

Heng Fai Enterprises Limited

(the "Company")

(Incorporated in Hong Kong under the Companies Ordinance with limited liability)

(Stock Code: 185)

Terms of Reference of the Investment Committee

Objectives

The Investment Committee shall be responsible for the setting up of a policy to guide the Company's investments to maximize return on the Company's cash reserves having regard to the risks involved.

Membership

1. The Committee shall consist of not less than four members appointed by the board of directors of the Company ("**Board**"), comprising at least two Non-executive Directors. All of the members shall be appointed by the Board from amongst the Directors of the Company.
2. The Chairman of the Committee shall be appointed by the Board.
3. The quorum of a meeting shall be three members.

Frequency of Meeting

The Investment Committee shall meet at least once a year and at such other times as its Chairman shall require.

Notice of Meeting

1. Meetings of the Committee shall be called by its Chairman or at request of the Board.
2. Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda and accompanying Committee papers, if any, and items to be discussed, shall be issued to each member of the Committee at least 3 days prior to the date of the meeting unless all members of the Investment Committee unanimously waive such notice.
3. Resolutions shall be passed by a majority of votes or by unanimous written resolutions.
4. Meetings could be held in person, by teleconference or by video conference.

Attendance at Meeting

1. The Chief Financial Officer shall normally attend the meetings.
2. The Company Secretary or his nominee shall be the secretary of the Investment Committee.

Attendance at the Annual General Meeting

The Chairman of the Investment Committee or in his absence, another Investment Committee Member shall attend the Company's Annual general Meeting and be prepared to respond to shareholders' questions on the Investment Committee's duties and responsibilities.

Duties

The duties of the Investment Committee shall be:

- (a) to set up a policy to guide the Company on investment projects;
- (b) to oversee the management of the Company in the execution of the policy;
- (c) to review the policy from time to time and recommend to the Board such changes to the policy as and when necessary;
- (d) to review and assess on existing and/or future investment projects and to advise the Board when it decides on investment and
- (e) The Chairman of the Investment Committee shall report back to the Board on any decisions or recommendations, unless there are legal or regulatory restrictions on their ability to do so.

Reporting procedures

The secretary of the Investment Committee shall circulate the minutes of meetings of the Investment Committee to all members of the Board.

Hong Kong, 28 November 2014