

Corporate Governance Report

The board of Directors (the “Board”) of the Company is committed to maintaining a high standard of corporate governance and ensuring integrity, transparency and adequate level of disclosure.

CORPORATE GOVERNANCE PRACTICES

In the Directors’ opinion, having considered amongst others, the findings of reviews and/or audits conducted by the independent professional parties (as explained below), the Company has applied the principles and complied with all the applicable code provisions as set out in the Code on Corporate Governance Practices (the “Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) for the period after our listing on 19 October 2006 and up to the financial year ended 31 December 2006.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules as the code of conduct in respect of transactions in securities of the Company by Directors. Having made specific enquiry, the Company confirms that the Directors have complied with the required standard set out in the Model Code for the financial year under review.

THE BOARD

The Company has an effective Board with a balanced composition of Executive and Non-executive Directors to provide for leadership, control and oversight of the Company’s business and affairs. The Board is committed to make decisions objectively in the interests of the Company.

The Board consists of seven Executive Directors namely, Tan Sri Dr Chen Lip Keong (CEO), Mr. David Martin Hodson, Mr. Tian Toh Seng, Mr. Lee Wing Fatt, Mr. Lew Shiong Loon, Ms. Monica Lam Yi Lin, Mr. John Pius Shuman Chong and four Independent Non-executive Directors namely and Mr. Timothy Patrick McNally (Chairman), Tun Dato’ Seri Abdul Hamid Bin Haji Omar, Ms. Wong Choi Kay and Mr. Zhou Lian Ji. The Directors’ biographical information is set out under the heading “Board of Directors’ Profile”.

To the best knowledge of the Directors, there is no financial, business and family or other material/relevant relationship among members of the Board and between the Chairman and the CEO. All of them are free to exercise their independent judgment.

The Company has received from each of the Independent Non-executive Directors an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules and considers all of them to be independent. All of the Independent Non-executive Directors have entered into service contracts with the Company for a term of one year and none of them has entered into any service contracts with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

The Board meets regularly throughout the year as and when necessary. Board minutes in appropriate detail are circulated to Directors for comments within reasonable time after each meeting and are finalized and kept by the Company Secretary. Board minutes are open for Directors’ inspection.

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For the financial year ended 31 December 2006, three board meetings were held. Details of the attendances of the Board meetings are set out below:

Directors	No. of meetings attended/held
<i>Executive Directors</i>	
Tan Sri Dr Chen Lip Keong (CEO)	3/3
Mr. David Martin Hodson	3/3
Mr. Tian Toh Seng	3/3
Mr. Lee Wing Fatt	3/3
Mr. Lew Shiong Loon	3/3
Ms. Monica Lam Yi Lin	3/3
Mr. John Pius Shuman Chong	3/3
<i>Independent Non-executive Directors</i>	
Mr. Timothy Patrick McNally (Chairman)	3/3
Tun Dato' Seri Abdul Hamid Bin Haji Omar	1/3
Ms. Wong Choi Kay	3/3
Mr. Zhou Lian Ji	2/3

The Directors may seek independent professional advice as necessary, at the Company's expense, to assist them to discharge their duties. Appropriate and sufficient information is provided to the Directors in a timely fashion to keep them abreast of the Group's latest developments.

THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER

The roles of the Chairman of the Board and the Chief Executive Officer are separated and assumed by different individuals to ensure a balance of power and authority, so that power is not concentrated in any one individual of the Board. The Chairman, Mr. Timothy Patrick McNally is responsible for overseeing the function of the Board while the CEO, Tan Sri Dr Chen Lip Keong, is responsible for managing the Group's business and overall operations. The division of responsibilities between the Chairman and CEO is clear.

DELEGATION BY THE BOARD

The Board has established Board committees, namely Audit Committee, Remuneration Committee, Nomination Committee and AML Oversight Committee, and delegated authority to them for overseeing certain aspects of the Company's affairs. There are clear written terms of reference for the Board Committees, which are required to report to the Board regularly on their decisions and recommendations. The day-to-day management of the operations of Company is delegated to the divisional heads.

AUDIT COMMITTEE

The Company has formulated written terms of reference for the Audit Committee in accordance with the requirements of the Listing Rules. The Audit Committee consists of the Independent Non-executive Directors namely, Ms. Wong Choi Kay, Tun Dato' Seri Abdul Hamid Bin Haji Omar and Mr. Zhou Lian Ji. The Audit Committee is chaired by Ms. Wong Choi Kay.

One of the principal responsibilities of the Audit Committee is to ensure the objectivity and credibility of financial reporting and internal control principles as well as to maintain an appropriate relationship with the external auditors of the Company.

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For the period between the listing date on 19 October 2006 and 31 December 2006, one Audit Committee meeting was held and details of the attendances of the Audit Committee members are set out below:

Directors	No. of meetings attended/held
<i>Independent Non-executive Directors</i>	
Ms. Wong Choi Kay (Chairperson)	1/1
Tun Dato' Seri Abdul Hamid Bin Haji Omar	1/1
Mr. Zhou Lian Ji	1/1

For the financial year under review, the Audit Committee had considered, reviewed and discussed (1) the auditing and financial reporting matters; (2) the appointment of external auditors including the terms of engagement; (3) the audited financial statements; and (4) the engagement of independent professional to review the internal control of the Group with a focus on AML. Each member of the Audit Committee has unrestricted access to the external auditors and all senior staff of the Group.

The Audit Committee has recommended to the Board that, subject to shareholders' approval at the forthcoming annual general meeting, KPMG be re-appointed as the external auditors of the Company.

