

# Corporate Governance Report

The Company strives to attain and maintain the highest standards of corporate governance as it believes that effective corporate governance practices are fundamental to enhancing shareholder value and safe guarding shareholder interests. The Company has accordingly adopted sound corporate governance principles that emphasise a quality board of Directors (the "Board"), effective internal control, stringent disclosure practices and transparency and accountability to all stakeholders. It is, in addition, committed to continuously improving these practices and inculcating an ethical corporate culture.

The Company is fully compliant with all code provisions of the Code on Corporate Governance Practices contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") for the year ended 31 December 2006.

## The Board

The Board is responsible for directing the strategic objectives of the Company and overseeing the management of the business. Directors are charged with the task of promoting the success of the Company and making decisions in the best interest of the Company.

The Board, led by the Chairman, Mr Li Ka-shing, approves and monitors Group wide strategies and policies, annual budgets and business plans, evaluates the performance of the Company, and supervises the management of the Company (the "Management"). Management is responsible for the day-to-day operations of the Group under the leadership of the Group Managing Director.

As at 31 December 2006, the Board comprised fourteen Directors, including the Chairman, Deputy Chairman, Group Managing Director, Deputy Group Managing Director, Group Finance Director, two Executive Directors, two Non-executive Directors and five Independent Non-executive Directors. Biographical details of the Directors are set out in the Directors and Senior Management Section on pages 71 to 74.

For a Director to be considered independent, the Board must be satisfied that the Director does not have any direct or indirect material relationship with the Group. In determining the independence of Directors, the Board follows the requirements set out in the Listing Rules.

The roles of the Chairman and the Deputy Chairman are separate from that of the Group Managing Director. Such division of responsibilities helps to reinforce their independence and accountability.

The Chairman, assisted by the Deputy Chairman, Mr Li Tzar Kuoi, Victor, is responsible for providing leadership to, and overseeing the functioning of, the Board to ensure that it acts in the best interests of the Group and that Board meetings are planned and conducted effectively. The Chairman is responsible for setting the agenda for each Board meeting, taking into account, where appropriate, matters proposed by the Directors and Company Secretary for inclusion in the agenda. With the support of Executive Directors and the Company Secretary, the Chairman seeks to ensure that all Directors are properly informed of issues arising at Board meetings and provided with adequate and accurate information in a timely manner. The Chairman also actively encourages Directors to be fully engaged in the Board's affairs and contribute to the Board's functions. In addition to Board meetings, the Chairman holds regular meetings with Executive Directors and at least two meetings with Non-executive Directors annually without the presence of Executive Directors. The Board, under the leadership of the Chairman, has adopted good corporate governance practices and procedures and taken appropriate steps to provide effective communication with shareholders.

## CORPORATE GOVERNANCE REPORT

The Group Managing Director, Mr Fok Kin-ning, Canning, assisted by the Deputy Group Managing Director, Mrs Chow Woo Mo Fong, Susan, is responsible for managing the businesses of the Group, attending to the formulation and successful implementation of Group policies and assuming full accountability to the Board for all Group operations. Acting as the principal manager of the Group's businesses, the Group Managing Director attends to developing strategic operating plans that reflect the longer-term objectives and priorities established by the Board and is directly responsible for maintaining the operational performance of the Group. Working with the Deputy Group Managing Director and the Group Finance Director, Mr Frank John Sixt, other Executive Directors and the executive management team of each core business division, he presents annual budgets to the Board for consideration and approval, and ensures that the Board is fully apprised of the funding requirements of the businesses of the Group. With the assistance of the Group Finance Director, the Group Managing Director sees to it that the funding requirements of the businesses are met and closely monitors the operating and financial results of the businesses against plans and budgets, taking remedial action when necessary. He maintains an ongoing dialogue with the Chairman, the Deputy Chairman and all Directors to keep them fully informed of all major business development and issues. He is also responsible for building and maintaining an effective executive team to support him in his role.

