

Corporate Governance Report

The Board recognises the importance of a good and solid framework of corporate governance and has made continued efforts to incorporate key elements of corporate governance in our management structures and internal control procedures.

The Company has complied with all the applicable code provisions of the Code on Corporate Governance Practices (the “Code”) set out in Appendix 14 of the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange throughout the year ended 31st December 2006 (the “Year”).

A. Directors

A.1 The Board

Summary of Code provisions		Alignment	Remarks
A1.1	The Board should meet at least 4 times a Year.	✓	Four Board meetings were held during the Year.
A1.2	All directors should be given the opportunity to set out items on the agenda for regular board meetings.	✓	Agenda for regular Board meetings are sent to all Directors in advance and they are given opportunities with reasonable time to include relevant matters for discussion in the Board meetings.
A1.3	14 days notice should be given for regular board meetings.	✓	Timetable for regular Board meetings are scheduled well in advance to facilitate and maximize the attendance and participation of Directors whilst reasonable notices are given for all other Board meetings.
A1.4	Directors should have access to the company secretary's advice.	✓	Directors have access to the company secretary for advice on Board procedures and compliance matters.
A1.5	Minutes of board meetings and committee meetings should be kept by company secretary and open for inspection by any director.	✓	All minutes are kept by the company secretary and open for inspection upon reasonable notice by Directors.
A1.6	Minutes should record sufficient detail, concerns raised and dissenting views and draft and final versions should be sent to directors for comments and record.	✓	Minutes of the Board meetings and Board committees meetings recorded in sufficient detail the matters considered by the Directors and decisions reached, including any concerns raised by Directors or dissenting views expressed. Draft version of minutes were sent to all the relevant Directors for their comment within a reasonable time.
A1.7	Upon reasonable request, there should be procedure agreed by the board to enable directors to seek independent professional advice at the Company's expenses.	✓	There are procedures to enable the Directors, upon reasonable request, to seek independent professional advice in appropriate circumstances at the Company's expense.
A1.8	If a substantial shareholder /a director has conflict of interest in a material matter, the matter should be dealt with by board meeting with independent non-executive directors with no material interest present.	✓	If a substantial shareholder or a director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter shall not be dealt with by way of circulation or by a committee but a Board meeting shall be held, during which such director must abstain from voting. Independent Non-executive Directors who have no material interest in the transaction shall be present at such Board meeting.

Corporate Governance Report (continued)

A.1 The Board (continued)

The business and affairs of the Group shall be under the direction of and vest with the Board. However, while the Board retains oversight responsibility, certain of that authority is necessarily delegated by the Board to the management in order to enable the management to develop and implement the Company's strategic plans and operating plans, and to conduct the Company's day-to-day activities. The Board diligently monitors the management's performance in that regard but responsibility for conducting the Company's day-to-day operations rests with the management.

The Board appointed four Board committees, namely executive committee, audit committee, remuneration committee and nomination committee to oversee particular aspects of the Group's affairs. The Board and the Board committees work under well established corporate governance practices and its terms of reference which reinforces the responsibilities of directors in accordance with the requirements of the Listing Rules and other relevant statutory requirements.

The attendance of individual members at the Board and other Board committees meetings during the Year is set out in the following table:-

Directors	Board	Meetings Attended/Held		Nomination Committee
		Audit Committee	Remuneration Committee	
Executive Directors				
WONG Kin Yip, Freddie	4/4	–	1/1	1/1
TANG Mei Lai, Metty	4/4	–	–	–
LAM Fung Fong	4/4	–	1/1	1/1
CHAN Kwan Hing	4/4	–	–	–
KWOK Ying Lung	4/4	–	–	–
Independent Non-executive Directors				
KOO Fook Sun, Louis	4/4	2/2	1/1	1/1
SUN Tak Chiu	4/4	2/2	1/1	1/1
WANG Ching Miao, Wilson	4/4	2/2	1/1	1/1

