

Risk Management Policy

ZHENG HE GLOBAL CAPITAL LIMITED

ACN 128 246 042

(Company)

Adopted by the Board on

Risk Management Policy

1. Overview

The Company's process of risk management, including implementation of appropriate internal controls and compliance, is as to:

- establish the Company's goals and objectives and design, implement and monitor strategies and policies to achieve these goals and objectives;
- continually identify potential risks and measure their possible impact upon the achievement of the Company's goals and objectives; and
- formulate risk management strategies to manage identified risks and monitor/assess the performance of the Company's risk management system.

2. Oversight, Compliance and Control

The Board is responsible for establishing the Company's goals and objectives and overseeing the establishment, implementation and review of the Company's risk management system. The Board has delegated to Executive Management the responsibility of reviewing the effectiveness of the Company's risk management system. Management is responsible for establishing and implementing the risk management system to identify, control and manage strategic, technical, operational and other material risks. Management has undertaken to inform the Board of any new material risks and outline the actions that have been undertaken to manage such material risks.

3. Risk Profile

The risk profile of the Company can be categorised as follows:

- Strategic risks (including competition, market, etc.)
- Technological risks
- Operational risks
- Financial risks
- Organisational risks
- Legal and Regulatory risks

The material risks in each category are identified by management and reported to the Board as required and at least annually. The proposed actions to manage the material operational risks are also included in such report which is reviewed by the Board.

4. Compliance & Control/Assessment of Effectiveness

The Company has implemented a number controls, policies and procedures to decrease, eliminate or manage the various identified categories aimed at:

- the Company's goals and objectives being achieved;
- material risks being identified, documented and controlled;
- resources being efficiently and effectively deployed to manage, control and protect the Company's assets;
- managerial, operating and financial information being accurate, reliable and timely; and
- ensuring there is an adequate level of compliance with Company policies and procedures.

The Company's Risk Management System is evolving. This is an ongoing process and it is recognised that the level and extent of the Risk Management System will evolve as the Company grows.

5. Approved and adopted

This code of conduct was approved and adopted by the Board on _____.