

# Directors' Report

The Directors have pleasure in submitting their Report together with the audited Financial Statements for the year ended 31 December 2006.

## Principal Activities

The principal activity of the Company is investment holding and the principal activities of the subsidiaries are the generation and supply of electricity. Particulars of the Company's principal subsidiary companies are shown under Note 19 to the Financial Statements.

## Consolidated Financial Statements

The consolidated Financial Statements incorporate the Financial Statements of the Company and its subsidiaries (collectively referred to as the Group) together with the Group's interests in jointly controlled entities and associated companies. Details of the jointly controlled entities and associated companies are provided under Notes 20 and 21 to the Financial Statements respectively.

## Earnings and Final Dividend

	2006 HK\$M	2005 HK\$M
Total earnings for the year	9,900	11,420
Less: Interim dividends paid of HK\$1.50 (2005: HK\$1.44) per share	(3,612)	(3,468)
Balance after interim dividends	6,288	7,952
The Directors recommend that this balance be dealt with as follows:		
Final dividend of HK\$0.89 (2005: HK\$0.83) per share	2,144	1,999
Special final dividend of HK\$0.02 (2005: HK\$0.11) per share	48	265
Retained profits for the year	4,096	5,688
	6,288	7,952

Subject to approval of the Directors' recommendation by shareholders at the Annual General Meeting to be held on 24 April 2007 (AGM), the final dividend and special final dividend will be paid on 25 April 2007.

## Performance

A discussion and analysis of the Group's performance during the year and the material factors underlying its results and financial position are provided on pages 32 to 62 of this Annual Report.

## Share Capital

There was no movement in the share capital of the Company during the year.

## Purchase, Sale or Redemption of the Company's Listed Shares

There was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's listed shares during the year.

## Reserves

Distributable reserves of the Company amounted to HK\$19,913 million as at 31 December 2006 (2005: HK\$19,631 million). Movements in the reserves of the Company and the Group during the year are set out in the Statement of Changes in Equity on pages 141 and 142 of this Annual Report.

## Fixed Assets

Additions to the fixed assets of the Group for the year totalled HK\$9,161 million, comprising HK\$5,855 million in owned assets (on transmission and distribution equipment, land and buildings) and HK\$3,306 million in leased assets. In 2005, a total addition of HK\$12,432 million was recorded, made up of HK\$5,556 million for owned assets, HK\$3,226 million for leased assets and HK\$3,650 million for the acquisition of subsidiaries.

Additions to the fixed assets of the jointly controlled generating companies incorporated in Hong Kong totalled HK\$886 million for the year.

Details of movements in the fixed assets of the Group are shown under Note 17(A) to the Financial Statements.

## Bank Loans and Other Borrowings

The total borrowings of the Group as at 31 December 2006 amounted to HK\$30,278 million (2005: HK\$29,391 million).

Particulars of borrowings are set out in Note 27 to the Financial Statements.

## Financial Assistance and Guarantees to Affiliated Companies

The financial assistance given to affiliated companies and guarantees given for facilities granted to affiliated companies aggregated to 5.8% of the Group's total assets as at 31 December 2006.

## Finance Costs Capitalised

Finance costs amounting to HK\$275 million (2005: HK\$297 million) were capitalised by the Group during the year as set out in Note 11 to the Financial Statements.

## Donations

Donations by the Group for charitable and other purposes amounted to HK\$4,649,000 (2005: HK\$4,684,000).

## Five-year Summary

A summary of the results for the year and of the assets and liabilities of the Group as at 31 December 2006 and for the previous four financial years are set out on pages 196 and 197 of this Annual Report. A ten-year summary of the results, assets and liabilities of the Group is on the CLP Website. 

## Directors

With the exception of Mr. Jason Whittle, the Directors of the Company, whose names appear on pages 100 and 101 of this Annual Report, were Directors for the whole year. Their biographical details as at the date of this Report are set out on the same pages. Details of Directors' remuneration are set out in the Remuneration Report on pages 119 to 125 of this Annual Report.

The Board has approved the appointment of Mr. Peter T. C. Lee as Independent Non-executive Director and Mr. Peter W. Greenwood as Executive Director of the Company to take effect from 1 March 2007.

