

## RISK MANAGEMENT AND INTERNAL CONTROLS

The Board, through its Audit Committee, has the responsibility to ensure that the Group maintains an effective risk management and internal control systems. The Board oversees the Group's design, implementation and monitoring of the risk management and internal control systems and acknowledges that such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

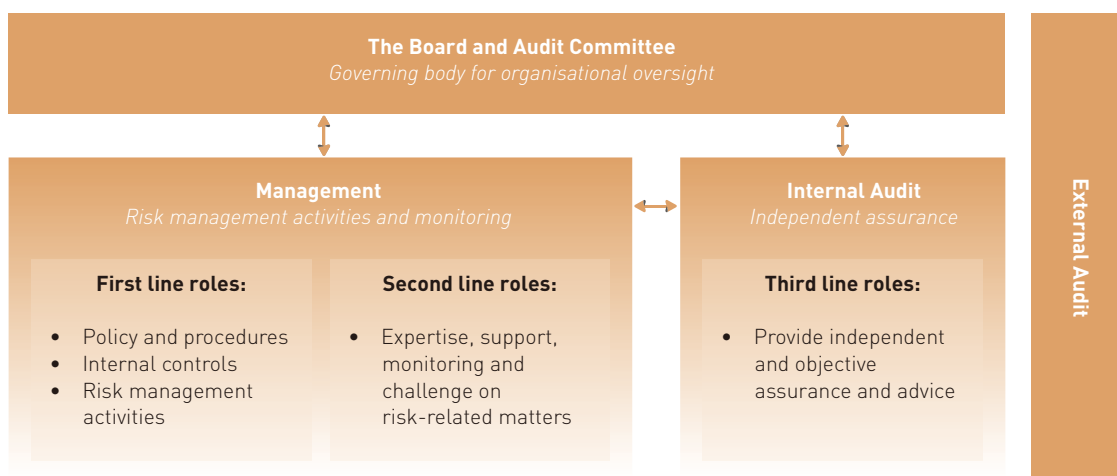
The Group's risk management framework is the responsibility of the Board and is overseen by the Audit Committee. The framework comprises the following elements:

### Risk management philosophy and risk appetite

Everyone within the Group is responsible for the risk management of the Group. Risk management is embedded into the business operations and decision-makings. In pursuing the Group's objectives, the Group has categorised the risks according to the different business lines and defined the nature and extent of risks that the Group is willing to undertake.

### Risk governance structure

The Group has established an enterprise risk management structure in line with the "Three Lines Model" that defines the roles and responsibilities of the Board and the Audit Committee in (i) organisational oversight; (ii) risk monitoring and review, and risk and control ownership of the management; and (iii) the independent assurance role of the internal audit function.



Under the oversight of the Board and the Audit Committee, the Group's management assume the first and second line roles where the business and functional units are responsible for the day-to-day risk management and control processes whereas a designated risk management taskforce is responsible for the design, implementation and monitoring of the risk management system, and provide confirmation to the Audit Committee on the effectiveness of risk management. The third line comprises the Group's outsourced internal auditor who is responsible for the independent assessment of the effectiveness of the risk management and internal control systems. The external auditor of the Group further complements the risk management structure by independently auditing material internal controls over the Group's operations and financial reporting processes. Both the internal auditor and the external auditor would report on material control weakness to the Audit Committee on a regular basis.

## Risk management process



The Group has established the risk management process that includes risk identification; risk assessment and prioritisation; risk owner appointment; risk treatment; and upward reporting and monitoring of identified risks to the Group and the Audit Committee. Management's input on changes of risk exposures across the business lines was solicited through a structured risk identification and update questionnaire to refresh the Group's risk universe. Identified risks were further assessed and evaluated by a scale rating process by management across the business lines to evaluate their impact to the Group and likelihood of their occurrence as a result of changes in internal and external factors, future events or otherwise. The risks were then prioritised based on the evaluation results and further interviews with senior management for confirmation. The top risks for each of the business lines of the Group, as well as whether these risks are being effectively managed; and if not, the need for establishing further actions, were reported through the risk management report. A corporate risk register has also been compiled to track and document the identified risks, risk owners, mitigating actions and control measures, and facilitates continuous update of risk treatments.

The Company has also in place the Anti-Corruption and Whistle-Blowing Policy to safeguard against corruption and bribery. The Company has an internal reporting channel that is open and available for employees of the Group to report any suspected corruption and bribery. Employees can also make reports directly to the Audit Committee, which is responsible for investigating the reported incidents and taking appropriate measures. The Group continues to carry out anti-corruption and anti-bribery activities to cultivate a culture of integrity, and organise anti-corruption trainings and inspections to ensure the effectiveness of anti-corruption and anti-bribery.

The Group has completed an annual review on the effectiveness of the above policies, the risk management and internal control systems during the year ended 31 March 2025 which include the identification and follow up on the significant risks, as well as the related controls designed to mitigate the risks and associated action plans.

The Board, through the confirmation from management, considered the risk management and internal control systems are effective and adequate with no significant areas of concern that may affect the Group being identified. The Group has also commenced the review for next fiscal year and will continue to build on the established risk management process further enhance its approach to manage risks. Emerging risks, including the epidemic outbreak, macroeconomic and sociopolitical impacts etc., would be considered and assessed for actions to manage the impact on the Group.

## Handling and dissemination of inside information

The Company has developed its disclosure policy to provide the general guideline on handling confidential information, monitoring of information disclosure and response to queries to its directors, officers, senior management and the relevant employees. The Company has executed supervision programs to confirm the strict prohibition from unauthorised access to and use of inside information.

## Internal audit function

The Board is responsible for maintaining an adequate internal control system to safeguard the interests of Shareholders and the Group's assets. With the help of an outsourced internal auditor, the senior management reviews and evaluates the control process, monitors any risk factors on a regular basis and reports to the Audit Committee on any findings and measures to address the variances and identified risks.