

CORPORATE GOVERNANCE REPORT

Corporate Governance Statement

The Company has always recognized the importance of shareholders' transparency and accountability. It is the belief of the Board that shareholders can maximize their benefits from good corporate governance. Long before the issuance of Code on Corporate Governance Practices (the "Code") by The Stock Exchange of Hong Kong Limited, the Company has taken the initiative to disclose its corporate governance practices in the annual reports and accounts commencing from the financial year ended 31 December 2000. Essentially, the Code adopts a two-tier approach: (a) code provisions; and (b) recommended best practices, and requires the inclusion of a corporate governance report in a listed issuers' annual report. As far as the Code is concerned, the Company complies with all aspects of the code provisions except for the one regarding the separation of roles of chairman and chief executive officer which, in the Company's opinion, would not be appropriate for adoption by the Company with further explanations as set out below.

The following sections set out how the principles under the Code have been complied with by the Company during the financial year ended 31 December 2005.

Focus and Principles	Corporate Governance Practices
I. Directors	
<i>1.1 The Board</i>	<ol style="list-style-type: none">1. The Board is responsible for the leadership and control of the Company and oversees the Group's businesses, strategic directions and financial performance. It sets the Company's values and standards and ensures that its obligations to the Company's shareholders are understood and met. To this end, it assumes responsibility for strategy formulation, corporate governance and performance monitoring. The management was delegated authority and responsibility by the Board for the management of the Group within the control and authority framework set by the Board. In addition, the Board has also delegated various responsibilities to the Remuneration Committee, the Audit Committee and the Finance Committee. Further details of these committees are set out in this annual report.2. The Board has four scheduled meetings a year and meets more frequently as and when required. During the financial year ended 31 December 2005, the Board held five meetings and the attendance record, on a named basis, is set out in the table on page 64 of this annual report. Proposed Board meeting dates for a financial year are agreed in the preceding year's Board meeting.3. Board minutes kept by the Company Secretary are sent to the Directors for records and are open for inspection by the Directors.4. The Company has arranged appropriate insurance cover for the Directors.

Focus and Principles**Corporate Governance Practices**

1.2 Division of Responsibilities

1. The Board has appointed a Chairman who has executive responsibilities and who provides leadership to the Board in terms of establishing policies and business directions. The Chairman ensures that the Board works effectively and discharges its responsibilities, and that all key and appropriate issues are discussed by the Board in a timely manner. The Board also comprises Independent Non-executive Directors who bring strong independent judgement, knowledge and experience to the Board's deliberations. Apart from their appointments as Independent Non-executive Directors, none of them has any form of service contract with the Company or any of its subsidiaries. The Board also comprises a Non-executive Director who brings financial and accounting knowledge and experience to the Board. In addition, each Executive Director is delegated individual responsibility to oversee and monitor the operations of a specific business unit, and to implement the strategies and policies set by the Board. As noted below, the majority of the Audit Committee members and the Remuneration Committee members are Independent Non-executive Directors. This structure ensures that the independence of views and opinions expressed by the Directors at the Audit Committee and Remuneration Committee meetings.
2. Acting as the Chairman of the Board, Mr Ang Keng Lam leads the Board and ensures all Directors are properly briefed on issues to be discussed at Board meetings.
3. After due consideration, the Board proposed not to comply with the code provision requiring the separation of the role of Chairman and Chief Executive Officer for reason that each Executive Director of the Company is delegated individual responsibility to oversee and monitor the operations of a specific business unit, and to implement the strategies and policies set by the Board. The Company's Chairman also ensures that the Board works effectively and discharges its responsibilities, and that all key and appropriate issues are discussed by the Board in a timely manner. In addition, the Company's Independent Non-executive Directors bring along strong independence element to the Board's deliberation.
4. Accordingly, the Board operates in a functional manner with clearly defined objectives, strategies and responsibilities. Therefore, the Board considers that the separate appointment of Chairman and Chief Executive Officer is not necessary.

