

Corporate Culture

BUILDING UP A MANAGEMENT TEAM

The Company has been committed to the fulfillment of its vision “Building on good management and maintaining a strong management team” which aims at promoting a people-oriented culture in order to provide customers with quality services, maximise corporate value and bring along the best returns to our shareholders. Accordingly, the management of the Company places significant emphasis on building up a strong management team and, through various kinds of training programmes and appraisal mechanisms, actively enhances the overall standards and integrated management capability of the management team, enabling it to assume leadership role and, by striving hand-in-hand with all staff, captures development opportunities and achieves business breakthrough.

STAFF TRAINING AND DEVELOPMENT

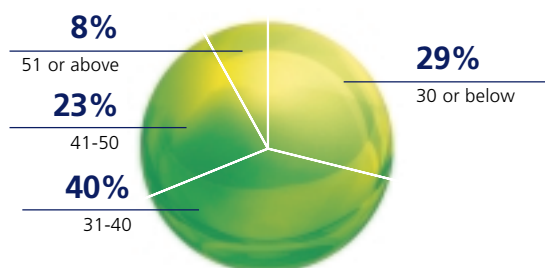
The management of the Company believes that a comprehensive plan for talent recruitment is essential for the future development of the Company. In view of this, during the year, the Company conducted an annual survey on staff and a five-year forecast labour demand so as to attain a timely formulation of staff training and retaining policies. As at 31st December 2006, the Company and its subsidiaries have employed a total of 573 staff, of which 110 are based in Hong Kong and 463^{Note} are based in China Mainland.

By reference to the labour legislation of HKSAR and the PRC, the industry practices, the market changes and the individual contributions to the Company, the Company reviews periodically the human resources and remuneration policies and improves the evaluation, motivation and binding mechanisms by adopting the performance-linked remuneration policy. In addition to the salaries specified in their contracts, staff with outstanding performance are awarded an increment in salaries. Double-pay and bonus will be paid to boost initiative as well as creating a sense of responsibility and mission, thereby encouraging all staff to strive for profit maximisation for the Company.

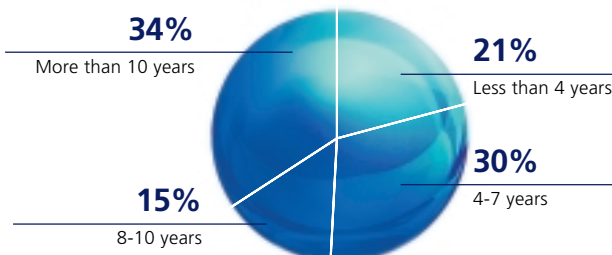
In order to align individual growth of the staff with the growth of the Company and in turn achieve the on-going development of the Company and its subsidiaries, the Company has, during the year, assigned different management staff to attend various professional training programmes from time to time, such as training seminar in regard to the better understanding of investor relations; anti-corruption talk to promote professional ethics; training courses to enhance all staff’s knowledge on lean management, information security and financial management. In addition, the Company has formulated a comprehensive training system, under which, staff are granted subsidies to enrol external training courses. Such system has encouraged the staff to further their study at leisure times and enhanced their professional standards.

STAFF PROFILE IN 2006

By Age



By Years of Employment



Note: The staff of the Company based in China Mainland excludes those employed by the jointly controlled entities of Jotun COSCO Marine Coatings (HK) Limited and Sino Ocean Real Estate Development Co., Ltd.

SOCIAL RESPONSIBILITY ON SAFETY

Given a wide coverage of businesses, the Company, while pursuing operational efficiency, has at the same time showed its care to the fulfillment of its corporate social responsibility, especially on safety management. During the year, a safety management system has been developed by the Company to further improve the safety controls on the subsidiaries in China Mainland, the daily operation safety of the subsidiaries in Hong Kong as well as the information security management. In addition, based on the nature of its varied industries, the management of the Company has paid numerous on-site visits to inspect the operations of the production bases which involve hazardous commodities. The visits aimed to ensure the compliance of safety guidelines and environmental standards of the PRC and the respective regions. The three coating plants of the Company in Tianjin, Shanghai and Guangzhou have been granted the "Production Safety Permit" (《安全生產許可證》) by the Central Government, which translates into strong evidence of their production capabilities to create profits. During the year, no substantial accident regarding production safety and information security has been occurred in the Company and its subsidiaries.

BUILDING A HARMONIOUS CORPORATE CULTURE

As one of the Hong Kong listed companies within COSCO Group, the Company has been actively promoting the spirit of the corporate culture of COSCO Group. Through a wide range of corporate cultural activities, the Company advocates a sense of belonging to the PRC, to HKSAR and to COSCO Group, and creates an atmosphere of fairness, justice, equality and care, all leading to an enterprise in perfect harmony. In addition, the Company cares about the balanced development of the health between body and mind of its staff. Apart from the annual body check for its staff in Hong Kong, all staff are encouraged to participate in various recreational activities, such as regular ball games and marathon racing. It is expected that these activities can not only help maintain a balanced life, but also enhance team morale and a sense of belonging to the Company, thereby building a healthy and harmonious corporate culture.

Basketball tournament



Sports day