ENTERPRISE RISK MANAGEMENT POLICY

Five Holdings (BVI) Limited

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FIVE Holdings - Enterprise Risk Management Policy

Introduction

In today's ever-evolving dynamic business landscape, risk taking is integral to business. In its pursuit to develop, manage, produce, preserve and optimize the value of its stakeholders, FIVE Holdings (BVI) Limited ("FIVE" or "the Company") is committed to proactively manage the emerging risks impacting strategic business objectives.

ERM Policy stipulates the general risk management principles and guidelines for actions which influence key business decisions. It gives a clear communication of the management's expectations in relation to risk management practices across FIVE.

Purpose

The purpose of the Enterprise Risk Management (ERM) policy ("the Policy") is to establish a common, organization wide understanding of ERM across FIVE and outline the risk management principles adopted by the Company to facilitate achievement of business objectives through robust risk-informed decision-making process and enhanced resiliency towards uncertainties.

Scope

The scope of the ERM Policy includes risks across all levels of the organization, contemplating internal and external context of the Company that may further impact the achievement of Company's business objectives.

Applicability

This policy is applicable to all the employees of the Company and wholly owned subsidiaries. Each employee is expected to adhere to the ERM principles defined in the policy for an effective implementation of the ERM framework.

The Risk Management Policy does not replace any of the existing policies or compliance programs.

Enterprise Risk Management

Enterprise Risk Management is a structured ongoing process to identify, assess, prioritize, respond, monitor and report the risks that an organization faces in the pursuit of achieving its business objectives. Effectively implemented ERM framework should facilitate the process of managing key risks, to provide reasonable assurance regarding the achievement of Company's short-term and long-term strategic business objectives.

ERM Policy Principles

To establish and implement an effective enterprise-wide risk management framework, the Company shall:

- Adopt a structured approach to manage the downside of the risks and harness the upside of the opportunities through implementation of robust risk management processes.
- Ensure ongoing benchmarking and refresh of Company's risk universe, for completeness and relevance, through identification of strategic, preventable and external risks that matter.
- Define the acceptable nature and amount of risk that the Company is willing to take in pursuit of value while maintaining the optimal balance between risk and reward.

- Identify and proactively treat any risk that breaches the defined risk appetite as a matter of priority to bring it within acceptable levels through adequate Risk Strategy.
- Ensure risks are managed in a comprehensive, methodical, and transparent way, using a common set of definitions, enablers and risk assessment matrices.
- Establish and leverage adequate and efficient channels for continuous communication and reporting of risk information and escalation of critical risks.
- Encourage risk-enabled performance management by implementing the strategic business planning, performance review and critical investment approval process in an integrated manner with the ERM framework across the Company.
- Continually strengthen the coordination between the risk and other assurance providing functions to manage risks in a collaborative and holistic manner.
- Foster risk aware culture and develop desired skills and competencies in the area of Enterprise Risk Management through continuous trainings, initiatives and communications.
- Encourage technology-enabled effective and efficient, monitoring and reporting of risk profile information across the Company to assist informed business decision making by the stakeholders.
- Strengthen Risk Management systems through continuous improvement and benchmarking with applicable regulatory requirements, leading risk management standards (such as COSO and ISO 31000) and leading industry practices.

Review and Approval

The Enterprise Risk Management Policy shall be reviewed annually, or whenever there is a significant change in Company's business context.

Responsibility

Managing enterprise-wide risks is a collective responsibility of all the employees of the Company. Under effective guidance and oversight of Board, the Audit and Risk Committee shall ensure the development and implementation of an effective risk management mechanism across the Company through active support and participation of all the employees, including identified ERM stakeholders.