

CORPORATE SOCIAL RESPONSIBILITY REPORT

Build on care



Corporate Afforestation Scheme 2007-2009

Corporate responsibility, sustainable development and staff engagement are principles integrated into the Group's management and daily operations. The Group takes pride in its contributions to community programmes to which it can add value, and believes in establishing long-term partnerships with its stakeholders in supporting meaningful projects that can benefit those in need.

The year 2007 saw the Group's participation in an even wider range of community work. Apart from management support for these community programmes, the Group also encourages its staff members to practise volunteerism and participate in charitable events. Only with the full support of its employee team can the Group translate its beliefs into viable policies that work in the best interests of all stakeholders.

The Group's efforts in corporate philanthropy are directed towards environmental protection, community services, charitable donations and caring for people. With the opening of its retail landmark "MegaBox", the Group is now able to utilise this dynamic venue as an additional vehicle for supporting worthwhile society causes.

CARING COMPANY

The Group has been awarded the "Caring Company" logo by the Hong Kong Council of Social Service for five consecutive years, in recognition of good corporate citizenship in the areas of volunteering, employee friendliness, employing the disadvantaged, caring for the environment, mentoring and giving. The Group supports the council's mission to build a caring community spirit through good corporate citizenship and strategic partnerships with business, public and non-profit organisations.

ENVIRONMENTAL PROTECTION

The Group devotes resources towards playing a positive role in the ecological sustainability of the community. An environmental committee was set up in 2005 to steer its green policies, which are stringently applied in day-to-day business operations and internal administration. The Group's green policies guide the development of operational procedures and processes and the responsible management of the environmental impact of property development projects, as well as a constant review of Group-wide strategies.

Continued

Green Power Hike

The Group took part in the 14th Green Power Hike held on 3 February 2007. Funds raised were used to develop environmental education in schools and the wider community, to help build a greener future. The Group's 4 members participated in this 50-kilometre hike, and a support team of 15 members was formed to back up and boost morale for their colleagues.

Wastewi\$e Scheme

The Group supports the Environmental Protection Department's Wastewi\$e Scheme which encourages Hong Kong businesses to set targets for waste avoidance and minimisation, collection and recycling of recyclable materials, and procurement of recycled products. The award of the Wastewi\$e logo to the Group benchmarks its commitment to waste reduction.

Corporate Afforestation Scheme 2007-2009

Staff members of the Group actively participate in this three-year woodland adoption programme. Co-organised by the Agriculture, Fisheries and Conservation Department and the Friends of the Earth (Hong Kong), the programme aims to plant 10,000 seedlings in the site assigned to the Group in one of the country parks in Hong Kong. As a



14th Green Power Hike

participating company, the Group's staff members will look after the adopted woodland for a period of three years through a series of activities such as tree planting in spring and woodland conservation in autumn.

Support of Recycling Initiatives

The Group has responded to the call of the Conservancy Association to businesses and the community to address the waste issue through participating in the Used Clothes Collection for the Environment Campaign. The campaign aims to encourage the re-use of resources and to ease the pressure on existing landfills.

In addition, for the third year in a row, the Group has enrolled the residential properties under its management in the Used Books Recycling Campaign organised by World Vision Hong Kong. The second-hand books donated by the public towards the 2007 campaign were for charity sale to support a secondary school educational project in Shaanxi, Mainland China.



Corporate Afforestation Scheme 2007-2009

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COMMUNITY SERVICES

The Group’s resolve to be a company that makes community services a priority is made possible only with the full support of its staff members. This is achieved by aligning the Group’s shared vision in its commitment to the welfare and development of the community with its employees.

Community Chest Corporate Challenge

The Logistics Network Division running team participated in the Community Chest Corporate Challenge’s 10-kilometre held on 21 January 2007. The Division’s members demonstrated outstanding sportsmanship in helping raise funds to support services for the physically disabled.

Hong Kong Federation of Youth Groups Pull for Charity

The Group was one of the corporate teams taking part in Hong Kong’s first-ever Pull for Charity tug-of-war organised by the Hong Kong Federation of Youth Groups on 20 May 2007. Funds raised were used to provide support services for young people who are vulnerable and disadvantaged. The federation aims to help these youngsters face the challenges of growing up by creating an atmosphere conducive to learning and growth and by encouraging them to participate and be creative.

End Child Sexual Abuse Foundation Flag Day

The Logistics Network Division supported the End Child Sexual Abuse Foundation Flag Day held on 15 September 2007 by volunteering its staff members to participate in the event. The foundation’s mission is to help shield children from sexual abuse and to raise public awareness of this social problem in Hong Kong. Its services include the provision of sex education for local primary and secondary schools in Hong Kong.

Community Chest Dress Special Day

The Group’s members once again gave their full support to the Dress Special Day held on 25 September 2007, making donations towards this worthy cause while enjoying a special day. Funds raised through this event were allocated by the Community Chest of Hong Kong to family and child welfare, rehabilitation and aftercare, and community development services.

Community Chest Skip Lunch Day

Many colleagues supported the Skip Lunch Day held on 7 December 2007, donating their lunch money to support the needy. Funds raised through the event by the Community Chest of Hong Kong were directed towards the provision of services for street sleepers and cage residents.

Sharing of Expertise with the Community

In addition to empowering its employees to offer their resources and time to community service, the Group also shares its expertise with the community for the betterment of the industry and with a view to benefiting the young generation.

The Logistics Network Division partnered with the Hong Kong Institute of Vocational Education in the development of an internship programme, the Workplace Attachment Scheme. It also participated in the China Internship Programme of the Chinese University of Hong Kong.

