China Fortune Holdings Limited
中國長遠控股有限公司*

(Incorporated in Bermuda with limited liability, carrying on business in H.K. as CFH Ltd.)

(Stock Code: 110)

("the Company")

Remuneration Committee – Terms of Reference

(Amended and adopted by the board of directors with effect from 26 March 2019)

1. Members

1.1 The remuneration committee should be established by the board of the Company ("Board").

1.2 The majority of the remuneration committee members ("Members") must be independent non-executive director.

1.3 The remuneration committee must be chaired by an independent non-executive director and appointed by the Board.

1.4 The terms of appointment of remuneration committee members are determined by the Board at the appointment date.

2. Secretary

2.1 The company secretary of the Company shall act as the secretary of the remuneration committee.

2.2 The remuneration committee may from time to time, appoint any other person with appropriate qualification and experience to act as the secretary of the remuneration committee.

* *For identification purpose only*

3. Meeting

3.1 The remuneration committee should meet at least once a year.

3.2 Notice of at least 14 days should be given for any meeting, unless such notification is waived by all members of the remuneration committee. Notwithstanding the notification period, the attendance of the member of the committee at the meeting would deemed to be treated as the waiver of the required notification requirement. If the follow up meeting takes place within 14 days after the meeting, then no notification is required for such follow up meeting.

3.3 The quorum necessary for the transaction of business of the remuneration committee shall be two members of the remuneration committee, one of whom must be an independent non-executive director.

3.4 Meeting can be attended in person or via electronic means including telephonic or video conferencing. The members of the remuneration committee can attend the meeting via telephonic or any similar communication device (all persons attending such meeting should be able to hear from such member via such communication device).

3.5 The resolution of the remuneration committee should be passed by more than half of the members.

3.6 The resolution passed and signed by all members of remuneration committee is valid, and the validity is same as any resolution passed in the meeting held.

3.7 Full minutes of remuneration committee meeting should be kept by a duly appointed secretary of the remuneration committee and be available for review by the directors. Draft and final versions of minutes of the meeting should be sent to all committee members for their comment and records, within a reasonable time after the meeting.

4. Meeting attendance

4.1 Upon the invitation from the remuneration committee, the chairman of the Board and/or the general manager or chief executive, external advisor and the other persons can be invited to attend all or part of any meeting.

4.2 Only the member of remuneration committee can vote in the meeting.

5. Annual General Meeting

5.1 The chairman of remuneration committee or (if absent) the other member of remuneration committee (must be an independent non-executive director) should attend the annual general meeting of the Company, handled the shareholders' enquiry on the activities and responsibilities related to the remuneration committee.

6. Duties and Powers

The remuneration committee shall have the following duties and powers:

6.1 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;

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

6.3 to determine, with delegated responsibility, the remuneration packages of individual executive directors and senior management. This should include benefits in kind, pension rights and compensation payment, including any compensation payable for loss or termination of their office or appointment;

6.4 to make recommendation to the Board on the remuneration of non-executive directors;

6.5 to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;

6.6 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;

6.7 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; and

6.8 to ensure that no director or any of his associates is involved in deciding his own remuneration.

7. Declaration responsibility

7.1 The remuneration committee shall report to the Board every time after any meeting of the remuneration committee.

7.2 The remuneration committee should make available its terms of reference, explaining its role and the authority delegated to it by the Board by including them on the Exchange's website and the Company's website.

7.3 The Company should disclose details of any remuneration payable to members of senior management by band in their annual reports.

7.4 The Board should conduct a regular evaluation of the remuneration committee's performance.

8. Authority

8.1 The remuneration committee should consult the chairman of the Board and/or the chief executive about their remuneration proposals for other executive directors.

8.2 The remuneration committee is authorized to request the senior management of the Company to provide any required resources information related to the remuneration package to perform its duties.

8.3 The remuneration committee should have access to independent professional advice in the expense of the Company if necessary, in order to fulfill his responsibility of being the remuneration committee member.

Remark: the independent professional advice can be sought via the company secretary.

8.4 The remuneration committee should be provided with sufficient resources to perform its duties.

Remark: "senior management" refers to the same persons referred to in the Company's annual report. It is the responsibility of the directors of the Company to determine which individual or individuals constitute senior management. Senior management may include directors of subsidiaries; heads of divisions, departments or other operating units within the group as, in the opinion of the Company's directors, is appropriate.

Note: If there is any inconsistency between the English and Chinese versions of this Terms of Reference, the English version shall prevail.