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SHANGHAI ZENDAI PROPERTY LIMITED

上海証大房地產有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 755)

SHANGHAI ZENDAI PROPERTY LIMITED

(the “Company”)

TERMS OF REFERENCE OF REMUNERATION COMMITTEE (the “Committee”)

Membership

- 1 The Committee shall consist of four directors, mainly independent non-executive directors appointed by the board of directors (“the Board”) of the Company from time to time.
- 2 The Board shall nominate one of the independent non-executive directors as the chairman of the Committee.

Frequency and proceedings of meetings

- 3 The Committee shall meet at least once every year. Additional meetings shall be held as the work of the Committee demands.
- 4 The chairman of the Committee may convene additional meetings at his discretion.
- 5 The quorum of a meeting shall be three members of the Committee.
- 6 The Committee may, from time to time, invite advisors to the meeting, including but not limited to external advisors or consultants to advise its members.
- 7 Proceedings of meetings of the Committee shall be governed by the provisions of the bye-laws of the Company.

Duties, powers and functions

8 The Committee shall –

(a) formulate remuneration policy for approval by the Board, which shall take into consideration factors such as salaries paid by comparable companies, time commitment, employment conditions, and responsibilities, and individual performance of the directors, senior management. Performance shall be measured against corporate goals and objectives resolved by the Board from time to time; and implement the remuneration policy laid down by the Board;

(b) without prejudice to the generality of the foregoing:

- (i) recommend to the Board the policy and structure for the remuneration of directors (including non-executive directors) and senior management whilst ensuring no director or any of his associates is involved in deciding his own remuneration, and recommend to the Board the establishment of a formal and transparent procedure for developing remuneration policy;
- (ii) determine the remuneration packages of executive directors and senior management, including benefits in kind, pension right, compensation payment (including compensation for loss of office or appointment etc, which shall be consistent with contractual terms and otherwise fair and not excessive). The chairman and/or the chief executive shall be consulted about the proposals relating to other executive directors;
- (iii) review and approve the compensation arrangements in connection with dismissal or removal for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
- (v) consider the annual performance bonus for Executive Directors, and senior management, having regard to their achievements against the performance criteria and by reference to market norms, and make recommendation to the Board;
- (vi) engage such external professional advisors to assist and/or advise the Committee on issues as it considers necessary;
- (vii) do any such things to enable the Committee to discharge its powers and functions conferred on it by the Board; and
- (viii) 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.

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March 2012

** For identification purpose only*