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## **Audit Committee**

The Audit Committee comprises four independent non-executive directors of the Company and its terms of reference have been modified to incorporate certain provisions set out in the Code. The Audit Committee has reviewed, in the presence of the internal and external auditors, the Group's principal accounting policies and the unaudited Condensed Financial Statements for the six months ended 30th June 2005.

## **Other board committees**

On top of the Audit Committee, the Board has also established various committees which include Executive Committee, Investment and Strategic Planning Committee, Corporate Governance Committee, Risk Management Committee, Nomination Committee and Remuneration and Assessment Committee. Among them, the Nomination Committee and Remuneration and Assessment Committee comprise a majority of independent non-executive directors. Each committee has its defined scope of duties and terms of reference.

## **Model code for securities transactions by directors**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules as the Company's code of conduct and rules governing dealings by all directors in the securities of the Company. Having made specific enquiry of all directors of the Company, they all confirmed that they have complied with the required standards set out in the Model Code throughout the six months ended 30th June 2005.

## **Purchase, sale or redemption of listed shares**

The Company has not redeemed any of its listed shares during the six months ended 30th June 2005. Neither the Company nor any of its subsidiaries purchased or sold any of the Company's listed shares during the six months ended 30th June 2005.

## **Investor relations**

The Group has long been putting emphasis on investor relations. Through regular interaction with the investors, the Group achieves the objective of bringing the investors fully updated on matters that relate to the Group, such as management philosophy, operating conditions, and corporate strategy. The Group also believes in the value of maintaining both high transparency on corporate matters and high standards on corporate governance, while striving to create shareholders' value.

During the first half of the year, the meetings we had with the investors and relevant parties had a total attendance of 171, up 14.8% from the same period last year. By category, those who attended were fund managers (34.5%); analysts (16.4%); bankers (22.8%), and from sectors such as securities (15.8%), media (2.9%) and others (7.6%). In addition, 11 roadshows and investor forums were conducted with a total attendance of 641, up 102.8% from the same period last year.

We also arranged various visits for the investors to visit our terminals and logistics facilities, enabling them to develop a deeper understanding of our core business and the operating environment.

In addition, the Company also releases information via website and emails alerts to the financial market regularly on key events and operational performance data about the Group.

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During the period, the Group achieved very good recognition in investor relations. This was demonstrated by the Group being included in many of the important indices in connection with the capital market, and the many awards which the Group has received from the community of institutional investors.

- In January 2005, rated one of the Top 30 Stock Picks in 2005 by Standard & Poor's.
- In March 2005, rated as "Listed Enterprise with the Best Investor Relations" by the Institutional Investor Research Group.
- In April 2005, selected as one of the 2000 Top Enterprises in 2005 by Forbes in the US.
- In April 2005, received the Honourable Mention in the Top Chinese Enterprises with the Best Dividend Policy by FinanceAsia, for the second year in a row.

## **Corporate culture**

While aggressively expanding the business, the Group also places significant emphasis on building a successful corporate culture. This includes creating an environment where teamwork is promoted, with employees having the opportunity to develop themselves as individuals, to excel in their job and to realise their potentials. The Group also encourages employees to pursue life-time learning to continuously expand their horizon, so as to raise their management and professional expertise.

"Satisfying Customers While Creating Shareholders' Wealth" has become a common corporate goal for all the Group's employees. The Group will continue to cultivate the corporate core values centered around: Integrity; Nurturing; Innovation; Communication; Understanding; Management; Conduct; Service. Through these core values, the Group's employees will engrain in their work the successful culture required to achieve the mission of "Maximising Corporate Efficiency, While Maximising Shareholders' Return".

## **Prospects**

The global economy will continue to grow in the second half of this year. The appreciation of Reminbi has created an environment for improvement in the world trade and the functioning of China's economy. Although oil price remains high, it has been stabling off. The Sino-US trade dispute has become clear and eased, and China's export will continue to grow at high speed. These environments will all benefit our Company's business.

Within the Group, the container leasing business continued to increase its competitive strengths, with over 1 million TEUs currently in the container fleet, and capacity utilisation continue to be ahead of the market. The market will continue to sustain a moderate growth in the second half, providing the Group with good business opportunities.

The thriving shipping market has continued to boost a substantial increase in the global demand for more ports. With the Group's investment presence in many major ports in the world, such as the PRC, Hong Kong, Asia, and Europe, the Group is well-positioned to take advantage of the growth in throughput in the second half of the year. Coupled with the Group's plan to capture new opportunities in terminal operation, the Group will further increase its market share and overall competitive strengths.