



PERSISTENCE RESOURCES GROUP LTD

集海資源集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2489)

Risk Management Committee – Terms of Reference

1. CONSTITUTION

The risk management committee (the “**Risk Management Committee**”) shall be established by the board of directors (the “**Board**”) of Persistence Resources Group Ltd (the “**Company**”) and shall consist of not less than three members who shall be appointed by the Board, and has adopted the following terms as the terms of reference for the Committee.

2. MEMBERSHIP

2.1 The members of the Risk Management Committee (the “**Member(s)**”) shall be members of the Board.

2.2 The chairman of the Risk Management Committee shall be appointed by the Board. In the event of his/her absence, attending members may elect another attending member to chair the meeting of the Risk Management Committee.

2.3 The term of office of the Members shall be the same as that of the directors. Upon the expiration of their term of office, Members may be re-elected for consecutive terms. Any Member who ceases to hold any position in the Company during his/her term of office shall automatically lose his/her eligibility as a Member. The Board shall fill the vacancy if the number of Members falls below the prescribed minimum.

3. SECRETARY

3.1 The company secretary of the Company or his/her delegate shall act as the secretary of the Risk Management Committee.

3.2 The Risk Management Committee may, from time to time, appoint any other person with appropriate qualification and experience to act as the secretary of the Risk Management Committee.

4. MEETING

- 4.1 The Risk Management Committee shall hold meetings at least once a year.
- 4.2 Notice of a meeting shall be given within a reasonable time prior to the holding of the meeting, unless such notice is waived by the unanimous consent of all Members. Notwithstanding the notification period, the attendance of the Members at the meeting shall be deemed to constitute a waiver of the required notification requirement. If an adjourned meeting is to be held within 14 days, no notice of such adjourned meeting shall be required. The agenda and relevant documents for the meeting shall be dispatched at least 3 days before the date of meeting.
- 4.3 The quorum required for a meeting of the Risk Management Committee shall be any two Members.
- 4.4 Meetings may be held either by physical attendance or via electronic means including telephone or videoconferencing. The Members may attend the meeting via telephone or any similar communication device (through which all persons attending such meeting can hear each other).
- 4.5 Resolutions of the Risk Management Committee shall be passed by a majority vote of the Members.
- 4.6 A resolution passed and signed in writing by all Members shall be as valid as if it had been passed at a meeting of the Risk Management Committee duly convened and held.
- 4.7 Minutes of the meetings of the Risk Management Committee shall be kept by a duly appointed secretary of the meeting. Draft and final versions of minutes of the meeting shall be circulated to all Members within a reasonable time after the meeting, with the draft for Members' comments and the final version for their records.
- 4.8 Any Member may call for a meeting anytime when it is necessary.

5. MEETING ATTENDANCE

- 5.1 In addition to the Members, the finance director of the Company or his/her representative shall attend the meetings. The Risk Management Committee may, from time to time, invite any member of the Board or senior management or external advisers or any other person to attend any of its meetings so as to assist in the better performance of its duties and obligations.
- 5.2 Only the Members are entitled to vote at the meeting.

6. ANNUAL GENERAL MEETINGS

The chairman of the Risk Management Committee or in his/her absence, another member of the Risk Management Committee shall attend the annual general meeting of the Company and be available to answer shareholders' questions on the Risk Management Committee's activities and its responsibilities.

7. DUTIES AND AUTHORITIES

The Risk Management Committee shall have the following duties and authorities:

- (I) to collaborate with the Audit Committee to ensure that the Risk Committee and Audit Committee have obtained all necessary information to assist the Audit Committee in discharging its responsibilities and duties related to risk assessment and risk management;
- (II) to review the adequacy and effectiveness of the risk management framework of the Group at least on an annual basis, and update the risk management framework when necessary;
- (III) to identify, analyze, evaluate and determine the risks (including but not limited to ESG and climate-related risks) faced by the Company and its subsidiaries (collectively, the "**Group**"), to systematically organize, mitigate and monitor risks and identify and deal with the risks faced by the Group, including but not limited to strategic, financial, operational, legal, regulatory, ESG and climate-related risks;
- (IV) to review and assess the effectiveness of the Group's risk management framework (including risk management programme, the risk management system and the internal audit function relating to risk management);
- (V) to be responsible for monitoring the implementation of risk control and ensuring appropriate internal risk controls are effectively implemented;
- (VI) to ensure the controls and coordination of the risk management in line with the risk acceptable level of the Board;
- (VII) to assess and sort out the risks and impacts identified by the Company, make recommendations to the Board and/or the Audit Committee, and report major risk issues to the Board and/or the Audit Committee;
- (VIII) to review the changes in the nature and extent of significant risks, and the Group's ability to respond to changes in its business and external environment;
- (IX) to monitor continuously the scope and quality of risk management system and the work of other assurance providers (where applicable);

- (X) 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 financial performance or conditions;
- (XI) to review reports on ESG and climate-related risks and monitor the progress and situation of ESG Committee's handling of ESG and climate-related risks;
- (XII) to report any significant risk management issues to the Board and suggest solutions; and
- (XIII) to handle any other tasks as instructed by the Board.

8. REPORTING

The Risk Management Committee shall report to the Board and/or the Audit Committee after each of its meetings.

9. AUTHORITY

9.1 The Risk Management Committee should have access to independent professional advice at the expense of the Company if necessary, in order to fulfill his/her responsibility of being the member of Risk Management Committee.

Remark: The independent professional advice can be sought via the chief financial officer or company secretary.

9.2 The Risk Management Committee shall have the rights to carry out and handle any related matters in accordance with its terms of reference, including to request any necessary information/interview from any employees of the Group and any such employee is required to co-operate with any request made by the Risk Management Committee so that the Risk Management Committee can discharge its duties and obligations.

9.3 The Risk Management Committee should be provided with sufficient resources to perform its duties.

10. GENERAL

10.1 These terms of reference shall be updated and revised as and when necessary in light of changes in circumstances and changes in regulatory requirements, including those under the Listing Rules.

10.2 The Committee shall make available these terms of reference on request and to the public by including them on The Stock Exchange of Hong Kong Limited's website and the Company's website.

(Should there be any inconsistency between the English and the Chinese version of these terms of reference, the English version shall prevail.)