

RISK MANAGEMENT POLICIES AND PROCEDURES

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1. OBJECTIVE

The purpose of this Risk Management Policy is to develop a consistent approach in managing risks in the Company and its subsidiary companies ("**the Company**" or "**the Group**") and outline the processes for recognising, analysing and dealing with risks as well as assuring the effectiveness of the identified processes.

The policy designed to enable the Group to minimise the frequency and effect of adverse incidents arising from risks and to identify improvements in procedures and service delivery.

This policy also outlines the Company's risk management process and sets out the responsibilities of the Board, the Risk Management Committee and others within the Company in relation to risk management.

2. SCOPE

Risk Management encompasses the review of the areas such as Finance, Operation, Management Information System and all other areas within the Group of actual or potential sources of risk and/or liability involving customers, visitors, staff and property.

A standard approach to risk management allows risks to be correctly prioritised across all of the Group's operations, which in turn means that effective controls can be put in place to ensure the Group is able to manage its operations effectively now and into the future.

3. POLICY STATEMENT

The Company considers risk management to be fundamental to good management practice and a significant aspect of corporate governance. Effective management of risk will provide an essential contribution towards the achievement of the Group's strategic and operational objectives and goals.

Risk management must be an integral part of the Group's decision making and routine management, and must be incorporated within the strategic and operational planning processes at all levels within the Group.

Risk assessment must be conducted on new ventures and activities, including projects, processes, systems and commercial activities to ensure that they are aligned with the Group's objectives and goals. Any risks or opportunities arising from these assessments will be identified, analysed and reported to the appropriate management level. All Departments shall maintain operational risk registers. The Company is committed to ensuring that all Departmental Heads are provided with adequate guidance and training on the principles of risk management and their responsibilities to implement risk management effectively.

4. RESPONSIBILITIES

4.1 Board

The Board of Directors ("**the Board**") is responsible for the adequacy and effectiveness of the Group's risk management and internal control system. The responsibilities of the Board for the governance of risk should include: -

- Embedding risk management in all aspects of the Group's activities;
- Approving the Board's acceptable risk appetite; and
- Reviewing the risk management framework, processes, responsibilities and

assessing whether they provide reasonable assurance that risks are managed within tolerable ranges.

4.2 Risk Management Committee ("**RMC**")

The RMC is responsible for reporting to the Board that:-

- i. the RMC has, at least annually, reviewed the Group's risk management framework to satisfy itself that it continues to be sound and effectively covers all areas of potential risk;
- ii. adequate policies and procedures have been established and implemented to manage identified risks;
- iii. a regular program of audits is undertaken to test the adequacy of compliance with prescribed policies; and
- iv. proper remedial action is undertaken to redress areas of weakness.

4.3 Steering Committee

A Steering Committee where the committee members are the Departmental Heads, is formed by the RMC to assist the execution of the risk action plans formalised by the RMC. The responsibilities of Steering Committee in respect of risk management should include: -

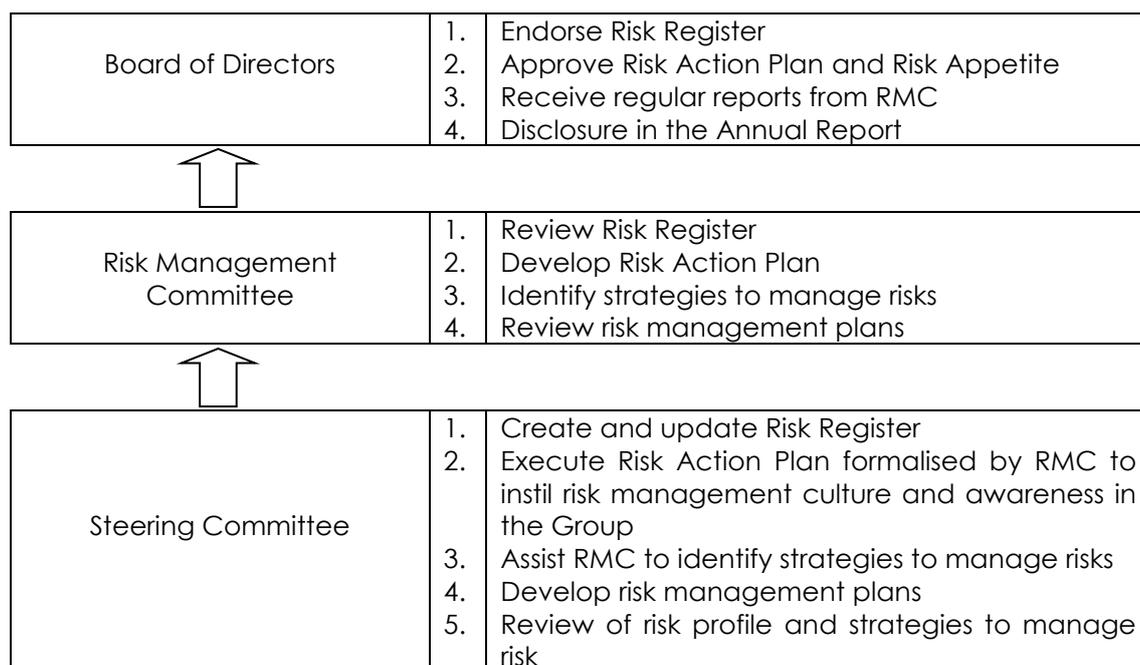
- Identify the risks relevant to the business of the Group and the achievement of objectives and strategies;
- Design, implement and monitor the risk management framework in accordance with the Group's strategic vision and overall risk appetite; and
- Identify changes to risk or emerging risks, take actions as appropriate, and promptly bring these to the attention of the Board.

4.4 General responsibilities

Every staff of the Group is responsible for effective management of risk including the identification of potential risks. Management is responsible for the development of risk mitigation plans and the implementation of risk reduction strategies. Risk management processes should be integrated with other planning processes and management activities.

5. RISK MANAGEMENT PROCESS AND REPORTING STRUCTURE

The risk management process and reporting structure is illustrated in the diagram, as follows: -



6. RISK EVALUATION PROCESS

The risk evaluation process undertaken by the Steering Committee comprises the following assessment models: -

(a) Risk Likelihood

This model is to assist in ascertaining possibility of each identified risk might materialise resulted from the Group's activities.

<u>Risk Likelihood</u>	<u>Descriptions</u>
High	More than 50% chance
Medium	More than 5% and less than 50% chance
Low	Less than 5% chance

(b) Risk Rating

This model is to assist in ascertaining monetary and non-monetary impact of each identified to the Group's financial and non-financial position.

Magnitude of Impact	Impact Descriptions	
	Monetary	Non-Monetary
High	More than RM200,000/-	May significantly impact
Medium	More than RM50,000/- and less than RM200,000/-	Probably may materially impact
Low	Less than RM50,000/-	Probably may not materially impact

(c) Overall Risk Rating Matrix

This model used to determine the overall risk rating after evaluating the likelihood

of happen and the overall monetary and non-monetary impact to the Group.

Risk Likelihood	Risk Impact (Monetary and Non-Monetary)		
	LOW	MEDIUM	HIGH
High	Low	Medium	High
Medium	Low	Medium	Medium
Low	Low	Low	Low

7. REVIEW OF POLICY

This policy is subject to review regularly as and when required and will be amended appropriately to ensure that it continues to remain relevant and appropriate.

HISTORY

Date	Description
25 February 2019	Establishment