A.2 Chairman and Chief Executive Officer

Summary of Code provisions		Alignment	Remarks
A2.1	Roles of chairman and chief executive officer ("CEO") should be separate, clearly established and set out in writing.	✓	There is a segregation of duties between the Chairman's responsibility for leadership and management of the Board and the Group's strategy, and the responsibilities of the CEO of respective business units to develop business division's objective and budgets and to implement the Group's strategies.
A2.2	The Chairman should ensure that all directors are properly briefed on issues arising at board meeting.	✓	The Chairman accepts his responsibility to ensure that major issues of the Company are addressed by the Board, and that these issues are presented in a manner which facilitates thorough discussion and the appropriate resolution and all Directors are properly briefed on issues arising at the Board meetings. He shall also ensure that Directors receive adequate information, which must be complete and reliable, in a timely manner.
A2.3	The Chairman should ensure that directors receive adequate, complete and reliable information.	✓	

Corporate Governance Report (continued)

A.3 Board Composition

Summary of Code provisions		Alignment	Remarks
A3.1	Independent non-executive director should be expressly identified as such in all corporate communications that disclose the names of directors of the issuer.	✓	The Independent Non-executive Directors are expressly identified in all corporate communications that disclose the names of the directors of the Company.

The Board currently comprises five Executive Directors, namely Mr WONG Kin Yip, Freddie, Ms TANG Mei Lai, Metty, Ms LAM Fung Fong, Mr CHAN Kwan Hing and Mr KWOK Ying Lung and three Independent Non-executive Directors, representing more than one-third of the Board, namely Mr KOO Fook Sun, Louis, Mr SUN Tak Chiu and Mr WANG Ching Miao, Wilson. They offer diversified expertise and serve to advise the Board and management on strategy development and provide checks and balances for safeguarding the interest of the shareholders and the Group as a whole. The Company has received annual written confirmation from each of the Independent Non-executive Directors that they have met all the independence guidelines set out in Rule 3.13 of the Listing Rules.

A.4 Appointment, Re-election and Removal

Summary of Code provisions		Alignment	Remarks
A4.1	Non-executive directors should be appointed for a specific term, subject to re-election.	✓	All the non-executive directors were appointed for a specific term, subject to re-election pursuant to the Bye-laws.
A4.2	All directors appointed to fill a casual vacancy subject to election by shareholders at the first general meeting; every director subject to retirement by rotation at least once every three years.	✓	All the Company's directors appointed to fill casual vacancy should be subject to election at the first general meeting, and every director shall be subject to rotation at least once every three years.

The Board established a nomination committee on 10th March 2005, whose current members are Mr WONG Kin Yip, Freddie, Ms LAM Fung Fong, Mr KOO Fook Sun, Louis, Mr SUN Tak Chiu and Mr WANG Ching Miao, Wilson. The terms of reference of the nomination committee, which is made available on the website of the Group, has set out details of its role and functions, nomination procedures and the process and criteria adopted for selection and recommendation of candidates for directorship of the Company.

The Nomination Committee is responsible for, inter alia:—

- (i) reviewing the structure, size and composition (including the skills, knowledge and expertise) of the Board on a regular basis and making recommendations to the Board regarding any proposed changes; and
- (ii) identifying individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of, individuals nominated for directorship.



Corporate Governance Report (continued)

A.5 Responsibilities of Directors

Summary of Code provisions		Alignment	Remarks
A5.1	Every newly appointed director should receive a comprehensive, formal induction, and subsequent briefing and development as is necessary.	✓	A tailored induction shall be provided to familiarize the newly appointed director with the Company's business operations and financial positions, his/her responsibilities under statute and common law, the Listing Rules, applicable legal and other regulatory requirements.
A5.2	Functions of non-executive directors should include A.5.2 of the Code Provision in the Code.	✓	Strategically planning and monitoring the Company's performance are, among others, the major functions of the Directors. The Board shall be accountable and responsible for the performance and affairs of the Company.
A5.3	Directors should give sufficient time and attention to company's affairs.	✓	Directors accept their responsibilities to give appropriate time and attention to the Company's affairs.
A5.4	Every director must comply with the Model Code for Securities Transactions by the Directors of Listed Issuers ("Model Code") as set out in Appendix 10 of the Listing Rules.	✓	The Company has established its own code of conduct regarding securities transactions by directors on terms no less exacting than the required standard set out in the Model Code. The Board also has established a policy with no less exacting terms than the Model Code for the relevant employees in respect of their dealings in the securities of the Company and of its listed subsidiary.

