

Corporate Governance Report

企業管治報告

董事會欣然提呈本集團截至2007年3月31日止年度年報內之本企業管治報告。

良好之企業管治對本集團之成功及維持本集團之發展至關重要。本公司致力於維持高水準之企業管治，作為質素之重要成份，並引入適合其業務之運作及發展之企業管治常規。

本公司已於截至2007年3月31日止年度遵守企業管治守則所載之原則及守則條文，惟守則條文之若干偏離者除外，內容有關分別主席及行政總裁之角色、委任非執行董事（「非執行董事」）及有關僱員買賣本公司證券，詳情於下文闡述。

本公司定期審閱其企業管治常規，以確保該等常規繼續符合企業管治守則之規定。本公司主要企業管治原則及常規概述如下：

A. 董事會

(1) 職責

董事會負責本公司業務之全面管理，透過指導及監督本公司事務，肩負起領導及監控本公司之責任，並共同推動本公司邁向成功。所有董事皆會在客觀前提下作出符合本公司利益之決定。

(2) 管理層職能指派

董事會對本公司所有重大事宜保留決策權，包括批准及監督所有政策事宜、整體策略及預算、內部監控及風險管理制度、重大交易（特別是可能涉及利益衝突之交易）、財務資料、委任董事及其他重大財務及運作事宜。

全體董事可迅速取得所有相關資料以至公司秘書之意見及服務，以確保符合董事會議事程序以及遵守所有適用規則及規例。向董事會提出要求後，各董事一般可於適當情況下徵詢獨立專業意見，費用由本公司承擔。

The Board is pleased to present this Corporate Governance Report in the Group's annual report for the year ended 31 March 2007.

Good corporate governance has always been recognized as vital to the Company's success and to sustain development of the Group. We commit ourselves to a high standard of corporate governance as an essential component of quality and have introduced corporate governance practices appropriate to the conduct and growth of its business.

The Company has complied with the major code provisions as set out in the Code on Corporate Governance Practices ("CG Code") throughout the year ended 31 March 2007 save for certain deviations from the code provisions in respect of the separation of the role of Chairman and Chief Executive Officer, the appointment of the non-executive directors ("NEDs") and dealings in the Company's securities by the relevant employees, details of which will be explained below.

The Company periodically reviews its corporate governance practices to ensure that these continue to meet the requirements of the CG Code. The key corporate governance principles and practices of the Company are summarized as follows:

A. THE BOARD

(1) Responsibilities

The overall management of the Company's business is vested in the Board, which assumes the responsibility for leadership and control of the Company and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. All directors take decisions objectively in the interests of the Company.

(2) Delegation of Management Functions

The Board reserves for its decision all major matters of the Company, including: the approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those may involve conflict of interests), financial information, appointment of directors and other significant financial and operational matters.

All directors have full and timely access to all relevant information as well as the advice and services of the Company Secretary, with a view to ensuring that Board procedures and all applicable rules and regulations are followed. Each director is normally able to seek independent professional advice in appropriate circumstances at the Company's expense, upon making request to the Board.

本公司日常管理、行政及運作均由高級管理層負責。本公司會定期檢討獲分派職務及工作。上述高級職員於訂立任何重大交易前，必須事先獲董事會批准。

(3) 董事會組成

董事會現由九名成員組成，包括四名執行董事及五名獨立非執行董事：

執行董事：

孫大倫博士，
主席／行政總裁及
薪酬委員會成員

吳玉華女士

鄧國棠先生

孫道弘先生

獨立非執行董事：

區文中先生，
薪酬委員會主席及
審核委員會成員

李家暉先生，
審核委員會主席

黃子欣博士，
審核委員會及
薪酬委員會成員

張昀女士，
審核委員會成員

劉暉先生，
審核委員會成員

董事名單(按類別分類)亦於本公司不時根據上市規則發出之所有公司通訊內披露。根據上市規則，已於所有公司通訊中，明確說明獨立非執行董事之事務。

由2007年6月28日，張昀女士及劉暉先生已從非執行董事重新調任為本公司之獨立非執行董事。於重新調任上述非執行董事後，本公司共有五名獨立非執行董事。

The day-to-day management, administration and operation of the Company are delegated to the senior management. The delegated functions and work tasks are periodically reviewed. Approval has to be obtained from the Board prior to any significant transactions entered into by the abovementioned officers.

