



Man Shing Global Holdings Limited

萬成環球控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(the “Company”)

(Stock Code: 8309)

Terms of reference of the Risk Management Committee (the “Committee”) of the Board (the “Board”) of Directors (the “Directors”) of the Company

1. Constitution

1.1 The Committee is established pursuant to a resolution passed by the Board at its meeting held on 20 March 2017.

2. Membership

2.1 Members of the Committee shall be appointed by the Board from amongst the members of the Board and shall consist of not less than three members and a majority of which should be independent non-executive Directors of the Company.

2.2 The chairman of the Committee shall be appointed by the Board.

2.3 The company secretary of the Company shall be the secretary of the Committee. In the absence of the secretary of the Committee, Committee members present at the meeting may elect among themselves or appoint another person as the secretary for that meeting.

2.4 The appointment of the members or secretary of the Committee may be revoked, or additional members may be appointed to the Committee by separate resolutions passed by the Board and by the Committee. An appointment of Committee member shall be automatically revoked if such member ceases to be a member of the Board.

3. Proceedings of the Committee

3.1 *Notice:*

- (a) Unless otherwise agreed by all the Committee members (either orally or in writing), a meeting shall be called by at least seven days’ notice. Such notice shall be sent to each member of the Committee, and to any other person invited to attend. Irrespective of the length of notice being given, attendance of a Committee member at a meeting constitutes a waiver of such notice unless the Committee member attending the meeting attends for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the grounds that the meeting has not been properly convened.

(Regular meetings should be called by at least 14 days’ notice: cf: paragraph A.1.3 of Appendix 15 to the Rules (the “GEM Listing Rules”) Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”))

- (b) A Committee member may and, on the request of a Committee member, the secretary to the Committee shall, at any time summon a Committee meeting. Notice shall be given to each Committee member in person orally or in writing or by telephone or by email or by facsimile transmission at the telephone or facsimile or address or email address from time to time notified to the secretary by such Committee member or in such other manner as the Committee members may from time to time determine.
- (c) Any notice given orally shall be confirmed in writing as soon as practicable and before the meeting.
- (d) Notice of meeting shall state the purpose, date, time and place of the meeting. An agenda together with other documents which may be required to be considered by the members of the Committee for the purposes of the meeting should generally be delivered to all Committee members seven days (and in any event not less than three days) before the intended date of the Committee meeting (or such other period as all the Committee members may agree).

3.2 ***Quorum***: The quorum of the Committee meeting shall be two members of the Committee and a majority of which shall be the independent non-executive Directors.

3.3 ***Frequency***: Meetings shall be held at least once a year to review the effectiveness of the risk management and internal control systems and to resolve material internal control defects.

3.4 Meetings may be held in person, or by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

3.5 No Committee member may vote on any resolution of the Committee in which he is an interested party.

4. Written resolutions

A resolution in writing signed by all the Committee members shall be as valid and effectual as if it had been passed at a meeting of the Committee and may consist of several documents in like form each signed by one or more of the Committee members.

5. Alternate Committee members

A Committee member may not appoint any alternate.

6. Authority of the Committee

6.1 The Committee may exercise the following powers:

- (a) to investigate any activity within its terms of reference and make any recommendations to the Board which it deems appropriate on any area within its remit where action or improvement is needed;

- (b) to seek any information it requires from any employee of the Company and its subsidiaries and any professional advisers in order to perform its duties, to require any of them to prepare and submit reports and to attend Committee meetings and to supply information and address the questions raised by the Committee;
- (c) to obtain outside legal or other independent professional advice at the expenses of the Company on any matters within these terms of reference as it considers necessary and to secure the attendance of outsiders with relevant experience and expertise at its meetings if it considers this necessary;
- (d) to have access to sufficient resources in order to perform its duties;
- (e) to review annually these terms of reference and their effectiveness in the discharge of its duties and to make recommendation to the Board any changes it considers necessary; and
- (f) to exercise such powers as the Committee may consider necessary and expedient so that their duties under section 7 below can be properly discharged.