The Board meets regularly, and at least four times a year. Between scheduled meetings, senior management of the Group provides information to Directors on a regular basis on the activities and development in the businesses of the Group. Throughout the year, Directors participate in the consideration and approval of routine and operational matters of the Company by way of circular resolutions with supporting explanatory materials, supplemented by additional verbal and/or written information or notification from the Company Secretary and other executives as and when required. Details of material or notable transactions of subsidiary and associated companies are provided to the Directors as appropriate. Whenever warranted, additional Board meetings are held. In addition, Directors have full access to information on the Group and independent professional advice at all times whenever deemed necessary by the Directors.

With respect to regular meetings of the Board, Directors receive written notice of the meeting at least 14 days in advance and an agenda with supporting Board papers no less than 3 days prior to the meeting. With respect to other meetings, Directors are given as much notice as is reasonable and practicable in the circumstances.

The Board held four meetings in 2006 with an average attendance rate of approximately 93%.

	Name of Director	Attended / Eligible to attend
Chairman	Li Ka-shing <sup>(1)</sup>	4/4
Executive Directors	Li Tzar Kuoi, Victor <sup>(1)</sup> (Deputy Chairman)	4/4
	Fok Kin-ning, Canning (Group Managing Director)	4/4
	Chow Woo Mo Fong, Susan (Deputy Group Managing Director)	4/4
	Frank John Sixt (Group Finance Director)	4/4
	Lai Kai Ming, Dominic	4/4
	Kam Hing Lam <sup>(1)</sup>	4/4
Non-executive Directors	George Colin Magnus	4/4
	William Shurniak	4/4
Independent Non-executive Directors	Michael David Kadoorie	2/4
	Holger Kluge	4/4
	Simon Murray	4/4
	Or Ching Fai, Raymond	2/4
	Wong Chung Hin	4/4

Note:

(1) Mr Li Ka-shing is the father of Mr Li Tzar Kuoi, Victor and brother-in-law of Mr Kam Hing Lam.

All Non-executive Directors are engaged on service contracts for twelve-month periods. All Directors are subject to re-election by shareholders at the annual general meeting following their appointment and at least about once every three years on a rotation basis. None of the Directors who are proposed for re-election at a forthcoming annual general meeting has a service contract with the Company which is not terminable by the Company within one year without payment of compensation (other than statutory compensation). Where vacancies arise at the Board, candidates are proposed and put forward to the Board for consideration and approval, with the objective of appointing to the Board individuals with expertise in the businesses of the Group and leadership qualities so as to complement the capabilities of the existing Directors thereby enabling the Company to retain as well as improve its competitive position.

Upon appointment to the Board, Directors receive a package of orientation materials on the Group and are provided with a comprehensive induction to the Group's businesses by senior executives. Continuing education and information are provided to Directors regularly to help ensure that Directors are apprised of the latest changes in the commercial, legal and regulatory environment in which the Group conducts its businesses.

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules (the "Model Code") as the Group's code of conduct regarding Directors' securities transactions. All Directors confirmed that they have complied with the Model Code in their securities transactions throughout 2006.

## **Directors' Responsibility for the Financial Statements**

The following statement, which sets out the responsibility of Directors in relation to the financial statements, should be read in conjunction with, but distinguished from, the Independent Auditor's Report on page 114 which acknowledges the reporting responsibility of the Group's Auditor.

### **Annual Report and Accounts**

The Directors acknowledge their responsibility for the preparation of the Annual Report and financial statements of the Company to ensure that these financial statements give a true and fair presentation in accordance with Hong Kong Companies Ordinance and the applicable accounting standards.

### **Accounting Policies**

The Directors consider that in preparing the financial statements, the Group applies appropriate accounting policies that are consistently adopted and makes judgements and estimates that are reasonable and prudent in accordance with the applicable accounting standards.

