

Quality, Health, Safety and Environment

Prioritizing safety and prevention; Valuing humanity and life; Honoring quality and credibility; Respecting our nature and environment

Our QHSE system focuses on the following:

- Setting and maintaining a good system to assure the quality of our work, the healthy and safety of our employees and the protection of our environment;
- Clearly identifying responsibilities of our management staff and all other employees ;
- Investing resources to ensure that all items we develop are lawful, technological driven and of superior quality.



In 2004, we continued to strengthen our management for quality, health, safety and environment by emphasizing accident prevention as our basis of corporate development and existence.

With a view to abide by an operational standard, we have established a system in which the general manager oversees the overall operation. Our main focus in 2004 in this area was to sustain and solidify our QHSE and ISM programs. In view of this, we extended the scope of our safety training programs offered to our employees so as to broaden their knowledge on this subject. We hope to reach a state where quality, health, safety and environmental awareness becomes a part of our corporate culture.

COSL attained the following QHSE achievements in 2004:

- Re-visited and improved our ISM and QHSE programs;
- Established and implemented the International Ship and Port Facility Security Code ("ISPS");
- Did not encounter any major incidents, including incidents related to engineering and the environment;
- Performed health check-up on 90% of our

employees. 100% of our frontline workers at sea passed their health check-up;

- Organized regular occupational safety training courses.

With concerted efforts of every person in our team, we maintained a safe and consistent year of operation in 2004. In comparison with international standards, COSL's operations were outstanding in terms of safety as evidenced by our low occupational incident rate. Our QHSA occupational incident rate was 0.27 this year, which was lower than the international standards of 0.75. If 1 represents the norm for one accident in every 200,000 man-hour, then 0.75 is satisfactory.

COSL's Occupational Incident Statistics for 2002, 2003, 2004 (In OSHA standard)

	2002	2003	2004
Average Person	5,161	5,697	5,488
Man-Hour	12,888,000	17,141,789.2	17,739,015
Recordable Cases	29	18	24
Deaths	0	1	3
Wounds	29	17	21
Incident Rate	0.45	0.22	0.27