
**Regulations relating to the remuneration committee (the “Remuneration Committee”)
of the board of directors of the Company (the “Board”)**

A. Constitution

The Remuneration Committee is a committee of the Board.

B. Remuneration Committee

1. Membership

- 1.1 Members of the Remuneration Committee shall be appointed by the Board from amongst the directors of the Company only and shall consist of not less than three members, the majority being independent non-executive directors of the Company. The initial members of the Remuneration Committee are Messrs Liu Tsun Kie, Yap Fat Suan Henry and Chu Hon Pong Tony, the three independent non-executive directors of the Company, and the Chairman of the Company, Mr. Ko Chun Shun Johnson.
- 1.2 The chairman of the Remuneration Committee shall be appointed by the Board. Mr. Liu Tsun Kie shall be the first chairman.
- 1.3 The secretary of the Remuneration Committee shall be the Company Secretary of the Company.
- 1.4 The appointment of the members and secretary of the Remuneration Committee may be revoked, or additional members may be appointed to the Remuneration Committee by separate resolutions passed by the Board.

2. Proceedings of the Remuneration Committee

2.1 Notice

- 2.1.1 Unless otherwise agreed by all the Remuneration Committee members, a meeting of the Remuneration Committee shall be called by at least seven (7) days' notice.
- 2.1.2 A member of the Remuneration Committee may and, on the request of a member of the Remuneration Committee, the secretary of the Remuneration Committee shall, at any time summon a meeting of the Remuneration Committee. Notice shall be given to each member of the Remuneration Committee orally in person or in writing or by telephone or by email or facsimile transmission at the telephone or facsimile or address from time to time notified to the secretary by such member of the Remuneration Committee by such other means as the members may from time to time determine. Any notice given orally shall be confirmed in writing.
- 2.1.3 Notice 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.

2.2 Quorum

A quorum of the Remuneration Committee meeting shall be two (2) members of the

Remuneration Committee.

2.3. Attendance of meetings by non-members

Other members of the Board, apart from the members of the Remuneration Committee, have the right to attend any meetings of the Remuneration Committee, though they shall not be counted in the quorum.

2.4. Frequency of meetings

Meetings shall be held at least once every year. The members of the Remuneration Committee may call any meetings at any time when necessary.

3. Written resolutions

Resolutions may be passed by all the members of the Remuneration Committee in writing.

4. Alternate members

A member of the Remuneration Committee may not appoint any alternate.

5. Authority

The Remuneration Committee may exercise the following powers:

- (a) to seek any information it requires from any employee of the Company and any professional advisers, to require any of them to prepare and submit reports and to attend meetings of the Remuneration Committee and to supply information and answer questions raised by the Remuneration Committee; and
- (b) to obtain outside legal or other independent professional advice and to secure the attendance of independent third parties with relevant experience and expertise if it considers necessary.

6. Duties

The duties of the Remuneration Committee shall include, without limitation:

- (a) to make recommendations to the Board on the Company's policy and structure for all remuneration of directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration;
- (b) to have the delegated responsibility to determine the specific remuneration packages of all executive directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and make recommendations to the Board of the remuneration of non-executive directors. The Remuneration Committee should consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors, employment conditions elsewhere in the group and desirability of performance-based remuneration. A significant proportion of executive directors' remuneration should be structured so as to link rewards to corporate and individual performance;

- (c) to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time;
- (d) to review and approve the compensation payable to executive directors and senior management in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive for the Company;
- (e) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate;
- (f) to ensure that no director or any of his associate is involved in deciding his own remuneration; and
- (g) to advise shareholders on how to vote with respect to any service contracts of directors that require shareholders' approval under Rule 13.68 of the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Note: "Senior management" refers to the same category of persons as referred to in the Company's annual report. It is the responsibility of the directors of the Company to determine which individual or individuals constitute senior management. Senior management may include directors of subsidiaries, heads of divisions, departments or other operating units within the group as, in the opinion of the directors, appropriate.

7. Reporting Procedures

The secretary of the Remuneration Committee shall circulate the minutes of the meetings and all written resolutions of the Remuneration Committee to all members of the Board.

8. Continuing applications of the bye-laws of the Company

The bye-laws of the Company regulating the meetings and proceedings of the directors so far as the same are applicable and not inconsistent with the provisions of these regulations shall apply, *mutatis mutandis*, to regulate the meetings and proceedings of the Remuneration Committee.

9. Powers of the Board

The Board may, subject to compliance with the bye-laws of the Company and the Listing Rules, amend, supplement and revoke these regulations and any resolution passed by the Remuneration Committee provided that no amendments to and revocation of these regulations and the resolutions passed by the Remuneration Committee shall invalidate any prior act and resolution of the Remuneration Committee which would have been valid if these regulations or resolution had not been amended or revoked.

1 January 2006