

## **Duties and Responsibilities of the Risk Management Committee**

1. Oversight of the Company's risk management system;
  - a) evaluating the risk management framework regarding the significant risks faced by the Company;
  - b) reviewing and advise the Board on the implementation and effectiveness of the Company's risk management system and policies;
  - c) discussing the risk management system with the management to ensure that the management has performed its duties in establishing and maintaining an effective risk management system, including adequacy of resources, staff qualifications and experience, training programs and budget of the Company's risk management function;
  - d) considering the findings of major investigations on risk management matters as delegated by the Board or on its own initiative and the management's response to those findings;
2. Annual review of the Company's risk management system
  - a) ensuring a review of the effectiveness of the risk management system of the Company has been conducted at least annually, and report to shareholders in the Company's Corporate Governance Report; in the annual review, the Committee should, in particular: -
    - (i) consider the changes, since the last annual review, in the nature and extent of significant risks, and the Company's ability to respond to changes in its business and the external environment;
    - (ii) consider the scope and quality of management's ongoing monitoring of risks;
    - (iii) consider the extent and frequency of communication of monitoring results to the Risk Management Committee which enables it to assess control of the Company and the effectiveness of risk management;
    - (iv) consider significant control failings or weaknesses that have been identified during the period, the extent to which they have resulted in unforeseen outcomes or contingencies that have had, could have had, or may in the future have, a material impact on the Company's financial performance or condition;
    - (v) consider the effectiveness of the Company's risk management system; and
    - (vi) request and review a confirmation from the management on the effectiveness of the Company's risk management system.
3. The Chairman of the Committee shall prepare the report on the its performance regarding the Company's risk management to inform the Board of Directors on quarterly basis and/or the Audit Committee as required.
4. The Chairman of the Committee must attend the Company's Annual General Meeting of Shareholders and be prepared to respond to the shareholders' questions on the Company's risk management.
5. The Committee shall be responsible for approving all disclosure statements in relation to the Committee, including but not limited to relevant disclosure statements in annual reports, interim reports and information uploaded on the Company's website.