



ASIA INVESTMENT FINANCE GROUP LIMITED

亞投金融集團有限公司

(Formerly known as Harmonic Strait Financial Holdings Limited 和協海峽金融集團有限公司)

(the “Company”)

Terms of Reference

Of

Risk Management Committee

Adopted by the Board on 28 December 2015.

- Membership**
- (a) Members of the Risk Management Committee shall comprise a minimum of three directors of the Company. The board of directors of the Company (the “Board”) may appoint any directors of the Company and other persons as the Board thinks fit to the Risk Management Committee as members.
 - (b) The chairman of the Risk Management Committee shall be appointed by the Board and must be an executive director.
 - (c) The Company Secretary shall be the secretary of the Risk Management Committee and in the absence of the Company Secretary, a member of the Risk Management Committee shall act as the secretary.
 - (d) The appointment of the members of the Risk Management Committee may be revoked, or additional members may be appointed to the Risk Management Committee by separate resolutions passed by the Board and by the Risk Management Committee. An appointment of Risk Management Committee member shall be automatically revoked if such member ceases to be a member of the Board.
- Meetings**
- (a) Notice of any meetings has to be given at least 7 days prior to any such meeting being held provided that if a meeting is called by a shorter notice, it shall be deemed to have been duly called if it is so agreed by a majority of the Members. A Member who attends such a meeting shall deem to agree to the shorter notice. Notice of any adjourned meetings is not required if the adjournment is less than 14 days.
 - (b) The quorum for meetings of the Risk Management Committee shall be any two Members.
 - (c) Meetings could be held in person, by telephone or by video

conference. Members may participate in a meeting by means of a conference telephone or similar communications equipment provided that all persons participating in the meeting are capable of hearing each other.

- (d) Resolutions of the Risk Management Committee at any meetings shall be passed by a majority of votes of the Members present.
- (e) A resolution in writing signed by all the Members of the Risk Management Committee shall be as valid and effectual as if it had been passed at a meeting of the Risk Management Committee duly convened and held.
- (f) Minutes shall be kept by the secretary of the Risk Management Committee. Draft and final versions of minutes shall be circulated to all Members for their comment and records respectively, in both cases within a reasonable period of time after the meeting.

Primary duties

The duties of the Risk Management Committee shall include, but shall not be limited to the following:

- (a) to review the Company's risk management policies and guidelines and monitor the implementation and development of the risk management system of the Company;
- (b) to conduct assessment of the strategic, financial, operational, compliance and other risks of the Company;
- (c) to make recommendation to the Board for the determination of acceptable level of risk of the Company regarding major decisions;
- (d) to consider and adjust the Company's risk management strategies in accordance with the acceptable level of risk considered and approved by the Board;
- (e) to review at least once per annum the effectiveness of the risk management internal control systems of the Company, and to consider, in particular, the following matters in the annual review under the risk management system:
 - (i) the changes, since the last annual review, in the nature and the extent of significant risks and the

- Company's ability to respond to changes in its business and external environment;
- (ii) the scope and quality of the management's ongoing monitoring of the risks and the internal control system, and where applicable, the work of its internal audit function and other assurance providers;
 - (iii) the extent and frequency of communication of monitoring results to the Board (or Board committee(s)) which enables the Risk Management Committee to assess control of the Company and the effectiveness of risk management;
 - (iv) significant control failings or weakness that have been identified during the period and the extent to which they have results in unforeseen outcomes or contingencies that have had, may have or may in the future have, a material impact on the Company's financial performance or condition; and
 - (v) the effectiveness of the Company's procedures on financial reporting and the compliance of the Listing Rules.
- (f) the review of the effectiveness of the Company's risk management and internal control systems should cover all material controls, including financial, operational and compliance controls.

Reporting	The Risk Management Committee shall report to the Board after each meeting.
Annual General Meeting	The Chairman of the Risk Management Committee or a Member of the Risk Management Committee shall attend the Company's Annual General Meeting and be prepared to respond to shareholders' questions on the Risk Management Committee's activities and its responsibilities.
Authority	(a) The Risk Management Committee shall have access to such information and advice, whether from sources within or outside the Group, as it deems necessary.

- (b) The Risk Management Committee is authorised by the Board to investigate any activity within its terms of reference. The Risk Management Committee is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Risk Management Committee.
- (c) The Risk Management Committee is authorised by the Board to obtain at the Company's expense outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if the Risk Management Committee considers this necessary.

Frequency of meetings

Meetings shall be held at least once a year or more frequently if circumstances require.