(3) Board Composition

The Board currently comprises 9 members, consisting of 4 executive directors and 5 independent non-executive directors:

Executive directors:

Dr Sun Tai Lun Dennis,
*Chairman/Chief Executive Officer &
Member of Remuneration Committee*

Ms Ng Yuk Wah Eileen

Mr Tang Kwok Tong Simon

Mr Sun Tao Hung Stanley

Independent non-executive directors:

Mr Au Man Chung Malcolm,
*Chairman of Remuneration Committee &
Member of Audit Committee*

Mr Li Ka Fai David,
Chairman of Audit Committee

Dr Wong Chi Yun Allan,
*Member of Audit Committee and
Remuneration Committee*

Ms Chiang Yun Rachel,
Member of Audit Committee

Mr Liu Hui Allan,
Member of Audit Committee

The list of directors (by category) is also disclosed in all corporate communications issued by the Company pursuant to the Listing Rules from time to time. The independent non-executive directors are expressly identified in all corporate communications pursuant to the Listing Rules.

With effect from 28 June 2007, Ms Chiang Yun Rachel and Mr Liu Hui Allan were re-designated from non-executive directors as independent non-executive directors of the Company. Following the aforesaid re-designation of non-executive directors, the Company has a total of 5 independent non-executive directors.

董事會成員間之關係於第22頁至24頁之「高級管理層及董事資料」及「獨立非執行董事及非執行董事資料」中披露。

截至2007年3月31日止年度，董事會一直遵守上市規則有關委任最少三名獨立非執行董事之規定，而最少一名獨立非執行董事須具備合適專業資格或會計或相關財務管理專業知識。

本公司接獲各獨立非執行董事根據上市規則規定發出之年度獨立身分確認書。本公司認為，根據上市規則所載之獨立指引，全體獨立非執行董事均為獨立人士。

非執行董事為董事會提供廣泛業務及財務專業知識、經驗及獨立判斷。透過積極參與董事會會議、領導涉及潛在利益衝突之管理事宜及履行董事委員會職務，全體非執行董事對本公司實際方向作出多項貢獻。

(4) 董事委任、連任及免任

董事委任、重選及免任之程序及過程載於本公司之公司細則。雖然本公司並無設立提名委員會，而前非執行董事並無與本公司訂立任何服務合約，董事會整體上負責檢討董事會之組成、監察董事之委任及繼任計劃，以及評估獨立非執行董事之獨立性。

根據本公司之公司細則，本公司全體董事均須最少每三年輪值告退一次，而任何就填補臨時空缺委任之新任董事，須於獲委任後首次股東大會接受股東膺選連任。

The relationships among the members of the Board are disclosed under “Senior Management & Directors’ Information” and “Independent Non-Executive Directors’ Information” on page 22 to page 24.

During the year ended 31 March 2007, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one independent non-executive director possessing appropriate professional qualifications, or accounting or related financial management expertise.

The Company has received written annual confirmation from each independent non-executive director of his/her independence pursuant to the requirements of the Listing Rules. The Company considers all independent non-executive directors to be independent in accordance with the independence guidelines set out in the Listing Rules.

The non-executive directors bring a wide range of business and financial expertise, experiences and independent judgement to the Board. Through active participation in Board meetings, taking the lead in managing issues involving potential conflict of interests and serving on Board committees, all non-executive directors make various contributions to the effective direction of the Company.

(4) Appointment, Re-election and Removal of Directors

The procedures and process of appointment, re-election and removal of directors are laid down in the Company’s Bye-laws. Though the Company has not set up a nomination committee and the previous non-executive directors has not entered into any services contract with the Company, the Board as a whole is responsible for reviewing the Board composition, monitoring the appointment and succession planning of directors and assessing the independence of independent non-executive directors.

