

These Procedures are prepared in English. In the event that there is any discrepancy or inconsistency between the English version and the Chinese version, the English version shall prevail.

SHING CHI HOLDINGS LIMITED

成志控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1741)

(the “**Company**”)

THE INVESTMENT COMMITTEE TERMS OF REFERENCE

These terms of reference of the investment committee (the “**Committee**”) have been prepared based on the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Exchange**”).

Composition

1. The Committee is established by the board of directors of the Company (the “**Director(s)**” or “**Board**”) according to the articles of association of the Company (the “**Articles of Association**”) and the establishment would be effective pursuant to a resolution passed by the Board at its meeting on 21 January 2021.

Members

2. The members of the Committee (the “**Member(s)**”) shall be appointed by the Board and shall comprise of a minimum of three members from amongst the Directors and senior management of the Company.
3. The chairman of the Committee shall be appointed by the Board from time to time.
4. The Board may, from time to time, at their discretion, change the composition of the Members.

Secretary

5. The Committee may appoint the company secretary of the Company or any other person with appropriate qualification and experience as the secretary of the Committee. Full minutes of the meetings should be kept by the secretary.

Attendance at meetings

6. All Members can attend the Committee meetings convened from time to time and the Committee may invite other Board members, external advisers and other persons to attend all or part of the Committee meetings.

Frequency and proceedings of meetings

7. The quorum for a Committee meeting shall be any two Members.
8. Meetings of the Committee shall be planned prior to the beginning of each financial year of the Company, and shall be not less than once a year.
9. The Committee may convene meetings when it deems appropriate in discharging its duties.
10. The Members could attend the meetings in person, by telephone or by video conference.
11. Resolutions of the Committee shall be passed by more than half of the Members.
12. A resolution in writing signed by all the Members shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.
13. Unless otherwise stated herein, proceedings of meeting of the Committee shall be governed by the relevant provisions of the Articles of Association (as amended from time to time).

Authority

14. All Members shall have access to the advices and services of the secretary with a view to ensuring that procedures of the Committee and all applicable rules and regulations are followed.
15. The Committee shall be provided with sufficient resources to perform its duties and may seek independent professional advice in appropriate circumstances at the Company's expenses to perform its duties.
16. The Committee is authorised by the Board:
 - (a) to investigate any activity within its terms of reference;
 - (b) to inspect all accounts, books and records of the Company;
 - (c) obtain sufficient resources from the Company to perform the Committee's duties;
 - (d) monitor and regulate investment decisions, strategies and projects related issues of the Company;

- (e) monitor investment activities of the Company;
- (f) 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;
- (g) consider and recommend the Board to take any steps appropriate and necessary in relation to the investment activities of the Company, such as to appoint lawyers, external financial advisors and any other relevant professionals;
- (h) 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;
- (i) review the potential costs and returns of investment projects of the Company from time to time;
- (j) 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;
- (k) 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;
- (l) review annually these 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
- (m) invite such persons to its meetings as the Committee considers appropriate.

Duties

17. Main duties of the Committees should include:-

- (a) act in good faith and with due skill, care and diligence at all times;
- (b) operate in accordance with these terms of reference at all times;
- (c) assess the viability and the terms for any major investment project or financing arrangements of the Company;

- (d) evaluate the feasibility, forecast, profits and loss calculations of the investment projects of the Company;
 - (e) analyse, consider, and determine whether any proposed investment project is in the best interests of the Company and its shareholders as a whole;
 - (f) consider all relationships, developments and new investment opportunities between the Company and external business and/or parties;
 - (g) oversee the credit ratings and liquidity risk management of the Company;
 - (h) review the Company's investing capital and financing strategy from time to time;
 - (i) 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;
 - (j) review and evaluate the Company's liquidity and funding arrangements from time to time;
 - (k) monitor significant transactions and/or investment plans which might cause significant impact to the Company's treasury position;
 - (l) 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;
 - (m) review, evaluate, and approve any reports in relation to the Company's investment or treasury position from time to time;
 - (n) ensure all records in relation to the Company's investments are kept properly; and
 - (o) report to the Company any matters that should be brought to the Company's attention when discharging its duties and when any specific area for improvement could be identified or recommended.
18. In order to ensure that there are sufficient measures to monitor investments (both acquisition and disposal) by the Company and its subsidiaries, Board approval is required if:
- i. the aggregate of the cost of a single investment is over HK\$13 million; or
 - ii. percentage ratios set out in rule 14.07 of the Listing Rules is 5% or more.

Reporting Procedures

19. The Committee should report to the Board, identifying any matters in respect of which it considers that action or improvement is needed, and making recommendations as to the steps to be taken.
20. Full minutes and written resolutions should be kept by the secretary of the Committee. Draft and final versions of minutes of the meetings should be sent to all Members for their comments and records, within a reasonable time after the meeting. Written resolutions should be promptly sent to all Members for their records after the written resolutions are passed.
21. The Committee should report to the Board on a regular basis. At the next meeting of the Board following a meeting of the Committee, the chairman of the Committee shall report to the Board on the findings and recommendations of the Committee since the last Board meeting (if any), unless there are legal or regulatory restrictions on their ability to do so (such as a restriction on disclosure due to regulatory requirements).

Powers of the Board

22. The Board may, subject to compliance with the Articles of Association, 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 effectuated.

Others

23. 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 Exchange's website and the Company's website.
24. Any changes to the terms of reference shall be effective after they have been approved by the Board.

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Adopted on 21 January 2021