

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. Prior to 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 issuer's annual report. As far as the Code is concerned, the Company complies with all aspect 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 2006.

Focus and Principles	Corporate Governance Practices
1. Directors	
1.1 The Board	<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 2006, the Board held four meetings and the attendance record, on a named basis, is set out in the table on page 67 of this annual report. Proposed Board meeting dates for a financial year are agreed in the final Board meeting of the preceding year.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
1.3 Board Composition	<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 73 and 74 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 auditor 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.
1.4 Directors' Appointment, Re-election and Removal	<ol style="list-style-type: none">1. In 2005, 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. Pursuant to the Company's Bye-laws, 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) and 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.3. 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.

Focus and Principles	Corporate Governance Practices
1.5 Responsibilities of Directors	<ol style="list-style-type: none"> <li data-bbox="491 432 1485 544">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="491 589 1485 857">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 2006 is set out in the table on page 67 of this annual report. <li data-bbox="491 902 1485 1137">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 2006 and for the period up to the latest practicable date prior to the publication of this annual report.
1.6 Supply of and Access to Information	<ol style="list-style-type: none"> <li data-bbox="491 1189 1485 1301">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="491 1346 1485 1503">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="491 1547 1485 1615">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="491 1659 1485 1812">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	
2.1 Remuneration Committee	<ol style="list-style-type: none">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.2. The terms of reference of the Remuneration Committee are published in the Company's website www.kerryprops.com.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 style="list-style-type: none">i) to make recommendations on the Company's policies and structure for all the remuneration of the Executive Directors;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;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; andiv) to administer and make determinations with regard to the Company's share option scheme.4. The Remuneration Committee met twice during the financial year ended 31 December 2006 and the attendance record, on a named basis, is set out in the table on page 69 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 71 of this annual report.5. When the remuneration package of an individual Director is under review, such Director will abstain from voting.6. During the year, the Board approved all the recommendations of the Remuneration Committee.

Focus and Principles	Corporate Governance Practices
<p>2.2 Remuneration package for Executive Directors</p>	<ol style="list-style-type: none"> <li data-bbox="491 421 1485 499">1. The remuneration for the Executive Directors comprises basic salary, discretionary bonus, pensions and share options. <li data-bbox="491 539 1485 696">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. <li data-bbox="491 741 1485 853">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. <li data-bbox="491 898 1485 1178">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. <li data-bbox="491 1223 1485 1413">5. Details of the amount of Directors' emoluments during the financial year ended 31 December 2006 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 33 to the financial statements of this annual report.

CORPORATE GOVERNANCE REPORT (Continued)

Focus and Principles	Corporate Governance Practices
3. Accountability and Audit	
3.1 Financial Reporting	<ol style="list-style-type: none">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 auditor has a primary responsibility for auditing and reporting on the financial statements and the Auditor's Report to the shareholders is included in this annual report.2. Towards the end of 2006, the Board has reviewed the financial projections of the Group in respect of the five financial years ending 31 December 2011. 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.
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 2006, 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 72 of this annual report.

Focus and Principles

Corporate Governance Practices

3.3 Audit Committee

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. The terms of reference of the Audit Committee are published in the Company's website www.kerryprops.com.
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 auditor, and to evaluate its 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 2006 and the attendance record, on a named basis, is set out in the table on page 68 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 70 of this annual report.

CORPORATE GOVERNANCE REPORT (Continued)

Focus and Principles

Corporate Governance Practices

3.4 Auditor's Remuneration

During the financial year ended 31 December 2006, the fees paid/payable to the auditor in respect of audit and non-audit services provided by the auditor to the Group were as follows:-

Nature of services	Amount HK\$'000
Audit services	9,257
Non-audit services	
(i) Tax services	951
(ii) Other services	265

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 with amounts not exceeding HK\$1 billion, arrangement of banking facilities and approval of guarantees and indemnities within designated limits.

4.3 Executive Committee

The Executive Committee of the Board meets once a month and operates as a general management committee. The Executive Committee meets to discuss the corporate and development strategies of the Company. The members of the Executive Committee comprise the four Executive Directors of the Company.

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 twice a year in relation 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 2006, 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 had participated during the year ended 31 December 2006:-

Date	Event	Organiser	Venue
March 2006	Asian Investment Conference 2006	Credit Suisse	Hong Kong
August 2006	Investors' presentations (in connection with the issuance of US\$420 million Fixed Rate Notes)	Goldman Sachs	Singapore/ Hong Kong
November 2006	Morgan Stanley Asia Pacific Summit	Morgan Stanley	Singapore

The Group plans to continue to enhance 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 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.

CORPORATE GOVERNANCE REPORT (Continued)

Focus and Principles	Corporate Governance Practices
	<u>General meetings</u>
	<ol style="list-style-type: none">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 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 2006 annual general meeting of the Company was held on 3 May 2006 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:-<ol style="list-style-type: none">(a) To adopt the audited financial statements and the reports of the directors and the auditor for the financial year ended 31 December 2005;(b) To declare a final dividend for the financial year ended 31 December 2005;(c) To re-elect Messrs. Ang Keng Lam, Wong Siu Kong, Ho Shut Kan and Tse Kai Chi, the retiring Directors;(d) To fix Directors' fees;(e) To re-appoint PricewaterhouseCoopers as auditor and to authorise the Directors of the Company to fix its remuneration;(f)<ol style="list-style-type: none">(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;(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.

5. Voting by poll – Procedures and requirements

The Company follows the requirements under the new Listing Rules (which became effective on 31 March 2004) by disclosing in its circulars convening a general meeting the procedures for and the rights of shareholders to demand a poll in compliance with Rule 13.39(4).

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):-

- (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.