In accordance with the Company’s Bye-laws, all directors of the Company are subject to retirement by rotation at least once every three years and any new director appointed to fill a causal vacancy shall submit himself/herself for re-election by shareholders at the first general meeting after appointment.

董事會定期檢討其架構、規模及組成，確保董事具備適合本公司業務所需之各項專業知識、技能及經驗。

倘董事會出現空缺，董事會將參考擬委任候選人之技能、經驗、專業知識、個別才能及所用時間、本公司需要以及其他相關法定規定及規例進行甄選程序。在有需要時，本公司可能外聘人事顧問公司，進行招聘及甄選程序。

根據本公司之公司細則，黃子欣博士、李家暉先生及劉暉先生須予退任，並合資格且願意於下屆股東週年大會上膺選連任。

董事會建議於本公司下屆股東週年大會續聘此等正待膺選連任之董事。

本公司日期為2007年7月18日之通函載有正待膺選連任董事之詳細資料。

(5) 董事培訓

各新委任董事於首次獲委任時均會獲得全面、正式兼特為其而設之就任指引，以確保董事適當了解本公司之業務及運作，並全面知悉其根據上市規則及有關監管規定之職責及責任。

於有需要時，本公司亦會為董事安排持續簡介及專業發展。

(6) 董事會會議

會議舉行次數及董事出席率

截至2007年3月31日止年度，已舉行四次常規董事會會議，約為每季舉行一次，以檢討及批准財務及業務表現，並考慮及批准本公司整體策略及政策。

The Board reviewed its own structure, size and composition regularly to ensure that it has a balance of expertise, skills and experience appropriate to the requirements of the business of the Company.

Where vacancies on the Board exist, the Board will carry out the selection process by making reference to the skills, experience, professional knowledge, personal integrity and time commitments of the proposed candidates, the Company's needs and other relevant statutory requirements and regulations. An external recruitment agency may be engaged to carry out the recruitment and selection process when necessary.

In accordance with the Company's Bye-laws, Dr Wong Chi Yun, Mr Li Ka Fai David and Mr Liu Hui Allan shall retire by rotation and being eligible, offer themselves for re-election at the next forthcoming annual general meeting.

The Board recommended the re-appointment of the directors standing for re-election at the next forthcoming annual general meeting of the Company.

The Company's circular dated 18 July 2007 contains detailed information of the directors standing for re-election.

(5) Training for Directors

Each newly appointed director receives comprehensive, formal and tailored induction on the first occasion of his/her appointment, so as to ensure that he/she has appropriate understanding of the business and operations of the Company and that he/she is fully aware of his/her responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

Continuing briefing and professional development for directors will be arranged whenever necessary.

(6) Board Meetings

Number of Meetings and Directors' Attendance

During the year ended 31 March 2007, four regular Board meetings were held at approximately quarterly intervals for reviewing and approving the financial and operating performance, and considering and approving the overall strategies and policies of the Company.

截至2007年3月31日止年度，各董事於董事會會議之出席記錄載列如下：

The attendance record of each director at the Board meetings during the year ended 31 March 2007 is set out below:

Name of Directors		Attendance/ Number of Meetings
董事姓名		出席率／會議舉行次數
Sun Tai Lun Dennis	孫大倫	4/4
Ng Yuk Wah Eileen	吳玉華	4/4
Tang Kwok Tong Simon	鄧國棠	4/4
Sun Tao Hung Stanley	孫道弘	4/4
Au Man Chung Malcolm	區文中	2/4
Li Ka Fai David	李家暉	4/4
Wong Chi Yun Allan	黃子欣	4/4
Chiang Yun Rachel	張昀	2/4
Liu Hui Allan	劉暉	3/4