Mr. Jason Whittle, being a new Non-executive Director appointed by the Board on 9 May 2006, together with Mr. Peter T. C. Lee and Mr. Peter W. Greenwood, retire at the AGM in accordance with Article 109 of the Company's Articles of Association and, being eligible, offer themselves for election.

Under the existing Articles of Association of the Company, all the Directors are subject to retirement by rotation and re-election at the AGM. In accordance with Article 103 of the Company's Articles of Association, Mr. V. F. Moore, Mr. R. Bischof, Mr. Hansen Loh, Mr. W. E. Mocatta, Mr. Peter P. W. Tse and Mr. Andrew Brandler retire by rotation and, being eligible, offer themselves for re-election.

None of the Directors offering themselves for election or re-election at the AGM has a service contract with the Company which is not determinable by the Company within one year without payment of compensation.

No contracts of significance in relation to the Company's business to which the Company was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted during or at the end of the financial year.

## Alternate Directors

The Alternate Directors in office during the year ended 31 December 2006 were as follows:

Mr. W. E. Mocatta, alternate to Mr. J. S. Dickson Leach	}
Mr. J. A. H. Leigh, alternate to Mr. R. Bischof	}
Mr. I. D. Boyce, alternate to Mr. R. J. McAulay and Mr. W. E. Mocatta	} (for the year)
Mr. Bradley W. Corson, alternate to Mr. P. C. Tan	}
Mr. Jason Whittle, alternate to Mr. R. J. McAulay	}

## Interests of Directors and Chief Executive Officer

The interests/short positions of each of the Directors and Chief Executive Officer in the shares, underlying shares and debentures of the Company or any of the Company's associated corporations (within the meaning of the Securities and Futures Ordinance) as at 31 December 2006, as recorded in the register required to be kept under Section 352 of Part XV of the Securities and Futures Ordinance, are set out in the table and explanatory notes below:

### 1. Aggregate long position in the shares, underlying shares and debentures of the Company and its associated corporations

The interests of Directors and Chief Executive Officer in the shares of the Company (other than pursuant to equity derivatives such as share options, warrants to subscribe or convertible bonds) as at 31 December 2006 were as follows:

Directors	Capacity	Total Interests in Number of Ordinary Shares of the Company	% of the Issued Share Capital of the Company
The Hon. Sir Michael Kadoorie	Note (a)	475,381,026	19.7397
Mr. W. E. Mocatta	Founder of a discretionary trust	250,000	0.0104
Mr. J. S. Dickson Leach	Founder of a discretionary trust Note (b)	3,436	0.0001
Mr. R. J. McAulay	Note (c)	439,800,565	18.2623
The Hon. Sir S. Y. Chung	Beneficial owner	393,789	0.0164
Dr. William K. Fung	Beneficial owner	120,000	0.0050
Mr. J. A. H. Leigh	Note (d)	402,035,991	16.6941
Mr. R. Bischof	Beneficial owner	50,000	0.0021
Mr. P. C. Tan	Interests held jointly with spouse	5,000	0.0002
Mr. Andrew Brandler (Chief Executive Officer)	Note (e)	10,600	0.0004
Mr. Peter P. W. Tse	Note (f)	20,600	0.0009
Dr. Y. B. Lee	Note (g)	15,806	0.0007
Mr. Jason Whittle	Note (h)	238,409,771	9.8997

#### Notes:

(a) The Hon. Sir Michael Kadoorie was deemed (by virtue of the Securities and Futures Ordinance) to be interested in 475,381,026 shares in the Company. These shares were held in the following capacity:

- 1,243 shares were an interest of his spouse, Lady Kadoorie.
- 236,335,571 shares were ultimately held by discretionary trusts, of which The Hon. Sir Michael Kadoorie is one of the beneficiaries and/or discretionary objects.
- 239,044,212 shares were ultimately held by a discretionary trust, of which The Hon. Sir Michael Kadoorie is one of the beneficiaries and the founder.

For the purpose of the Securities and Futures Ordinance, the spouse of The Hon. Sir Michael Kadoorie was taken to have a discloseable duty in Hong Kong in relation to the shares referred to in (ii) and (iii) above. The spouse of The Hon. Sir Michael Kadoorie was therefore deemed to be interested in 475,381,026 shares in the Company representing approximately 19.74% of the issued share capital of the Company, of which 1,243 shares were held by her as beneficial owner and 236,335,571 and 239,044,212 shares were attributed to her pursuant to the Securities and Futures Ordinance for disclosure purposes. Nevertheless, she has no interest, legal or beneficial, in these 236,335,571 and 239,044,212 shares attributed to her for disclosure purposes.

