



COMPANY'S RISK MANAGEMENT SYSTEM

The identification and management of risk reduce the uncertainty associated with the execution of our business strategies and allow the Company to maximize opportunities that may arise. Risk takes on many forms and can have material adverse impacts on the Company's ability to achieve our stated objectives, by potentially impacting our reputation, operation, human resources and financial performance.

The Board is overall responsible for determining the Company's risk profile, overseeing the Company's risk management framework, reviewing the Company's key risks and mitigation strategies, and ensuring the effectiveness of risk management policies and procedures. The Audit Committee reviews the management of these risks and effectiveness of mitigation strategies and controls.

The Management has the primary responsibility of identifying, managing and reporting the key risks faced by the Company to the Board. The Management is also responsible for ensuring that the risk management framework is effectively implemented within all areas of the respective business units. In addition, specialized areas such as Regulatory, Legal, Environment, Insurance, Treasury and Credit support the Company in the management of these risks.

The Company's philosophy and approach towards effective risk management are underpinned by three key principles:

I. Culture

We seek to build a strong risk management and control culture by setting the appropriate tone at the top, promoting awareness, ownership and proactive management of key risks, and promoting accountability. In short, we seek to promote a risk-conscious workforce across the Company.

II. Structure

We seek to put in place an appropriate organizational structure that promotes good corporate governance, provides for proper segregation of duties, defines clearly risk-taking responsibility and authority, and promotes ownership and accountability for risk taking.



III. Process

We seek to implement robust processes and systems for effective identification, quantification, monitoring, mitigation and management of risk. We seek to improve our risk management as well as internal control policies and procedures on an ongoing basis to ensure that they remain sound and relevant by benchmarking against global best practices.