



## SUNCITY GROUP HOLDINGS LIMITED

太陽城集團控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1383)**

### **RISK MANAGEMENT COMMITTEE TERMS OF REFERENCE**

#### **1. ORGANIZATION**

The board (“**Board**”) of directors (“**Directors**”) of the Suncity Group Holdings Limited (the “**Company**”) has resolved to set up the risk management committee of the Board (“**Risk Management Committee**” or the “**Committee**”).

#### **2. OBJECTIVES**

The main objectives of the Risk Management Committee are (i) to develop anti-money laundering (“**AML**”) risk management system and practice, and monitor the AML compliance and business affairs on casino operations and other gambling-related business units (including but not limited to Hoiana Project (which involves the operation of the casino business in the integrated resort development project located in Hoi An South, Quang Nam Province, Vietnam) and other casino projects) owned/managed by the Company and its subsidiaries (collectively referred to as the “**Group**”); (ii) to review and assess the effectiveness of the Group’s risk management policies or risk management framework system which are implemented to identify, measure, manage and/or control risks (including but not limited to business risks and operational risks) across the Group and to advise the Board on high-level risk-related matters, risk management strategies and risk governance and (iii) to consider any other matters in relation to risk management responsibilities to be performed by the Committee under the Appendix 15 “Corporate Governance Code and Corporate Governance Report” of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The Risk Management Committee acts as an oversight committee on AML matters and risk management of the Group and is accountable to the Board.

#### **3. COMPOSITION**

3.1 The Risk Management Committee shall comprise of not less than three members (the “**Members**”) who are appointed or removed by the Board. If any Member ceases to be a Director, he/she will cease to be a Member automatically. The vacancy will be filled by appointment of new Member by the Board.

- 3.2 The chairman of the Risk Management Committee shall be one of the executive Directors and appointed by the Board.
- 3.3 If the chairman of the Risk Management Committee is absent from a meeting of the committee, the Members shall elect among themselves the chairman for such meeting.

#### **4. SECRETARY**

Save as otherwise appointed by the Risk Management Committee, the secretary to the Committee shall be the secretary of the Company. In the absence of the secretary of the Company, his/her delegate(s) or any person elected by the members present at the meeting of the Committee, shall attend the meeting of the Committee and take minutes.

#### **5. DUTIES AND FUNCTIONS**

The duties and powers of the Risk Management Committee are as follows:

With respect to AML risk management:

- 5.1 to procure all business units of the Group to develop AML risk management system and practice for the casino operations and other gambling-related businesses;
- 5.2 to review and assess the of AML risk management system and practice, and monitor AML compliance of the casino operation units and other gambling-related business units of the Group;
- 5.3 to procure the development of policies and procedures for sharing information within the Group and between business units with connection to casino operation business for AML compliance purpose;
- 5.4 the Committee has power to request the AML compliance officer(s)/compliance department of each business unit to prepare and report the AML compliance report to the Committee regularly;
- 5.5 the Committee has power to order AML compliance officer(s)/compliance department of each business unit to provide any additional information in relation to AML risk management (such as major AML incident(s) occurred in internal/external circumstances, analysis on numbers and trends of AML incident(s) and event(s), information of any unusual operations and high risk account(s), and any change(s) of major internal/external AML risk area(s)) together with the AML compliance report(s) that they determine necessary for their review;
- 5.6 the Committee has authority to access any AML compliance information kept by AML compliance officer(s)/compliance department of each business unit and has power to initiate investigation for any AML case/incident;
- 5.7 the Committee has power to request any managements, AML compliance officer(s) or

employee(s) of the business units to attend the meeting of the Committee for reporting and co-operation with any request made by the Committee;

- 5.8 the Committee has authority to attend the regular AML compliance meetings of each business unit;
- 5.9 the Committee has authority to delegate any of its tasks, functions and/or management activities as is appropriate to the persons as it thinks fit;
- 5.10 the Committee will be able to select, appoint and agree the terms of appointment of any advisers deemed appropriate by the Committee to provide advice to the Committee, and invite such advisers to attend meetings to assist the Committee;
- 5.11 to oversee the policy and procedures carried out by the management of each business unit in response to AML risk management issues;
- 5.12 to report and provide recommendation(s) to the Board on the AML risk management matters and AML compliance of the Group and all business units regularly;

