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Sunfonda Group Holdings

SUNFONDA GROUP HOLDINGS LIMITED

新豐泰集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01771)

(the “Company”)

Terms of Reference and Operating Model of the Finance and Investment Committee (the “Committee”)

MEMBERSHIP

1. The Committee shall comprise not less than three directors.
2. The Committee shall have one chairman who shall be acted by the chairman of the board of directors of the Company (the “**Board of Directors**”), responsible for presiding over the work of the Committee and convening and presiding over meetings of the Committee.
3. The members of the Committee shall be nominated by the chairman of the Board of Directors and shall be subject to election by the Board of Directors. Upon approval of the resolution of election of members, the newly-appointed members shall assume office immediately after the conclusion of the Board of Directors’ meeting.
4. Members of the Committee shall have the same term of office as their directorship and the term of office is renewable upon re-election. Prior to expiry of the term of office, members shall not be unreasonably relieved of their duties, except for circumstances where they shall not assume office according to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), the memorandum and articles of association (the “**M&AA**”) of the Company or these rules of procedures. During the term of office if members no longer act as directors of the Company, they shall automatically lose their office as members of the Committee.

5. Where the number of members of the Committee is less than three members due to the resignation or removal of members or other reasons, the Board of Directors shall arrange for replacements to fill the vacancies in a timely manner. The Committee shall suspend any exercise of duties and powers stipulated by these rules of procedures before the number of members of the Committee reaches three members.

FREQUENCY AND PROCEEDINGS OF MEETINGS

6. The Committee shall convene meetings at least once a year. If necessary, the Committee shall convene additional meetings.
7. The chairman of the Committee may also decide to convene additional meetings at his/her own discretion.
8. Resolutions of the Committee may be passed by convening and holding a physical meeting or in writing signed by each and every one of the members of the Committee. 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 of the board of directors duly convened and held and may consist of several documents in like form each signed by one or more of the members.
9. Notice of regular meetings of the Committee shall be despatched seven days prior to the meeting whereas notice of interim meetings shall be despatched five days before the meeting.
10. Notice of meetings of the Committee shall at least include the following items:
 - (a) time and venue of the meeting;
 - (b) schedule of the meeting;
 - (c) agenda items to be discussed in the meeting;
 - (d) contact person of the meeting and the way of contact; and
 - (e) date of notice of the meeting.

Notice of meetings shall contain complete proposals.

11. Notice of meetings of the Committee shall be delivered to all members by facsimile, electronic mail, telephone, direct mail, by hand or other means. When the notice is delivered by electronic mail, telephone or other speedy methods, the recipient shall be deemed to have been notified of the meeting if no written objection is received from the recipient within two days from the date of delivery of the notice.

12. Meetings of the Committee shall be held by the attendance of all of the members of the Committee.
13. Each member has one vote. Resolutions adopted at the meetings shall take effect upon approval by all members.
14. Members of the Committee may attend the meetings in person or appoint another member to attend and vote on their behalf. Each member shall appoint only one other member as his/her proxy to vote on his/her behalf at each meeting. Where any member appoints two or more members to vote on his behalf, such appointment shall be deemed invalid.
15. Members who appoint another member to attend and vote on their behalf shall submit a power of attorney to the chairman of the meeting. The power of attorney shall be submitted to the chairman of the meeting no later than the voting of the meeting.
16. The power of attorney shall at least include the following items:
 - (a) name of appointer;
 - (b) name of proxy;
 - (c) matters to be assigned;
 - (d) instruction on the exercise of voting right over the meeting agenda (for, against or abstained) and, where no specific instruction is made, explanation on the capacity of proxy to vote on his/her will;
 - (e) expiry date of the power of attorney; and
 - (f) date of signing of the power of attorney.

The power of attorney shall be signed by both of the appointer and proxy.

17. The Committee shall vote on a registered show of hands at the meetings.
18. Directors of the Company who are not members of the Committee may be invited to sit in on the meetings of the Committee. The Committee may also gather other persons relating to the meeting resolutions to sit in on the meetings, give a briefing or express their opinions if it considers necessary. However, those who are not members of the Committee have no voting right over the proposals.
19. The Committee may engage intermediaries to provide professional advice for its decision-making if necessary and the relevant expenses incurred shall be borne by the Company.

20. The procedures for convening the meeting, means of voting and resolutions passed at the meeting of the Committee shall comply with relevant laws, regulations, the M&AA and the provisions of these rules of procedures.
21. The Committee may appoint the company secretary to handle the following routine affairs:
 - (a) distribute meeting schedules and relevant supporting materials to members of the Committee three days prior to a regular meeting of the Committee and an interim meeting of the Committee;
 - (b) maintain minutes of meeting, sort out opinions of all members attending the meeting and deliver minutes to them for signing; and
 - (c) distribute minutes of meeting to members of the Committee within 14 days upon conclusion of the meeting.

The minutes shall be kept by the company secretary.

22. Resolutions and voting results adopted at the meetings of the Committee shall be reported to the Board of Directors in writing.
23. Members attending the meeting shall keep confidential all matters discussed at the meeting. Unauthorized disclosure of the relevant information shall be prohibited.

POWERS AND AUTHORIZATIONS

24. The Committee shall have the following powers:
 - (a) to arrange, consider, review and approve banking facilities, loans of the Group and the provisions of guarantees and indemnities by the Company to its subsidiaries;
 - (b) to take any action to enable the Committee exercise the powers and functions delegated by the Board of Directors; and
 - (c) to comply with any requirements, directives and regulations that are specified by the Board of Directors, the M&AA of the Company or the legislation from time to time.
25. The powers of the Finance and Investment Committee set out in paragraph 24 above shall be subject to the following limitations:

Matters**Approval required**

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| (a) | to arrange, consider, review and approve banking facilities, loans of the Group of an amount of less than RMB1 billion per transaction and the provisions of guarantees and indemnities by the Company to its subsidiaries | Approval required from the chairman of the Committee only and the signature from the same on the documents related to this matter is conclusive evidence for all purposes of his/her approval |
| (b) | to arrange, consider, review and approve banking facilities, loans of the Group of an amount of between RMB1 billion and RMB1.5 billion per transaction and the provisions of guarantees and indemnities by the Company to its subsidiaries | Approval required from all members of the Committee |
| (c) | to arrange, consider, review and approve banking facilities, loans of the Group of an amount of greater than RMB1.5 billion per transaction and the provisions of guarantees and indemnities by the Company to its subsidiaries | Approval required from the Board of Directors |

26. The Committee is accountable to the Board of Directors. Resolutions proposed by the Committee shall be submitted to the Board of Directors for consideration and decision.
27. The Committee shall exercise other relevant duties and powers provided or recommended by the Listing Rules and/or relevant applicable laws, regulations and rules that are enforceable from time to time.

DECISION-MAKING PROCEDURES

28. The management of the Company shall be responsible for undertaking proper preparations for decision-making by the Committee and providing relevant information of the Company in order for the Committee to consider, evaluate, determine and approve banking facilities and financial instruments of the Group, provisions of corporate guarantees by the Group, provision of indemnity against obligations under financing activities, or to guarantee or to provide security for financing activities to the Group.
29. The Committee shall report to the Board of Directors on a regular basis. The chairman of the Committee shall report the findings and recommendations of the Committee to the Board of Directors at the next meeting of the Board of Directors following the meeting of the Committee.