

Prosten Technology Holdings Limited
(the “Company”)

Terms of Reference

of

Remuneration Committee

(Adopted at the Board Meeting on 17 June 2005)

1. Membership

- 1.1 The Remuneration Committee shall be appointed by the Board.
- 1.2 The majority of the members (“Members”) of the Remuneration Committee shall be independent non-executive Directors.
- 1.3 The Chairman of the Remuneration Committee shall be appointed by the Board.

2. Secretary

- 2.1 The Company Secretary shall be the first secretary of the Remuneration Committee.
- 2.2 The Remuneration Committee may from time to time appoint any other person with appropriate qualification and experience as the secretary of the Remuneration Committee.

3. Meetings

- 3.1 The Remuneration Committee shall meet at least once a year.
- 3.2 Notice of any meetings has to be given at least 7 days prior to any such meeting being held, unless all Members unanimously waive such notice. Irrespective of the length of notice being given, attendance of a meeting by a Member shall be deemed waiver of the requisite length of notice by the Member. Notice of any adjourned meetings is not required if adjournment is for less than 7 days.
- 3.3 The quorum of the Remuneration Committee shall be any two Members.
- 3.4 Meetings could be held in person, by telephone or by video conference. Members may participate in a meeting by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting are capable of communicating with each other simultaneously and instantaneously.

- 3.5 Resolutions of the Remuneration Committee at any meetings shall be passed by a majority of votes of the Members present.
- 3.6 A resolution in writing signed by all the Members of the Remuneration Committee shall be as valid and effectual as if it had been passed at a meeting of the Remuneration Committee duly convened and held.
- 3.7 Minutes shall be kept by the secretary of the Remuneration Committee. Draft and final versions of minutes shall be circulated to all Members for their comment and records respectively, in both cases within a reasonable period of time after the meeting. Such minutes shall be open for Directors' inspection.

4. Attendance at Meetings

- 4.1 At the invitation of the Remuneration Committee, the Chairman of the Board and/or Managing Director, external advisers and other persons may attend all or part of any meetings.
- 4.2 Only Members of the Remuneration Committee are entitled to vote at the meetings.

5. Annual General Meeting

- 5.1 The Chairman of the Remuneration Committee or in his absence, another Member of the Remuneration Committee shall attend the Company's Annual General Meeting and be prepared to respond to shareholders' questions on the Remuneration Committee's activities and their responsibilities.

6. Responsibility, Powers and Discretion

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

- 6.1 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;
- 6.2 (a) 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. The Remuneration Committee shall consult the Chairman of the Board and/or Managing Director about their proposals relating to the remuneration of other executive Directors and senior management; and

(b) to 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;

- 6.3 to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time;
- 6.4 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;
- 6.5 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;
- 6.6 to ensure that no Director or any of his associates is involved in deciding his own remuneration; and
- 6.7 to advise shareholders on how to vote with respect to any service contracts of Directors that require shareholders' approval under the Listing Rules.

7. Reporting Responsibilities

- 7.1 The Remuneration Committee shall report any major findings and/or decisions to the Board as soon as practicable after each meeting. Minutes of each meeting of the Remuneration Committee shall be copied to all members of the Board for information purposes.

8. Authority

- 8.1 The Remuneration Committee is authorised by the Board to seek any remuneration related information it requires from senior management of the Company and to require the management or employees of the Group to attend the Remuneration Committee meetings and to supply information and address the questions raised by the Remuneration Committee, as may be required for the purposes of discharging its duties.
- 8.2 The Remuneration Committee is authorised by the Board where necessary to have access to professional advice.
- 8.3 The Remuneration Committee shall be provided with sufficient resources to discharge its duties.

9. Publication of the Terms of Reference

- 9.1 The Terms of Reference will be posted on the website of the Company. A copy of the Terms of Reference will be made available to any person without charge upon request.

9.2 The Board may, subject to compliance with the articles of association of the Company and the GEM Listing Rules, amend, supplement and revoke these Terms of Reference and any resolution passed by the Remuneration Committee, provided that no amendments to and revocation of these Terms of Reference 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 such Terms of Reference or resolution had not been amended or revoked.

Remark: "senior management" should refer to the same category of persons as referred to in the Company's annual report and is required to be disclosed under Appendix 15 of the GEM Listing Rules.