A.6 Supply of and Access to Information

Summary of Code provisions		Alignment	Remarks
A6.1	Agenda and board papers should be sent to directors at least 3 days before regular board meeting or committee meeting.	✓	In respect of regular Board meetings, and so far as practicable in all other meetings, Board papers are dispatched to Board and Board Committee members not less than 3 days before a Board or Board committee meetings.
A6.2	Management should supply the board and its committees with adequate information in timely manner. Each director should have separate and independent access to the issuer's senior management.	✓	Director has contact details of the senior management and are accessible to them to obtain information and for enquiries when required.
A6.3	Directors are entitled to have access to Board papers and related materials.	✓	Board papers and minutes are made available for inspection by the Directors and Board committee members. Where queries are raised by Directors, the Company shall respond as promptly and fully as possible.

Corporate Governance Report (continued)

B. The Remuneration of Directors and Senior Management

B.1 Level and Make-up of Remuneration and Disclosure

Summary of Code provisions		Alignment	Remarks
B1.1	Issuers should establish remuneration committee, majority of which shall be independent non-executive directors.	✓	Please refer to the section below.
B1.2	Remuneration committee should consult the chairman and /or CEO about the remuneration of executive directors.	✓	
B1.3	The terms of reference of the remuneration committee should include B.1.3 of the Code Provision in the CG Code.	✓	
B1.4	Remuneration committee should make available its terms of reference explaining its role and the authority delegated to it by the board.	✓	
B1.5	The remuneration committee should be provided with sufficient resources to discharge its duties.	✓	

The Board established a remuneration committee on 10th March 2005. There are five members currently, namely Mr WONG Kin Yip, Freddie, Ms LAM Fung Fong, Mr KOO Fook Sun, Louis, Mr SUN Tak Chiu and Mr WANG Ching Miao, Wilson, majority of which are Independent non-executive Directors. The role and authorities of the committee, including those set out in B.1.3 of the Code Provision in the Code, were clearly set out in its terms of reference which are available at the Company's website. The committee is mainly responsible to review and determine the remuneration policy and packages of the executive directors and senior management.

The Remuneration Committee, after reviewing all relevant remuneration data and market conditions as well as the performance of individuals and the profitability of the Group, and consulting the chairman, shall consider and make recommendation to the Board for approval of the remuneration packages for Executive Directors and senior management. Executive Directors do not participate in the determination of their own remuneration.

During the Year, the Remuneration Committee held one meeting in which all members attended. The Remuneration Committee had, among others, reviewed the remuneration of the Executive Directors of the Company and approved performance-based remuneration by reference to corporate goals and objectives resolved by the Board and/or the management from time to time.

C. Accountability and audit

C.1 Financial Reporting

Summary of Code provisions		Alignment	Remarks
C1.1	Management should provide information to the board to enable the board to make informed assessment of financial situation.	✓	Management provides explanation and information to the Board to enable it to make an informed assessment of the financial and other information put before the Board for approval.



Corporate Governance Report (continued)

C. Accountability and audit (continued)

C.1 Financial Reporting (continued)

Summary of Code provisions		Alignment	Remarks
C1.2	Directors should acknowledge responsibility for preparing accounts, on a going concern basis and there should be a statement by auditors about their reporting responsibilities in the auditors' report on the financial statements. The corporate governance report should contain sufficient information to enable investors to understand severity and significance of matters at hand.	✓	Please refer to the section below.
C1.3	Board should present a balanced, clear and understandable assessment including in the reports to regulators and to information required to be disclosed pursuant to statutory requirements.	✓	

The Directors acknowledged their responsibility for preparation of financial statements which give a true and fair view of the Group's state of affairs, the results and cashflow for the Year. In preparing the financial statements for the Year, the Directors have:

- (i) approved the adoption of all applicable Hong Kong Financial Reporting Standards which are issued by the Hong Kong Institute of Certified Public Accountants;
- (ii) selected and applied consistently appropriate accounting policies;
- (iii) made judgments and estimates that are prudent and reasonable; and
- (iv) prepared the financial statements on the going concern basis.

The Board recognizes the importance of good corporate governance and transparency and its accountability to shareholders, it shall present a balanced, clear and understandable assessment to annual and interim reports, other price-sensitive announcements and other financial disclosures of the Group as required under the Listing Rules, and reports to regulators as well as to information required to be disclosed pursuant to statutory requirements.

C.2 Internal Controls

Summary of Code provisions		Alignment	Remarks
C2.1	Directors should at least annually review effectiveness of internal control by the Group and state so in corporate governance report.	✓	Please refer to the section below.