CORPORATE GOVERNANCE REPORT (Continued)

Focus and Principles	Corporate Governance Practices
<p>1.3 Board Composition</p>	<ol style="list-style-type: none"> 1. The Board currently comprises four Executive Directors, three Independent Non-executive Directors and one Non-executive Director. 2. The Executive Directors are Messrs Ang Keng Lam (Chairman), Wong Siu Kong (Deputy Chairman and Managing Director), Ho Shut Kan and Ma Wing Kai, William and the Independent Non-executive Directors are Messrs William Winship Flanz, Lau Ling Fai, Herald and Christopher Roger Moss, O.B.E.. Mr Tse Kai Chi is the Non-executive Director. The Board members have no financial, business, family or other material/relevant relationships with each other. Such balanced board composition, coupled with the strong independent element, is over and above the recommended practice under the Code for the Board to have at least one-third in number of its Board members comprising Independent Non-executive Directors. The biographies of the Directors are set out on pages 70 to 71 of this annual report, which demonstrate a diversity of skills, expertise, experience and qualifications. 3. Mr Lau Ling Fai, Herald, who was formerly a partner of PricewaterhouseCoopers (the external auditors of the Company) until his retirement on 30 June 2001, became an Independent Non-executive Director of the Company on 1 December 2003 which was a date falling on two years after his retirement from PricewaterhouseCoopers. 4. The Company has received annual confirmation of independence from the three Independent Non-executive Directors in accordance with Rule 3.13 of the Listing Rules. The Board has assessed their independence and concluded that all the Independent Non-executive Directors are independent within the definition of the Listing Rules.
<p>1.4 Directors' Appointment, Re-election and Removal</p>	<ol style="list-style-type: none"> 1. During the year, formal appointment letters have been signed with each Non-executive Director of the Company. Under the appointment letters, the Non-executive Directors will be appointed for a period of three years from the date of his appointment/last re-election. 2. At the Annual General Meeting of the Company held on 26 April 2005, amendments to the Company's Bye-laws were approved by the Company's shareholders pursuant to which each Director shall retire from office no later than the third annual general meeting of the Company after he was last elected or re-elected (i.e. the term of appointment of each Director is effectively three years). 3. Pursuant to Bye-laws 102(A) and (B), each Director appointed to fill a casual vacancy or as an additional Director is subject to re-election at the next annual general meeting following his appointment.

Focus and Principles	Corporate Governance Practices
	<ol style="list-style-type: none"> <li data-bbox="539 551 1425 797">4. The Company has not established a nomination committee. New Directors are sought mainly through referrals or internal promotion. In evaluating whether an appointee is suitable to act as a Director of the Company, the Board of Directors will review the independence, experience and skills of the appointee as well as personal ethics, integrity and time commitment of the appointee. Appointment of a new Director requires the unanimous approval of the Board members. <li data-bbox="539 797 1425 891">5. During the year, Mr Tse Kai Chi was appointed as the Non-executive Director of the Company.
<p data-bbox="145 902 502 936"><i>1.5 Responsibilities of Directors</i></p>	<ol style="list-style-type: none"> <li data-bbox="539 902 1425 1003">1. The Directors are continually updated with legal and regulatory developments, business and market changes and development of the Company to facilitate them in discharging their responsibilities. <li data-bbox="539 1003 1425 1283">2. The Independent Non-executive Directors take an active role in Board meetings, contribute to the development of strategies and policies and make sound judgement in various aspects. They will take lead when potential conflicts of interest arise. They are also members of various Board committees and devote sufficient amount of time and attention to the affairs of the Company. Their attendance record, on a named basis, during the financial year ended 31 December 2005 is set out in the table on page 64 of this annual report. <li data-bbox="539 1283 1425 1541">3. The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules as the code for securities transactions by Directors of the Company (the "Securities Dealing Code"). The Directors have confirmed compliance with the required standards set out in the Securities Dealing Code throughout the financial year ended 31 December 2005 and for the period up to the latest practicable date prior to the publication of this annual report.
<p data-bbox="145 1552 502 1630"><i>1.6 Supply of and Access to Information</i></p>	<ol style="list-style-type: none"> <li data-bbox="539 1552 1425 1697">1. All Directors receive a regular supply of information about the business activities, financial highlights and operations review of the Group so that they are up-to-date and are well-informed prior to participation in Board meetings. <li data-bbox="539 1697 1425 1865">2. The Board members are supplied with comprehensive board papers and relevant materials within a reasonable period of time in advance of the intended meeting date (in any event no less than 3 days before the date of the meeting), including business and financial reports covering the Group's principal business activities. <li data-bbox="539 1865 1425 1966">3. To facilitate the decision-making process, the Directors are free to have access to the management for enquiries and to obtain further information, when required. <li data-bbox="539 1966 1425 2145">4. All Directors have unrestricted access to the advice and services of the Company Secretary, who ensures that the Board receives appropriate and timely information for its decision-making and that Board procedures are being followed. The Directors can obtain independent professional advice at the Company's expense.

