



## **KECK SENG INVESTMENTS (HONG KONG) LIMITED**

### **激成投資 ( 香港 ) 有限公司**

*(Incorporated in Hong Kong with limited liability)*

Website: [www.keckseng.com.hk](http://www.keckseng.com.hk)

(Stock Code: 184)

## **RISK MANAGEMENT COMMITTEE**

### **TERMS OF REFERENCE**

**(Adopted on 8 December 2020)**

#### **1. Composition**

- 1.1 The Risk Management Committee (hereinafter referred to as “Committee”) shall consist of not less than three members (hereinafter referred to as “Members”) appointed by the Board of Directors (hereinafter referred to as the “Board”) of Keck Seng Investments (Hong Kong) Limited (hereinafter referred to as the “Company”), including at least two independent non-executive directors (hereinafter referred to as “INEDs”) and at least one executive director appointed by the Board, and take into consideration the recommendations, of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Exchange”) (the “Listing Rules”) as amended from time to time.
- 1.2 The chairman of the Committee (the “Chairman”) shall be appointed by the Board.
- 1.3 The company secretary or senior company secretarial officer of the Company or any appointed person by the Committee shall act as secretary of the Committee.

#### **2. Meetings**

- 2.1 Meetings will be called by the Chairman of the Committee, and held as and when necessary in order to conduct its business in accordance with the terms of reference stated herein.
- 2.2 Full minutes of the Committee meetings should be kept by the company secretary or senior company secretarial officer of the Company. 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.
- 2.3 The Committee shall meet at least twice every year. Additional meetings shall be held as the work of the Committee demands.
- 2.4 Quorum for the meetings of the Committee shall be any two Members.
- 2.5 Resolutions of the Committee at any meetings shall be passed by a majority of votes of the Members present.

- 2.6 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 Committee duly convened and held.
- 2.7 Meetings could be held in person, by telephone or by video conference. Members may participate in a meeting by means of a conference telephone or similar communications equipment or through electronic means of communications by means of which all persons participating in the meeting are capable of hearing each other.
- 2.8 An agenda and accompanying papers should be sent in full to all Members at least 3 days before the intended date of a meeting of the Committee.
- 2.9 Unless otherwise specified in the terms of reference stated herein, the provisions contained in the Company's articles of association for regulating meetings and proceedings of directors shall apply to the meetings and proceedings of the Committee.

### **3. Resources**

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

### **4. Authority**

- 4.1 The Committee is granted the authority to require the management of the Company and its subsidiaries (the “Group”) to provide administrative support to the work of the Committee and the Committee may directly contact the Group’s senior management independently. The Committee may require any senior management or employee to attend the meeting of the Committee or to reply to questions raised by any member of the Committee promptly.
- 4.2 The Committee is authorized by the Board under the terms of reference to assess the risk management system of the Group with the co-operation of all managerial staff and shall report and make recommendations to the Board of its findings of any material risk or deficiency in risk management system.
- 4.3 The Committee is authorized to seek outside legal or other professional advice. The Company shall pay for such legal and professional advice if such advice is considered reasonable by the Committee in order for the Committee to discharge its duties and obligations in accordance with the terms of reference stated herein.

### **5. Duties and responsibilities**

The Committee is a standing committee under the Board and is set up to assist the Board in carrying out the following duties:

- 5.1 to oversee the implementation and operation of the risk management system of the Group and to make recommendations on any matters related thereto where action or improvement is needed;
- 5.2 to identify, evaluate, mitigate and manage material risks faced by the Group, including but not limited to strategic, investment, financial, market, operational, legal and regulatory risks;

5.3 to review with the Group's management, external auditor and internal auditor, the adequacy of the Group's policies and procedures regarding risk management system and any relevant statement by the directors to be included in the interim or annual accounts prior to endorsement by the Board, and

5.4 to consider other topics related to risk management as defined by the Board.

## **6. Reporting procedures**

The Committee should report to the Board on a regular basis and keep the Board fully informed of its decisions or recommendations, unless there are legal or regulatory restrictions on its ability to do so.

## **7. Publication of the terms of reference of the Risk Management Committee**

These terms of reference of the Committee shall be published on the website of the Company and that of the Exchange.

## **8. Revision of the Terms of Reference**

These terms of reference shall be updated and revised as and when necessary in light of changes in circumstances and changes in regulatory requirements or recommendations (e.g. the Listing Rules). Any amendment to these terms of reference shall be by way of resolution of the Board of the Company and shall be in full compliance with the Listing Rules and any other regulatory requirements.