

Shifang Holding Limited ("Company")

Terms of Reference for Nomination Committee

Constitution

1. The board of directors of the Company (the "**Board**") has established a committee known as the nomination committee (the "**Committee**").

Membership

2. The members of the Committee (the "**Members**") shall be appointed by the Board from amongst the directors of the Company (the "**Directors**") and shall consist of not less than three Members, a majority of whom should be independent non-executive Directors. The Director responsible for human resources function (the "**Responsible Director**") shall be an ex-officio Member. Two Members shall form a quorum.
3. The chairperson of the Committee (the "**Chairperson**") shall be appointed by the Board and should be either the chairperson of the Board or an independent non-executive Director and in his/her absence, Members present may elect any Member to chair a Committee meeting.

Attendance at meetings

4. The company secretary of the Company or his/her delegate or such other person appointed by the Chairperson shall be the secretary of the Committee (the "**Secretary**").

Frequency and procedures of meetings

5. Meetings shall be held as and when required or as requested by the Responsible Director or the Chairperson. The Members may adopt from time to time the procedure governing the convening of the Committee meetings, the means and procedure for the passing of resolutions at meetings of the Committee.

Authority

6. The Committee is authorized by the Board to deal with any activity within its terms of reference. It is authorized by the Board to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.
7. The Committee is authorized by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

Duties

8. The duties of the Committee shall be:
 - (a) to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and to make

recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

- (b) to identify individuals suitably qualified to become Board members and to select or make recommendations to the Board on the selection of, individuals nominated for directorship;
- (c) to assess the independence of the independent non-executive Directors, having regard to the requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; and
- (d) to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors in particular, the chairperson and chief executive of the Company (if any).

Other Procedures

9. The Chairperson, in consultation with the Responsible Director and the Secretary, should be primarily responsible for drawing up and approving the agenda for each Committee meeting. The Chairperson, with the assistance of the Secretary, shall ensure that all Members shall have sufficient information in a timely manner to enable effective discussion at a Committee meeting and be briefed on the issues arising at each Committee meeting. The Secretary shall record minutes of all duly constituted meetings of the Committee. All minutes shall record in sufficient detail the matters considered, decisions reached or recommendations made and any concerns raised by any Member including dissenting views of any Member. The Secretary shall circulate the draft and final versions of the minutes of meetings and reports of the Committee to all Members for comments and records within a reasonable time after each meeting. The Chairperson shall report at the forthcoming regular Board meeting any key decisions made and shall table before the Board an index of meetings and issues discussed.
10. This Terms of Reference has been prepared in English and Chinese, and both versions possess equal status and have the same effect.