- (b) According to the register of directors' and chief executives' interests and short position required to be kept under Section 352 of Part XV of the Securities and Futures Ordinance, Mr. J. S. Dickson Leach is the beneficial owner of 3,436 ordinary shares of the Company. The Company was notified by Mr. J. S. Dickson Leach that the capacity of his interest had been changed from Beneficial Owner to Founder of a Discretionary Trust.
- (c) Mr. R. J. McAulay was deemed (by virtue of the Securities and Futures Ordinance) to be interested in 439,800,565 shares in the Company. These shares were held in the following capacity:
- i) 13,141 shares were held in a personal capacity.
  - ii) 236,335,571 shares were ultimately held by discretionary trusts, of which Mr. R. J. McAulay is one of the discretionary objects.
  - iii) 203,451,853 shares were ultimately held by a discretionary trust, of which Muriel, Lady Kadoorie, mother-in-law of Mr. R. J. McAulay, is the founder and a beneficiary and Mr. R. J. McAulay, his wife and members of his family are discretionary objects.
- (d) Mr. J. A. H. Leigh, in his capacity as one of the trustees of a trust was deemed to be interested in 401,993,991 shares which formed part of the 236,335,571 and 203,451,853 shares referred to in (c) above. 42,000 shares were held by Mr. J. A. H. Leigh in a beneficial owner capacity.
- (e) 600 shares were held in a personal capacity and 10,000 shares were held in a beneficial owner capacity.
- (f) 600 shares were held in a personal capacity and 20,000 shares were held in a beneficial owner capacity.
- (g) 600 shares were held in a personal capacity and 15,206 shares were held jointly with spouse.
- (h) Mr. Jason Whittle was deemed (by virtue of the Securities and Futures Ordinance) to be interested in 238,409,771 shares in the Company. These shares were held in the following capacity:
- i) 600 shares were held in a personal capacity.
  - ii) 236,335,571 shares were ultimately held by discretionary trusts, of which Mr. Jason Whittle is one of the discretionary objects.
  - iii) 2,073,600 shares were ultimately held by a discretionary trust, of which Mr. Jason Whittle is one of the discretionary objects.

Messrs. I. D. Boyce, V. F. Moore, Hansen C. H. Loh and Paul M. L. Kan, Professor Judy Tsui and Sir Rod Eddington who are Directors of the Company, and Mr. Bradley W. Corson who is an Alternate Director have each confirmed that they had no interests in the shares of the Company or any of its associated corporations as at 31 December 2006.

None of the Directors or the Chief Executive Officer had interests in debentures, under equity derivatives or in underlying shares of the Company and its associated corporations as at 31 December 2006.

## **2. Aggregate short position in the shares, underlying shares and debentures of the Company and its associated corporations**

None of the Directors or the Chief Executive Officer had short positions in respect of shares, debentures, under equity derivatives or interests in underlying shares of the Company and its associated corporations as at 31 December 2006.

At no time during the year was the Company, its subsidiaries or its associated companies a party to any arrangement to enable the Directors and the Chief Executive Officer of the Company (including their spouse and children under 18 years of age) to acquire benefits by an acquisition of shares or underlying shares in, or debentures of, the Company or its associated corporations.

## **Interests of Substantial Shareholders**

The interests/short positions of substantial shareholders in the shares and underlying shares of the Company as at 31 December 2006, as recorded in the register required to be kept under Section 336 of Part XV of the Securities and Futures Ordinance, are set out in the table and explanatory notes below:

### **1. Aggregate long position in the shares and underlying shares of the Company**

The Company had been notified of the following substantial shareholders' interests in the shares (other than pursuant to equity derivatives such as share options, warrants to subscribe or convertible bonds) as at 31 December 2006.

