Terms of Reference of Nomination Committee

1. Establishment of the Committee

The board of directors (the "**Board**") of Shanghai Industrial Holdings Limited ("**SIHL**" or the "**Company**") resolved to establish a Nomination Committee (the "**Committee**") by written board resolutions passed on 26 March 2012.

2. Objectives for the establishment

In accordance with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**Listing Rules**"), the Committee was established with an objective to set up formal, considered and transparent procedures for appointment of new directors, for plans in place for orderly succession for appointments, and making recommendations to the Board for nominating candidates to fill Board member casual vacancies.

3. Composition of the Committee

3.1 The Committee comprises at least five members including all independent non-executive directors and two representatives from the management.

3.2 The members and chairman of the Committee shall be appointed by the Board.

3.3 The Committee shall be chaired by an independent non-executive director.

3.4 The majority of the members of the Committee shall be independent non-executive directors.

3.5 The Committee shall have at least one director of a different gender.

4. Secretary of the Committee

The company secretary of SIHL shall act as the secretary of the Committee and shall be responsible for matters relating to Committee meetings and keeping minutes.

5. Meetings and Quorum

5.1 The quorum for a Committee meeting shall be three members. In the absence of the Committee chairman, the Committee members present shall elect one of their numbers to chair that meeting.

5.2 All other Board members are entitled to be present at the Committee meetings and shall attend the meetings if invited by the Committee.

5.3 The Committee may convene a meeting as and when necessary or transact business by means of resolutions in writing signed by all the Committee members, but in any case, meetings shall be held not less than once a year.

5.4 The agenda and related board papers should be sent in full to all members of the Committee in a timely manner and where practicable at least 3 days before the intended date of a Committee meeting (or such other period as agreed by the Committee).

5.5 The place of the Committee meeting shall be the conference room of the Company (or such other place as agreed by the Committee). Meetings of the Committee may be held by telephone conference if required.

5.6 Minutes of Committee meetings should record in sufficient detail the matters considered and decisions reached, including any concerns raised by Committee members or dissenting views expressed. Draft and final versions of minutes of Committee meetings should be sent to all members of the Committee for their comment and records respectively, in both cases within a reasonable time after the meeting is held.

5.7 Full minutes of Committee meetings should be kept by the Committee secretary. Committee members are entitled to have access to the minutes.

6. Responsibilities of the Committee

6.1 The Committee is a standing committee under the Board. It discharges its duties under the terms of reference so delegated by the Board, and reports and makes recommendations to the Board.

6.2 The Committee should review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually, assist the Board in maintaining a Board skills matrix, and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy.

6.3 The Committee should identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships.

6.4 The Committee should assess the independence of independent non-executive directors and disclose the results in the Corporate Governance Report, while independent non-executive directors shall annually provide a written confirmation of their independence to the Company.

6.5 The Committee should 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.

6.6 The Committee should review and assess each Director's time commitment and contribution to the Board as well as the Director's ability to discharge his or her responsibilities effectively, taking into account the factors as required by the Listing Rules.

6.7 The Committee should support the Company's regular evaluation of the Board's performance.

6.8 The Committee should review the implementation and the effectiveness of the Board Diversity Policy and the gender diversity targets periodically and make recommendations on any proposed revisions to the Board.

6.9 The Committee shall consider other matter, as delegated by the Board from time to time.

7. Authority of the Committee

7.1 The Committee is authorized by the Board to investigate any activity within its terms of reference.

7.2 The Committee is authorized by the Board to invite relevant personnel within the Company to attend Committee meetings, and to obtain any information that it requires from any department of the Company if it considers necessary, such that the Committee will be provided with sufficient resources to discharge its duties.

7.3 The Committee is authorized by the Board to seek external legal or other independent professional advice and if it considers necessary, and to invite outside parties with relevant experience and expertise to attend meetings, at the Company's expense.

7.4 Taking into account the practical situation and the requirement of the Company, the Committee is authorized by the Board to establish sub-committee. All acts done by the sub-committee as authorized shall have the like force and effect, as if done by the Committee. The Committee will be responsible for all such acts and report to the Board.

8. Others

8.1 Taking into account the practical situation of the Company, the Committee may from time to time refer to the applicable rules and regulations as required under the Listing Rules and the general market practice, to make recommendations to the Board for revision of the terms of reference of the Committee.

8.2 The rules and proceedings of Committee meetings shall be governed by the provisions contained in the Company's Articles of Association for regulating the meetings and proceedings of directors.

8.3 The Committee shall include its terms of reference on the Stock Exchange's website and SIHL's website.