議事常規及操守

董事一般可事先取得股東大會期及各會議議程初稿。

常規董事會會議通知於會議前最少14日向全體董事發出，其他董事會及委員會會議則一般會發出合理通知。

董事會文件連同所有完備之合適可靠資料將於各董事會會議或委員會會議前最少三日向全體董事發出，以令董事得知本公司最新發展及財務狀況，並確保彼等作出知情決定。於有需要時，董事會及各董事亦可個別獨立接觸高級管理層。

財務總監、營運總監及公司秘書出席常規董事會會議，並於有需要時出席其他董事會及委員會會議，以就業務發展、財務及會計事宜、守章事宜、企業管治及本公司其他主要範疇作出建議。

公司秘書負責保存所有董事會會議及委員會會議之會議記錄。會議記錄初稿一般將於各會議後一段合理時間內分派予董事，而定稿將可供董事查閱。

Practices and Conduct of Meetings

Annual meeting schedules and draft agenda of each meeting are normally made available to directors in advance.

Notices of regular Board meetings are served to all directors at least fourteen days before the meetings. For other Board and committee meetings, reasonable notice is generally given.

Board papers together with all appropriate, complete and reliable information are sent to all directors at least three days before each Board meeting or committee meeting to keep the directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions. The Board and each director also have separate and independent access to the senior management whenever necessary.

The Chief Financial Officer, Chief Operating Officer and Company Secretary attend the regular Board meetings and when necessary, other Board and committee meetings to advise on business developments, financial and accounting matters, statutory compliance, corporate governance and other major aspects of the Company.

The Company Secretary is responsible to keep minutes of all Board meetings and committee meetings. Draft minutes are normally circulated to directors for comment within a reasonable time after each meeting and the final version is open for directors' inspection.

根據現行董事會常規，任何涉及主要股東或董事利益衝突之重大交易將由董事會於正式舉行之董事會會議上考慮及處理。本公司之細則亦載有條文，規定董事於批准該等董事或彼等任何聯繫人士擁有重大利益之交易之會議上放棄投票，且不計入會議法定人數。

B. 主席及行政總裁

守則條文第A.2.1條訂明，主席及行政總裁之職責須有所區分，並不應由同一人出任。

孫大倫博士為本公司主席／行政總裁。董事會相信，由同一人擔任主席及行政總裁可為本公司提供強大而穩健之領導，並有效及具效益地規劃及實行業務決策及策略。

董事會認為，現時由同一人擔任主席及行政總裁之架構將不會損害董事會與本公司管理層間之權力及授權之平衡。

C. 董事委員會

董事會已成立兩個委員會，即薪酬委員會及審核委員會，以監督本公司事務之特定範疇。本公司之薪酬委員會及審核委員會訂有特定書面職權範圍。董事委員會之職權範圍可按股東要求查閱。

各董事委員會大部分成員為獨立非執行董事，各董事委員會主席及成員之名單載於「公司資料」內。

董事委員會就履行其職責提供充裕資源，並應合理要求，在適當情況下徵詢獨立專業意見，費用由本公司承擔。

(1) 薪酬委員會

薪酬委員會由三名成員組成而大部份成員均為獨立非執行董事。

According to current Board practice, any material transaction, which involves a conflict of interests for a substantial shareholder or a director, will be considered and dealt with by the Board at a duly convened Board meeting. The Company's Bye-laws also contain provisions requiring directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such directors or any of their associates have a material interest.

B. CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code Provision A.2.1 stipulates that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual.

Dr Sun Tai Lun Dennis is the Chairman/Chief Executive Officer of the Company. The Board believes that vesting the roles of both Chairman and Chief Executive Officer in the same person provides the Company with strong and consistent leadership and allows for effective and efficient planning and implementation of business decisions and strategies.

The Board considers that the current structure of vesting the roles of Chairman and Chief Executive Officer in the same person will not impair the balance of power and authority between the Board and the senior management of the Company.

C. BOARD COMMITTEES

The Board has established 2 committees, namely, the Remuneration Committee and Audit Committee, for overseeing particular aspects of the Company's affairs. Both the Remuneration Committee and the Audit Committee of the Company are established with defined written terms of reference. The terms of reference of the Board committees are available to shareholders upon request.