## Directors' Report

Substantial Shareholders	Capacity	Total Interests in Number of Ordinary Shares of the Company	% of the Issued Share Capital of the Company
Acorn Holdings Corporation	Beneficiary	236,335,571 Note (a)	9.81
Bermuda Trust Company Limited	Trustee/Interests of controlled corporations	678,831,636 Note (a)	28.19
Bermuda Trust (Cayman) Limited	Trustee/Interests of controlled corporations	399,920,391 Note (b)	16.61
HWR Trustees Limited (now known as Harneys Trustees Limited)	Interests of controlled corporations	240,482,771 Note (a)	9.99
Lakshmi Company Limited	Beneficiary	196,468,538 Note (a)	8.16
Merlin Investments Limited	Beneficiary	196,468,538 Note (a)	8.16
Mikado Holding Inc.	Trustee	239,044,212 Note (a)	9.93
Mikado Investments Limited	Interest of controlled corporation/ Beneficiary of trusts	239,044,212 Note (a)	9.93
Muriel, Lady Kadoorie	Founder and Beneficiary	203,451,853 Note (b)	8.45
New Boron Holding Corporation	Trustee	200,615,738 Note (a)	8.33
Oak CLP Limited	Beneficiary	196,554,172 Note (b)	8.16
Oak (Unit Trust) Holdings Limited	Trustee	196,554,172 Notes (a) & (b)	8.16
Mr. R. Parsons	Trustee	401,993,991 Note (c)	16.69
The Hon. Sir Michael Kadoorie	Note (d)	475,381,026 Note (d)	19.74
Mr. R. J. McAulay	Note (e)	439,800,565 Note (e)	18.26
Mr. Jason Whittle	Note (f)	238,409,771 Note (f)	9.90
Guardian Limited	Beneficiary/Interests in controlled corporations	401,993,991 Note (c)	16.69
The Mikado Private Trust Company Limited	Trustee/Interests in controlled corporations	475,379,783 Note (a)	19.74
Mr. J. A. H. Leigh	Note (c)	402,035,991 Note (c)	16.69
Goshawk Investments Limited	Beneficiary	198,542,138 Note (a)	8.24
Lawrencium Mikado Holdings Limited	Beneficiary	239,044,212 Note (a)	9.93
The Magna Foundation	Beneficiary	239,044,212 Note (a)	9.93
Lawrencium Holdings Limited	Beneficiary	236,335,571 Note (a)	9.81

### Notes:

(a) The interests of Bermuda Trust Company Limited in the shares of the Company include the interests in the Company held by Esko Limited, Hesco Limited, Acorn Holdings Corporation, Goshawk Investments Limited, Lawrencium Holdings Limited, Lawrencium Mikado Holdings Limited, The Magna Foundation, The Mikado Private Trust Company Limited, Mikado Holding Inc., Mikado Investments Limited, Oak (Unit Trust) Holdings Limited, Lakshmi Company Limited and Merlin Investments Limited and also the majority of Mr. J. A. H. Leigh's deemed interests.

The interests of Bermuda Trust Company Limited in the shares of the Company also include the shares held by discretionary trusts of which The Hon. Sir Michael Kadoorie and/or Mr. R. J. McAulay and/or Mr. Jason Whittle are among the discretionary objects as disclosed in "Interests of Directors and Chief Executive Officer".

Bermuda Trust Company Limited was deemed to be interested in the shares in which Acorn Holdings Corporation, Lawrencium Holdings Limited, Lawrencium Mikado Holdings Limited, The Magna Foundation, The Mikado Private Trust Company Limited, Mikado Holding Inc., Mikado Investments Limited, Oak (Unit Trust) Holdings Limited, Lakshmi Company Limited and Merlin Investments Limited were interested, either in the capacity as trustee or by virtue of having direct or indirect control over such companies.

Bermuda Trust (Cayman) Limited controlled Lakshmi Company Limited and Merlin Investments Limited and was therefore deemed to be interested in the shares in which Lakshmi Company Limited and Merlin Investments Limited were interested. The Company has been advised that Lakshmi Company Limited, Merlin Investments Limited, Acorn Holdings Corporation and Lawrencium Holdings Limited were deemed to be interested in the same 196,468,538 shares in which New Boron Holding Corporation was deemed to be interested.

Bermuda Trust Company Limited controlled Acorn Holdings Corporation and Lawrencium Corporation and was therefore deemed to be interested in the shares in which such companies were deemed interested. In addition, Bermuda Trust Company Limited was deemed interested in 39,867,033 shares through other controlled corporations controlled by it.

