

2006 BUSINESS HIGHLIGHTS

MARCH

The Group acquired a site located at 863-865 King's Road*, Hong Kong, which is planned for redevelopment into an office property with a developable GFA of approximately 502,000 square feet.

* Artist's impression



MARCH

KerryFlex Supply Chain Solutions ("Kerry Flex") (the trading arm of Kerry Logistics) acquired Wah Cheong Company, Limited, a local company with over 50 years of specialist food distribution experience in Hong Kong. The acquisition of Wah Cheong will strengthen KerryFlex's distribution network servicing food and beverage outlets, as well as enhancing its participation in procurement projects for hotel chains.



MAY

The Group acquired a 71% interest in certain existing residential properties located at No. 20 Shan Kwong Road and No. 1-5 Village Terrace in Happy Valley, Hong Kong. The existing site offers a developable GFA of approximately 220,000 square feet and is intended for high-end residential redevelopment.



AUGUST

The Group signed a lease agreement with Hang Seng Bank in relation to the tenancy of the entire 15-storey office tower at Enterprise Square Five, with a GFA measuring approximately 262,000 square feet. The move by Hang Seng Bank's operating units to Enterprise Square Five validates the Group's confidence in the potential of Kowloon Bay, as well as its efforts to develop prime-quality premises in this emerging business zone.



SEPTEMBER

Kerry Logistics began the set-up operations for its pan-European presence with the opening of initial offices in Germany, Austria and Switzerland.



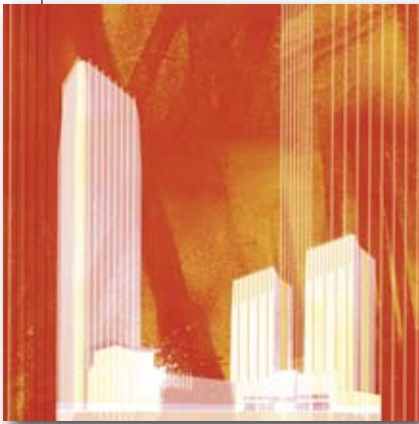
SEPTEMBER

In India, the acquisition of a 51% interest in Reliable Freight Forwarders Private Limited, renamed Kerry Reliable Logistics Private Limited, was completed, giving the Division an extensive network in the country with seven offices located at Chennai (the headquarters), Tirupur, Bangalore, Tuticorin, Mumbai and New Delhi.

MAY

The Group acquired an approximately 85,000 square-foot site in Futian, Shenzhen, located adjacent to the approximately 807,000 square-foot grade-A office complex currently under development*.

* Artist's impression



OCTOBER

In addition to the mixed-use property project currently under development adjacent to Xihu in Xiacheng District, Hangzhou, the Group acquired another site in Xiacheng District, Hangzhou, designated for residential property development and which will generate a planned GFA of 2.7 million square feet.

JUNE

A joint-venture project was undertaken by the Group for a mixed-use property development project in Hedong District, Tianjin. The property development offers an above-ground GFA of approximately 5,371,000 square feet and is currently intended to comprise a hotel, serviced apartments, offices, residences, a shopping mall and carparks and related ancillary facilities.



NOVEMBER

The Group's deluxe residential development at 15 Homantin Hill, Kowloon, was completed.

JUNE

The six-storey approximately 269,000 square-foot facility incorporating a multi-function warehouse in Futian Free Trade Zone commenced operations.



DECEMBER

The construction works for the 1.1 million square-foot "MegaBox"*, a proprietary retail and entertainment complex in Kowloon Bay were completed. This development is designed to become the largest commercial mall in Hong Kong when it opens for business in mid-2007.

* Artist's impression