REMUNERATION COMMITTEE

The Company has formulated written terms of reference for the Remuneration Committee in accordance with the requirements under the Listing Rules. The Remuneration Committee currently consists of Mr. Timothy Patrick McNally, Tun Dato' Seri Abdul Hamid Bin Haji Omar, Mr. Zhou Lian Ji, Tan Sri Dr Chen Lip Keong and Mr. Tian Toh Seng. Mr. Timothy Patrick McNally acts as the Chairman of the Remuneration Committee.

One of the principal responsibilities of the Remuneration Committee is to make recommendation to the Board on the Company's policy and structure for remuneration of the Directors and senior management of the Company, and to determine specific remuneration packages of all Executive Directors and senior management of the Company and make recommendations to the Board of the remuneration of Non-executive Directors. Our remuneration policy is based on the expertise, capability, performance and responsibility of our Directors and senior management. In addition to salaries, we provide staff benefits such as medical insurance and contributions to staff's mandatory provident scheme. We may grant bonuses to individuals to reward their contributions to our business on a discretionary basis.

The Remuneration Committee takes into consideration factors such as salaries paid by comparable companies, time commitment and individual responsibilities of the Directors and senior management, employment conditions elsewhere in the Group and desirability of performance-based remuneration.

For the period between the listing date on 19 October 2006 and 31 December 2006, Remuneration Committee did not convene any meeting. On 21 March 2007, the Remuneration Committee held one meeting where all members attended (except Mr. Timothy Patrick McNally) and considered, among others, the remuneration policy for all Directors and senior management of the Company and the remuneration packages of certain Executive Directors and senior management of the Company.

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NOMINATION COMMITTEE

The Company has formulated written terms of reference for the Nomination Committee in accordance with the requirements under the Listing Rules. The Nomination Committee currently consists of Mr. Timothy Patrick McNally, Tun Dato' Seri Abdul Hamid Bin Haji Omar, Mr. Zhou Lian Ji, Tan Sri Dr Chen Lip Keong and Mr. Tian Toh Seng. Mr. Timothy Patrick McNally acts as the Chairman of the Remuneration Committee.

One of the principal responsibilities of the Nomination Committee is to review the structure, size and composition (including the skills, knowledge and experience) of the Board on a regular basis and make recommendations to the Board regarding any proposed changes. The Nomination Committee also undertakes to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of, individuals nominated for directorships. The Nomination Committee will take into consideration of factors such as qualification, work experiences, and time commitment for recommending suitable candidates to the Board. The Nomination Committee also assesses the independence of Independent Non-executive Directors and make recommendations to the Board on relevant matters relating to the appointment or re-appointment of and succession planning for Directors.

For the period between the listing date on 19 October 2006 and 31 December 2006, Nomination Committee did not convene any meeting. On 21 March 2007, the Nomination Committee held one meeting where all the members had attended (save Mr. Timothy Patrick McNally) and considered revision of the composition of the Board and proposed a new candidate as an Independent Non-executive Director.

INTERNAL CONTROLS

AML Oversight Committee currently consists of Mr. David Martin Hodson (Chairman), Mr. Timothy Patrick McNally, Tun Dato' Seri Abdul Hamid Bin Haji Omar, Ms. Wong Choi Kay, Tan Sri Dr Chen Lip Keong, Mr. Tian Toh Seng, Mr. Lee Wing Fatt, and Mr. Lew Shiong Loon. The principal responsibility of the AML Oversight Committee is to formulate policies and strategies on AML development and implementation programmes as well as to help ensure quality control and act as oversight committee on AML matters.

Further, the Company has through the Internal Audit Department conducted two internal audits to assess the effectiveness of the AML internal controls and documented findings from such internal audits for future review and reference.

An independent professional party has been engaged by the Company to review internal controls of the Group with a focus on anti-money laundering for the financial year ended 31 December 2006. The independent professional party performed review of the internal controls of the Group and was of the view that, in general, the internal controls of the Group complied with the relevant recommendations of the Financial Action Task Force. Please refer to the heading "Review of Internal Controls with a focus on Anti-Money Laundering" for details of the report.

The Company has also engaged another independent professional party to assess the investment risks in Cambodia and set out its findings in a report for the financial year ended 31 December 2006. The independent professional party was of the view that, in general, the investment risks in Cambodia were manageable. Please refer to the heading "Independent Review of Investment Risks in Cambodia" for details of the report.

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The Board, through the reviews made by the independent professional party and the Audit Committee, had reviewed the Group's internal controls and considered them to have been implemented effectively.

DIRECTORS' AND AUDITORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for the preparation of the financial statements of the Group and ensure that the financial statements are in accordance with statutory requirements and applicable accounting standards. The Directors also ensure the timely publication of the financial statements of the Group.

The statement of the external auditors of the Company, Messrs. KPMG, about their reporting responsibilities on the financial statements of the Group is set out in the heading "Auditors' Report".

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors confirm that, to the best of their knowledge, information and belief, having made all reasonable enquiries, they are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

AUDITORS' REMUNERATION

For the financial year ended 31 December 2006, the amounts paid to the external auditors of the Group in respect of the following services provided to the Group are set out below:

	2006
	US\$'000
Audit services	309
Other fees in respect of the initial public offering	506
Total	815

Notes: The fee paid to the auditors in respect of the initial public offering of the Company was US\$506,000 which qualified as an issue cost and was charged to the share premium account.

COMMUNICATION WITH SHAREHOLDERS

The Company acknowledges its responsibility to account to shareholders for the performance of the Company and is committed to maintaining a continuing open dialogue with shareholders through a number of formal communication channels. These include the Annual Report and Accounts, Interim Report and Accounts, and press release and announcements.