing Rules.

Audit committee

The principal functions of the audit committee include the appointment of external auditors, 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. Lu Zhengfei and Ms. Liu Jinghua, with Mr. Sun Shuyi acting as the chairman of the audit committee.

The unaudited condensed consolidated interim financial statements as contained in this interim report have been reviewed by the audit committee.

Remuneration committee

The principal functions of the remuneration committee include reviewing the remuneration policies of the Company, assessing the performance of the directors and senior management of the Company and determining policies in respect to their remuneration packages. The current committee members are Mr. Lu Zhengfei, Mr. Sun Shuyi and Ms. Tao Suyun, with Mr. Lu Zhengfei acting as the chairman of the remuneration committee.

Model Code for Securities Transactions by Directors of Listed Issuers

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 to the Listing Rules as the code of conducting securities transactions by Company's directors.

The directors of the Company have confirmed, following specific enquiry by the Company, that they have complied with the required standards set out in the Model Code throughout the period from 1 January to 30 June 2005.

MAJOR SUBSEQUENT EVENTS

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