

CHINNEY ALLIANCE GROUP LIMITED

(the "Company")

Terms of Reference of the Remuneration Committee

(adopted on 20 September 2005 and revised on 31 March 2006 and 28 March 2012)

1. Constitution

The Board hereby resolves to establish a Committee of the Board to be known as the Remuneration Committee.

2. Membership

2.1 The members of the Committee shall be appointed by the Board and can be removed by the Board at its sole discretion. The Committee shall comprise a minimum of three Directors.

2.2 The majority of the members of the Committee shall be independent non-executive Directors.

2.3 The chairman of the Committee shall be nominated and removed by the Board.

3. Attendance at meetings

3.1 The quorum necessary for the transaction of the business of the Committee shall be two members of the Committee, of whom at least one has to be independent non-executive director.

3.2 The company secretary shall be the secretary of the Committee.

4. Frequency of meetings

The Committee shall meet at least once every year.

5. Authority

5.1 The Committee is authorised to obtain any information it requires from any Director or employee in order to perform its duties.

5.2 In connection with its duties, the Committee is authorised to seek advice from any person, including professional consultants, whom it regards as competent to give such advice, at the Company's expense.

Note: Arrangement to seek professional advice could be made through the Company Secretary.

6. Duties

6.1 The duties of the Committee shall include the following:-

6.1.1 to make recommendations to the Board on 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;

6.1.2 to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;

- 6.1.3 to make recommendations to the Board on the remuneration packages of individual 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; taking into consideration factors such as salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;
 - 6.1.4 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;
 - 6.1.5 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;
 - 6.1.6 to make recommendation to the Board on the remuneration of non-executive Directors taking into consideration fees paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;
 - 6.1.7 to ensure that no Director or any of his associates is involved in deciding his own remuneration; and
 - 6.1.8 to report to the Board the Committee's activities as the Board may require from time to time.
- 6.2 The Committee shall exercise such other powers, authorities and discretions, and perform such other duties, of the Directors in relation to the remuneration of the executive Directors as the Directors may from time to time delegate to it, having regard to the Code of Corporate Governance Practices ("the Code") of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("the Listing Rules").
- 6.3 In exercising its power, authorities and discretions and performing its duties, the Committee shall take full account of the Code and the Listing Rules.

7. Reporting procedures

- 7.1 The secretary shall keep full minutes of all Committee meetings and circulate the draft and final versions of minutes of Committee meetings to all members of the Committee for their comment and records respectively within a reasonable time after the meeting.
- 7.2 Minutes of all Committee meetings shall be open for inspection by any members of the Board.