Corporate Governance Report (continued)

Internal Controls and Risk Management

The Board is committed to managing risk and maintaining a proper and effective system of internal control to safeguard the shareholders' investment and the Group's assets.

Procedures have been designed for safeguarding assets against unauthorized use or disposition; for maintaining proper accounting records; for the reliability of financial information used within the business or for publication; and for ensuring compliance with the relevant legislation and regulations.

The internal control system is designed to provide reasonable, but not absolute, assurance of no material misstatement or loss and to manage rather than eliminate risks of failure in operational systems and achievement of the Group's objectives.

Control Processes

The key procedures that the Board has established to provide effective internal controls are as follows:

- A comprehensive monthly management reporting system providing financial and operational performance indicators to the management and the relevant financial information for reporting and disclosure purposes, is in place;
- Management structure with defined roles, responsibilities and reporting lines are established. Delegated authorities are documented and communicated;
- System and procedures are in place to identify, measure, manage and control all risks that may have impact on the Group; and
- The internal audit function monitors the effectiveness of internal control structures across the Group. The work of the internal audit function is focused on areas of greatest risk to the Group as determined with a risk-based approach. Independent reports are submitted to the Audit Committee on a regular basis.

The Board, through the Audit Committee, conducts quarterly review of the effectiveness of the Group's internal control system covering financial, operational and compliance controls and risk management processes. The Board, through the review by the Audit Committee, is satisfied that the Group has fully complied with the code provisions on internal controls during the Year under review as set forth in the Code.

Risk Assessment

The Company's management and manager of each business and support units are responsible for identifying, evaluating and managing those significant risks that may cause business disruption or discontinuation. At the Corporate level, when formulating group policies and standards, management will take into consideration those core risks faced by the Group, they include: market, business, operational, compliance and reputational risks. Impact of all risks are constantly assessed and prioritized and appropriate preventive measures are undertaken accordingly.

Market Risk

The Group recognizes market risk as the exposure to the property market which is dependent upon the overall economy and consumer confidence.

The Management keeps abreast of the market trends, Government legislative development and new property projects launch schedules. Our Strategic Development and Research Department closely monitors the economic development and market trends in Hong Kong. Base on these important analytical data coupled with all other relevant information, the Group constantly reviews and adjusts its market positioning as well as the pace of expansion.

Business Risk

Business risk is the risk of failing to achieve business targets due to inappropriate strategies, inadequate resources or changes in the economic or competitive environment and is managed through the Group's management process. The management performs regular reviews on the performance of the Group's businesses in an attempt to assess its business risks and the agreed management action. The reviews cover the corporate financial performance measures, resources utilization and economic data comparison with a view to provide a broad understanding of the current business position.

Corporate Governance Report (continued)

Risk Assessment (continued)

Operational Risk

Operational risk is the risk of direct or indirect loss due to an event or action resulting from the failure of processes, infrastructure, personnel, technology and other risks having an operational impact. The Group seeks to ensure that key operational risks are managed in a timely and effective manner through a framework of policies, procedures and tools to identify, assess, monitor, control and report such risks.

1. Operation Processes

Corporate objectives are clearly communicated to every employee of the Group. Operational procedures, in the accomplishment of the corporate objectives, are documented in details. These procedures, which form an integral part of the internal control systems, are communicated through manuals and guidelines and are promulgated through internal communications and training.

2. Insurance Coverage

Comprehensive insurance coverage has been maintained and is regularly reviewed to mitigate property damage and business interruption.

3. Human Resources

Employees are the major assets of the Group. Midland University, which has been set up since June 1999, provides extensive training and development programmes for staff at all levels ranging from technical skills, ethics and integrity, industry's rules and regulations update, and personal capability development, etc. This not only provides self-development opportunity to our employees but most importantly can enhance the Group's reputation, professional image and competitive edge.

4. Information Technology (IT)

All aspects of our business are heavily dependent on the quality and reliability of our IT infrastructure. In addition to the risk of system failure, new threats to IT security are constantly emerging in the IT and internet community. The Group has maintained its in-house IT capability. Proactive implementation of security measures is in place to safeguard the Group's information assets and comprehensive contingency plans are tested regularly. An independent IT system audit review has also been performed annually by an external professional party to further enhance the IT security, reliability and efficiency.

