



弘達金融控股有限公司

HongDa Financial Holding Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1822)

(the “**Company**”, together with its subsidiaries, the “**Group**”)

Executive Committee Terms of Reference

Constitution

The board of directors (the “**Board**”) of the Company has established a standing committee of the Board known as the Executive Committee (the “**Committee**”).

Objectives

The Committee has been established to assist the Board in facilitating more efficient day-to-day operations of the Group and to handle such matters as delegated by the Board from time to time.

Composition

Members (“**Member(s)**”) of the Committee shall be appointed by the Board and can be removed by the Board at its sole discretion. The Committee shall comprise all executive directors of the Company.

The Board shall from time to time vary the composition of the Committee as may be required by the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), or other codes, rules and regulations as may be prescribed by the Hong Kong Securities and Futures Commission (“**SFC**”) or any other applicable regulatory authority from time to time.

The term of office of a Member (“**Member**”) of the Committee will generally not be set beforehand. It will, *inter alia*, depend on the composition of the Board as a whole and that of other committees from time to time.

The Members shall elect among themselves the chairman for each meeting of the Committee.

The company secretary of the Company shall be the secretary (“**Secretary**”) of the Committee. The Secretary may delegate his/her duties, or parts thereof, under these Terms of Reference, to a deputy appointed by him/her in consultation with the Committee.

Authority

The Committee shall report directly to the Board on its decisions or recommendations, unless there are legal or regulatory restrictions on its ability to do so (such as a restriction on disclosure due to regulatory requirements).

The Committee is authorised to obtain outside legal or other professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary. The Committee shall have sole authority to approve related fees and retention terms, and any expenses incurred shall be borne by the Company.

Reporting Procedures

The Committee shall report to the Board orally or in writing as appropriate to perform its duties as required under the Listing Rules and under these terms of reference. In particular, at the first meeting of the Board following a meeting of the Committee, the Committee shall report its findings, decisions or recommendations since the last Board meeting to the Board.

Committee Meetings

Frequency

Meetings of the Committee may be called by any Member. The Committee shall meet as often as required for the proper functioning of the Committee.

Notice

Notice of any meetings of the Committee has to be given at least one day prior to any such meeting being held, unless all Members unanimously waive such notice. Irrespective of the length of notice being given, attendance of a meeting by a Member shall be deemed waiver of the requisite length of notice by the Member. Notice of any adjourned meeting is not required if the adjournment is less than 14 days.

Quorum

The quorum for meetings of the Committee should be any two Members.

Attendance

Only Members (and the Secretary and/or his/her duly appointed deputy, acting in their capacity as the secretary to the Committee) are entitled to attend the meetings of the Committee. However, the Committee may invite the following persons to attend the meetings of the Committee, without the authority to vote, if it considers appropriate:

- any other directors of the Company or senior officers of the Group;
- legal counsels; and
- professional consultants or any other external personnel

Resolutions

Resolutions of the Committee shall be passed by a simple majority of votes, which can also be passed by way of unanimous written resolutions. In the case of any equality of votes, the chairman of the meeting shall have a casting vote.

Meetings can be held in person, by telephone or by video conference or by means of other communications equipment through which all persons participating in the meeting can communicate with each other simultaneously and instantaneously.

Minutes

The Secretary should keep full minutes of all Committee meetings. Draft and final versions of minutes of meetings of the Committee should be sent to all Members for their comments and records respectively, within a reasonable time after the meeting.

Minutes of all Committee meetings should also be sent to other members of the Board at the same time when they are sent to Members.

Duties and Authorities

Subject to any restrictions as provided in the Articles of Association of the Company and any applicable legislation, rules and regulations (if any) and the authorities expressly reserved by the Board below, the duties and authorities of the Committee shall include:

- to monitor and review the implementation of business plans or projects approved by and policies laid down by the Board;

- to discuss and make decisions on matters relating to the management and operations of the Group including but not limited to corporate matters, financial/ treasury planning and business and operating strategies. The maximum transaction amount involved for any projects, third party guarantees and commercial transactions that the Committee is authorised to make decisions on shall be HK\$60,000,000 (or its equivalent) per transaction;
- to consider and make recommendations to the Board on acquisitions, disposals or investments in business or any other projects; and
- to review and discuss any other matters delegated by the Board from time to time.

The authorities specifically reserved to the Board include:

- approval of final and interim results;
- declaration and/ or recommendation of payment of dividend distributions;
- approval of annual business plan and budget;
- issue of new shares, grant of options, and issue of any other securities to subscribe for or convertible into new shares;
- approval of notifiable transactions in accordance with the Listing Rules;
- approval of non-exempt connected transactions and continuing connected transactions in accordance with the Listing Rules; and
- review and approval of any matters the Board considers material or appropriate.

(Approved and adopted by the Board on 26 April 2017 and revised on 27 August 2018)