



CORPORATE Value – A CORNERSTONE OF SUCCESS

Committed to its goals to maximize corporate efficiency and shareholders' returns, the Company has been actively pursuing COSCO Hong Kong's "twenty-five words management mottoes", i.e. maximizing profits, adopting market-oriented strategy, providing quality services, building on good management and maintaining a strong management team. The Company, at the same time, promotes people-oriented corporate core values, and encourages team work among staff. The Company advocates a range of good attributes such as loyalty, accountability, diligence, innovation and persistence which form the cornerstone for its long term development.

TALENTS FOR DEVELOPMENT TEAM FOR GROWTH

The Company believes that a cohesive, loyal, progressive and professional team is the key to success and to help the Company deliver the best customer services at a time of continual business expansion. While the Company actively recruits experts and talented staff, it also reviewed and implemented a training and

development program to cultivate a high quality professional team in meeting the demand of the Company's continual business development. During the year under review, the Company not only organized seminar in regard to the new corporate governance regulations for listed companies, but also arranged various training programs for management staff to raise their professional standards .

To pursue the overall corporate development goals and to ensure an effective operation, the Company has re-organised its organization structure to improve efficiency during the year. As of 31st December 2005, the Company and its subsidiaries employed 533 staff, of which 122 were in Hong Kong and 411 were on the China Mainland. In addition, the Company initiated a long-term human resources plan and other related human resources strategies, such as setting key performance indicators for the senior management, making performance appraisals and offering share options. The Company implemented a performance management system linking the rewards of the management team and all staff with their work performance. Under this system, staff were encouraged to strive for the benefit of the Company.



UNIQUE CULTURE – REBATING TO THE COMMUNITY

The Company stresses on building a good corporate culture and advocates an atmosphere embracing collaboration, accountability and the pursuit of common goals. Through a range of corporate cultural and recreational activities, staff communication is enhanced and a team spirit is cultivated. The activities also improve the health and well being of staff and raise their productivity. In addition, the Company is committed to promoting a sense of belonging among staff and offering comprehensive communication channels to encourage its staff to make recommendations for the betterment of the Company. The Company aims to raise operational efficiency and economic benefit, as well as to further enhance competitiveness through tapping the collective wisdom from all staff.

As a member in the community, the Company fulfils its corporate citizenship by encouraging its staff to participate in the charitable activities and contribute to society. In early 2005, in response to the call of the Hong Kong Red Cross, the Company participated

in COSCO Hong Kong's donation activities by urging all staff to donate to the victims suffered in the South Asian earthquake and tsunamis and support the relief operations of the Hong Kong Red Cross in the affected areas. In addition, the Company also donated funds to Lifeline Express, which is a mobile eye hospital providing free surgery for the needy cataract patients in remote regions on the China Mainland.

Apart from economic efficiency, the Company stresses environmental protection and operational safety by ensuring the production and operation of its various businesses adhering to the environmental regulations of their respective countries and municipal governments. The Company also implements various stringent production safety guidelines and requirements by putting in place preventive measures before festive days and conducting regular checks to ensure a safe and uninterrupted production. In 2005, there were no major incidents within the Company and its subsidiaries.