The Mikado Private Trust Company Limited controlled Lawrencium Holdings Limited and Lawrencium Mikado Holdings Limited and was therefore deemed to be interested in the shares in which such companies were deemed to be interested.

The Company was notified by New Boron Holding Corporation that it was interested in 193,512,472 shares as at 1 April 2003. However, HWR Trustees Limited (now known as Harneys Trustees Limited) indicated in its latest disclosure form that as at 17 January 2005, it was interested in, inter alia, 200,615,738 shares through its wholly-owned subsidiary, New Boron Holding Corporation. Therefore, New Boron Holding Corporation was interested in the same 200,615,738 shares as at 17 January 2005 but was not itself under a duty to notify the Company of the change under the Securities and Futures Ordinance.

In addition, the Company was notified by Oak (Unit Trust) Holdings Limited that it was interested in 196,554,172 shares as at 26 August 2003. However, Bermuda Trust Company Limited indicated in its latest disclosure form that as at 24 June 2005, it was interested in, inter alia, 203,451,853 shares through its wholly-owned subsidiary, Oak (Unit Trust) Holdings Limited. Therefore, Oak (Unit Trust) Holdings Limited was interested in the same 203,451,853 shares as at 24 June 2005 but was not itself under a duty to notify the Company of the change under the Securities and Futures Ordinance.

- (b) The interests of Bermuda Trust (Cayman) Limited in the shares of the Company include the interests in the Company in which Oak CLP Limited, Oak (Unit Trust) Holdings Limited and Muriel, Lady Kadoorie were deemed to be interested.

The interests of Muriel, Lady Kadoorie in 203,451,853 shares of the Company include shares in which Mr. R. J. McAulay and Mr. R. Parsons were deemed to be interested.

Bermuda Trust (Cayman) Limited was also interested in the 203,451,853 shares by virtue of its capacity as trustee of a trust of which Muriel, Lady Kadoorie is the founder and a beneficiary and Mr. R. J. McAulay is one of the discretionary objects. Bermuda Trust (Cayman) Limited, in its capacity as trustee of a discretionary trust, controlled Oak CLP Limited and was therefore deemed to be interested in the shares in which Oak CLP Limited was interested. The Company was notified by Oak CLP Limited that it was interested in 196,554,172 shares as at 26 August 2003. However, Bermuda Trust (Cayman) Limited indicated in its latest disclosure form that as at 5 February 2004, it was interested in 203,451,853 shares through its wholly-owned subsidiary, Oak CLP Limited. Therefore, Oak CLP Limited was interested in the same 203,451,853 shares as at 5 February 2004 but was not itself under a duty to notify the Company of the change under the Securities and Futures Ordinance.

- (c) Mr. R. Parsons and Mr. J. A. H. Leigh, in their capacities as trustees of a trust, jointly controlled Guardian Limited and therefore were deemed to be interested in the shares in which Guardian Limited was deemed to be interested. Accordingly, the 401,993,991 shares in which Guardian Limited was interested is duplicated within the interests attributed to each of Mr. J. A. H. Leigh and Mr. R. Parsons.

Mr. J. A. H. Leigh also held 42,000 shares in a beneficial owner capacity.

- (d) The aggregate long position in the shares of the Company of The Hon. Sir Michael Kadoorie is listed below:

**Interests in the Ordinary Shares of the Company**

Number	Capacity
1,243	Interest of spouse
475,379,783	Founder of a discretionary trust
475,379,783	Discretionary object or beneficiary of various discretionary trusts

The interests of The Hon. Sir Michael Kadoorie as a founder of a discretionary trust and a beneficiary or discretionary object of various discretionary trusts are duplicated between each other. His interests, apart from the interest of his spouse, are also duplicated by the interests in the Company held by Bermuda Trust Company Limited and certain discretionary trusts of which Mr. R. J. McAulay and Mr. Jason Whittle are among the discretionary objects or beneficiaries as disclosed in Notes (e) and (f) below.

For the purpose of the Securities and Futures Ordinance, the spouse of The Hon. Sir Michael Kadoorie was taken to have a discloseable duty in Hong Kong in relation to the 475,379,783 shares referred to above. The spouse of The Hon. Sir Michael Kadoorie was therefore deemed to be interested in 475,381,026 shares in the Company representing approximately 19.74% of the issued share capital of the Company, of which 1,243 shares were held by her as beneficial owner and 475,379,783 shares were attributed to her pursuant to the Securities and Futures Ordinance for disclosure purposes. Nevertheless, she has no interest, legal or beneficial, in these 475,379,783 shares attributed to her for disclosure purposes.

