



Terms of Reference of the Remuneration Committee

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Constitution

1. The board of directors (the “Board”) resolved to establish a Committee of the Board known as the Remuneration Committee.

Membership

- 2.1 Members of the Remuneration Committee shall be appointed by the Board.
- 2.2 The Remuneration Committee must consist of a minimum of three members, all of whom must be non-executive directors.
- 2.3 The majority of the members of the Remuneration Committee must be independent non-executive directors (the “INED”).
- 2.4 Current members of the Remuneration Committee include:

Mr Li Wei (Chairman)
Mr Lam Hin Chi
Mr Wang Xiaolong

Chairman

- 3.1 The Board shall nominate one of the members as the Chairman. The Chairman shall be an INED.
- 3.2 In the absence of the Chairman at any meeting of the Remuneration Committee, the remaining members of the Remuneration Committee present at any meeting convened in accordance with this Terms of Reference shall elect among the remaining members of the Remuneration Committee to act as the Chairman of the meeting.

Secretary

- 4.1 The company secretary or in his absence, his delegate, shall be the secretary of the Remuneration Committee.
- 4.2 In the absence of the secretary, the members of the Remuneration Committee present at the meeting shall elect another person to act as the secretary.

Quorum

- 5.1 The quorum of the Remuneration Committee meetings shall be any two members.
- 5.2 If only two members are present in any meeting of the Remuneration Committee, at least one member must be an INED.

- 5.3 A duly convened meeting of the Remuneration Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Remuneration Committee.

Attendance at meetings

- 6.1 Members of the Remuneration Committee may attend Remuneration Committee meetings either in person or through electronic means of communication.
- 6.2 Other Directors who are not members of the Remuneration Committee and external advisers shall have the right to attend any meetings of the Remuneration Committee, however they shall not be counted in the quorum.
- 6.3 The secretary of the Remuneration Committee (or his/her delegate) shall attend all meetings of the Remuneration Committee to take minutes.

Frequency of meetings

- 7.1 The meetings of the Remuneration Committee shall be held not less than once a year.
- 7.2 A meeting of the Remuneration committee may be convened by the Secretary on request of the Board or any member(s) of the Remuneration Committee.

Notice and agenda of meetings

- 8.1 A meeting of the Remuneration Committee shall be called by at least seven days' notice in writing and such notice of meeting may be exempted upon agreement of all the members of the Remuneration Committee.
- 8.2 Notice shall be given to each member of the Remuneration Committee orally in person or in writing or by telephone or by facsimile or electronic transmission at the telephone number or facsimile number or address or email address from time to time notified to the secretary by such member of the Remuneration Committee or by such other means as the members may from time to time determine. Any notice given orally shall be confirmed in writing.
- 8.3 Notices of meeting shall state the time and place of the meeting and shall be accompanied by an agenda together with other documents which may be required to be considered by the members of the Remuneration Committee for the purposes of the meeting.

Voting

9. Questions arising at any Remuneration Committee meeting shall be determined by a majority of votes of the members present, and in the case of an equality of votes, the Chairman shall have a second or casting vote.

Responsibilities, powers and discretion

The Remuneration Committee shall have the following responsibilities, powers and discretion:

- 10.1 to formulate remuneration policy for approval by the Board, which shall take into consideration factors such as salaries paid by comparable companies, employment conditions, and responsibilities, and individual performance of the Directors, senior management, and the general staff. Implement the remuneration policy laid down by the Board.

10.2 Without prejudice to the generality of the foregoing:

- (a) to establish guidelines for the recruitment of the Directors and senior management;
- (b) to recommend to the Board the Company's policy and structure for all Directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (c) to make recommendation to the Board on the remuneration package of all Directors and senior management, including benefits in kind, pension right, compensation payment (including any compensation payable for loss or termination of their office or appointment). The Remuneration Committee should consult the Chairman and/or chief executive about the remuneration proposal for other executive directors;
- (d) to review and approve compensation payable to executive directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
- (e) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
- (f) to ensure that no director or any of his associates is involved in deciding his own remuneration;
- (g) to determine the criteria for assessing employee performance, which should reflect the Company's business objectives and targets;
- (h) to consider the annual performance bonus for executive directors, senior management, and the general staff, having regard to their achievements against the performance criteria and by reference to market norms, and make recommendation to the Board;
- (i) to do any such things to enable the Remuneration Committee to discharge its powers and functions conferred on it by the Board; and
- (j) to conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the constitution of the Company or imposed by legislation.

Authority

- 11.1 The Remuneration Committee is authorised to seek any information it requires from any employee of the Company or Director in order to perform its duties and to make informed decisions. The information supplied must be complete and reliable. All employees of the Company are directed to co-operate with any request made by the Remuneration Committee.
- 11.2 The Company should provide the Remuneration Committee sufficient resources to perform its duties. Where necessary, the Remuneration Committee should seek independent professional advice, at the Company's expense, to perform its responsibilities.

Reporting responsibilities

- 12.1 The Remuneration Committee shall report to the Board on a regular basis. At the next meeting of the Board following a meeting of the Remuneration Committee, the Chairman or in the absence of the Chairman, a member of the Remuneration Committee shall report the findings and recommendations of the Remuneration Committee to the Board.
- 12.2 The Chairman or in the absence of the Chairman, a member of the Remuneration Committee shall attend the Company's annual general meeting and be prepared to respond to shareholders' questions.
- 12.3 The secretary shall circulate the minutes of meetings and reports of the Remuneration Committee to all members of the Board.

Others

- 13.1 The duties and obligations of the Remuneration Committee shall be in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time.
- 13.2 The power of interpretation of this Terms of Reference shall be vested in the Board.
- 13.3 The Board may amend this Terms of Reference from time to time.

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