CORPORATE GOVERNANCE REPORT (Continued)

Focus and Principles	Corporate Governance Practices
2. Remuneration of Directors	<p data-bbox="564 595 858 629"><u>Remuneration Committee</u></p> <ol data-bbox="564 629 1476 1863" style="list-style-type: none"><li data-bbox="564 629 1476 898">1. The Company established the Remuneration Committee in February 1997 with the Independent Non-executive Directors constituting the majority of the committee. The chairman of the Remuneration Committee is the Chairman of the Board and the other members comprise the Deputy Chairman of the Board and all the three Independent Non-executive Directors of the Company. The list of members of the Remuneration Committee can be found in the section headed "Corporate Information & Key Dates" of this annual report.<li data-bbox="564 898 1476 1077">2. During the year, the Board reviewed the terms of reference of the Remuneration Committee and has made relevant amendments to accommodate the requirements of the Code, where appropriate. The terms of reference of the Remuneration Committee are published in the Company's website www.kerryprops.com.<li data-bbox="564 1077 1476 1559">3. The Remuneration Committee has primary responsibility for making recommendations for approval by the Board with respect to matters relating to the remuneration of the Executive Directors of the Company. The major responsibilities of the Remuneration Committee are:–<ol data-bbox="619 1211 1476 1559" style="list-style-type: none"><li data-bbox="619 1211 1476 1279">i) to make recommendations on the Company's policies and structure for all the remuneration of the Executive Directors;<li data-bbox="619 1279 1476 1379">ii) to propose the specific remuneration packages of the Executive Directors, and to make recommendations on the remuneration of the Non-executive Directors for the Board's approval;<li data-bbox="619 1379 1476 1480">iii) to review and propose performance-based remuneration for Executive Directors by reference to corporate goals and objectives resolved by the Board from time to time; and<li data-bbox="619 1480 1476 1559">iv) to administer and make determinations with regard to the Company's share option scheme.<li data-bbox="564 1559 1476 1727">4. The Remuneration Committee met twice during the financial year ended 31 December 2005 and the attendance record, on a named basis, is set out in the table on page 66 of this annual report. Details of the work performed by the Remuneration Committee during the year are set out in the "Remuneration Committee Report" on page 68 of this annual report.<li data-bbox="564 1727 1476 1794">5. When the remuneration package of an individual Director is under review, such Director will abstain from voting.<li data-bbox="564 1794 1476 1863">6. During the year, the Board approved all the recommendations of the Remuneration Committee.

Focus and Principles**Corporate Governance Practices**

Remuneration package for Executive Directors

1. The remuneration for the Executive Directors comprises basic salary, discretionary bonus, pensions and share options.
2. Salaries are reviewed annually. Salary increases are made where the Remuneration Committee believes that adjustments are appropriate to reflect the performance, contribution and increased responsibilities of each Executive Director and/or by reference to market/sector trends.
3. In addition to basic salary, Executive Directors and employees of the Company and its subsidiaries are eligible to receive a discretionary bonus taking into consideration factors such as market conditions as well as corporate and individual performances.
4. As part of the compensation of the Executive Directors and in order to attract, retain and motivate executives and key employees serving any members of the Group or other persons contributing to the Group, the Company has adopted the 1997 Share Option Scheme (which was terminated on 17 April 2002 in respect of grant of further options) and the 2002 Share Option Scheme. Such incentive schemes enable the eligible persons to obtain an ownership interest in the Company and thus will motivate them to optimize their contributions to the Group.
5. Details of the amount of Directors' emoluments during the financial year ended 31 December 2005 are set out in note 12(b) to the financial statements of this annual report. Details of the 1997 Share Option Scheme and the 2002 Share Option Scheme by the Company are set out in the Directors' Report and note 34 to the financial statements of this annual report.