The majority of the members of each Board committees are independent non-executive directors and the list of the chairman and members of each Board committee is set out under "Corporate Information".

The Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expenses.

(1) Remuneration Committee

The Remuneration Committee comprises three members and the majority of them are independent non-executive directors.

薪酬委員會主要目標包括就薪酬政策與架構及執行董事與高級管理層之薪酬待遇提供意見及批准。薪酬委員會亦負責就有關薪酬政策及架構之發展制定具透明度之程序，確保董事或其聯繫人士將不會參與決定其本身薪酬之決策，有關酬金將經參考個人及本公司表現以及市場慣例及條件後釐定。

薪酬委員會一般於八月中舉行會議，以檢討薪酬政策及架構、釐定執行董事與高級管理層年度薪酬待遇以及其他相關事宜。人力資源部負責收集及管理人力資源數據，並向薪酬委員會作出推薦意見以供考慮。薪酬委員會將諮詢本公司主席及／或行政總裁有關薪酬政策及架構以及薪酬待遇之推薦意見。

截至2007年3月31日止年度內，薪酬委員會曾舉行一次會議，檢討本公司之薪酬政策及架構，以及執行董事與高級管理層於回顧年度之薪酬待遇。

出席記錄如下：

Name of Directors		Attendance/Number of Meetings
董事姓名		出席率／會議舉行次數
Sun Tai Lun Dennis	孫大倫	1/1
Au Man Chung Malcolm	區文中	0/1
Wong Chi Yun Allan	黃子欣	1/1

(2) **審核委員會**
審核委員會由三名獨立非執行董事(包括一名具備合適專業資格或會計或相關財務管理專業知識之獨立非執行董事)組成。概無審核委員會成員為本公司現任外聘核數師之前合夥人。

The primary objectives of the Remuneration Committee include making recommendations on and approving the remuneration policy and structure and remuneration packages of the executive directors and the senior management. The Remuneration Committee is also responsible for establishing transparent procedures for developing such remuneration policy and structure to ensure that no director or any of his/her associates will participate in deciding his/her own remuneration, which remuneration will be determined by reference to the performance of the individual and the Company as well as market practice and conditions.

The Remuneration Committee normally meets in mid August for reviewing the remuneration policy and structure and determination of the annual remuneration packages of the executive directors and the senior management and other related matters. The Human Resources Department is responsible for collection and administration of the human resources data and making recommendations to the remuneration committee for consideration. The Remuneration Committee will consult the Chairman and/or the Chief Executive Officer of the Company about these recommendations on remuneration policy and structure and remuneration packages.

The Remuneration Committee met once during the year ended 31 March 2007 and reviewed the remuneration policy and structure of the Company and remuneration packages of the executive directors and the senior management for the year under review.

The attendance records are set out below:

(2) **Audit Committee**
The Audit Committee comprises three independent non-executive directors including one independent non-executive director who possesses the appropriate professional qualifications or accounting or related financial management expertise. None of the members of the Audit Committee is a former partner of the Company's existing external auditors.

審核委員會主要職責包括以下各項：

- (a) 於呈交董事會前審閱財務報表及報告，並考慮合資格會計師、合規主任（如有）、內部核數師或外聘核數師提出之任何重大或非經常項目。
- (b) 經參考核數師進行之工作、其費用及委聘條款後，檢討與外聘核數師之關係，並就委任、續聘及罷免外聘核數師向董事會提出推薦意見。
- (c) 檢討本公司財務監控制度、內部監控制度及風險管理制度以及相關程序是否足夠及有效。

審核委員會於2007年3月31日止年度內曾舉行兩次會議，以審閱財務業績及報告、財務申報及遵例程序，管理層對本公司內部監控及風險及管理檢討及過程之報告及重新聘任外界核數師，出席記錄載列如下：

