

SAU SAN TONG HOLDINGS LIMITED
(the “Company”)
Terms of Reference of the Remuneration Committee

1. Constitution

- 1.1. The board of directors (“**Directors**”) (the “**Board**”) of the Company resolved to establish a remuneration committee (the “**Committee**”).

2. Membership and quorum

- 2.1. The Committee shall be appointed by the Board and consist of a minimum of three members. The majority of committee members shall be independent non-executive Directors.
- 2.2. A quorum shall be two Committee members. If only two Committee members are in attendance, then both Committee members shall be independent non-executive Directors. If more than two Committee members are in attendance, then a majority of the Committee members shall be independent non-executive Directors.
- 2.3. The Board shall have the right to appoint and remove members of the Committee. The Board shall also have the right to appoint additional members to the Committee.

3. Chairman

- 3.1. The Board shall appoint a chairman (the “**Chairman**”) for the Committee who shall be an independent non-executive Director.
- 3.2. In the absence of the Chairman at any meeting of the Committee, the remaining members of the Committee present at any meeting convened in accordance with these terms of reference shall elect amongst the remaining independent non-executive Director of the Committee to act as the Chairman.

4. Secretary

- 4.1. The Company secretary shall act as the secretary of the Committee.
- 4.2. In the absence of the secretary of the Committee, the members of the Committee present at the meeting shall elect another person to act as the secretary.

5. Notices of meetings

- 5.1. Unless otherwise agreed by all members of the Committee, a meeting of the Committee shall be called by at least seven days’ notice.
- 5.2. An agenda of items to be discussed, together with supporting papers, shall be sent to the Committee members and to other attendees within a reasonable period of time prior to the date of the meeting.
- 5.3. Any Committee member shall be entitled, by notice to the secretary of the Committee, to include other matters relevant to the functions of the Committee in the agenda of the Committee meeting.

6. Meetings

- 6.1. The Committee shall meet at least once every year. Additional meetings shall be held as the work of the Committee demands.

- 6.2. The chairman of the Committee may convene additional meetings at his discretion.
- 6.3. Meetings could be held in person, by telephone or by video conference. Committee members may participate in a meeting by means of a conference telephone or similar communications equipment by means of which all persons participating in they are capable of hearing each other.
- 6.4. A resolution in writing signed by all the Members shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.

7. Minutes of Meetings

- 7.1. Minutes of the Committee shall be kept by the Secretary. Draft and final versions of minutes of the Committee meetings shall be sent to all Committee members for their comment and records within a reasonable time after the meeting.

8. Duties

- 8.1. 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.
- 8.2. To review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time.
- 8.3. To make recommendations to the board on the remuneration packages of individual executive directors and senior management. This should include benefit in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment.
- 8.4. To make recommendations to the Board on the remuneration of non-executive directors.
- 8.5. To consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group.
- 8.6. To review and approve the compensation payable to executive directors and senior management of the Company in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and reasonable and not excessive for the Company.
- 8.7. To review and approve compensation arrangements relating to dismissal or removal of directors of the Company for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate.
- 8.8. To ensure that no Director or any of his associates is involved in deciding his own remuneration.
- 8.9. To consult the chairman of the Board and/or the chief executive of the Company about their remuneration proposals for other executive Directors. The Committee should have access to independent professional advice if necessary.

Note: "senior management" in this paragraph should refer to the same category of persons as referred to in the Company's annual report. It is the responsibility of the Directors to determine which individual or individuals constitute senior management. Senior management may include directors of subsidiaries, heads of divisions, departments or other operating units within the group as, in the opinion of the Directors, is appropriate.

9. Annual General Meeting

- 9.1. The Chairman of the Committee shall attend the Company's Annual General Meeting and be prepared to respond to shareholders' questions on the Committee's activities. In his absence, one other member of the committee of failing this, his duly appointed delegate, should attend.

10. Authority

- 10.1. Management shall be obliged to supply to the Committee with adequate information in a timely manner to enable it to make informed decisions. The information supplied must be complete and reliable.
- 10.2. The Committee is provided by the Board with sufficient resources to perform its duties including authorization to obtain legal or other independent professional advices from outsiders at the Company's expenses.
- 10.3. The Committee is authorized by the Board to deal with matters within the terms of reference and has the authority to obtain relevant information from employees and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary.

11. Others

- 11.1. In the event of discrepancies between the Chinese and the English versions, the English version shall prevail.

Hong Kong, 29 March 2012