Compliance Risk

Compliance risk is the risk of non-compliance with the Listing Rules, related laws and regulations.

Company Secretarial Department is responsible for establishing and maintaining an appropriate framework of Group compliance policies and procedures that the Directors and all managers are responsible to comply with.

Reputational Risk

Reputational risk is defined as the risk that any action taken by the Group or its employees creates a negative perception in the external market place.

In the course of setting the business goal and formulating policy and standards for the Group, reputational risk has been taken into consideration. The Group's professionalism in the property-related areas, frequent review of its market positioning, coupled with sufficient internal communication and extensive continuous training offered to staff, have established for the Group and would keep on reinforcing its business reputation. To further safeguard our reputation, the Executive Directors and senior executives including heads of departments and business units are requested to be risk-sensitive and to cooperate closely, this also help promoting sound corporate governance practices throughout the Group.

The Board understands that the press, regulators and the community at large take a close interest in the activities of the Group. These audiences' views and perception of the Group definitely impose a direct impact on the Group's reputation and its market value. It is therefore imperative that all formal and informal statements made to the public shall be accurate and be handled in a clear and consistent manner. To ensure this, all public statement, whether written or oral, must pass through the Public Relations Department for pre-vetting. Duty of verification to ensure accuracy has been imposed under the standard policy that all business units/departments should follow. This is also one of the major duties of the Public Relations Department with regard to reputational risk that they have to monitor and audit the public media's feedback on our performance. In particular, Public Relations professionals are well-trained so as to ensure that in every market disclosure, spokesperson of the Group is fully aware of the potential reputational risks that any piece of information released might bring about. It is the principle of our policy that all information released by the Group to the market must be accurate and has been duly approved by responsible manager or above before any release can be made.

Corporate Governance Report (continued)

C.3 Audit Committee

Summary of Code provisions		Alignment	Remarks
C3.1	Minutes of audit committee should be kept and sent to all members for comment and records within a reasonable time.	✓	Pursuant to its terms of reference, minutes of Audit Committee were kept and sent to all committee members within a reasonable time.
C3.2	A former partner of the issuer's audit firm should not act as a member of the audit committee.	✓	None of the current Audit Committee members are former partner of the Company's existing auditing firm.
C3.3	The terms of reference of audit committee should include terms set out pursuant to C.3.3 of the Code Provision in the Code.	✓	The terms of reference of the Audit Committee, which have included the role and authority delegated to it by the Board together with C.3.3 of the Code Provision, are available at the Group's website and on request.
C3.4	Audit committee should make available its terms of reference.	✓	Terms of reference of the Audit Committee setting are available on the Company's website.
C3.5	Disclosure of any disagreement between board and audit committee on selection, appointment, resignation or dismissal of external auditors. The issuer should state recommendation and reasons for difference in view in corporate governance report.	✓	The Audit Committee has recommended to the Board to re-appoint PricewaterhouseCoopers as the external auditors subject to shareholders approval at the forthcoming annual general meeting.
C3.6	Sufficient resources should be provided to the audit committee to discharge its duties.	✓	Pursuant to its terms of reference, the Audit Committee should be provided with sufficient resources, including advice of professional firms, to discharge its duties, if necessary.

The Board established an audit committee with written terms of reference on 4th August 1998. To comply with the new requirement under the Code, new terms of reference were adopted on 10th March 2005. The current members are Mr KOO Fook Sun, Louis, Mr SUN Tak Chiu and Mr WANG Ching Miao, Wilson, all of which are Independent Non-executive Directors and at least one of whom possess the appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10 (2) of the Listing Rules.

The audit committee is responsible for, inter alia, reviewing of the financial information of the Company and overseeing the Company's financial controls, internal control and risk management systems, and reviewing and monitoring the relationship between the Company and its auditors.

There were two audit committee meetings held during the Year and the Chief Financial Officer, other members of the senior management team and the external auditors of the Company were invited to join the discussion at the meetings.



Corporate Governance Report (continued)

C.3 Audit Committee (continued)

The following is a summary of works performed by the audit committee during the Year:

- (i) review of the Group's annual and interim results announcement and documents with recommendations for the Board's approval;
- (ii) review of the development in accounting standards and its effects on the Group;
- (iii) review of external auditor's audit plan and its nature and scope, the external auditors' reports and other matters raised by the external auditors;
- (iv) review of the independence of the external auditors and approval of its engagement letters and audit fee;
- (v) review of quarterly internal audit reports by the internal audit department in respect of the Group's internal control system and procedures, its effectiveness and the regular updates on key risk areas of control.

