

ADDCHANCE HOLDINGS LIMITED
(incorporated in the Cayman Islands with limited liability)

REMUNERATION COMMITTEE
TERMS OF REFERENCE

A. Constitution

The Remuneration Committee is established pursuant to a resolution passed by the board of directors (the “**Board**”) of Addchance Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) at a meeting held on 29 August 2005.

B. Remuneration Committee

1. Membership

1.1 Members of the Remuneration Committee shall be appointed by the Board from amongst the non-executive directors of the Company and shall consist of not less than three members, a majority of whom shall be independent non-executive directors. The initial members of the Remuneration Committee are Mr. CHAN Tsz Fu, Jacky, Mr NG Man Kin, and Professor CAI Xiu Ling.

1.2 The chairman of the Remuneration Committee shall be appointed by the Board.

Mr. CHAN Tsz Fu, Jacky shall be the first chairman.

1.3 The company secretary of the Company or his/her delegate shall be the secretary of the Remuneration Committee.

2. Attendance at meetings

2.1 A quorum shall be 2 members. Other Board members, apart from the Remuneration Committee members, have the right to attend any Remuneration Committee meetings, though they shall not be counted in the quorum.

3. Frequency of meetings

3.1 The Remuneration Committee members may call any meetings at any time when necessary or desirable.

4. Authority

- 4.1 The Remuneration Committee is authorized by the Board to seek any necessary information which is within the Remuneration Committee's scope of duties from the employees of the Group (including members of the Board).
- 4.2 The Remuneration Committee is authorized by the Board to consult the chairman and/or chief executive officer of the Group about their proposals relating to the remuneration of other executive directors of the Group.
- 4.3 The Remuneration Committee is authorized by the Board to make available its terms of reference, explaining its role and the authority delegated to it by the Board.
- 4.4 The Committee is authorized by the Board to obtain independent professional advice, and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary or desirable.

5. Duties

- 5.1 The duties of the Remuneration Committee shall include, but not be limited to the following:
 - (a) to make recommendations to the Board on the Company's policy and structure for all remuneration of directors and senior management of the Group 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 of the Group (including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment), to make recommendations to the Board of the remuneration of non-executive directors, and to consider the grant of options to the directors and senior management of the Group pursuant to the share option scheme(s) adopted by the Group. 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;
 - (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 of the Group 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 of the Group 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; and

- (f) to ensure that no director of the Group or any of his/her associates is involved in deciding his/her own remuneration.

“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 of other operating units within the Group, as in the opinion of the directors of the Company, is appropriate.

- 5.2 The Remuneration Committee shall advise shareholders on how to vote with respect to any service contracts of directors of the Company that require shareholders’ approval under Rule 13.68 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.