

GOLDEN FAITH GROUP HOLDINGS LIMITED
(the “Company”)

TERMS OF REFERENCE AND MODUS OPERANDI OF THE
RISK MANAGEMENT COMMITTEE
(the “Committee”)

These terms of reference of the Committee of the Company (together with its subsidiaries, the “**Group**”) have been prepared based on the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**” and the “**Exchange**”, respectively).

Membership

1. The Committee shall consist of at least three (3) members appointed by the board of directors of the Company (the “**Director(s)**” or “**Board**”) from time to time.
2. The chairman of the Committee (the “**Chairman**”) shall be appointed by the Board.
3. The Committee shall comprise a majority of independent non-executive directors.
4. Subject to Rules 1, 2 and 3 above, the Board shall be entitled to, from time to time, at their discretion, change the composition of the members of the Committee.

Secretary

5. The secretary of the Committee, who shall be the company secretary of the Company or any other person with appropriate qualification and experience, shall be appointed by the Board. Full minutes of the meetings should be kept by the secretary.

Frequency and proceedings of meetings

6. The Committee shall meet at least annually. Additional meetings shall be held as the work of the Committee demands.
7. In addition, the Committee’s chairman shall be entitled to convene additional meetings at his discretion.
8. The quorum of a meeting shall be two (2) Committee members.
9. The Committee members shall attend the meetings in person, by telephone or by video conference.
10. Resolutions of the Committee shall be passed by more than half of the members of the Committee.
11. A resolution in writing signed by all the members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.
12. Unless otherwise stated herein, proceedings of the Committee’s meetings shall be governed by the provisions of the Articles of Association of the Company.

Authority

13. All members of the Committee shall be entitled to have access to the advice and services of the secretary who is responsible to the Committee for ensuring that procedures of the Committee, and all applicable rules and regulations, are followed.
14. The Committee shall be provided with sufficient resources to perform its duties and is entitled to seek independent professional advice in appropriate circumstances at the Company's expenses to perform its duties.
15. The Committee shall be authorized by the Board to investigate any activity within its terms of reference, and seek any necessary information which is within its scope of duties from the employees of the Company and its subsidiaries (including members of the Board).

Duties, powers and functions

16. The Committee shall:-
 - (a) oversee the Group's risk management and internal control systems on an ongoing basis to identify and deal with financial, operational, legal, regulatory, compliance, technology, business and strategic risks faced by the Group;
 - (b) conduct research on, and make recommendations to, the Board on the Group's risk management and internal control system in respect of the Group's operations and business development;
 - (c) liaise with the Board, and other senior management of the Group, to ensure development and maintenance of the Group's system to identify, measure and manage risks in respect of the Group's operations and business development;
 - (d) advise the risk profile and risk management strategy of the Group, consider, review and approve risk management policies and guidelines, and decide on risk levels and related resources allocation;
 - (e) review the risk reporting record of the Group, material risk management updates and reports of material breaches of risk limits, assess the adequacy of proposals, undertake an annual review of the risk management framework, including confirming to the Board regarding the fact that the risk management is independent of business units, and ensure adequate resources and authority to operate effectively and deliver timely, accurate and detailed information; and
 - (f) monitor the implementation of risk management measures and procedure, and review the effectiveness of the Group's risk management system.
17. The Committee shall be provided with sufficient resources to enable it to perform its functions, including resources for seeking independent professional advice.

Reporting Procedures

18. The Committee shall report to the Board on a regular basis, and the Chairman shall report the Committee's findings and recommendations to the Board at the next meeting of the

Board following a meeting of the Committee.

19. Full minutes and written resolutions shall be kept by the secretary of the Committee. Draft and final versions of minutes of the meetings shall be sent to all Committee members for their comments and records, within a reasonable time after the meeting. Written resolutions shall be promptly sent to all Committee members for their records after the written resolutions are passed.
20. At least once annually, the Committee shall present a report in writing to the Board which addresses the work of the Committee during the year.

Others

21. The Committee shall make available its terms of reference, explaining its role and the authority delegated to it by the Board by including them on the Exchange's website and the Company's website.
22. Any changes to the terms of reference shall be effective after they have been approved by the Board.

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