3. Accountability and Audit**3.1 Financial Reporting**

1. The Board is responsible for the preparation of the financial statements. In preparing the financial statements, the generally accepted accounting standards in Hong Kong have been adopted, appropriate accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made. The external auditors have a primary responsibility for auditing and reporting on the financial statements and the Auditors' Report to the shareholders is included in this annual report.
2. Towards the end of 2005, the Board has reviewed the financial projections of the Group in respect of the five financial years ending 31 December 2010. On the basis of this review, the Board is not aware of any material uncertainties relating to events or conditions which may cast significant doubt over the Group's ability to continue as a going concern. Accordingly, the Board has continued to adopt the going concern basis in preparing the financial statements.

CORPORATE GOVERNANCE REPORT (Continued)

Focus and Principles	Corporate Governance Practices
3.2 Internal Controls	<ol style="list-style-type: none">1. The Board is responsible for maintaining an adequate system of internal controls within the Group and for reviewing their effectiveness. The system of internal control is designed to facilitate effective and efficient operations, to safeguard assets and to ensure the quality of internal and external reporting and compliance with applicable laws and regulations. In devising internal controls, the Group has given regard to the nature and extent of the Group's business, operational and financial risks, the likelihood of crystallization of such risks and the costs of implementing the relevant internal controls. The internal controls are designed to manage, but not eliminate, the risk of failure to achieve business objective and can only provide reasonable, and not absolute, assurance against the risks of material misstatement, fraud or losses.2. During the year ended 31 December 2005, the Board, through the Audit Committee, has reviewed the risks and evaluated the internal control framework that operates within the Group and considered that the system of internal controls in operation in the Group is effective.3. More details on the Group's internal control framework and the Board's process to evaluate the Group's system of internal controls is set out in the section headed "Internal Controls" on page 69 of this annual report.
3.3 Audit Committee	<ol style="list-style-type: none">1. The Audit Committee of the Board was established in December 1998 and currently comprises two Independent Non-executive Directors and the Non-executive Director of the Company, who among themselves possess a wealth of financial and accounting experience in the accounting profession, finance and commercial sectors. The list of members of the Audit Committee can be found in the section headed "Corporate Information & Key Dates" of this annual report.2. During the year, the Board reviewed the terms of reference of the Audit Committee and has made relevant amendments to accommodate the requirements of the Code, where appropriate. The terms of reference of the Audit Committee are published in the Company's website www.kerryprops.com.

Focus and Principles**Corporate Governance Practices**

- 3 The major responsibilities of the Audit Committee are:–
- i) to make recommendations with respect to the appointment, reappointment and removal of the Company's external auditors, and to evaluate their independence and objectivity and the effectiveness of the audit process;
 - ii) to review and monitor the interim and annual consolidated financial statements, reports and accounts of the Company, and to review significant and judgemental financial reporting issues contained therein;
 - iii) to review the Company's financial controls, internal controls and risk management systems; and
 - iv) to discuss with the management the system of internal controls, and to ensure that the management has discharged its duties and responsibilities in implementing an effective internal control system.
4. The Audit Committee met four times during the financial year ended 31 December 2005 and the attendance record, on a named basis, is set out in the table on page 65 of this annual report. Details of the work performed by the Audit Committee during the year are set out in the "Audit Committee Report" on page 67 of this annual report.

3.4 Auditors' Remuneration

During the financial year ended 31 December 2005, the fees paid/payable to the auditors in respect of audit and non-audit services provided by the auditors to the Group were as follows:–

<i>Nature of services</i>	<i>Amount HK\$</i>
Audit services	6,168,912
Non-audit services	
(i) Tax services	1,901,830
(ii) Due Diligence	1,247,301
(iii) Other services	519,333

4. Delegation by the Board**4.1 Management Functions**

The day-to-day running of the Company is delegated to the management, with divisional heads responsible for different aspects of the Group's businesses.