6.2 The Committee should be provided with sufficient resources to perform its duties.

7. Duties

7.1 The duties of the Committee shall be:

- (a) review the Company's risk management policies and standard, as well as the fundamental concepts and scope of compliance management;
- (b) provide guidelines to the management on risk management and set up procedures to identify, assess and manage material risk factors; and ensure the management discharges its responsibility in establishing and maintaining an appropriate and effective risk management system;
- (c) supervise and monitor the Company's exposure to legal sanction risks and the design and implementation of the related internal control policies and procedures adopted by the Company;
- (d) review, evaluate and update from time to time the internal control policies and measures in respect of the control procedures of risks, including risk management and the communication and cooperation with the operating units;
- (e) review the compliance reports and risk assessment reports that need to be reviewed by the Board, and to make recommendations on improvement of the Company's compliance and risk management;
- (f) evaluate and advise on the nature and extent of risks involved in major decisions that need to be reviewed by the Board and solutions to the major risks;
- (g) evaluate the risks of major investment and funding projects and issues concerning the operation of capital, and to advise the Board on the decision making;

- (h) review and approve all relevant business transaction documentation from customers or potential customer from Sanctioned Countries. Sanctioned Countries refer to countries that are subject to certain economic sanctions under the laws of the United States of America (the “U.S.”), the European Union, Australia and the United Nations;
- (i) review the information (such as identity and nature of business) relating to the counterparty to the contract along with the draft business transaction documentation;
- (j) check the counterparty against the various lists of restricted parties and countries maintained by the U.S., the European Union, Australia or the United Nations, including, without limitation, any government, individual or entity of which lists are publicly available, and determine whether the counterparty is, or is owned or controlled by, a person located in the Sanctioned Countries or a person under sanction;
- (k) review and report annually to the Board the effectiveness of the risk management system; and
- (l) other matters as authorized by the Board.

8. Minutes and records

- 8.1 The secretary shall, at the beginning of each meeting, ascertain and record the existence of any conflicts of interest and minute them accordingly. The relevant member of the Committee shall not be counted towards the quorum and he must abstain from voting on any resolution of the Committee in which he or any of his associates has a material interest, unless the exceptions set out in note 5 to Appendix 3 to the GEM Listing Rules apply.
- 8.2 Full minutes of Committee meetings shall be kept by a duly appointed secretary of the meeting (who should normally be the company secretary). Draft and final versions of minutes of the Committee meetings should be sent to all Committee members for their comment and records within a reasonable time after the meeting (generally, meaning no more than 14 days after the meeting).
- 8.3 The secretary of the Committee shall keep record of all meetings of the Committee held during each financial year of the Company and records of individual attendance of members of the Committee, on a named basis, at meetings held during that financial year.

9. Reporting responsibilities

- 9.1 The Committee shall report to the Board after each meeting.
- 9.2 At the next meeting of the Board following a meeting of the Committee, the chairman of the Committee shall report the findings, decisions and/or recommendations of the Committee to the Board. The company secretary shall also circulate the minutes of meetings, reports and/or written resolutions (if any) of the Committee to all members of the Board.

10. Risk Management Committee report

The work of the Committee during each financial year shall be summarized and included in the corporate governance report which constitutes part of the annual report.

11. Annual general meeting

The chairman of the Committee shall attend the annual general meeting of the Company and be prepared to answer questions at the annual general meeting on the Committee's activities and their responsibilities.

12. Continuing application of the articles of association of the Company

The articles of association of the Company regulating the meetings and proceedings of the Directors so far as the same are applicable and are not replaced by the provisions in these terms of reference shall apply to the meetings and proceedings of the Committee.

13. Powers of the Board

The Board may, subject to compliance with the articles of association of the Company and the GEM Listing Rules (including the Corporate Governance Code set out in Appendix 15 to the GEM Listing Rules or if adopted by the Company, the Company's own code of corporate governance practices), amend, supplement and revoke these terms of reference and any resolution passed by the Committee provided that no amendments to and revocation of these terms of reference and the resolutions passed by the Committee shall invalidate any prior act and resolution of the Committee which would have been valid if such terms of reference or resolution had not been amended or revoked.

14. Publication of the terms of reference of the Committee

The Committee should make available its terms of reference, explaining its role and the authority delegated to it by the Board by including them on the Company's website and the website of the Stock Exchange.

Adopted on 20 March 2017