In addition, according to Bye-law 70A of the Company's Bye-laws, notwithstanding any other provisions of the Company's Bye-laws:-

- (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,

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.

CORPORATE GOVERNANCE REPORT (Continued)

Focus and Principles

Corporate Governance Practices

5.2 Shareholder Information

An analysis of the shareholders of the Company as at 31 December 2006 based on the registers of members of the Company is as follows:-

(Bermuda principal and Hong Kong branch registers)				
As at 31 December 2006	Shareholders		Shares of HK\$1 each	
Number of Shares Held	Number	% of total	Number	% of total
1-500	61	18.26%	12,938	0.00%
501-2,000	100	29.94%	127,819	0.01%
2,001-5,000	59	17.66%	208,279	0.02%
5,001-20,000	55	16.47%	600,278	0.05%
20,001-50,000	18	5.39%	584,272	0.05%
50,001-100,000	6	1.80%	392,822	0.03%
100,001-200,000	9	2.69%	1,244,783	0.10%
200,001-500,000	7	2.09%	2,221,236	0.18%
500,001-1,000,000	4	1.20%	2,908,356	0.23%
1,000,001-2,000,000	5	1.50%	6,913,848	0.56%
2,000,001-5,000,000	4	1.20%	12,503,976	1.01%
Over 5,000,000	6	1.80%	1,210,570,775	97.76%
	334	100%	1,238,289,382	100%
Geographical Distribution				
(a) Asia				
Hong Kong	289	86.52%	745,334,888	60.19%
Malaysia	15	4.49%	6,540,481	0.53%
Singapore	13	3.89%	890,337	0.07%
Thailand	3	0.90%	485,291,009	39.19%
Philippines	1	0.30%	19,648	0.00%
PRC	4	1.20%	86,346	0.01%
Indonesia	1	0.30%	63,539	0.01%
United Arab Emirates	1	0.30%	14,279	0.00%
(b) Australasia				
Australia	3	0.90%	18,128	0.00%
(c) Europe				
Isle of Man, British Isles	1	0.30%	14,279	0.00%
United Kingdom	1	0.30%	108	0.00%
(d) America				
Canada	1	0.30%	15,340	0.00%
United States of America	1	0.30%	1,000	0.00%
	334	100%	1,238,289,382	100%

5.3 Other Relevant Information

Key corporate dates for the financial year ending 31 December 2007 and the Company's market capitalization as at 31 December 2006 are set out in the sections headed "Corporate Information & Key Dates" and "Financial Highlights" of this annual report, respectively.

ATTENDANCE RECORD AT BOARD MEETINGS

during the financial year ended 31 December 2006

Name of Director	Date of Board Meeting			
	24 March	8 June	15 September	8 December
EXECUTIVE				
Ang Keng Lam	Y	Y	Y	Y
Wong Siu Kong	Y	Y	Y	Y
Ho Shut Kan	Y	Y	Y	Y
Ma Wing Kai, William	Y	Y	Y	Y
TOTAL	4	4	4	4
PRESENT	4 (100%)	4 (100%)	4 (100%)	4 (100%)
AVERAGE FOR THE YEAR				100%
INDEPENDENT NON-EXECUTIVE				
William Winship Flanz	Y	Y	Y	Y
Lau Ling Fai, Herald	Y	Y	Y	Y
Christopher Roger Moss, O.B.E.	Y	Y	Y	Y
TOTAL	3	3	3	3
PRESENT	3 (100%)	3 (100%)	3 (100%)	3 (100%)
AVERAGE FOR THE YEAR				100%
NON-EXECUTIVE				
Tse Kai Chi	Y	Y	Y	Y
TOTAL	1	1	1	1
PRESENT	1 (100%)	1 (100%)	1 (100%)	1 (100%)
AVERAGE FOR THE YEAR				100%
OVERALL				
TOTAL	8	8	8	8
PRESENT	8 (100%)	8 (100%)	8 (100%)	8 (100%)
AVERAGE FOR THE YEAR				100%

Y = Attendance

CORPORATE GOVERNANCE REPORT (Continued)

ATTENDANCE RECORD AT AUDIT COMMITTEE MEETINGS

during the financial year ended 31 December 2006

Name of Director	Date of Audit Committee Meeting			
	17 March	5 June	7 September	30 November
INDEPENDENT NON-EXECUTIVE				
Lau Ling Fai, Herald	Y	Y	Y	Y
Christopher Roger Moss, O.B.E.	Y	Y	Y	Y
TOTAL	2	2	2	2
PRESENT	2 (100%)	2 (100%)	2 (100%)	2 (100%)
AVERAGE FOR THE YEAR				100%
NON-EXECUTIVE				
Tse Kai Chi	Y	Y	Y	Y
TOTAL	1	1	1	1
PRESENT	1 (100%)	1 (100%)	1 (100%)	1 (100%)
AVERAGE FOR THE YEAR				100%
OVERALL				
TOTAL	3	3	3	3
PRESENT	3 (100%)	3 (100%)	3 (100%)	3 (100%)
AVERAGE FOR THE YEAR				100%

Y = Attendance

ATTENDANCE RECORD AT REMUNERATION COMMITTEE MEETINGS

during the financial year ended 31 December 2006

Name of Director	Date of Remuneration Committee Meeting	
	16 January	24 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	Y	Y
Lau Ling Fai, Herald	Y	Y
Christopher Roger Moss, O.B.E.	Y	Y
TOTAL	3	3
PRESENT	3 (100%)	3 (100%)
AVERAGE FOR THE YEAR		100%
OVERALL		
TOTAL	5	5
PRESENT	4 (80%)	5 (100%)
AVERAGE FOR THE YEAR		90%

Y = Attendance

N = No attendance