

## **Regent Pacific Group Limited (the “Company”)**

### **Terms of reference of the Connected Transaction Committee**

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#### **Constitution**

1. In view of: (i) the ongoing expansion of the business of the Company, its associates and subsidiaries (together, the “**Group**”); (ii) the divergent interests of the Group’s directors and employees in ventures outside of the Group; and (iii) the need for strict compliance with applicable laws and regulations in respect of connected or related party transactions and, more generally, conflict of interest, a committee of the board (the “**Board**”) of directors (the “**Director(s)**”) of the Company was established on 14 April 2008, named the “Connected Transaction Committee” (the “**Committee**”).

By the written resolutions passed by the Board on 20 October 2008, the written terms of reference set out herein (the “**Terms of Reference**”) were adopted, which set out the constitution, authority and duties of the Committee.

The Committee is to review and monitor any conflict of interest that the Group may have with any of its directors, employees or members and, moreover, any actual or potential connected or related party transaction (including connected transactions exempted under The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) that the Group is proposing to enter into, including any approvals thereof.

#### **Membership**

2. The Committee shall be appointed by the Board from time to time and shall consist of not less than three members, a majority of whom should be independent non-executive Directors as appointed under the Listing Rules in compliance with the criteria for independence set out therein.

The independent non-executive Directors sitting on the Committee should, apart from their Directors’ fees and permitted shareholdings, be independent of the management and free from any business or other relationships which could materially interfere with the exercise of their independent judgement as a member of the Committee.

3. The Chairman of the Committee shall be appointed by the Board and shall be an independent non-executive Director.
4. The quorum necessary for the transaction of the business at meetings of the Committee shall be two voting members.

#### **Secretary**

5. The secretary of the Company shall be the secretary of the Committee (the “**Secretary**”).
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## **Meetings and resolutions**

6. The Committee shall meet at least on an annual basis, prior to the issue of the annual report, to: (i) review the Register of Directors' and Chief Executive's Interests and Short Positions; (ii) consider any breaches or possible breaches of agreed procedures and protocols during the year under review; and (iii) consider any unresolved or related compliance matters. The Committee will also meet on an ad hoc basis where any actual or potential conflict of interest or connected or related party transaction is reported and where a meeting is considered by the Chairman of the Committee to be appropriate. In the event that the Chairman is unable to attend any given meeting, another independent non-executive Director shall stand-in as chairman for that meeting. Other members of the Board shall also have the right of attendance, either by the invitation of the Committee or with the agreement of the Committee and, where appropriate, make recommendations.

## **Authority**

7. The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any director and/or employee, and all directors and employees are directed to co-operate with any request made by the Committee.
8. The Committee is authorised by the Board to obtain legal or other professional advice within the Group and to seek such professional advice outside of the Group as the Committee deems necessary or appropriate. Prior Board approval shall be required before the Committee may instruct or engage any outside legal or other independent professional advisory firm where fees exceeding US\$50,000 may be incurred.

## **Duties**

9. (a) The primary duties of the Committee are to: (i) facilitate the communication, understanding and implementation of the Group's disclosure and approval policies in respect of any proposed or new transaction with all relevant members; (ii) review the Company's proposed connected or related party transactions (including connected transactions exempted under the Listing Rules) to be entered into with any connected person or related party of the Group and the approval procedures in respect thereof, whether in respect of investments being considered by the Investment Committee or broader transactions otherwise being considered by the Board; and (iii) review and monitor, with the assistance of external advisors (where considered appropriate), compliance with such policies, with particular reference to the following:
  - (i) the company laws of the Cayman Islands;
  - (ii) the Company's Memorandum and Articles of Association;
  - (iii) the existing contractual obligations of the Group and any competing interests of the Company with its Directors and employees;

- (iv) the Listing Rules; and
- (v) the Code on Corporate Governance Practices set out in Appendix 14 to the Listing Rules),

as may be amended from time to time.

- (b) The Committee must ensure that all directors and members of senior management are aware of the disclosure and approval policies in respect of any proposed or new transaction that he or she intends to introduce to the Group, being an obligation on each director and, where applicable, member of senior management to:
  - (A) disclose to the Committee (at the outset and prior to any legal or binding document having been executed):
    - (i) the background to and nature of any potential transaction to be undertaken by the Group;
    - (ii) the identity of each and every counterparty to any possible transaction and, where appropriate, the ultimate controllers of any such counterparty; and
    - (iii) any known conflict (or area of competition or competing interest) that any member of the Group may have with the Group in respect of the transaction in question; and
  - (B) refrain from voting (whether as a Director, committee member or shareholder) on any resolution in respect of a transaction in which such person has a conflict of interest or is otherwise connected/related or materially interested in.
- (c) In the event of any uncertainty on the part of the Investment Committee, any director or member of senior management in respect of a particular matter, the Committee shall (as part of its education of the Group about the above disclosure and approval policies in respect of any proposed or new transaction) encourage the Investment Committee, director or employee in such a predicament to refer the matter to the Committee to further investigate so as to determine whether a conflict of interest has arisen or will arise and whether the matter in question does or may constitute a connected or related party transaction for the Group.
- (d) The Committee will, on a six-monthly basis (or before, in the case of a transaction), and through the Company Secretary, issue a statement to all directors and members of senior management confirming the latest disclosure and approval policies in respect of any proposed or new transaction and seek written confirmation from each director and member of senior management of his or her current interests, including details of any substantial shareholding.
- (e) The Committee will ensure newly appointed directors or employed members of management are provided with the latest disclosure and approval policies in respect of any proposed or new transaction following his or her appointment.

- (f) The Committee will, every six months, review the Register of Directors' and Chief Executive's Interests and Short Positions and controlling and substantial shareholdings.
- (g) The Committee will ensure the annual report complies with the reporting requirements of the Listing Rules with respect to reporting connected transactions of the Group.
- (h) The Committee will request confirmation from the Company Secretary that all circulars and other materials sent to shareholders regarding notifiable and connected or related party transactions comply with the relevant disclosure requirements and further that directors or shareholders not otherwise permitted to vote on a particular resolution refrain from doing so, in each case in accordance with the Listing Rules.

## **Reporting**

- 10. The Committee shall report back to the Board on its decisions, recommendations or any significant matters arising from the Committee's work, unless there are legal or regulatory restrictions on their ability to do so (such as a restriction on disclosure due to regulatory requirements).

## **Minutes**

- 11. Full minutes of Committee meetings will be kept by the Secretary or another duly appointed officer at the individual meetings. The Secretary shall circulate the minutes of such meetings and any reports of the Committee to all members of the Board promptly after the meeting has taken place or the report finalised.

## **Committee performance review**

- 12. With regard to the Committee's performance review, the Committee shall:
  - (a) perform a review and evaluation, at least annually, of the performance of the Committee by whatever means the Committee determines appropriate; and
  - (b) review and reassess, at least annually, these Terms and Reference and, if appropriate, recommend proposed changes to the Board.

## **Interpretation**

- 13. Throughout these Terms of Reference:
  - (a) where the term "director" or "employee" or the expression "member of senior management" is used, each shall be construed to mean any director, employee or

member of senior management (as appropriate) of the Group, and not just of the Company; and

- (b) where the expression “connected or related party transaction” is used, such expression shall be construed to mean:
  - (i) connected transactions as defined under the Listing Rules; and/or
  - (ii) related party transactions as defined under applicable accounting standards.

Adopted by the Board of Directors  
on 20 October 2008