

REMUNERATION COMMITTEE REPORT

The Remuneration Committee of the Board was established in February 1997 and comprises the Chairman, the Deputy Chairman, and all three Independent Non-executive Directors of the Board.

The Remuneration Committee operates pursuant to written terms of reference that is published at the Company's website www.kerryprops.com. The primary responsibilities of the Remuneration Committee are, *inter alia*, the recommendations on the Company's policies and structure for all the remuneration of the Executive Directors, the proposal of the specific remuneration packages of the Executive Directors and the recommendation on the remuneration of the Non-executive Directors for the Board's approval. The Remuneration Committee also administers and makes determinations with respect to the Company's share option scheme.

During the financial year ended 31 December 2006, the Remuneration Committee met twice with all its recommendations approved by the Board. The Remuneration Committee performed the following work:–

(i) The Remuneration Committee reviewed the salaries, housing allowances and pension contributions of the Executive Directors for the financial year ended 31 December 2006, prior to recommending them to the Board for approval.

(ii) The Remuneration Committee reviewed and recommended to the Board for approval the payment of bonuses to Executive Directors of the Company, which amounted to HK\$37,850,000 in respect of the financial year ended 31 December 2005.

(iii) The Remuneration Committee also considered and gave regard to the proposed remuneration packages of the Executive Directors, and proposed that no share options were granted to the Executive Directors in respect of their services for the financial year ended 31 December 2005.

MEMBERS OF THE REMUNERATION COMMITTEE

ANG Keng Lam (Chairman)

WONG Siu Kong

William Winship FLANZ

LAU Ling Fai, Herald

Christopher Roger MOSS, O.B.E.

Hong Kong, 22 March 2007