

CHINA ASSETS (HOLDINGS) LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 170)

NOMINATION COMMITTEE

TERMS OF REFERENCE

Constitution

The Nomination Committee is a committee of the Board of Directors. Its primary function is to give advice on the candidates, conditions, selection standards and procedures of the proposed appointment of the Directors and the Senior Management of the Company.

Membership

The members of the Nomination Committee shall be appointed by the Board and shall consist of not less than three members, a majority of whom shall be independent non-executive director. A quorum shall be two members.

The chairman of the Nomination Committee shall be appointed by the Board.

Authority

The Nomination Committee is authorized by the Board to obtain external independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary. The Nomination Committee shall be provided with sufficient resources to discharge its duties. The Nomination Committee should be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any external nomination consultant who advises the Nomination Committee.

Meetings

The company secretary shall be the secretary of the Committee. The secretary of the Committee or in his absence, his representative or any one member, shall be the secretary of the meetings of the Committee.

The Committee shall be held not less than once a year and when necessary or as requested by any member of the Nomination Committee.

Minutes

Minutes of each Nomination Committee meeting shall be prepared and circulated to all members of the Board.

Duties

The duties of the Nomination Committee shall be:

1. 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 changes to the board to complement the Company's corporate strategy;
2. 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;
3. To assess the independence of independent non-executive directors; and
4. To 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.
5. Where the Board proposes a resolution to elect an individual as an independent non-executive director at a general meeting, the Nomination Committee shall set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting why they believe the individual should be elected and the reason why they consider the individual to be independent; and
6. The nomination Committee shall exercise such other power, authorities and discretions, and perform such other duties, of the directors in relation to the nomination of directors as the Board may from time to time delegate to it, having regard to the Code.

(Adopted on 15 March 2012)

The Chinese version of this document is for reference only. In case of any discrepancies or inconsistency between the English version and Chinese version, the English version prevails.