### **Accounting Records**

The Directors are responsible for ensuring that the Group keeps accounting records which disclose the financial position of the Group upon which financial statements of the Group could be prepared in accordance with the Group's accounting policies.

### **Safeguarding Assets**

The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities within the Group.

### **Going Concern**

The Directors, having made appropriate enquiries, consider that the Group has adequate resources to continue in operational existence for the foreseeable future and that, for this reason, it is appropriate to adopt the going concern basis in preparing the financial statements.

## Company Secretary

The Company Secretary, Ms Edith Shih, is responsible to the Board for ensuring that Board procedures are followed and Board activities are efficiently and effectively conducted. These objectives are achieved through the adherence to proper Board processes and the timely preparation and dissemination to Directors and Board Committees comprehensive Board agendas and papers.

The Company Secretary is responsible for ensuring that the Board is fully apprised of all legislative, regulatory and corporate governance developments relating to the Group and that it takes these into consideration when making decisions for the Group. The Company Secretary is also directly responsible for the Group's compliance with all obligations of the Listing Rules and Codes on Takeovers and Mergers and Share Repurchases, including publication and dissemination of annual reports and interim reports within the periods laid down in the Listing Rules, timely dissemination to shareholders and the market of announcements and information relating to the Group and assisting in the notification of Directors' dealings in securities of the Group.

The Company Secretary advises the Directors on their obligations for disclosure of interests in securities, connected transactions and price-sensitive information and ensures that the standards and disclosures required by the Listing Rules are observed and, where required, reflected in the annual report.

In relation to connected transactions, regular seminars are conducted for legal counsels and executives from business units within the Group to ensure that such transactions are handled in compliance with the Listing Rules. Detailed analyses are performed on all potential connected transactions to ensure full compliance and for Directors' consideration.

## Audit Committee

The Audit Committee comprises two Independent Non-executive Directors and one Non-executive Director who possess the appropriate business and financial management experience and skills to understand financial statements and internal controls. It is chaired by Mr Wong Chung Hin with Messrs Holger Kluge and William Shurniak as members.

Under the terms of reference of the Audit Committee, it is required to oversee the relationship between the Company and its external auditors, review the Group's preliminary results, interim results and annual financial statements, monitor compliance with statutory and Listing Rules requirements, review the scope, extent and effectiveness of the activities of the Group's Internal Audit function, engage independent legal and other advisers as it determines is necessary and perform investigations.

The terms of reference of the Audit Committee adopted by the Board are published on the Group's website.

The Audit Committee held four meetings in 2006 with 100% attendance.

Name of Member	Attended / Eligible to attend
Wong Chung Hin ( <i>Chairman</i> )	4/4
Holger Kluge	4/4
William Shurniak	4/4

## Financial Statements

The Audit Committee meets with the Group Finance Director and other senior management of the Group from time to time to review the interim and final results and the Interim Report and Annual Report of the Group. It considers and discusses the reports and presentations of Management, the Group's internal, and external auditors, with a view of ensuring that the Group's consolidated financial statements are prepared in accordance with accounting principles generally accepted in Hong Kong. It also meets with the Group's principal external auditor, PricewaterhouseCoopers ("PwC"), to consider their reports on the scope and outcome of their independent review of the interim financial report and their annual audit of the consolidated financial statements.

## External Auditors

The Audit Committee reviews and monitors the external auditors' independence and objectivity and effectiveness of the audit process. It receives each year the letter from PwC confirming their independence and objectivity and holds meetings with PwC to consider the scope of their audit, approve their fees, and the scope and appropriateness of non-audit services, if any, to be provided by them. The Audit Committee also makes recommendations to the Board on the appointment and retention of the external auditors.

