

EMPEROR CAPITAL GROUP LIMITED
(THE “COMPANY”)

REMUNERATION COMMITTEE - TERMS OF REFERENCE

The board of directors of the Company (“**Board**”) has resolved to establish a Committee of the Board known as the Remuneration Committee (“**Committee**”) on 1 March 2007 pursuant to the Corporate Governance Code as set out in Appendix 14 of the Listing Rules.

1. MEMBERSHIP

- 1.1 The majority of the members of the Committee (“**Members**”) shall be independent non-executive directors of the Company.
- 1.2 The Chairman/Chairperson of the Committee shall be appointed by the Board and he/she shall be an independent non-executive director.
- 1.3 The Company Secretary or her nominee shall act as the Committee’s Secretary.

2. MEETINGS

- 2.1 The Committee shall meet at least once a year.
- 2.2 A quorum of the Committee shall be two Members.
- 2.3 Proceedings of the Committee’s meetings shall be governed by the Company’s Bye-laws.
- 2.4 At the invitation of the Committee, the Chairman/Chairperson of the Board and/or Managing Director(s), external advisers and other persons may be invited to attend all or part of any meeting.
- 2.5 Only Members of the Committee are entitled to vote at the meetings.

3. DUTIES, POWER AND FUNCTION

- 3.1 The Committee may consult the Chairman/Chairperson of the Board and/or Managing Director(s) and/or the Head of Human Resources Department about their proposals relating to the remuneration of executive directors and senior management.
- 3.2 The Committee is authorised by the Board where necessary to have access to external professional advice. Arrangement to seek professional advice could be made through the Company Secretary.

- 3.3 The Committee shall be provided with sufficient resources to discharge its duties.
- 3.4 The Committee shall:-
- 3.4.1 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;
 - 3.4.2 review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives, the salaries paid by comparable companies, time commitment and responsibilities of the directors, employment conditions elsewhere in the Group and desirability of performance-based remuneration ;
 - 3.4.3 review and recommend to the Board on the remuneration of non-executive directors and 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;
 - 3.4.4 review and recommend to the Board the compensation payable to executive directors and senior management in connection with any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
 - 3.4.5 review and recommend to the Board the 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;
 - 3.4.6 ensure that no director or any of his / her associates is involved in deciding his/her own remuneration;
 - 3.4.7 advise shareholders on how to vote with respect to any service contracts of directors that require shareholders' approval under the Listing Rules;
 - 3.4.8 do any such things to enable the Committee to discharge its powers and functions conferred on it by the Board; and
 - 3.4.9 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.

3.5 The Chairman/Chairperson of the Committee, or in his/her absence, another member of the Committee shall attend the Company's Annual General Meetings and be prepared to respond to any shareholders' questions on the Committee's activities and their responsibilities.

3.6 The Committee shall report to the Board on a regular basis. At the next Board meeting following a Committee's meeting, the Committee's Chairman/Chairperson shall report the Committee's findings and recommendations to the Board.

4. **GENERAL**

4.1 The terms of reference of the Committee shall be made available on the websites of The Stock Exchange of Hong Kong Limited and the Company.

4.2 In case of discrepancies or inconsistencies between the English and Chinese versions of this terms of reference, the English version shall prevail.

Note: "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 paragraph 12 of Appendix 16 to the Listing Rules.