

CHINA INNOVATION INVESTMENT LIMITED

(the “Company”)

**TERMS OF REFERENCE OF
NOMINATION COMMITTEE**

(March 2012)

1) Formation

The Nomination Committee was formed on August 2007 pursuant to passing of a Board of Directors’ (the Board’s) resolution.

2) Purpose

The purpose of the Nomination Committee is to make recommendations to the Board on appointment of the directors so as to ensure that all nominations are fair and transparent.

3) Composition

The Nomination Committee shall comprise at least three committee members in which majority are Independent Non-Executive Directors (“INED”) of the Board. The Board shall nominate and appoint committee members and the Committee shall nominate one of the members as the Chairman of the Committee.

4) Frequency of meeting

The Nomination Committee shall meet at least once a year, with an authority to convene additional meetings, as circumstances require. All committee members are expected to attend each meeting, in person or via Tele- or videoconference.

5) Meeting procedures

Quorum of meeting shall not be less than two committee members, and each committee member in the meeting shall carry one vote.

The Committee members shall elect among themselves a Chairman at each meeting. The committee members shall also appoint the secretary to the Committee (who should normally be the Company Secretary) from time to time.

The Committee shall invite any director, executive or other members of management to attend meetings as necessary. The Committee shall be supported by the Human Resources Manager.

Full minutes of the Committee meetings should be kept by the Secretary to the Committee.

Draft and final versions of minutes of the Committee meetings should be sent to all committee members of the committee for their comment and records respectively, in both cases within a reasonable time after the meeting.

6) Committee's Resolutions

A resolution in writing signed by all the members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held and may consist of several documents in like form each signed by one or more of the members of the Committee.

7) Authority

- (a) The Committee is authorised by the Board to operate in accordance with its terms of reference. It is authorised to obtain independent professional advice at the Company's expense as it shall deem appropriate and shall conduct interviews with prospective candidates for nomination; and

- (b) The Committee is to be provided with sufficient resources to discharge its duties.

8) Responsibilities

The Committee shall carry out the following responsibilities:

- (a) review the structure, size and composition (including the skills, knowledge and experience) of the board at least annually and make recommendations on any proposed changes to the board to complement the issuer's corporate strategy;

- (b) identify individuals suitably qualified to become board members and select or make recommendations to the board on the selection of individuals nominated for directorships;

- (c) assess the independence of independent non-executive directors; and

- (d) make recommendations to the board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman and the chief executive.