The Group's policy regarding the engagement of PwC for the various services listed below is as follows:

- Audit services - includes audit services provided in connection with the audit of the consolidated financial statements. All such services are to be provided by external auditors.
- Audit related services - includes services that would normally be provided by an external auditor but not generally included in audit fees, for example, audits of the Group's pension plans, due diligence and accounting advice related to mergers and acquisitions, internal control reviews of systems and/or processes, and issuance of special audit reports for tax or other purposes. The external auditors are to be invited to undertake those services that they must or are best placed to undertake in their capacity as auditors.
- Taxation related services - includes all tax compliance and tax planning services, except for those services which are provided in connection with the audit. The Group uses the services of the external auditors where they are best suited. All other significant taxation related work is undertaken by other parties as appropriate.
- Other services - includes, for example, audits or reviews of third parties to assess compliance with contracts, risk management diagnostics and assessments, and non-financial systems consultations. The external auditors are also permitted to assist management and the Group's internal auditors with internal investigations and fact-finding into alleged improprieties. These services are subject to specific approval by the Audit Committee.
- General consulting services - the external auditors are not eligible to provide services involving general consulting work.

An analysis of the fees of PwC and other external auditors is shown in note 45 to the accounts. In the year ended 31 December 2006, the fees paid to PwC were primarily for audit services.

### Review of Risk Management and Internal Control

The Audit Committee assists the Board in meeting its responsibilities for maintaining an effective system of internal control. It reviews the process by which the Group evaluates its control environment and risk assessment process, and the way in which business and control risks are managed. It reviews with the Group's Internal Auditors the work plan for their audits together with their resource requirements and considers the report of the Group Internal Audit General Manager to the Audit Committee on the effectiveness of internal controls in the Group business operations. In addition, it also receives the report from the Head Group General Counsel on the Group's compliance status on regulatory requirements.

These reviews and reports are taken into consideration by the Audit Committee when it makes its recommendation to the Board for approval of the consolidated financial statements for the year.

### Remuneration Committee

The Remuneration Committee comprises three members with expertise in human resources and personnel emoluments. The Committee is chaired by the Chairman Mr Li Ka-shing with Messrs Holger Kluge and Wong Chung Hin, both Independent Non-executive Directors, as members. The Committee meets towards the end of each year for the determination of the remuneration package of Directors and senior management of the Group. In addition, the Committee also meets as and when required to consider remuneration related matters.

The responsibilities of the Remuneration Committee are to assist the Board in achieving its objective of attracting, retaining and motivating people of the highest calibre and experience needed to shape and execute strategy across the Group's substantial, diverse and international business operations. It assists the Group in the administration of a fair and transparent procedure for setting remuneration policies including assessing the performance of Directors and senior executives of the Group and determining their remuneration packages. The terms of reference of the Remuneration Committee adopted by the Board are published on the Group's website.

The remuneration of Directors and senior executives is determined with reference to the performance and profitability of the Group as well as remuneration benchmarks from other local and international companies and prevailing market conditions. Directors and employees also participate in bonus arrangements determined in accordance with the performance of the Group and the individual's performance.

In 2006, all members of the Remuneration Committee met in November 2006 to review background information on market data (including economic indicators, recommendation from Employers' Federation of Hong Kong and 2007 Remuneration Review Guidelines of the Group), the Group's business activities and human resources issues, and headcount and staff costs. Prior to the end of the year, the Committee reviewed and approved the proposed 2006 directors' fees, year end bonus and 2007 remuneration package of Executive Directors and senior management of the Company and made recommendation to the Board on the directors' fees for Non-executive Directors. Executive Directors, however, do not participate in the determination of their own remuneration.

