

POLYTEC ASSET HOLDINGS LIMITED

(the “Company”)

Terms of Reference of Executive Committee

1. Constitution

The Board of Directors of the Company (the “**Board**”) resolved on 21 September 2005 to establish a committee of the Board to be known as the Executive Committee (hereinafter referred to as the “**Committee**”). The Board has adopted the revised terms of reference of the Committee on 26 August 2015.

The Committee is established under delegation from the Board pursuant to Article 137 of the Company’s Articles of Association.

2. Membership

2.1 Members of the Committee shall be appointed by the Board from amongst the Directors of the Company and shall consist of not less than two members.

2.2 The Chairman of the Committee shall be appointed by the Board.

3. Secretary

The Company Secretary or such other person with appropriate qualification and experience as appointed by the Committee from time to time shall act as the Secretary of the Committee.

4. Frequency and proceedings of meetings

4.1 Meetings shall be held as frequently as required.

4.2 The quorum of a meeting shall be two members of the Committee.

4.3 Other Board members shall also have the right of attendance at meetings.

4.4 The Committee may, from time to time, invite advisers to the meeting, including but not limited to external advisers or consultants to advise its members.

4.5 Proceedings of meetings of the Committee shall be governed by the provisions of Article 139 of the Articles of Association of the Company.

5. Duties and authorities

5.1 The duties of the Committee are as follows:

- (a) to monitor the execution of the strategic plans and operations of all business units of the Company/Group;
- (b) to discuss and make decisions on matters relating to management and operations of the Company/Group;
- (c) to appoint and remove the operating management;
- (d) to approve any changes to the scope of the authority delegated to the operational management and the corporate management;
- (e) to approve any excess in authority delegated to the corporate and operating management;
- (f) to exercise the functions and responsibilities of the Board between its regular meetings;
- (g) to review and discuss any other matters as may from time to time be delegated to it by the Board; and
- (h) to perform the corporate governance duties including but not limited to:-
 - i) develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
 - ii) review and monitor the training and continuous professional development of directors and senior management;
 - iii) review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
 - iv) develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and
 - v) review the Company's compliance with the code provisions of the Corporate Governance Code as contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and disclosure in the Corporate Governance Report of the Company.

5.2 The Committee may exercise all such powers and perform all such acts as may be exercised and performed by the Board, save and except for:

- (a) matters involving a conflict of interest for a substantial shareholder or a Director;

- (b) material acquisitions and disposal of assets;
- (c) major corporate or financial restructuring;
- (d) issuances of shares (other than the exercise of share options or conversion of non-voting convertible redeemable preference shares) and other securities and distribution of dividends and other returns to shareholders;
- (e) approval of interim and annual reports and accounts;
- (f) recommendations for appointment or removal of auditors and approval of their remuneration;
- (g) ensuring compliance of the Listing Rules;
- (h) approval of all circulars and listing particulars/prospectuses (save that approval of routine documents may be delegated to a committee);
- (i) calling general meetings of shareholders;
- (j) appointments and removals of members of the Board and their terms of engagement and remuneration;
- (k) terms of reference and membership of board committees; and
- (l) assessment of which non-executive directors are independent.

5.3 The Committee is empowered to formulate and implement policies for business activities and administration of the Company and to make such amendments thereto from time to time as the Committee may think fit and to make exceptions to the policies as the circumstances arise while implementing such policies.

5.4 The Committee is empowered to plan and decide on strategies to be adopted by the Company on business activities.

5.5 The Committee shall organize to have minutes of its decisions taken, and entered into a record book which may be inspected by any member of the Board of Directors, or by Auditors of the Company.

6. Reporting procedures

6.1 Minutes of meetings of the Committee shall be kept by the Secretary. Draft and final versions of minutes shall be circulated to all members for their comments and records respectively, in both cases within a reasonable period of time after the meeting. Such minutes shall be opened for Directors' inspection.

6.2 The Secretary shall circulate the minutes of meetings of the Committee to all members of the Board.

6.3 The Committee shall report to the Board on any key decisions or recommendations regarding transactions that are material in nature unless there are legal or regulatory restrictions on its ability to do so.

In case of inconsistency between the English version and its Chinese translation, the English version shall prevail.