4.2 Board Committees

In addition to delegating specific responsibilities to the Audit Committee (see paragraph 3.3 above) and the Remuneration Committee (see paragraph 2 above), the Board established the Finance Committee in August 1996 with delegated authority for reviewing and approving certain financial matters of the Group. Currently, the Finance Committee comprises the Chairman, the Deputy Chairman and an Executive Director of the Company, and it deals with matters such as the investment of surplus funds, undertakings, determination and approval of investment acquisitions and disposals, arrangement of banking facilities and approval of guarantees and indemnities within designated limits.

CORPORATE GOVERNANCE REPORT (Continued)

Focus and Principles	Corporate Governance Practices
5. Communication with Shareholders	

5.1 Investor Relations

Communication channels

In order to develop and maintain a continuing investors' relationship programme with the Company's shareholders, the Company has established various channels of communication with its shareholders:–

- i) Shareholders can raise any comments on the performance and future directions of the Company with the Directors at the annual general meeting.
- ii) Press and analysts' conferences are held at least twice a year subsequent to the interim and final results announcements, at which the Executive Directors are available to answer questions regarding the Group's operational and financial performances.
- iii) The Company also avails itself of opportunities to communicate and explain its strategies to shareholders and the investor community, through active participation at investors' conferences and regular meetings with financial analysts, fund managers and potential investors. In particular, the Company participated in a number of roadshows and investors' conferences organized by various investment banks during 2005, as a move to enhance the Group's relationship with the investor community and its understanding of the Group's operations and developments.

Set out below are the roadshows and investors' conferences in which the Group participated during 2005:–

Date	Event	Organiser	Venue
January 2005	Asian Company Conference	ABN AMRO	London/Boston/ New York
March 2005	Asian Investment Conference	Credit Suisse First Boston	Hong Kong
July 2005	JP Morgan Non-Deal Roadshow	JP Morgan	New York/ Boston/London/ Edinburgh
November 2005	Morgan Stanley Asia Pacific Summit	Morgan Stanley	Singapore

The Group plans to continue to deepen its investors' relationship by participating in future roadshows and conferences.

- iv) The Company's website at www.kerryprops.com contains important corporate information, biographical details of the Directors and senior management, organization structure, annual and interim reports, major historical developments with comprehensive and user-friendly information about the Group, as well as announcements and circulars issued by the Company in order to enable the Company's shareholders and the investor community to have timely access to updated information about the Group.
- v) Shareholders and members of the investor community are welcome to raise enquiries through our Corporate Communications Department, whose contact details are available in the Company's website www.kerryprops.com and as stated in the section headed "Corporate Information & Key Dates" of this annual report.

General meetings

1. The general meeting provides a forum for the Board to communicate with the shareholders of the Company. Shareholders holding not less than one-tenth of the paid-up capital of the Company may deposit a requisition to convene a special general meeting and state the purpose therefor at the Company's registered office in Bermuda at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda.
2. To facilitate enforcement of shareholders' rights, significant issues are dealt with under separate resolutions at general meetings.
3. The Chairman of the Board is available at annual general meetings to answer questions raised by shareholders or other parties. The chairman of the Company's independent board committee (if any) is also present to answer questions at any general meeting which is convened to approve a connected transaction or any other transaction that is subject to independent shareholders' approval.
4. The 2005 annual general meeting of the Company was held on 26 April 2005 at Atrium Room, Level 39, Island Shangri-La Hotel, Pacific Place II, Supreme Court Road, Central, Hong Kong. The following resolutions were passed at the meeting:–
 - (a) To adopt the audited accounts and the reports of the Directors and the auditors for the financial year ended 31 December 2004;
 - (b) To declare a final dividend for the financial year ended 31 December 2004;
 - (c) To re-elect Mr William Winship Flanz , the retiring Director;
 - (d) To fix Directors' fees;
 - (e) To re-appoint PricewaterhouseCoopers as auditors and to authorise the Directors of the Company to fix their remuneration;
 - (f)
 - (i) To grant a general mandate to the Directors of the Company to allot, issue and deal with additional shares not exceeding 20% of the issued share capital of the Company as at the date of passing the resolution;
 - (ii) To grant a general mandate to the Directors of the Company to repurchase shares in the share capital of the Company not exceeding 10% of the issued share capital of the Company as at the date of passing the resolution; and
 - (iii) To extend, conditional upon the above resolution No. (f)(ii) being duly passed, the general mandate to allot shares by adding aggregate nominal amount of the repurchased shares to the 20% general mandate; and
 - (g) To approve the amendments to the Bye-laws of the Company.