Name of Directors
董事姓名

Attendance/Number of Meetings
出席率／會議舉行次數

Au Man Chung Malcolm	區文中	2/2
Li Ka Fai David	李家暉	2/2
Wong Chi Yun Allan	黃子欣	2/2
Chiang Yun Rachel	張昀	2/2
Liu Hui Allan	劉暉	1/2

審核委員會與董事會對甄選、委任、辭任或罷免外聘核數師意見一致。

本公司截至2007年3月31日止年度之年度業績已由審核委員會核閱。

概無對本公司能否持續經營存有重大疑問之事件或條件相關之任何重大不明朗因素。

The main duties of the Audit Committee include the following:

- (a) To review the financial statements and reports and consider any significant or unusual items raised by the qualified accountant, compliance officer (if any), internal auditor or external auditors before submission to the Board.
- (b) To review the relationship with the external auditors by reference to the work performed by the auditors, their fees and terms of engagement, and make recommendation to the Board on the appointment, re-appointment and removal of external auditors.
- (c) To review the adequacy and effectiveness of the Company's financial controls system, internal control system and risk management system and associated procedures.

The Audit Committee held two meetings during the year ended 31 March 2007 to review the financial results and reports, financial reporting and compliance procedures, the report from the management on the Company's internal control and risk management review and posses, and the re-appointment of the external auditors. The attendance records are set out below:

The Audit Committee has the same view with the Board regarding the selection, appointment, resignation or dismissal of external auditors.

The Company's annual results for the year ended 31 March 2007 have been reviewed by the Audit Committee.

There are no material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

D. 進行證券交易之標準守則

本公司已就董事買賣本公司證券採納條款不寬鬆於上市規則附錄10所載上市公司董事進行證券交易之標準守則（「標準守則」）所載規定準則之本身操守準則（「本身守則」）。

經向全體董事具體查詢後，各董事確認，彼等於截至2007年3月31日止年度一直遵守本身守則及標準守則。

守則條文第A.5.4條規定，董事會應就有關僱員進行本公司證券交易時可能得知本公司未公佈之價格敏感資料制定條款不寬鬆於標準守則之書面指引（「僱員書面指引」）。

本公司並未就僱員進行證券交易制定僱員書面指引，原因為本公司已具備有關程序，確保僅執行董事可能得知本公司未公佈之價格敏感資料，而彼等買賣本公司證券已受本身守則所規管。

E. 就財務報表之責任

根據上市規則及其他監管規定，董事會負責提呈持平之清晰易明的年度及中期報告評估、股價敏感公佈及其他披露。

董事知悉其須負責編製本公司截至2007年3月31日止年度之財務報表。

管理層已於有需要時向董事會提供解釋及資料，以使董事會在知情情況下評估本公司之財務資料及狀況，以供董事會審批。

本公司外聘核數師就有關其申報財務報表責任之聲明載於第46及47頁「核數師報告」。

F. 核數師之薪酬

截至2007年3月31日止年度，本公司就核數服務及非核數服務支付外聘核數師之薪酬分別為港幣1,100,000元及港幣1,053,000元。

D. MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted its own code of conduct regarding director's dealings in the Company's securities (the "Own Code") on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules.

Specific enquiry has been made of all the directors and the directors have confirmed that they have complied with the Own Code and the Model Code throughout the year ended 31 March 2007.

Code Provision A.5.4 stipulates that the Board should establish written guidelines on no less exacting terms than the Model Code (the "Employees Written Guidelines") for relevant employees who are likely to be in possession of unpublished price-sensitive information of the Company in respect of their dealings in the securities of the Company.

The Company has not established Employees Written Guidelines for securities transactions by employees as procedures are in place to ensure that only the executive directors are likely to be in possession of unpublished price-sensitive information of the Company and their dealings in the securities of the Company are already governed by the Own Code.

E. RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, price-sensitive announcements and other disclosures required under the Listing Rules and other regulatory requirements.

The directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 March 2007.

The management has provided such explanation and information to the Board as necessary to enable the Board to carry out an informed assessment of the financial information and position of the Company put to the Board for approval.

