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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, comprising a majority of 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 its 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. Unless otherwise specified herein, 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, and responsibilities and employment conditions elsewhere in the group comprising the Company's group, and individual performance of the directors, senior management; review and approve the management's remuneration proposals by reference to the Board's 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 Company's policy and structure for the remuneration of all 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 on the establishment of a formal and transparent procedure for developing remuneration policy;
 - (ii) determine, with delegated responsibility, the remuneration packages of individual executive directors and senior management, including benefits in kind, pension right, compensation payment (including compensation payable 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). The chairman and/or the chief executive shall be consulted about the remuneration proposals for other executive directors;
 - (iii) make recommendations to the Board on the remuneration of non-executive directors;
 - (iv) review and approve the 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;
 - (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 independent 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;
 - (viii) conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the Company's bye-laws or imposed by any applicable legislation; and

(ix) form a view in respect of service contracts of any director or proposed director of the Company that require shareholders' approval and advise shareholders (other than shareholders who are directors with a material interest in the service contracts and their associates) as to whether the terms are fair and reasonable, advise whether such contracts are in the interests of the Company and its shareholders as a whole and advise shareholders on how to vote. An independent non-executive director who has a material interest in any such contracts shall not sit on the Committee when it is considering such contracts.

9. The Committee is to be provided with sufficient resources to perform its duties.
10. The Committee shall take into account the following principle in carrying out its duties, powers and functions:
 - (A) The Company should disclose its directors' remuneration policy and other remuneration related matters. The procedure for setting policy on executive directors' remuneration and all directors' remuneration packages should be formal and transparent. Remuneration levels should be sufficient to attract and retain directors to run the Company successfully without paying more than necessary. No director should be involved in deciding his own remuneration.

Reporting Procedures

11. The Committee shall report to the Board on a regular basis.

– END –

4 August 2016

* *For identification purpose only*