CORPORATE GOVERNANCE REPORT (Continued)

Focus and Principles	Corporate Governance Practices
	<p>5. Voting by poll - Procedures and requirements</p> <p>The Company follows the requirements under the new Listing Rules (which became effective on 31 March 2004) in its circulars convening a general meeting to contain the procedures for and the rights of shareholders to demand a poll in compliance with Rule 13.39(4). The relevant resolution regarding the procedures on voting by poll has been passed at the Company's annual general meeting held on 26 April 2005.</p> <p>In accordance with Bye-law 70 of the Company's Bye-laws, a resolution put to the vote of a general meeting shall be decided on a show of hands, but a poll may be demanded (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll):-</p> <ul style="list-style-type: none">(i) by the Chairman of the meeting; or(ii) by at least three shareholders present in person or by duly authorised corporate representative or by proxy for the time being entitled to vote at the meeting; or(iii) by any shareholder or shareholders present in person or by duly authorised corporate representative or by proxy and representing not less than one-tenth of the total voting rights of all the shareholders having the right to vote at the meeting; or(iv) by any shareholder or shareholders present in person or by duly authorised corporate representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right. <p>In addition, according to Bye-law 70A of the Company's Bye-laws, notwithstanding any other provisions of the Company's Bye-laws:-</p> <ul style="list-style-type: none">(a) if the aggregate proxies held by (i) the Chairman of a particular meeting, and (ii) the Directors, account for 5% or more of the total voting rights at that meeting, and(b) if on a show of hands in respect of any resolution, the shareholders at the meeting vote in the opposite manner to that instructed in the proxies referred to in (a) above, <p>the Chairman of the meeting and/or any Director holding the proxies referred to above shall demand a poll. However, if it is apparent from the total proxies held by the persons referred to in (a) above that a vote taken on a poll will not reverse the vote taken on a show of hands, then no poll shall be required.</p>

Focus and Principles

Corporate Governance Practices

5.2 Shareholder Information

An analysis of the shareholders of the Company as at 31 December 2005 based on the registers of members of the Company is as follows:–

<i>(Bermuda principal and Hong Kong branch registers)</i>				
<i>As at 31 December 2005</i>	<i>Shareholders</i>		<i>Shares of HK\$1 each</i>	
<i>Number of Shares Held</i>	<i>Number</i>	<i>% of total</i>	<i>Number</i>	<i>% of total</i>
1-500	56	14.66%	14,318	0.00%
501-2,000	119	31.16%	150,639	0.01%
2,001-5,000	72	18.85%	259,616	0.02%
5,001-20,000	61	15.97%	642,536	0.05%
20,001-50,000	24	6.28%	820,842	0.07%
50,001-100,000	6	1.57%	390,577	0.03%
100,001-200,000	7	1.83%	950,544	0.09%
200,001-500,000	8	2.09%	2,515,890	0.21%
500,001-1,000,000	6	1.57%	4,400,616	0.36%
1,000,001-2,000,000	6	1.57%	8,028,594	0.66%
2,000,001-5,000,000	6	1.57%	20,354,069	1.67%
Over 5,000,000	11	2.88%	1,178,050,681	96.83%
	382	100%	1,216,578,922	100%
Geographical Distribution				
(a) Asia				
Hong Kong	333	87.172%	536,104,471	44.067%
Malaysia	18	4.711%	37,547,694	3.086%
Singapore	15	3.927%	2,711,059	0.223%
Thailand	5	1.309%	640,082,726	52.614%
PRC	2	0.524%	6,674	0.001%
Indonesia	1	0.262%	63,539	0.005%
United Arab Emirates	1	0.262%	14,279	0.001%
(b) Australasia				
Australia	3	0.785%	18,128	0.001%
(c) Europe				
Isle of Man, British Isles	1	0.262%	14,279	0.001%
United Kingdom	1	0.262%	107	0.000%
(d) America				
Canada	1	0.262%	14,966	0.001%
United States of America	1	0.262%	1,000	0.000%
	382	100%	1,216,578,922	100%

5.3 Other Relevant Information

Key corporate dates for the financial year ending 31 December 2006 and the Company's market capitalization as at 31 December 2005 are set out in the sections headed "Corporate Information & Key Dates" and "Financial Highlights" of this annual report, respectively.