The statement of the external auditors of the Company about their reporting responsibilities on the financial statements is set out in the "Report of the Auditors" on pages 46 and 47.

F. AUDITORS' REMUNERATION

The remuneration paid to the external auditors of the Company in respect of audit services and non-audit services for the year ended 31 March 2007 amounted to HK\$1,100,000 and HK\$1,053,000 respectively.

G. 內部監控

截至2007年3月31日止年度。董事會已檢討本集團內部監控制度之成效。檢討工作已涵蓋本集團之財務、營運、遵例及風險管理。

H. 股東權利與投資者關係

本公司認為，與股東有效溝通對加強投資者與本集團的關係及令投資者更能了解本集團之業務表現及策略而言相當重要。本公司亦明察到保持公司資料透明度及適時披露公司資料之重要性，此舉將使股東及投資者作出最佳投資決定。

本公司股東大會為股東與董事會提供溝通機會。董事會主席、薪酬委員會及審核委員會主席，或其缺席則由各委員會其他成員及(如適用)獨立董事委員會可於股東大會回答提問。

為保障股東權益與權利，本公司將就各重大事宜(包括選出個別董事)於股東大會提呈獨立決議案。

股東權利及於股東大會上要求就決議案按股數投票表決之程序載於本公司細則。有關要求按股數投票表決之權利及投票程序之詳情載於致股東之所有通函，並於會議期間闡釋。投票結果將於股東大會後之營業日於報章及在聯交所網站刊登。

投票結果將於緊隨以投票方式表決之股東大會舉行後之營業日在報章發表，並於聯交所及本公司網站內刊載。

本公司持續提升與其投資者之溝通及關係。指定高級管理層會定期與機構投資者及分析員保持對話，確保彼等緊握本公司最新發展。本公司會即時處理投資者查詢，並提供資料。投資人士如有任何查詢，可直接致函本公司之香港主要營業地點或電郵至 enquiry@chinahkphoto.com.hk。

為促進有效溝通，本公司亦運作網站 <http://www.chinahkphoto.com.hk/>，該網站載有本公司廣泛之業務發展及運作之資訊及最新資料、財務資料、企業管治常規及其他資料。

G. INTERNAL CONTROLS

The Board has conducted a review of the effectiveness of the internal control system of the Group for the year ended 31 March 2007. The review has covered the financial, operational, compliance and risk management aspects of the Group.

H. SHAREHOLDER RIGHTS AND INVESTOR RELATIONS

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company also recognizes the importance of transparency and timely disclosure of corporate information, which will enable shareholders and investors to make the best investment decisions.

The general meetings of the Company provide an opportunity for communication between the shareholders and the Board. The Chairman of the Board as well as chairmen of the Remuneration Committee and Audit Committee, or in their absence, other members of the respective committees, and where applicable, the independent Board committee, are available to answer questions at the shareholders' meetings.

To safeguard shareholder interests and rights, separate resolutions are proposed at shareholders' meetings on each substantial issue, including the election of individual directors.

The rights of shareholders and the procedures for demanding a poll on resolutions at shareholders' meetings are contained in the Company's Bye-laws. Details of such rights to demand a poll and the poll procedures are included in all circulars to shareholders and will be explained during the proceedings of meetings.

Poll results will be published in newspapers and posted on the websites of the Stock Exchange and of the Company on the business day following the shareholders' meeting at which voting is taken on a poll.

The Company continues to enhance communications and relationships with its investors. Designated senior management maintains regular dialogue with institutional investors and analysts to keep them abreast of the Company's developments. Enquiries from investors are dealt with in an informative and timely manner. Investors may write directly to the Company at its principal place of business in Hong Kong or via email to enquiry@chinahkphoto.com.hk for any inquiries.

To promote effective communication, the Company maintains a website at <http://www.chinahkphoto.com.hk> where extensive information and updates on the Company's business developments and operations, financial information, corporate governance practices and other information are posted.