



ZHONG HUA INTERNATIONAL HOLDINGS LIMITED

中華國際控股有限公司*

(Incorporated In Bermuda with limited liability)

(Stock Code: 1064)

Terms of Reference for the Remuneration Committee of Zhong Hua International Holdings Limited

Functions and Objectives

The Remuneration Committee (the "Committee") is appointed by the board of directors (the "Board") of Zhong Hua International Holdings Limited (the "Company") with a view to:

1. establishing and applying formal and transparent procedures for setting policies on remuneration for executive directors and senior management, and for fixing the remuneration packages for all directors and senior management; and
2. ensuring that procedures and principles for fixing packages of all directors and senior management are proper so that the levels of remuneration of directors and senior management commensurate with their qualifications and competencies, and that such remuneration is sufficient to attract and retain the directors and senior management but not excessive.

Composition

The Committee must be formed by a majority of independent non-executive directors and chaired by an independent non-executive director.

Proceedings of Meetings

The Committee shall meet as and when necessary or as requested by any member of the Committee. The meetings and proceedings of the Committee are governed by the provisions of the Articles of Association of the Company for regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by the regulations imposed by the Board.

Duties and Authorities

The authority of the Committee is derived from the Board, the Committee is therefore obliged to report to the Board on their decisions or recommendations, unless there are legal or regulatory restrictions in doing so.

The Committee should consult the chairman and/or chief executive of the Company about their remuneration proposals for other executive directors. The Committee should have access to independent professional advice if necessary.

The duties of the Committee are as follows:

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;
2. to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
3. either:
 - (i) to determine, with delegated responsibility, the remuneration packages of individual executive directors and senior management; or
 - (ii) to make recommendations to the Board on the remuneration packages of individual executive directors and senior management.

This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;

4. to make recommendations to the Board on the remuneration of non-executive directors;
5. to consider salaries paid by comparable companies; time commitment and responsibilities and employment conditions elsewhere in the Company and its subsidiaries;
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;
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
8. to ensure that no director or any of his associates is involved in deciding his own remuneration.

Date of Adoption

The terms of reference of the Remuneration Committee were adopted by the Board on 29 March 2012 with immediate effect.

The English text of the terms of reference of the Remuneration Committee shall prevail over the Chinese translation in case of any discrepancies or inconsistency.

** For identification purpose only*