- (e) See Note (c) under "Interests of Directors and Chief Executive Officer".

- (f) See Note (h) under "Interests of Directors and Chief Executive Officer".

## 2. Aggregate short position in the shares and underlying shares of the Company

As at 31 December 2006, the Company had not been notified of any short positions being held by any substantial shareholder in the shares or underlying shares of the Company.

## Interests of Any Other Persons

As at 31 December 2006, the Company had not been notified of any persons other than the substantial shareholders who had interests or short positions in the shares or underlying shares of the Company, which are required to be recorded in the register required to be kept under Section 336 of Part XV of the Securities and Futures Ordinance.

## Senior Management

The biographical details of the Senior Management as at the date of this Report are set out on page 102 of this Annual Report. Details of the remuneration of the Senior Management are set out in the Remuneration Report on pages 119 to 125 of this Annual Report.

## Major Customers and Suppliers

Purchases from the Group's five largest suppliers together accounted for 72.12% of the Group's total purchases during the year. The five largest suppliers are set out below in descending order:

1. 41.22% from Castle Peak Power Company Limited (CAPCO) of which Mr. Bradley W. Corson, Mr. W. E. Mocatta and Mr. Andrew Brandler are directors and Mr. J. A. H. Leigh is an alternate director. CAPCO is 40% owned by CLP Power Hong Kong Limited (CLP Power Hong Kong) and supplies electricity to CLP Power Hong Kong only. CLP Power Hong Kong is a wholly-owned subsidiary of the Company.
2. 11.03% from Guangdong Nuclear Investment Company, Limited (GNIC) in which the Group has no interest.
3. 8.78% from National Electricity Market Management Company Ltd. (NEMMCO) in which the Group has no interest. NEMMCO is the administrator and operator of the national electricity market in Australia, from whom electricity is bought to supply TRUenergy group customers.
4. 6.12% from Guangdong Nuclear Power Joint Venture Company, Limited (GNPJVC) of which Mr. Andrew Brandler, Mr. Peter P. W. Tse and Dr. Y. B. Lee (resigned on 1 January 2007) are directors. GNPJVC is 25% and 75% owned by the Group and GNIC respectively and supplies electricity to the Group.
5. 4.97% from SP Australia Networks (Distribution) Ltd. (SPANDL) in which the Company has no interest. SPANDL is the largest distributor of gas and electricity to TRUenergy group customers.

As at 31 December 2006, Acorn Holdings Corporation, Bermuda Trust Company Limited, Bermuda Trust (Cayman) Limited, HWR Trustees Limited (now known as Harneys Trustees Limited), Lakshmi Company Limited, Merlin Investments Limited, Mikado Holding Inc., Mikado Investments Limited, Muriel, Lady Kadoorie, New Boron Holding Corporation, Oak CLP Limited, Oak (Unit Trust) Holdings Limited, Mr. R. Parsons, The Hon. Sir Michael Kadoorie, Lady Kadoorie, Mr. R. J. McAulay, Mr. Jason Whittle, Guardian Limited, The Mikado Private Trust Company Limited, Mr. J. A. H. Leigh, Goshawk Investments Limited, Lawrencium Mikado Holdings Limited, The Magna Foundation and Lawrencium Holdings Limited who are substantial shareholders of the Company, had indirect interests in CAPCO and GNPJVC, which interests arose from the Company's interests in CAPCO and GNPJVC.

Sales to the Group's five largest customers together represented less than 30% of the Group's total turnover during the year.

## Related Party Transactions

Details of the significant related party transactions undertaken in the normal course of business are provided under Note 36 to the Financial Statements. None of these related party transactions constitutes a discloseable connected transaction as defined under the Listing Rules.

## Corporate Governance

The Company's corporate governance principles and practices are set out in the Corporate Governance Report on pages 103 to 118 of this Annual Report.

## Auditors

The Financial Statements for the year have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for reappointment at the AGM of the Company.

By Order of the Board



**W. E. Mocatta**

Vice Chairman

Hong Kong, 28 February 2007