Directors' emoluments comprise payments to Directors from the Company and its Group companies in connection with the management of the affairs of the Company and its Group companies. The emoluments of each of the Directors exclude amounts received from the Company's listed subsidiaries or associated companies and paid to the Company. The amounts paid to each Director for 2006 are as below:

Name of Director	Director's Fees HK\$ millions	Basic Salaries, Allowances and Benefits-in- kind HK\$ millions	Bonuses HK\$ millions	Provident Fund Contributions HK\$ millions	Inducement or Compensation Fees HK\$ millions	Total emoluments HK\$ millions
Li Ka-shing <sup>(1), (6)</sup>	0.05	-	-	-	-	0.05
Li Tzar Kuoi, Victor						
<i>Paid by the Company</i>	0.10	4.44	26.00	-	-	30.54
<i>Paid by Cheung Kong Infrastructure Holdings Limited ("Cheung Kong Infrastructure")</i>	0.07	-	8.00	-	-	8.07
<i>Paid to the Company</i>	(0.07)	-	-	-	-	(0.07)
	0.10	4.44	34.00	-	-	38.54
Fok Kin-ning, Canning <sup>(2)</sup>	0.10	9.81	119.00	2.03	-	130.94
Chow Woo Mo Fong, Susan <sup>(2)</sup>	0.10	7.34	26.00	1.47	-	34.91
Frank John Sixt <sup>(2)</sup>	0.16	7.32	25.88	0.64	-	34.00
Lai Kai Ming, Dominic <sup>(2)</sup>	0.10	4.86	12.10	0.89	-	17.95
Kam Hing Lam <sup>(2)</sup>						
<i>Paid by the Company</i>	0.10	2.25	6.30	-	-	8.65
<i>Paid by Cheung Kong Infrastructure</i>	0.07	4.20	3.87	-	-	8.14
<i>Paid to the Company</i>	(0.07)	(4.20)	-	-	-	(4.27)
	0.10	2.25	10.17	-	-	12.52
George Colin Magnus <sup>(4)</sup>						
<i>Paid by the Company</i>	0.10	-	-	-	-	0.10
<i>Paid by Cheung Kong Infrastructure</i>	0.07	-	-	-	-	0.07
	0.17	-	-	-	-	0.17
William Shurniak <sup>(4), (5)</sup>	0.20	-	-	-	-	0.20
Michael David Kadoorie <sup>(3)</sup>	0.10	-	-	-	-	0.10
Holger Kluge <sup>(3), (5), (6)</sup>	0.25	-	-	-	-	0.25
Simon Murray <sup>(3)</sup>	0.10	-	-	-	-	0.10
Or Ching Fai, Raymond <sup>(3)</sup>	0.10	-	-	-	-	0.10
Wong Chung Hin <sup>(3), (5), (6)</sup>	0.25	-	-	-	-	0.25
Total:	1.88	36.02	227.15	5.03	-	270.08

Notes:

- (1) No remuneration was paid to Mr Li Ka-shing during the year other than Director's fees of HK\$50,000 which he paid to Cheung Kong (Holdings) Limited.
- (2) Directors' fees received by these Directors from the Company's listed subsidiaries during the period they served as Executive Directors that have been paid to the Company are not included in the amounts above.
- (3) Independent Non-executive Directors. The total emoluments of the Independent Non-executive Directors of the Company are HK\$800,000.
- (4) Non-executive Directors.
- (5) Members of the Audit Committee.
- (6) Members of the Remuneration Committee.

## Internal Control and Group Risk Management

### Introduction

The Board has overall responsibility for the Group's system of internal control and assessment and management of risks.

In meeting its responsibility, the Board seeks to increase risk awareness across the Group's business operations and has put in place policies and procedures, including parameters of delegated authority, which provide a framework for the identification and management of risks. It also reviews and monitors the effectiveness of the systems of internal control to ensure that the policies and procedures in place are adequate. Reporting and review activities include review by the Executive Directors and the Board and approval of detailed operational and financial reports, budgets and plans provided by the management of the business operations, review by the Board of actual results against the budgets, review by the Audit Committee of the ongoing work of the Group's Internal Audit function and Risk Management function, as well as regular business reviews by Executive Directors and the executive management team of each core business division.

Whilst these procedures are designed to identify and manage risks that could adversely impact the achievement of the Group's business objectives, they do not provide absolute assurance against material mis-statement, errors, losses or fraud.

