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share option scheme introduced in recent years has been pivotal in enhancing staff passion for work, and the COSCO Pacific team is growing into a globalised contingent that pursues efficiency and excellence in concerted efforts.

### **Social Responsibilities**

COSCO Pacific seeks to reward the society by actively participating in community welfare and social services.

Senior management members of COSCO Pacific delivered lectures at universities in both mainland China and Hong Kong as part of their efforts to help training professionals for the logistics and shipping sectors. In March 2006, the Company donated an amount of RMB2 million to 北京市華育助學獎金會 through 中遠慈善基金會 to provide financial aid for underprivileged students in China. In June 2006, staff of the Company made donations in a charity sale of lottery tickets for the benefit of Lifeline Express, the proceeds of which would go to the train-turned mobile clinic for eye diseases operated by Lifeline Express. Meanwhile, at our offices and port facilities, COSCO Pacific welcomes guests from all sectors who would like to learn about and exchange views on our business.

COSCO Pacific is committed to carrying out our civil duties as a corporate entity, so as to help improve the society and environment in which we are living.

### **PROSPECTS**

The global economy will continue to fare well in 2006 with an estimated growth of 3.9% underpinned by an 8.6% rise in trade volume, while China is expected to see a 10.7% economic growth. Riding on such favourable factors, the Group will continue to implement its strategy of investment optimisation by building a diversified portfolio of terminals in the hinterlands of the Pearl River Delta region, Yangtze River Delta and the Bohai Rim. Meanwhile, we will also make active moves to expand our overseas market for terminal operations.

Container management has become a new source of revenue for our container leasing operations. The Group continues to expand its container fleet for leasing and intends to maintain a high level utilisation rate in order to consolidate its leading position in the industry. In terms of fleet expansion, while we will work closely with COSCON to cater to its future expansion plans, we will also seek to expand our market share in the non-COSCON sector.

As such, the Group is fully confident in the future prospects of its business.

### **MEMBERS OF THE BOARD**

As at the date of this report, the Board comprises Dr. WEI Jiafu<sup>2</sup> (Chairman), Mr. CHEN Hongsheng<sup>1</sup>, Mr. LI Jianhong<sup>1</sup>, Ms. SUN Yueying<sup>1</sup>, Dr. SUN Jiakang<sup>1</sup> (Vice Chairman & Managing Director), Mr. XU Lirong<sup>2</sup>, Mr. WONG Tin Yau, Kelvin<sup>1</sup>, Mr. WANG Zhi<sup>1</sup>, Mr. QIN Fuyan<sup>1</sup>, Dr. LI Kwok Po, David<sup>3</sup>, Mr. LIU Lit Man<sup>3</sup>, Mr. CHOW Kwong Fai, Edward<sup>3</sup> and Mr. Timothy George FRESHWATER<sup>3</sup>.

<sup>1</sup> Executive Director

<sup>2</sup> Non-executive Director

<sup>3</sup> Independent Non-executive Director

By Order of the Board  
**SUN Jiakang**  
*Vice Chairman & Managing Director*

Hong Kong, 7th September 2006