



HUISHENG INTERNATIONAL HOLDINGS LIMITED

惠生國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1340)

(the “Company”)

TERMS OF REFERENCE OF THE INVESTMENT AND TREASURY COMMITTEE (THE “COMMITTEE”)

1. ESTABLISHMENT AND PURPOSE OF THE COMMITTEE

- 1.1 The Committee is established pursuant to a written resolution passed by the board of directors (the “**Board**”) of the Company on 21 May 2019;
- 1.2 It is noted that the Company would invest its surplus funds, funds not designated for specific purpose, or funds designated for specific purpose but application of which is not immediately required (collectively the “**Company’s Funds**”) in the form of short term and liquid stocks through investing the Company’s Funds in diversified portfolio of investments products including listed or unlisted securities, or such other investments as the Board may decide from time to time, for the purpose of preserving the value of the Company’s Funds and/or achieve capital appreciation;
- 1.3 The purpose of the Committee is to exercise delegated authority from the Board, to monitor any issues or affairs related to the investment and treasury aspects of the Company. The Committee will also review the investment performance from time to time and advise the Board on how the Company’s Funds are to be used to enhance the Group’s investment returns, preserve the value of the Company’s Funds and/or achieve capital appreciation.

2. MEMBERSHIP

- 2.1 Members of the Committee shall be appointed by the Board. The Committee shall consist of three (3) members from amongst the executive and independent non-executive directors of the Company, with at least one of whom as an independent non-executive director with appropriate qualifications of accounting or related financial management expertise as listed in Rule 3.10(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”);
- 2.2 The chairman of the Committee shall be appointed by the Board from time to time; and
- 2.3 Additional members may be appointed to the Committee by the Board from time to time.

3. PROCEEDINGS OF THE COMMITTEE

3.1 Quorum

The quorum of the Committee meeting shall be two (2) members of which at least one (1) shall be an independent non-executive director of the Company.

3.2 Frequency of Meetings

Meetings shall be held at least once every six (6) months to consider the financial position, investment strategy and treasury position of the company. Additional meetings shall be held as the work of the Committee demands. In addition, the chairman of the Committee may convene additional meetings at his/her discretion.

3.3 Notice

At least one week’s notice of meeting shall be given, save that, where the members in their absolute discretion consider that a meeting is required on shorter notice, the Committee shall meet on such shorter notice as all members of the Committee agree.

3.4 Voting

Decisions shall be made by majority decision with each member having one vote.

3.5 Modes of meeting

Meetings may be held in person or by telephone conference.

3.6 Written resolutions

Written resolutions of the Committee may be passed by all Committee members in writing.

4. AUTHORITY

The Board has delegated authority to the Committee to exercise the following, including but not limited to:–

- 4.1 obtain sufficient resources from the Company to perform the Committee's duties;
- 4.2 review the accounts of the Company from time to time;
- 4.3 monitor and regulate investment decisions, strategies, projects and treasury related issues of the Company;
- 4.4 monitor investment plans and treasury activities of the Company;
- 4.5 consider and propose to the Board any types of fund raising instruments, such as private placement, rights issue or shares option grant to selected individuals as the Committee may think fit;
- 4.6 consider and recommend the Board to take any steps appropriate and necessary in relation to the investment or treasury activities of the Company, such as to appoint lawyers, external financial advisors and any other relevant professionals;
- 4.7 consider and recommend the Board to obtain advice from or engage external experts, fund managers or investment banks of good reputation, past performance and such other qualities as the Committee may think fit;
- 4.8 review the potential costs and returns of investment projects of the Company from time to time;
- 4.9 seek such information from the Company and its directors and employees (all employees being directed to co-operate with any such request by the Committee), as it deems necessary in order to fulfil its role;

- 4.10 request the Board to take all necessary actions, including but not limited to upholding or terminating a corporation action, commercial transaction, merger and acquisition with sufficient grounds and if it considers such actions necessary;
- 4.11 if necessary, investigate any activity within this Terms of Reference;
- 4.12 review annually this Terms of Reference and its effectiveness in the perform of its duties and to make recommendation to the Board any changes it considers necessary; and
- 4.13 invite such persons to its meetings as the Committee considers appropriate.

5. DUTIES AND POWERS

The duties and powers of the Committee shall be, *inter alia*:

- 5.1 act in good faith and with due skill, care and diligence at all times;
- 5.2 operate in accordance with this Terms of Reference at all times;
- 5.3 assess the viability and the terms for any major investment project or financing arrangements of the Company;
- 5.4 evaluate the feasibility, forecast, profits and loss calculations of the investment projects of the Company;
- 5.5 analyse, consider, and determine whether any proposed investment project is in the best interests of the Company and its shareholders as a whole;
- 5.6 consider all relationships, developments and new investment opportunities between the Company and external business and/or parties;
- 5.7 oversee the cash flow management, credit ratings and liquidity risk management of the Company;
- 5.8 review the Company's financial controls, investing capital, financing strategy and treasury risk management from time to time;
- 5.9 discuss the Company's position in respect of investment risk, including but not limited to foreign exchange risk, interest rate risk and investment products risk;
- 5.10 review and evaluate the Company's liquidity and funding arrangements from time to time;

- 5.11 monitor significant transactions and/or investment plans which might cause significant impact to the Company's treasury position;
- 5.12 consider and recommend the Board to implement appropriate policies in relation to the areas of treasury and investment (and any revision, as appropriate) from time to time;
- 5.13 review, evaluate, and approve any reports in relation to the Company's investment or treasury position from time to time;
- 5.14 to carry out other duties as may be determined from time to time by the Board;
- 5.15 ensure all records in relation to the Company's investments are kept properly;
and
- 5.16 report to the Company when any specific area for improvement could be identified or recommended.

6. REPORTING TO BOARD

- 6.1 All acts, material decisions and proceedings of the Committee shall be reported to the next scheduled meeting of the Board;
- 6.2 The Committee shall immediately bring to the attention of the Board any serious concerns that arise;
- 6.3 Minutes of the meetings of the Committee shall be available and circulated to all Board members at regular meetings of the Board. Minutes and all resolutions of the Committee meetings should be kept by the secretary of the Company; and
- 6.4 The secretary of the Company shall circulate the draft and final versions of minutes of the Committee meeting or, as the case may be, written resolutions of the Committee to all Committee members for their comment and records after the meeting or the passing of the written resolutions.

7. POWER OF THE BOARD

- 7.1 The Board may, subject to compliance with the articles of association of the Company, 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.