### Internal Control Environment

The Board is overall responsible for monitoring the operations of the businesses within the Group. Executive Directors are appointed to the Boards of all material operating subsidiaries and associates for monitoring those companies, including attendance at Board meetings, review and approval of business strategies, budgets and plans, and setting of key business performance targets. The executive management team of each core business division is accountable for the conduct and performance of each business in the division within the agreed strategies and similarly the management of each business is accountable for its conduct and performance.

The Group's internal control procedures include a comprehensive system for reporting information to the executive management teams of each core business and the Executive Directors.

Business plans and budgets are prepared annually by the management of individual businesses and subject to review and approval by both the executive management teams and the Executive Directors as part of the Group's five-year corporate planning cycle. Reforecasts for the current year are prepared on a quarterly basis, reviewed for differences to the budget and for approval. When setting budgets and reforecasts, management identifies, evaluates and reports on the likelihood and potential financial impact of significant business risks.

The Executive Directors review monthly management reports on the financial results and key operating statistics of each business and hold monthly meetings with the executive management team and senior management of business operations to review these reports, business performance against budgets, forecasts, significant business risk sensitivities and strategies. In addition, finance directors and financial controllers of the executive management teams of each of the major businesses attend monthly meetings with the Group Finance Director and members of his finance team to review monthly performance against budget and forecast, and to address accounting and finance related matters.

The Group maintains a centralised cash management system for its unlisted subsidiary operations and the Group's Treasury function oversees the Group's investment and lending activities. Treasury reports on the Group's cash and liquid investments, borrowings and movements thereof are distributed weekly.



The Group Finance Director has established guidelines and procedures for the approval and control of expenditures. Operating expenditures are subject to overall budget control and are controlled within each business with approval levels for such expenditures being set by reference to the level of responsibility of each executive and officer. Capital expenditures are subject to overall control within the annual budget review and approval process, and more specific control and approval prior to commitment by the Group Finance Director or Executive Directors are required for unbudgeted expenditures and material expenditures within the approved budget. Quarterly reports of actual versus budgeted and approved expenditures are also reviewed.

The General Manager of the Group's internal audit function, reporting to the Group Finance Director on a day to day basis and also directly to the Audit Committee, provides independent assurance as to the existence and effectiveness of the risk management activities and controls in the Group's business operations worldwide. Using risk assessment methodology and taking into account the dynamics of the Group's activities, internal audit derives its yearly audit plan which is reviewed by the Audit Committee, and reassessed during the year as needed to ensure that adequate resources are deployed and the plan's objectives are met. Internal audit is responsible for assessing the Group's internal control system, formulating an impartial opinion on the system, and reporting its findings to the Audit Committee, the Group Finance Director and the senior management concerned as well as following up on all reports to ensure that all issues have been satisfactorily resolved. In addition, a regular dialogue is maintained with the Group's external auditors so that both are aware of the significant factors which may affect their respective scopes of work.

Depending on the nature of business and risk exposure of individual business units, the scope of work performed by the internal audit function includes financial and operations reviews, recurring and surprise audits, fraud investigations and productivity efficiency reviews.

Reports from the external auditors on internal controls and relevant financial reporting matters are presented to the General Manager of the Group's internal audit function and, as appropriate, to the Group Finance Director and the finance director or financial controller of the relevant executive management team. These reports are reviewed and the appropriate actions taken.

### **Group Risk Management**

The Group Managing Director and the General Manager of the Group's risk management department have the responsibility of developing and implementing risk mitigation strategies including the deployment of insurance to transfer the financial impact of risks. The General Manager of the Group's risk management department, working with business operations worldwide, is responsible for arranging appropriate insurance coverage and organising Group wide risk reporting.

### **Review of Internal Control Systems**

The Board, through the Audit Committee, has conducted a review of the effectiveness of the Group's internal control systems for the year ended 31 December 2006 covering all material financial, operational and compliance controls and risk management functions, and is satisfied that such systems are effective and adequate.

