

Corporate Governance Report

In the opinion of the Directors, the Company has complied with the code provision of the “Code on Corporate Governance Practices” (the “CG Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

The Company has adopted codes of conduct regarding securities transactions by the directors and by relevant employees (as defined in the CG Code) on terms not less exacting than the required standards set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) contained in Appendix 10 of the Listing Rules and the directors have fully complied with it.

On specific enquiries made, all the directors have confirmed that, in respect of the period from the date of the Listing to the date of this report, they have complied with the required standards as set out in the Model Code and the Company’s code of conduct regarding the directors’ securities transactions.

BOARD OF DIRECTORS

The Board of Directors (“the Board”) comprises of one executive director, three non-executive directors and three independent non-executive directors.

The operations of the Company are managed under the direction of the Board, within the framework set by the CG Code and related chapters of the Listing Rules as adopted by the Board.

The Board represents the Company and is accountable to the shareholders of the Company. The Board’s responsibilities include the responsibility to regulate and evaluate the strategic direction of the Company, management policies and the effectiveness with which management implements its policies. The Board’s responsibilities also include overseeing the structure and composition of the Company’s top management and monitoring legal compliance, the management of risks related to the Company’s operations. The directors acknowledged their responsibility for preparing the accounts of the Company.

The directors’ biographical information is set out in the “Biographies of Directors and Senior Management” section on pages 9 to 10 of this report.

Appointment of independent non-executive directors

The Company has received, from each of the independent non-executive directors, an annual confirmation of the independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive directors are independent.

The term of appointment of the directors is set out in the “Directors’ Report” section on page 14 of this report.

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Frequency of Meetings and Attendance

Board meetings are held at least 4 times a year and the Board meets as and when required. During the financial year ended 31st December, 2005, the Board convened a total of 5 meetings and the attendances of the directors at these board meetings are as follows:

Directors	Number of attendance
Mr. Benjamin Zhengmin Pan	5/5
Ms. Ingrid Chunyuan Wu	5/5
Mr. Yang Dong Shao	5/5
Dr. Thomas Kalon Ng	4/5
Mr. Koh Boon Hwee	5/5
Dr. Dick Mei Chang	5/5
Mr. Mok Joe Kuen Richard	5/5

The directors received details of agenda items for decision and minutes of board meetings in advance of each board meeting.

Board minutes are kept by the Company Secretary of the Company and are sent to the directors for records. They are also open for inspection by the directors.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Under the code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer (“CEO”) should be separated and should not be performed by the same individual. The chairman and CEO are taken up by different persons, namely Mr. Koh Boon Hwee and Mr. Benjamin Zhengmin Pan respectively.

AUDIT COMMITTEE

In April 2005, the Company established an Audit Committee which comprises of two independent non-executive directors, namely Mr. Mok Joe Kuen Richard and Mr. Koh Boon Hwee and a non-executive director, Ms. Ingrid Chunyuan Wu. Mr. Mok Joe Kuen Richard is the chairman of the Audit Committee. The primary responsibilities of the Audit Committee are to review and supervise the financial reporting process and effective internal control system of the Group. The Audit Committee reviewed the quarterly financial results, as well as the interim report of the Company in the year of 2005.

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Frequency of Meetings and Attendance

The Audit Committee convened 3 times for the year ended 31st December, 2005 under review and details of the attendance of its meetings are as follows:

Directors	Number of attendance
Mr. Mok Joe Kuen Richard	3/3
Mr. Koh Boon Hwee	2/3
Ms. Ingrid Chunyuan Wu	3/3

NOMINATION COMMITTEE

The Board has established a Nomination Committee on 16th April, 2005 in compliance with the CG Code. Members of the Nomination Committee are Dr. Dick Mei Chang, Mr. Mok Joe Kuen Richard and Mr. Yang Dong Shao. Dr. Dick Mei Chang is the chairman of the Nomination Committee. The Nomination Committee is responsible for reviewing, advising and making recommendations to the Board on matters in relation to the appointment and re-appointment of directors, and ensuring the proper and transparent procedures for the appointment and reappointment of directors.

REMUNERATION COMMITTEE

The Board has established a Remuneration Committee on 16th April, 2005 in compliance with the CG Code. Members of the Remuneration Committee are Mr. Koh Boon Hwee, Dr. Dick Mei Chang and Dr. Thomas Kalon Ng. Mr. Koh Boon Hwee is the chairman of the Remuneration Committee.

The responsibilities of the Remuneration Committee include advising the Board in relation to the remuneration structure and compensation of the Company's executive directors and executives, as well as representing the Board in confirming the individual remuneration packages and employment terms of executive directors and approving their related employment contracts.

Emolument policy

The emolument policy of the employees of the Group is determined by the Remuneration Committee on the basis of their merit, qualifications and competence.

The emoluments of the directors of the Company are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

The Company has adopted a share option scheme as an incentive to the directors and eligible employees. Details of the share option scheme are set out in note 23 to the financial statements.

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Frequency of Meetings and Attendance

The Remuneration Committee convened one time for the year ended 31st December, 2005 under review and details of the attendance of its meeting are as follows:

Directors	Number of attendance
Mr. Koh Boon Hwee	1/1
Dr. Dick Mei Chang	1/1
Dr. Thomas Kalon Ng	1/1