

## REMUNERATION COMMITTEE REPORT

The Remuneration Committee ("RC") has four members, who are all Independent non-executive Directors.

The main duty of the Committee is to formulate the company's remuneration policy as well as to make recommendation to the Board in regards to the structure of remuneration packages for all directors and senior management. When necessary and appropriate, the Chairman and Managing Director are consulted for the said issues.

In determining the remuneration package, the RC needs to ensure that the remuneration offered is appropriate, reasonable and competitive to the current market rate. The terms of reference of the RC setting out its role, responsibilities and duties are duly authorized by the Board.

The RC has reviewed and discussed the following issues in the meeting:

1. Remuneration policy;
2. Remuneration for Chairman, Independent Non-Executive Directors, Executive Directors and Non-Executive Directors in the year of 2005;
3. Remuneration for directors and senior management in the year of 2005;
4. Annual performance bonus policy;
5. Existing share option policy;
6. Remuneration for Chairman, Independent Non-Executive Directors, Executive Directors and Non-Executive Directors in the year of 2006; and
7. Remuneration for directors and senior management in the year of 2006.

The RC is accountable to the Board and minutes of the meeting are circulated to the Board for information.

The RC meets when required but at least once per year and all members have attended the meeting in 2005.

### Members of the Remuneration Committee

Dr. Lee Tung Hai, Leo (*Chairman*)

Mr. Ng Ping Kin, Peter

Mr. Cheng Mo Chi, Moses

Mr. Tong Tsin Ka

Hong Kong, 9 March 2006