### **Code of Conduct**

The Group places utmost importance on employees' ethical, personal and professional standards. Every employee is provided with the Group's Code of Conduct booklet, and all employees are expected to adhere to the highest standards set out in the Code of Conduct.

### Corporate Social Responsibility

The Group has adopted a proactive approach to corporate social responsibility and undertakes a wide range of philanthropic efforts as well as community initiatives. Details of these initiatives are set out on pages 67 to 70.

### Investor Relations and Shareholders' Rights

The Group actively promotes investor relations and communication with the investment community when the interim and year end financial results are announced and during the course of the year. Through its Chairman, Group Managing Director, Group Finance Director and the Investor Relations Manager, the Group responds to requests for information and queries from the investment community including institutional shareholders, analysts and the media through regular briefing meetings, conference calls and presentations.

The Board is committed to providing clear and full information on the Group to shareholders through the publication of notices, announcements, circulars, interim and annual reports. Moreover, additional information is also available to shareholders through the Investor Information page on the Group's website.

Shareholders are encouraged to attend all general meetings of the Company. All shareholders have statutory rights to call for extraordinary general meetings and put forward agenda items for consideration by shareholders by sending to the Company Secretary at the registered office address a written request for such general meetings together with the proposed agenda items. All substantive resolutions at general meetings are decided on a poll which is conducted by the Company Secretary and scrutinised by the Group's Share Registrars. The results of the poll are published on the Group's website and local newspapers. Financial and other information on the Group is made available on the Group's website, which is regularly updated.

The last shareholders' meeting of the Company was the 2006 Annual General Meeting which was held on 18 May 2006 at Harbour Plaza Hong Kong, Hung Hom, Kowloon, Hong Kong. The resolutions proposed at that meeting and the percentage of votes cast in favour of such resolutions are set out below:-

1. Consideration and approval of the statement of audited accounts and reports of directors and auditors for the year ended 31 December 2005 (99.99%);
2. Declaration of a final dividend (99.99%);
3. Election of Mrs Chow Woo Mo Fong, Susan, Mr Lai Kai Ming, Dominic, Mr Simon Murray, Mr Or Ching Fai, Raymond and Mr William Shurniak as Directors of the Company (89.30% to 99.95% in respect of each individual resolution);
4. Appointment of Auditors and authorisation of the Directors to fix the Auditors' remuneration (99.99%); and
5. Granting of a general mandate to Directors to issue additional shares in the Company (85.08%), purchase by the Company of its own shares (99.99%), extension of the general mandate regarding issue of additional shares (98.18%), and approval of share option scheme of Hutchison China MediTech Limited (99.96%).

All resolutions put to shareholders at the meeting were passed. The results of the voting by poll were published on the Group's website, the website of The Stock Exchange of Hong Kong Limited and also in local newspapers.

The Group values feedback from shareholders on its efforts to promote transparency and foster investor relationships. Comments and suggestions are welcome and can be addressed to the Investor Relations Manager or the Company Secretary by mail or by e-mail to the Group's website.

## Other Corporate Information

### Memorandum and Articles of Association

There were no changes to the Company's memorandum and articles of association during the year ended 31 December 2006.

### Key Corporate Dates

The following are dates for certain key corporate events:

Event	Date
Payment of 2006 interim dividend	6 October 2006
Announcement of audited results for the year ended 31 December 2006	22 March 2007
Closure of Register of Members	10 May 2007 - 17 May 2007
2007 Annual General Meeting	17 May 2007
Payment of 2006 final dividend	18 May 2007
Announcement of interim results for the six months ended 30 June 2007	August 2007

### Public Float Capitalisation

The public float capitalisation of the Company as at 31 December 2006 was approximately HK\$162,056 million and as at the date of this report is approximately HK\$154,574 million.

By order of the Board

### Edith Shih

*Company Secretary*

Hong Kong, 22 March 2007