

企業管治報告 CORPORATE GOVERNANCE REPORT

企業管治常規

本公司致力於設立良好之企業管治常規及程序。於二零零五年八月，本公司根據香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載之企業管治常規守則（「企業管治常規守則」）所載列之原則及守則條文採納其本身之企業管治守則，並成立薪酬委員會。於截至二零零五年十二月三十一日止年度內，除有關內部控制之守則條文（根據企業管治常規守則，該等守則條文於二零零五年七月一日或之後開始之會計期間內實施）及下文所討論者外，本公司一直遵守上市規則附錄十四所載之守則條文。

董事進行證券交易

本公司已就董事進行證券交易採納一套條款嚴格程度不遜於上市規則附錄十所載規定準則之守則。本公司於作出特定查詢後確認所有董事於截至二零零五年十二月三十一日止年度內一直遵守守則所述之規定準則。

董事會組成

本公司由董事會規管，董事會負責指導及監察本公司之事務，並監督本集團之業務、決策及表現。董事會委派管理人員執行其決策及日常運作。於二零零五年八月范亞軍先生辭任及許盤鳳女士及蔣才南先生獲委任為本公司執行董事後，董事會現包括四位執行董事及三位獨立非執行董事如下：

執行董事：蔣泉龍先生（主席）、錢元英女士（副主席兼行政總裁）、許盤鳳女士及蔣才南先生。

獨立非執行董事：劉余九先生、黃春華先生及金重先生。

CORPORATE GOVERNANCE PRACTICES

The Company is committed to the establishment of good corporate governance practices and procedures. In August 2005, the Company adopted its own code of corporate governance based on the principles and code provisions as set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and established a remuneration committee. During the year ended 31 December 2005, the Company has complied with the code provisions set out in Appendix 14 of the Listing Rules, save for the code provisions on internal controls, which are to be implemented for accounting periods commencing on or after 1 July 2005 pursuant to the CG Code and save as disclosed below.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard set out in Appendix 10 of the Listing Rules. Having made specific enquiry, the Company confirms that all directors have complied with the required standards as stated in the code throughout the year ended 31 December 2005.

BOARD COMPOSITION

The Company is governed by a Board of directors which is responsible for directing and supervising its affairs and oversight of the Group's businesses, strategic decision and performance. Execution of the Board's decisions and daily operations are delegated to the management. After the resignation of Mr Fan Yajun and appointment of Ms Xu Panfeng and Mr Jiang Cainan as executive directors of the Company in August 2005, the Board now comprises four executive directors and three independent non-executive directors as follows:

Executive directors: Mr Jiang Quanlong (Chairman), Ms Qian Yuanying (Deputy Chairman and Chief Executive Officer), Ms Xu Panfeng and Mr Jiang Cainan.

Independent non-executive directors: Mr Liu Yujiu, Mr Huang Chunhua and Mr Jin Zhong.

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董事會組成(續)

董事會於年內舉行六次會議。出席會議之詳情如下：

董事	出席會議
蔣泉龍	6/6
錢元英	6/6
許盤鳳	3/6
蔣才南	4/6
范亞軍	2/6
劉余九	5/6
黃春華	5/6
金重	5/6

董事培訓

每名新獲委任董事於其任期開始時接受綜合、正規及特定之開導，以確保其適當瞭解本公司之業務及營運，並完全知悉根據上市規則及有關法規規定其須履行之責任及義務。

倘有需要，本公司亦有適當安排向董事提供持續指導及專業發展。

會議常規及操守

董事會定期會議之通告至少於會議舉行日期前14天送呈全體董事。就其他董事會及委員會會議而言，一般亦發出合理之通告。

董事會文件連同所有合適、完整及可靠之資料均至少於每次董事會會議或委員會會議舉行日期前3天送呈全體董事，以讓董事評估本公司最近之發展及財務狀況，並讓彼等能夠作出知情決定。董事會及各位董事亦於必要時可分別及獨立接觸高級管理人員。