The Logistics Network Division has also offered its facilities and management resources for the sharing of expertise through a number of trade and government-led industry exchange initiatives. This ongoing effort has seen delegates from the Hong Kong Trade Development Council, Hong Kong Federation of Trade Unions and the Office of the Government Chief Information Officer visiting the Division’s facilities and exchanging views on industry issues with Division executives.

Continued

CHARITABLE DONATIONS

In addition to its participation in community services, the Group also pledges financial support of a range of deserving causes through direct donations to individuals and organisations.

Caring for Children

In April 2007, the Australian subsidiary of the Logistics Network Division launched a sponsorship of children in Vietnam and Mainland China, in a move to help break the cycle of child poverty. The Division also encourages its employees to be actively involved by contributing through writing letters and gift giving.

KEAS Xingye Welfare Home for the Aged

The Logistics Network Division has pledged donations towards the overhaul of the KEAS Xingye Welfare Home for the Aged in the Tianzhu Development Zone in Beijing. Works included road reconstruction and the refurbishing of dining and healthcare facilities, with the aim of providing a more comfortable and conveniently accessible home for the elderly. The home was re-opened on 12 June 2007.



Opening ceremony of KEAS Xingye Welfare Home for the Aged



World Heart Day 2007

World Heart Day

The Group was the Gold Patron of World Heart Day held on 30 September 2007 and steered by the Hong Kong College of Cardiology and Tung Wah Group of Hospitals. Their mission is to maintain the highest standards of cardiovascular practice and to work towards the improvement of heart health amongst the people of Hong Kong. 32 employees of the Group and their family members also took part in the Hong Kong sector of the Global Embrace which involved more than one million people in over 100 cities. This annual walkathon is one of World Heart Day's initiatives to promote the health benefits of walking for people of all ages.



The Smith Family's Christmas Appeal

The Smith Family's Christmas Appeal

Employees of the Logistics Network Division in Australia donated toys and books in November 2007 in support of the Smith Family's Christmas Appeal for disadvantaged kids in Australia. The Smith Family was founded at Christmas 1922 when five businessmen delivered toys to a Sydney orphanage. The Group's logistics operation in Australia is also proud of its staff's contributions towards the support of a wide variety of other community and charity organisations.

Community Chest Corporate and Employee Contribution Programme

The Group continues to support the Corporate and Employee Contribution Programme of the Community Chest of Hong Kong. As part of this corporate initiative, the Group joins hands with its staff members in contributing to the Community Chest through direct donations and by supporting a range of fund raising events.



Family Friendly Activities, Daytrip to Ocean Park, HONG KONG

CARING FOR PEOPLE

Caring for the well-being of its people and employees' families is a continuous area of focus for the Group. Apart from building up its talent pool and leadership strength by rewarding staff performance and creating a fulfilling work environment, the Group also cares for the individual development and well-being of its staff members, and promotes a healthy family life.



Family Friendly Activities, Hiking and sight-seeing at Wuzhishan, Hainan, MAINLAND CHINA

Family Friendly

The Group encourages volunteerism among its staff members and welcomes their participation in community events with their family members. Involving team members in the community helps them gain satisfaction and promotes bonding among staff and family members. An extensive range of sports, fun events, staff tournaments, outings and leisure tours were also organised throughout the year for the participation of staff and families.

The Group's caring initiative also includes generous marriage and compassionate leave for staff members.

Continued

Individual Development

The personal development of staff members is not restricted to the professional or career arena. The Group encourages its people to maintain a healthy work-life balance through the development of hobbies and volunteering. A range of special-interest courses is offered, along with the allocation of personal study sponsorships for each employee. Staff members who take public examinations are also granted examination leave.

MEGA SUPPORT OF SOCIETY CAUSES

The opening of “MegaBox” in 2007 has given the Group another channel through which to support meaningful causes. During 2007, “MegaBox” contributed to a number of charities through venue sponsorships, visitor donations and joint events. As a client- and community-centred forum, the design of “MegaBox” incorporates the concept of connectivity, not only to facilitate the free flow of visitors within the mall, but also in terms of connecting with the external environment. The design enables “MegaBox” to provide a barrier-free environment to promote social integration.

“MegaBox” delivered some innovative ideas to stage fun-filled events designed to elicit donations from visitors. These included such successful events as the Mega Gachapon Show held in August 2007 and the environment-themed Grid Art Oil Painting Campaign in October 2007, both helping raise funds for the World Wildlife Fund. “MegaBox” also took advantage of festivals to launch and support cause-related marketing efforts, such as staging a rice dumpling charity sale during the Dragon Boat Festival for Helping Hand and a number of Christmas activities and charity sales for ORBIS. The caring spirit was also extended to the elderly as “MegaBox” supported the “Qile” Charity Cakes Sale to raise funds for the Haven of Hope non-subsided elderly care service.

“MegaBox” is a regular venue sponsor for community events including the MSF Day 2007 Campaign Finale of Medecins Sans Frontieres, the Launching Ceremony of Kwun Tong District Anti-Corruption Publicity Project and the ICAC Roving Exhibition of the Independent Commission Against Corruption, the Basic Law Video Production Contest Launching Ceremony of the Home Affairs Bureau of Hong Kong SAR Government, the Inaugural Ceremony of a Barrier-free Community by the Social Service Ministry of Lutheran Hong Kong Church Synod and the Pass-it-on 2007 Gas Station event of the Hong Kong Red Cross.



Grid Art Oil Painting Campaign, MegaBox, HONG KONG



Mega Gachapon Show, MegaBox, HONG KONG



Rice Dumpling Charity Sale, MegaBox, HONG KONG