

China Chengtong Development Group Limited

(incorporated in Hong Kong with limited liability)

<Nomination Committee>

Terms of Reference

Constitution

1. The board of directors (the “**Board**”) of China Chengtong Development Group Limited (the “**Company**”) has established a Nomination Committee on 29 March 2005 and approved its terms of reference. The Board had on 24 March 2006, 27 February 2009 and 29 March 2012 amended the terms of reference of the Nomination Committee respectively.

Membership

2. The members of the Nomination Committee shall be appointed by the Board from amongst the directors of the Company and shall consist of not less than three members, a majority of whom should be independent non-executive directors.
3. The chairman of the Nomination Committee should be the chairman of the Board or an independent non-executive director and shall be appointed by the Board. In his absence, the remaining members present shall elect one of them to chair the meeting.

Frequency and procedure of meeting

4. Meeting(s) shall be held at least once a year. The members of Nomination Committee may adopt from time to time the procedure governing the convening of committee meeting(s), the means and procedure for the passing of resolutions of the committee meeting.
5. The quorum of the Nomination Committee shall be any two members.
6. Resolutions of the Nomination Committee at any meetings shall be passed by a majority of votes of the members present.
7. Nomination Committee members may pass resolutions by way of written resolutions, but such must be passed by all Nomination Committee members in writing.

Attendance at meeting

8. The Nomination Committee may, from time to time, invite any Board member or senior management or any other person to attend any of its meeting so as to ensure that the Nomination Committee to better perform its duties and obligations.
9. The Company Secretary or his or her delegate or such other person appointed by the chairman of the Nomination Committee shall be the secretary of the Nomination Committee.

Authority

10. The Nomination Committee is authorized by the Board to carry out such related matters in accordance with its terms of reference. It is authorized to obtain any information it requires from any employees of the Company.
11. Where necessary, the Nomination Committee is authorized by the Board to seek independent professional advice, at the Company's expense, to perform its responsibilities and if necessary, may invite those professional(s) to attend the meeting of Nomination Committee.

Duties

12. The duties of the Nomination Committee shall be:
 - a. to 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 Company's corporate strategy;
 - b. to 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. to make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors of the Company, in particular the chairman, vice chairman and the managing director;
 - d. to assess the independence of independent non-executive directors, and
 - e. to monitor the annual checks and assessment on the members of the Board, including the suitability and the sufficiency of time of non-executive directors.

Other procedure

13. The secretary of the Nomination Committee, in consultation with the chairman of the Nomination Committee, should be responsible for drawing up the agenda of each of the Nomination Committee meeting. The secretary of the Nomination Committee shall assist the chairman of Nomination Committee and ensure that all committee members shall have sufficient information in timely manner to enhance effectiveness of a Nomination Committee meeting.
14. The secretary of the Nomination Committee shall circulate the draft and final versions of the minutes of meeting to all committee members for their comment and records within a reasonable period of time after each meeting.
15. All decisions reached in the meeting must be reported to the Board.