公司秘書負責編撰及保管所有董事會會議及委員會會議記錄。草擬的記錄一般於每次會議後在合理時間內給董事傳閱以發表意見，而最後之版本公開供董事查閱。

根據現時之董事會常規，涉及主要股東或董事利益衝突之任何重大交易將由董事會於正式召開之董事會會議上考慮及處理。

BOARD COMPOSITION (Continued)

The Board held six meetings during the year. Details of the attendance are as follows:

Directors	Attendance
Jiang Quanlong	6/6
Qian Yuanying	6/6
Xu Panfeng	3/6
Jiang Cainan	4/6
Fan Yajun	2/6
Liu Yujun	5/6
Huang Chunhua	5/6
Jin Zhong	5/6

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.

There are also arrangements in place for providing continuing briefing and professional development to directors whenever necessary.

PRACTICES AND CONDUCT OF MEETINGS

Notices of regular Board meetings are served to all directors at least 14 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 3 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 Company Secretary is responsible to take and 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.

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.

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主席及行政總裁

儘管董事會主席蔣泉龍先生乃行政總裁錢元英女士之丈夫，惟彼等之角色及職責乃分開。主席負責制定本集團之整體業務發展政策，而行政總裁負責本集團業務之整體管理。

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Although Mr Jiang Quanlong, the Chairman of the Board, is the husband of Ms Qian Yuanying, the Chief Executive Officer, their roles and responsibilities are separated. The Chairman is responsible for the formulation of the Group's overall business development policies while the Chief Executive Officer is responsible for the overall management of the Group's business.

獨立非執行董事

本公司之獨立非執行董事乃才能超群之專業人士，具有財務管理及本集團相關業務方面之專業技術及經驗。彼等就策略發展向本公司提供建議，並使董事會能夠於遵守財務及其他強制性申報規定方面維持高水準，並提供足夠之檢查及平衡，以保護股東及本公司之整體利益。於二零零五年八月，本公司已重新訂定各位獨立非執行董事之委任，為期兩年。本公司已接獲全體獨立非執行就其獨立性作出之書面確認。董事會認為彼等均獨立。

INDEPENDENT NON-EXECUTIVE DIRECTORS

The independent non-executive directors of the Company are highly skilled professionals with expertise and experience in the field of financial management and businesses related to the Group. They advise the Company on strategy development and enable the Board to maintain high standards of compliance of financial and other mandatory reporting requirements and provide adequate checks and balances to safeguard the interests of shareholders and the Company as a whole. In August 2005, the Company has renewed the appointment with each of the independent non-executive directors for a term of two years. The Company has received written confirmations from all independent non-executive directors concerning their independence. The Board considers that all of them are independent.

審核委員會

審核委員會包括本公司之所有獨立非執行董事，即劉余九先生、黃春華先生及金重先生。劉余九先生為該委員會之主席。審核委員會於年內已舉行定期會議，並已審閱本公司所採納之會計政策及慣例及討論審核、內部控制及財務申報事宜，包括審閱本公司本年度之中期及全年業績。

AUDIT COMMITTEE

The audit committee comprises all independent non-executive directors of the Company, namely, Mr Liu Yujiu, Mr Huang Chunhua and Mr Jin Zhong. The committee is chaired by Mr Liu Yujiu. The audit committee has held regular meetings during the year and it has reviewed the accounting principles and practices adopted by the Company and discussed auditing, internal control and financial reporting matters, including the review of the interim and annual results of the Company for the year.

本公司任何股東如有要求，可向公司秘書瞭解審核委員會職權範圍（均遵守企業管治常規守則）。

The terms of reference of the audit committee, which are in compliance with the CG Code are available from the Company Secretary upon request from any shareholders of the Company.

