

SHUN CHEONG HOLDINGS LIMITED
(the “Company”)

TERMS OF REFERENCE AND MODUS OPERANDI
OF
NOMINATION COMMITTEE
(the “Committee”)

Membership

1. The Committee shall consist of not less than three members appointed by board of directors (the “Board”), of which a majority should be Independent non-Executive Directors under the Rules Governing the Listing of Securities in The Stock Exchange of Hong Kong Limited.
2. The chairman of the Committee shall be appointed by the Board and should be an independent non-executive director.
3. The company secretary or his nominee shall act as the Secretary of the Committee.

Frequency and proceedings of meetings

4. The Committee shall meet before the holding of an annual general meeting where appointment of directors will be considered. Additional meetings shall be held as the work of the Committee demands.
5. In addition, the chairman of the Committee may convene additional meetings at his discretion.
6. The quorum of a meeting shall be two members of the Committee.
7. Proceedings of meetings of the Committee shall be governed by the provisions of Bye-law 126 of the Bye-laws of the Company.

Duties, powers and functions

8. The Committee shall:
 - (a) formulate nomination policy for consideration of the Board and implement the nomination policy laid down by the Board;
 - (b) without prejudice to the generality of the foregoing:
 - (i) identify and nominate candidates to the Board for it to make recommendations to shareholders on the appointment or re-appointment of directors. Sufficient biographical details of nominated candidates shall be provided to the Board and shareholders to enable them to make an informed decision;
 - (ii) identify and nominate candidates to fill casual vacancies of Directors for the Board’s approval;

- (iii) review Board membership on a regular basis, considering inter alia the length of service, the breadth of expertise of the Board as a whole, and make recommendations to the Board regarding any proposed changes;
- (iv) assess the independence of independent non-executive directors;
- (v) make recommendations to the Board on relevant matters relating to the succession planning for the Chairman and the Managing Director;
- (vi) do any such things to enable the Committee to discharge its powers and functions conferred on it by the Board; and
- (vii) 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.

Reporting Procedures

9. The Committee shall report to the Board on a regular basis. At the next meeting of the Board following a meeting of the Committee, the chairman of the Committee shall report the findings and recommendations of the Committee to the Board.
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Notes:

- (1) Pursuant to Bye-law 103, no person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing signed by a member (other than the person to be proposed) entitled to attend and vote at such general meeting of his intention to propose such a person for election as a Director and notice in writing signed by the person to be so proposed of his willingness to be elected shall have given to the Company. The nomination period during which such notice may be given will commence on the day after despatch of the notice of the general meeting appointed for such election and will end on the day which is seven days prior to the date of such general meeting, provided always that such nomination period must be at least seven days in duration.
- (2) Pursuant to Bye-law 102(A), the Company may from time to time in general meeting by Ordinary Resolution elect any person to be a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at the meeting.

Pursuant to Bye-law 102(B), the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board but so that the number of Directors so appointed shall not exceed the maximum number determined from time to time by the members in general meeting. Any Director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at the meeting.