Auditors' Remuneration

PricewaterhouseCoopers has been re-appointed as the independent auditors of the Company by Shareholders at the last Annual General Meeting.

The remuneration paid to the Group's independent auditor, PricewaterhouseCoopers, and its affiliated firms, for services rendered is broken down below:

	2006 Fees paid/payable HK\$'000
Audit services	2,789
Non-audit services	453
Total	3,242

The non-audit services mainly comprised interim results advisory fee.

The responsibilities of the independent auditors with respect to the 2006 financial statements are set out in the "Report of the Independent Auditors" on page 39 of the 2006 Annual Report.

D Delegation by the board

D.1 Management functions

	Summary of Code provisions	Alignment	Remarks
DI.1	Board must give clear directions as to powers of management, particularly on delegation to management and matters required prior approval from the board.	✓	Please refer to the section below.
DI.2	Company should formalize functions reserved to the board and functions delegated to management.	✓	

The management, consisting of the executive committee of the Board along with other senior executives, shall be responsible for the implementation of the strategy and direction as adopted by the Board from time to time. The Board also delegates management and administrative functions to the management for their conduct of the day-to-day operations of the Company, effectively, legally and ethically. Executive Directors and management executives meet monthly to review the performance of the businesses of various business units and of the Group as a whole, co-ordinate overall resources and make financial and operational decision.

Corporate Governance Report (continued)

D Delegation by the board (continued)

D.2 Board Committees

Summary of Code provisions		Alignment	Remarks
D2.1	Board committees should have clear terms of reference to enable such committees to discharge their functions properly.	✓	Please refer to terms of reference of the audit committee, remuneration committee and nomination committee of the Company.
D2.2	Terms of reference of board committees should require such committees to report their decisions to the board.	✓	

E Communication with shareholders

E.1 Effective Communication

Summary of Code provisions		Alignment	Remarks
E1.1	A separate resolution at a general meeting on each substantially separate issue should be proposed by the chairman of that meeting.	✓	Separate resolutions are proposed at the general meeting on each substantially separate issues, including election of individual directors.
E1.2	Chairman of the board should attend AGM and arrange for chairmen of audit, remuneration and nomination committees to attend and be available to answer questions.	✓	The chairmen of the Board and the Board committee were available to answer question at the annual general meeting 2006 ("AGM 2006").

Investor Relations

The Company continues to promote and enhance investor relations and communications with potential investors. Communication channel has been established with media, analysts and fund managers via meetings and roadshows. The management personnel responsible for investor relations held regular meetings with equity research analysts, fund managers and institutional shareholders and investors to keep them abreast of the Company's development.

The market capitalisation of the Company as at 29th December 2006, the last trading day in 2006, was HK\$2,915,156,671.50 (issued share capital: 732,451,425 shares at closing market price: HK\$3.98 per share). The public float is around 81.28%.

Shareholders' Rights

Shareholders are encouraged to attend the annual general meetings for which at least 21 days' notice is given. All shareholders have statutory rights to call for special general meetings and put forward agenda items for consideration by shareholders. The Chairman and/or Directors are available to answer questions on the Group's businesses at the meetings.

To foster effective communications with shareholders and investors, the Company is committed to providing clear and full performance information of the Group in its annual report, interim report and press releases. In addition to dispatching circulars, notices, financial reports to shareholders, the Company also disseminates information relating to the Group and its business electronically through its website at www.midland.com.hk.



Corporate Governance Report (continued)

E.2 Voting by Poll

Summary of Code provisions		Alignment	Remarks
E2.1	Chairman of the meeting should disclose in circular procedures and rights to demand a poll.	✓	Procedures for and the right of shareholders to demand a poll have been disclosed in the Company's circular to shareholders.
E2.2	Chairman should count and indicate level of proxies lodged on each resolution, and the balance for and against the resolution.	✓	The chairman of the Board had duly performed the E.2.2 and E.2.3 of the Code Provisions in the AGM 2006. The Company's share registrar, was present to assist and ensure the votes were properly counted.
E2.3	Chairman should explain procedures for demanding and conducting a poll at the commencement of meeting.	✓	