於本年度，審核委員會舉行兩次會議。董事出席會議之情況如下：

During the year, there were two audit committee meetings. Attendance of the directors were as follow:

董事	出席會議	Director	Attendance
劉余九	2/2	Liu Yujiu	2/2
黃春華	2/2	Huang Chunhua	2/2
金重	2/2	Jin Zhong	2/2

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董事之薪酬

薪酬委員會於二零零五年八月成立。該委員會之主席為蔣泉龍先生，而其他成員為獨立非執行董事，即劉余九先生、黃春華先生及金重先生。

薪酬委員會之主要職能為向董事會提供本公司董事及高級管理人員薪酬政策及結構方面之推薦意見，並檢討彼等之具體薪酬組合。

本公司任何股東如有要求，可向公司秘書瞭解薪酬委員會之職權範圍（均遵守企業管治常規守則）。

該委員會於二零零五年並無舉行任何會議以檢討董事之薪酬組合，由於本公司認為其薪酬組合乃按市場水平釐定，故並無需要於二零零五年檢討。薪酬委員會於二零零六年將舉行會議，以釐定酬金政策及長期獎勵計劃，以及釐定應付董事及高級管理人員酬金之基準。

董事提名

本公司現時並無提名委員會。根據本公司之組織章程細則，董事會有權委任任何人士為董事，以填補臨時空缺或作為董事會之新增成員。提名須考慮獲提名人士之資格、能力及對本公司有可能作出之貢獻。

董事輪值退任

根據企業管治常規守則之守則條文A.4.2，每位董事須至少每三年輪值退任一次。本公司之現有組織章程細則訂明，擔任主席或副主席之董事毋須輪值退任。因此，於本報告日期，本公司主席蔣泉龍先生及副主席錢元英女士均毋須輪值退任。為著避免違反企業管治常規守則之守則條文A.4.2，本公司建議於應屆股東週年大會上作出修訂，以訂明每位董事須至少每三年輪值退任一次。

REMUNERATION OF DIRECTORS

The remuneration committee was established in August 2005. The chairman of the committee is Mr Jiang Quanlong and other members are the independent non-executive directors, namely, Mr Liu Yujiu, Mr Huang Chunhua and Mr Jin Zhong.

The principal function of the remuneration committee is to make recommendations to the Board of directors on the Company's policy and structure for the remuneration of directors and senior management, and to review their specific remuneration package.

The terms of reference of the remuneration committee, which are in compliance with the CG Code are available from the Company Secretary upon request from any shareholders of the Company.

No meeting was held by the committee in 2005 to review the remuneration packages of directors, which are nominal by market standards, as the Company did not see a need to review them during 2005. The remuneration committee will meet in 2006 to determine the emolument policy and long-term incentive schemes as well as the basis of determining the emoluments payable to the directors and the senior management.

NOMINATION OF DIRECTORS

The Company does not have a nomination committee at present. According to the Articles of Association of the Company, the Board of directors has the power to appoint any person as a director either to fill a causal vacancy or as an addition to the Board. The nomination should be taken into consideration of the nominee's qualifications, ability and potential contributions to the Company.

ROTATION OF DIRECTORS

Under code provision A.4.2 of the CG Code, every director should be subject to retirement by rotation at least once every three years. The existing Articles of Association of the Company provide that no director holding office as Chairman or Deputy Chairman shall be subject to retirement by rotation. Accordingly, as at the date of this report, Mr Jiang Quanlong and Ms Qian Yuanying, being the Chairman and Deputy Chairman of the Company, respectively, are not subject to retirement by rotation. In order to avoid any non-compliance with code provision A.4.2 of the CG Code, amendment will be proposed at the forthcoming annual general meeting to specify that every director should be subject to retirement by rotation at least every three years.

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核數師之酬金

年內，本公司就核數師提供之法定審核服務（包括中期審閱）支付之酬金為1,360,000港元。核數師並無提供任何其他非審核服務。

董事對財務報表所負之責任

編製真實及公平地反映本集團財務狀況及各個財政期間之業績及現金流量之財務報表乃董事之責任。於編製財務報表時，董事須確保採納適當會計政策。財務報表乃按持續經營基準編製。