CORPORATE GOVERNANCE REPORT (Continued)

ATTENDANCE RECORD AT BOARD MEETINGS

during the financial year ended 31 December 2005

Name of Director	Date of Board Meeting				
	8 March	10 March	31 May	23 September	6 December
EXECUTIVE					
Ang Keng Lam	Y	Y	Y	Y	Y
Wong Siu Kong	Y	N	Y	N	Y
Ho Shut Kan	Y	Y	Y	Y	Y
Ma Wing Kai, William	Y	Y	Y	Y	Y
TOTAL	4	3	4	3	4
PRESENT	4 (100%)	3 (75%)	4 (100%)	3 (75%)	4 (100%)
AVERAGE FOR THE YEAR					90%
INDEPENDENT NON-EXECUTIVE					
William Winship Flanz	Y	Y	Y	Y	Y
Lau Ling Fai, Herald	Y	Y	Y	Y	Y
Christopher Roger Moss, O.B.E.	Y	Y	Y	Y	Y
TOTAL	3	3	3	3	3
PRESENT	3 (100%)	3 (100%)	3 (100%)	3 (100%)	3 (100%)
AVERAGE FOR THE YEAR					100%
NON-EXECUTIVE					
Tse Kai Chi (appointed on 1 September 2005)	N/A	N/A	N/A	Y	Y
TOTAL	N/A	N/A	N/A	1	1
PRESENT	N/A	N/A	N/A	1 (100%)	1 (100%)
AVERAGE FOR THE YEAR					100%
OVERALL					
TOTAL	7	7	7	8	8
PRESENT	7 (100%)	6 (86%)	7 (100%)	7 (88%)	8 (100%)
AVERAGE FOR THE YEAR					95%

Y = Attendance

N = No attendance

N/A = Not applicable

ATTENDANCE RECORD AT AUDIT COMMITTEE MEETINGS
during the financial year ended 31 December 2005

Name of Director	Date of Audit Committee Meeting			
	2 March	25 May	14 September	30 November
INDEPENDENT NON-EXECUTIVE				
William Winship Flanz (ceased to act as Audit Committee member on 1 September 2005)	N	Y	N/A	N/A
Lau Ling Fai, Herald	Y	Y	Y	Y
Christopher Roger Moss, O.B.E.	Y	Y	Y	Y
TOTAL	3	3	2	2
PRESENT	2 (67%)	3 (100%)	2 (100%)	2 (100%)
AVERAGE FOR THE YEAR				92%
NON-EXECUTIVE				
Tse Kai Chi (appointed on 1 September 2005)	N/A	N/A	Y	Y
TOTAL	N/A	N/A	1	1
PRESENT	N/A	N/A	1 (100%)	1 (100%)
AVERAGE FOR THE YEAR				100%
OVERALL				
TOTAL	3	3	3	3
PRESENT	2 (67%)	3 (100%)	3 (100%)	3 (100%)
AVERAGE FOR THE YEAR				92%

Y = Attendance

N = No attendance

N/A = Not applicable

CORPORATE GOVERNANCE REPORT (Continued)

ATTENDANCE RECORD AT REMUNERATION COMMITTEE MEETINGS during the financial year ended 31 December 2005

Name of Director	Date of Remuneration Committee Meeting	
	25 January	17 March
EXECUTIVE		
Ang Keng Lam	Y	Y
Wong Siu Kong	N	Y
TOTAL	2	2
PRESENT	1 (50%)	2 (100%)
AVERAGE FOR THE YEAR		75%
INDEPENDENT NON-EXECUTIVE		
William Winship Flanz	N	Y
Lau Ling Fai, Herald	Y	Y
Christopher Roger Moss, O.B.E.	Y	Y
TOTAL	3	3
PRESENT	2 (67%)	3 (100%)
AVERAGE FOR THE YEAR		84%
OVERALL		
TOTAL	5	5
PRESENT	3 (60%)	5 (100%)
AVERAGE FOR THE YEAR		80%

Y = Attendance

N = No attendance