



Evershine Group Holdings Limited

永耀集團控股有限公司

(Incorporated in Hong Kong with limited liability)

RISK MANAGEMENT COMMITTEE TERMS OF REFERENCE

This Terms of Reference has been issued in the English language with a separate Chinese language translation. If there is any conflict in the Terms of Reference between the meaning of Chinese words or terms in the Chinese language version and English words in the English language version, the meaning of the English words shall prevail.

Latest Version: 22 March 2019



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(the “Company”)

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1. CONSTITUTION

1.1 The Risk Management Committee was formed pursuant to the board resolution of the Company (the “Director(s)”) (the “Board”) passed on 22 March 2019.

2. MEMBERSHIP

2.1 The members of the Committee shall be appointed by the Board from amongst the directors of the Company and shall consist of not less than three members at least one of whom is an independent non-executive director.

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

2.3 The meetings and proceedings of the committee are governed by the provisions contained in the articles of association of the Company for regulating meetings and proceedings of directors.

3. MEETINGS

3.1 The company secretary of the Company shall be the secretary of the Risk Management Committee.

3.2 A quorum of the Risk Management Committee shall be any two Members.

3.3 Notices of any meetings have to be given at least 7 days prior to any such meeting being held, unless all Members unanimously waive such notice. Irrespective of the length of notice being given, a member attending the meeting shall be deemed waiver of the requisite length of notice of the meeting by the member. Notice of any adjourned meetings is not required if adjournment is for less than 7 days.

3.4 Meetings may be held in person, by telephone or video conference. Members may participate in a meeting by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting are capable of hearing each other.

- 3.5 Resolutions of the Risk Management Committee at any meetings shall be passed by majority of votes of the Members present.
- 3.6 A resolution in writing signed by all Members shall be as valid and effectual as if it had been passed at a meeting of the Risk Management Committee duly convened and held.
- 3.7 Minutes of meetings of the Risk Management Committee shall record in sufficient detail the matters considered by the Risk Management Committee and decisions reached, including any concerns raised by Directors or dissenting views expressed.
- 3.8 Full minutes of Risk Management committee meetings should be kept by the secretary of the Risk Management Committee. Draft and final versions of minutes of the Risk Management committee meetings shall be sent to all Members for their comment and records respectively, in both cases within a reasonable time after the meeting. Such minutes of meeting shall be opened for the Board's inspection at any reasonable time on reasonable notice.

4. *FREQUENCY OF MEETINGS*

- 4.1 The Risk Management Committee shall meet no less than one meeting a year.

5. *AUTHORITY*

- 5.1 The Risk Management Committee is authorized by the Board to investigate activity within its terms of reference. It is authorized to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.
- 5.2 The Risk Management 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.

6. *DUTIES & RESPONSIBILITIES*

The Risk Management Committee shall have the following duties and responsibilities:

- 6.1 to consider the overall objective and policies of the Company's comprehensive risk management system;
- 6.2 to review the Company's risk management system, including but not limited to risk management structure, functions and workflows, and to discuss the risk management system with management to ensure that management has performed its duty to have effective system;
- 6.3 to assess the risks from major decisions and to consider solutions for significant risks, and to be responsible for providing guidance about risk prevention on the Company's operational management process;

- 6.4 to have periodic assessment on the Company's risk profile and risk management capabilities, and to make recommendations on the improvement of the Company's risk management systems and internal controls;
- 6.5 to consider the Company's annual risk management report and compliance report;
- 6.6 to consider major investigations findings on risk management matters as delegated by the Board or on its own initiative and management's response to these findings;
- 6.7 to consider any other matters in relation to risk management responsibilities to be performed by board committee under the Appendix 15 "Corporate Governance Code and Corporate Governance Report" of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; and
- 6.8 to consider other topics, as defined by the Board.

7. *REPORTING PROCEDURES*

- 7.1 The secretary shall circulate the minutes of meetings and reports of the Risk Management Committee to the Board.
- 7.2 The Risk Management Committee shall report to the Board after each meeting.

8. *PUBLICATION OF THE TERMS OF REFERENCE*

- 8.1 The terms of reference shall be posted on the websites of The Stock Exchange of Hong Kong Limited and the Company. It is also available at the Company's principal place of business in Hong Kong open for inspection by the shareholders during normal business hours. A copy of the terms of reference will be made available to any person without charge upon request.