With respect to business, operation and other risk management:

- 5.13 to review and assess the effectiveness of the Group's risk management policies or risk management framework system which are implemented to identify, measure, manage and/or control risks, including but not limited to business risks, operational risks, financial risks, legal and compliance risks, credit risks, market risks, concentration risks, environmental risks, behavioral risks and systemic risks that may have impact on the businesses and operations of the Group from time to time;
- 5.14 to monitor the implementation of the Group's risk management framework system and ensure that all key risks are properly identified, managed and monitored;
- 5.15 to ensure the controls and coordination of the internal control in line with the risk acceptable level of the Board;
- 5.16 to monitor the incidence of significant control failings or weakness that has been identified and 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 operational or financial performance or conditions;
- 5.17 the Committee has power to request any managements or employees of the business units to attend the meeting of the Committee for reporting of risk management matters and findings;
- 5.18 the Committee has power to select, appoint and agree the terms of appointment of any advisers deemed appropriate by the Committee to provide advice to the Committee, and invite such advisers to attend meetings to assist the Committee;
- 5.19 the Committee shall report and provide recommendation(s) to the Board on its findings, decisions and/or recommendations in relation to risk management matters regularly; and

5.20 to perform such other duties as may be delegated to the Committee by the Board.

## **6. MEETINGS OF THE RISK MANAGEMENT COMMITTEE**

Unless otherwise specified hereunder, the provisions contained in the Company's articles of association (as amended from time to time) for regulating proceedings of the Directors shall apply to the meetings and proceedings of the Committee.

### **6.1 Frequency of meetings**

There shall be at least two meetings of the Committee annually to be convened and held by attending in person, by telephone or video conference. If required, extraordinary meeting(s) could be convened.

### **6.2 Notice of meetings**

Unless otherwise agreed by all the members of the Committee, notice of at least 14 days shall be given for a regular meeting of the Committee. For all other meetings of the Committee, reasonable notice shall be given.

### **6.3 Quorum**

The quorum of the Committee meetings shall be at least two. Each member shall be entitled the right of one vote. Any resolution of the Committee shall require a majority of vote.

### **6.4 Conducting the meetings**

Meetings could be convened by attending in person, by telephone or video conference. Members could attend the meetings through telephone conference or similar arrangements which Members could communicate to each other. With consent by all Members, resolutions of the Committee could be passed by written resolutions.

### **6.5 Invitations**

The Committee could invite any executive Directors, managements, employees of business units, external advisers or other individuals to attend the meetings but such executive Directors, advisers or individuals are not entitled to vote at the meetings. If required, the Committee could seek independent professional advice, the fees of which should be paid by the Company.

### **6.6 Minutes of the meetings**

Full minutes of meetings should be kept by the secretary to the Committee. Minutes shall record matters considered and decisions reached by the Members in details, including any doubt or disagreement raised by the Members. Draft and final versions of the minutes of the meetings should be sent to all Members for their comment and records, within a reasonable time after the meetings.

## **7. REPORTING RESPONSIBILITIES**

Chairman of the Committee or other Member who is authorised by the Chairman of the Committee to chair the meetings shall report to the Board after each meeting of the Committee, unless there are legal or regulatory restrictions on their ability to do so (such as a restriction on disclosure due to regulatory requirements).

## **8. AVAILABILITY AND UPDATE OF THE TERMS OF REFERENCE**

8.1 These terms of reference shall be reviewed regularly and revised as and when necessary in light of changes in circumstances and changes in regulatory requirements (including but not limited to the Listing Rules and relevant law and regulations) in Hong Kong and other countries and regions that the Group's business units located.

8.2 The Committee shall make available these terms of reference by publishing them on the websites of the Company.

## **9. INTERPRETATION**

9.1 Interpretation of these terms of reference shall belong to the Board.

9.2 If there is any inconsistency between the English and Chinese versions of this Terms of Reference, the English version shall prevail.