內部控制

董事會全面負責維持本集團內部控制之適當系統並檢討其效率。董事會已委派管理人員實施及評估內部控制系統。管理層現時正在發展程序，以檢討本集團內部控制系統之效率。

委任核數師

於上屆股東週年大會上獲續聘為核數師之何錫麟會計師行於年內加入中國之信永中和會計師事務所，因此，信永中和（香港）會計師事務所有限公司成立。何錫麟會計師行辭任本公司核數師，而信永中和（香港）會計師事務所有限公司向董事會提交建議，以填補臨時空缺。董事會及審核委員會均認為委聘相同隊伍之核數師應該會使本公司整體受惠，因此，信永中和（香港）會計師事務所有限公司獲委任為本公司核數師。本公司將於應屆股東週年大會上建議提呈決議案，以重新委任信永中和（香港）會計師事務所有限公司為本公司之核數師。

AUDITORS' REMUNERATION

During the year, the remuneration in respect of statutory audit services (including interim review) provided by the auditors of the Company was HK\$1,360,000. There was no other non-audit service provided by the auditors.

DIRECTORS' RESPONSIBILITIES ON THE FINANCIAL STATEMENTS

It is the directors' responsibility for the preparation of financial statements which give a true and fair view of the state of affairs of the Group and the results and cash flows for each financial period. In preparing the financial statements, the directors have to ensure that appropriate accounting policies are adopted. The financial statements are prepared on a going concern basis.

INTERNAL CONTROLS

The Board has overall responsibility for maintaining an adequate system of internal controls of the Group and for reviewing its effectiveness. The Board has delegated to the management the implementation and evaluation of the system of internal controls. The management is currently in the process of developing procedures for the review of the effectiveness of the Group's system of internal control.

APPOINTMENT OF AUDITORS

Messrs. Ho and Ho & Company, the auditors re-appointed at the last annual general meeting, joined ShineWing Certified Public Accountants in China during the year. As a result, ShineWing (HK) CPA Limited was established. Messrs. Ho and Ho & Company resigned as the auditors of the Company and ShineWing (HK) CPA Limited tendered a proposal to the Board to fill the causal vacancy. Both the Board and the audit committee are of the view that it should benefit the Company as a whole to engage the same team of auditors and so ShineWing (HK) CPA Limited was appointed. A resolution to reappoint ShineWing (HK) CPA Limited as auditors of the Company will be proposed at the forthcoming annual general meeting.

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股東權利及投資者關係

股東之權利及要求於股東大會上以投票方式表決決議案之程序載於本公司之組織章程細則內。有關權利及程序之詳情已載於致股東以召開股東大會之所有通函內，並於會議進行期間內作出解釋。倘要求以投票方式表決，則會就進行投票之詳細程序作出解釋。

投票結果將於股東大會後之營業日刊登於報章上，並登載於本公司及聯交所網站上。

本公司股東大會為股東及董事會提供溝通之機會。董事會主席以及薪酬委員會及審核委員會之主席（或於其缺席之情況下，其正式委任之代表）將於股東大會上回答提問。

每項主要事項（包括選舉個別董事）將於股東大會上以單獨決議案提呈。

本公司繼續加強與其投資者之溝通及聯繫。獲指派之高級管理人員維持定期與機構投資者及分析師交談，以讓彼等瞭解本公司之最新發展情況。投資人之查詢以具資訊性及適時方式處理。

為促進有效溝通，本公司亦設有一個網站，於 www.creh.com.hk，廣泛登載本公司業務發展及營運之最新訊息、財務訊息及其他訊息。

SHAREHOLDER RIGHTS AND INVESTOR RELATIONS

The rights of shareholders and the procedures for demanding a poll on resolutions at shareholders' meetings are contained in the Company's Articles of Association. Details of such rights and procedures are included in all circulars to shareholders convening shareholders' meetings and will be explained during the proceedings of meetings. Whenever voting by way of a poll is required, the detailed procedures for conducting a poll will be explained.

Poll results will be published in newspapers on the business day following the shareholders' meeting and posted on the websites of the Company and of the Stock Exchange.

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, their duly appointed delegates are available to answer questions at the shareholders' meetings.

Separate resolutions are proposed at shareholders' meetings on each substantial issue, including the election of individual directors.

The Company continues to enhance communications and relationships with its investors. Designated senior management maintain 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.

To promote effective communication, the Company also maintains a website at www.creh.com.hk, where extensive information and updates on the Company's business developments and operations, financial information and other information are posted.