2ND SUPPLEMENTAL WITNESS STATEMENT OF PANG YIU KAI

I, Pang Yiu Kai c/o 10 Lo Ping Road, Tai Po, New Territories, Hong Kong DO SAY as follows:-

1. I am the same Pang Yiu Kai who made earlier statements in these proceedings on 3rd April 2007 and 14th April 2007. I am the Chief Executive of Hongkong Land Ltd, the Chairman of Jardine Matheson (China) Ltd and a director of Jardine Matheson Ltd. As mentioned in my first statement, I am the Treasurer of HKIEd, and I took up this position since 1st March 2005.

2. I make this 2nd supplemental statement to respond to certain of the allegations of Katherine Ma ("**Kat Ma**") made in her witness statements submitted to the Commission. In this regard, I note a large number of matters mentioned in Kat Ma's statements are hearsay. She was apparently told of certain events and meetings by Paul Morris ("**Paul**"). I do not intend to respond to each and every allegation made in her statements, although this does not in any way mean that I accept those various allegations are true. Notwithstanding these general comments, I will deal with her allegations which appear to affect me personally as set out below.

(i) Drinks at Hong Kong Club - 29th March 2006 (Paragraphs 44 &45 of Kat Ma's 2nd Statement)

3. I note that Kat Ma has given an account of the drinks at Hong Kong Club on 29th March 2006, as debriefed to her by Paul. I do not agree with such account of events, and I repeat the matters described in paragraph 13 of my first statement.

4. The meeting with the SEM was at the Members Bar of the Hong Kong Club, being an open area with many people within earshot. I do not recall the SEM mentioning to the participants of this drinks gathering on 29th March 2006 that the Chief Executive was critical of HKIEd or that he referred to the three options outlined by Kat Ma in her statement, being (i) merger, (ii) HKIEd becoming a postgraduate school, or (iii) closing down HKIEd.

5. I understand a subsequent meeting was organized by the SEM for HKIEd and CUHK to explore possible models of institutional integration. However, I did not attend such meeting.

(ii) Dinner with CUHK on 10th May 2006 (Paragraphs 51 & 52 of Kat Ma's 2nd Statement)

6. As mentioned in my first statement, the focus of the parties' discussion at this dinner on 10th May 2006 was to explore a viable federal arrangement for HKIEd and the Chinese University. This was essentially to lay the groundwork for future negotiations. I do not recall the Chinese University "presenting" their proposed way forward in the sense that I do not recall they demanded any specific model of institutional integration. There was a lot of "toing and froing" of ideas on the part of both parties, as the focus of the discussion was to try to move things forward. The discussion was inconclusive as the parties did not reach any consensus at the end of the dinner.

(iii) Meeting with Paul and Thomas on 20th June 2006 (Paragraph 55 of Kat Ma's 2nd Statement)

7. According to my diary, there were two meetings on 20th June 2006 which were related to HKIEd. The first meeting was the HKIEd Search Committee meeting, which was held in my office at 9:00 am. The second meeting was the HKIEd Donation Committee meeting, which was held at 10:30 am also in my office. Thomas only attended the first meeting, as he was not a member of the Donation Committee.

8. I do recall that Thomas had a meeting with Mr. John Tsang, the Director of the Chief Executive's Office, and he also had a meeting with the Chief Executive concerning the future of HKIEd. However, I do not have any recollection of the matters stated by Kat Ma in paragraph 55 of her second statement in relation to what Thomas was alleged to have said regarding the Chief Executive's view on merger. In any case, those matters alleged to have been said by Thomas were not recorded in the meeting minutes of the two meetings on 20th June 2006.

(iv) Dinner with Thomas and Paul on 14th September 2006 (Paragraphs 69 to 71 of Kat Ma's 2nd statement)

9. I note that Kat Ma has given an account of the dinner that Thomas and I had with Paul on 14th September 2006, as debriefed to her by Paul. This was a social dinner. To the best of my recollection, I do not recall it was mentioned in the course of this dinner that a merger, in the form of take-over, was favoured not just by the SEM but the Government as a whole, or that the merger would not be pushed through until after the March 2007 election.

10. I do not recall Thomas indicating to Paul that the President's review process would be "engineered to a conclusion of having to go for an open search for the President". Personally, I do not see how we could have "engineered" the conclusion of the review process, as we do not have any influence over other Council members on how they should cast their vote on Paul's re-appointment.

Pang Yiu Kai

Dated: 14 May 2007