# STATEMENT OF RISK MANAGEMENT

The Risk Management Team, led by the Managing Director, executes risk management and internal control systems with the following objectives:-

- Ensuring uninterrupted delivery of goods and services in the event of disruptions
- Safeguarding the Group's assets and reputation
- Preserving the safety and health of employees
- Ensuring that operations are not adversely affected by the environment
- Ensuring compliance of regulatory requirements
- Promoting risk awareness and maintaining a risk controlled culture

Risk Governance Framework

Risks which might affect the Group's operations and business includes exposure to market dynamics and environmental factors, competition, changes in the supply chain, customers' behaviour, occupational health and safety, Group's reputation, business continuity, adequacy of internal controls and many more. Although some factors might not be within control of the Group, risks are nevertheless identified, classified and where possible action plans developed to mitigate those risks.

The Group's risk management process is outlined below:-
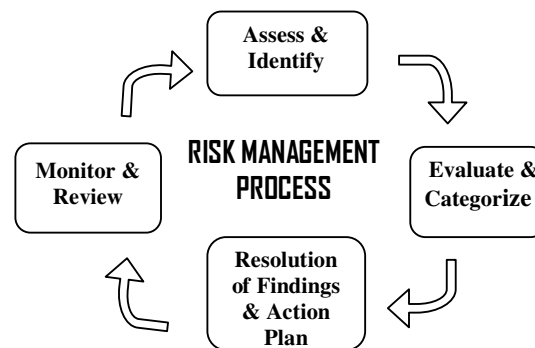
Risks are identified and categorized according to the impact and likelihood of occurrence, and suitable action plans are derived and executed in response. Identified risks and action plans are monitored, reviewed and revised on an on-going basis to ensure adequacy and effectiveness. As part of the risk management process, frequent meetings are held between the Chairman, Risk Management Team, Division Heads and Senior Managers.

The Risk Matrix shown below is utilized to classify the impact and likelihood of each risk event, as well as device action plans to manage and mitigate identified risks:-

		Impact (Effect)		
		Irreversible	**Tolerable**	**Negligible**
Likelihood	**Very Likely**	High Priority	High Priority	Medium Priority
	Likely	High Priority	Medium Priority	Low Priority
	Unlikely	Medium Priority	Low Priority	Low Priority

Impact of risks can be categorized as Low, Medium or High Priority and appropriate responses developed accordingly:-

- High Priority   -   Contingency Plan + Standard Operating Procedure + Monitoring
- Medium Priority   -   Standard Operating Procedure + Monitoring
- Low Priority   -   Monitoring

The use of Risk Matrix assists the Group in optimal allocation of resources and preparation of most appropriate responses. Through well-planned delegation of responsibilities, the Risk Management Team proactively identifies, analyses, mitigates and monitors significant business risks, ensuring that the risks are within tolerance limit acceptable by the Board. Regular reviews are performed to ensure the risk management system is adequate and remains effective.