

LEI SHING HONG LIMITED (the "Company")

Terms of Reference of Nomination Committee

Adopted at the Board meeting on 27 April 2012

1. Constitution

1.1 The board of directors of the Company (the "**Board**") has resolved to establish a nomination committee (the "**Nomination Committee**") with authority, responsibility, and specific duties as described below.

2. Membership

2.1 The Nomination Committee shall be appointed by the Board and shall be made up of at least three members, the majority of whom shall be independent non-executive directors.

2.2 The Board shall appoint and remove the Chairman of the Nomination Committee (the "**Chairman**"), who shall be an independent non-executive director.

2.3 The company secretary of the Company or if there are joint secretaries, either one of them shall be the secretary of the Nomination Committee (the "**Secretary**").

2.4 Where the Board proposes a resolution to elect an individual as an independent non-executive director at a general meeting, the members of the Nomination Committee shall be identified in the Board's circular to the shareholders of the Company.

3. Quorum

3.1 The quorum necessary for the transaction of business of the Nomination Committee shall be two members of the Committee. A duly convened meeting of the Nomination Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Nomination Committee.

4. Authority

4.1 The Nomination Committee is authorised by the Board to investigate any activity within this terms of reference and to seek any information it requires from any employee of the Company in order to perform its duties.

4.2 The Nomination Committee shall be provided with sufficient resources to discharge its duties. It is authorised by the Board to have access to independent legal or other professional advice at the Company's expense on any matters within its terms of reference if considered necessary.

5. Duties

5.1 The Nomination Committee shall review the structure, size and composition (including the skills, knowledge and experience) of the Board on a regular basis and make recommendations to the Board regarding any proposed changes to complement the Company's corporate strategy.

5.2 The Nomination Committee shall identify individuals suitably qualified to become members of the Board and select or make recommendations to the Board on the selection of, individuals nominated for directorship, taking into consideration factors such as the skills, knowledge and experience of such individuals.

- 5.3 The Nomination Committee shall assess and ensure the independence of independent non-executive directors.
- 5.4 The Nomination Committee shall make recommendation to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman and the chief executive.
- 5.5 Where the Board proposes a resolution to elect an individual as an independent non-executive director at a general meeting, the Nomination Committee shall advise the Board in relation to the preparation of the Board's circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting.
- 5.6 The Nomination Committee shall report to the Board on all matters within its duties and responsibilities after each meeting and as the Board may require from time to time.
- 5.7 The Chairman shall, as far as practicable, attend the annual general meeting of the Company and make himself available to respond to any shareholder questions on all matters within the duties and responsibilities of the Nomination Committee.
- 5.8 The Nomination Committee shall exercise such other powers, authorities and discretions, and perform such other duties, of the directors in relation to the nomination of directors as the Board may from time to time delegate to it, having regard to the Corporate Governance Code (the "**Code**") of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").
- 5.9 In exercising its power, authorities and discretions and performing its duties, the Nomination Committee shall take full account of the Code and the Listing Rules.

6. Frequency of meetings

- 6.1 Meetings shall be held annually and at such other times as appropriate.

7. Attendance

- 7.1 The Managing Director and the Finance Director shall normally attend Nomination Committee Meetings.
- 7.2 The Chairman may request that members of management be present at the meeting of the Nomination Committee.
- 7.3 Meetings may be held by way of telephone conference.

8. Minutes

- 8.1 The Secretary shall arrange for keeping of records of all resolutions passed at the meetings of the Nomination Committee.
- 8.2 Minutes of the Nomination Committee shall be circulated to all members of the Nomination Committee within a reasonable time (generally within 14 days) after each meeting and once agreed, to members of the Board.

9. General

- 9.1 The Nomination Committee should make available these terms of reference, explaining its role and the authority delegated to it by the Board.