

# YANGTZEKIANG GARMENT LIMITED

*(Incorporated in Hong Kong with limited liability)*

**(the "Company")**

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## **Regulations (the "Regulations") relating to the risk management committee (the "Committee") of the board of directors (the "Board") of the Company**

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### **A. Constitution**

The Committee is a committee of the Board.

### **B. Risk Management Committee**

#### **1. Membership**

1.1 Members of the Committee shall be appointed by the Board from amongst the directors of the Company and shall consist of not less than three (3) members.

1.2 The chairman of the Committee shall be appointed by the Board (the "**Chairman**"). In the absence of the Chairman or his designated nominee, other members of the Committee present at the meeting shall elect one of them to chair the meeting.

1.3 The secretary of the Committee shall be appointed by the Board (the "**Secretary**").

1.4 The appointment of the members of the Committee and the Secretary may be revoked, or additional members may be appointed to the Committee by separate resolutions passed by the Board.

#### **2. Proceedings of the Committee**

##### **2.1 Notice of meeting**

2.1.1 Unless otherwise agreed by all the Committee members, a meeting of the Committee shall be called by at least seven (7) days' notice.

2.1.2 A member of the Committee may and, on the request of a member of the Committee, the Secretary shall, at any time summon a meeting of the Committee. Notice shall be given to each member of the Committee orally in person or in writing or by telephone or facsimile transmission at the telephone or facsimile or address from time to time notified to the Secretary by such member of the Committee by in such other means as the members may from time to time determine. Any notice given orally shall be confirmed in writing.

2.1.3 Notice of meeting shall state the time and place of the meeting and shall be accompanied by an agenda together with other documents which may be required to be considered by the members of the Committee for the purposes of the meeting.

## **2.2 Quorum**

The quorum of the Committee meeting shall be two (2) members of the Committee.

## **2.3 Attendance of meetings by non-members**

The Committee may invite any Board members, senior management of the Company and professional advisers to attend its meetings.

## **2.4 Frequency of meetings**

Meetings shall be held at least annually. Additional meetings may be held as the work of the Committee demands.

## **3. Written resolutions**

Resolutions may be passed by all members of the Committee in writing.

## **4. Alternate members**

A member of the Committee may not appoint any alternate.

## **5. Purpose and authority**

5.1 The purpose of the Committee is to oversee the overall design, implementation and monitoring of the risk management and the internal control systems of the Company and its subsidiaries (collectively, the “**Group**”) and to advise the Board on the Group’s risk-related matters.

5.2 The Committee may exercise the following powers:

- (a) to seek any information it requires from any employee of the Group and any professional advisers, to require any of them to prepare and submit reports and to attend meetings of the Committee and to supply information and answer questions raised by the Committee;
- (b) to obtain outside legal or other independent professional advice at the expense of the Company and to secure the attendance of independent third parties with relevant experience and expertise, if it considers necessary; and
- (c) to be provided with sufficient resources to perform its duties.

## **6. Duties**

The duties of the Committee shall include, without limitation:

- (a) to advise the Board on the Group’s risk appetite and principles and other risk-related issues including corporate actions and proposed strategic transactions such as mergers, acquisitions and disposals;

- (b) to oversee the Group's risk management and internal control systems on an ongoing basis to identify and deal with financial, operational, legal, regulatory, compliance, technology, business and strategic risks faced by the Group;
- (c) to receive and review the reports or confirmations from the Group's management on the effectiveness of the Group's risk management and internal control systems;
- (d) to report to the Board on the matters relating to the Group's risk management and internal control which are to be reviewed by the Board and disclosed in the Group's Governance Report under the provisions of the Code on Corporate Governance Practices set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"); and
- (e) to consider other topics, as defined by the Board.

## **7. Reporting procedures**

- 7.1 The Committee should report to the Board its decisions or recommendations after each meeting.
- 7.2 Full minutes of meetings of the Committee should be kept by the Secretary. Draft and final versions of minutes of the meetings should be sent to all members of the Committee for their comment and records within a reasonable time after the meeting.

## **8. Continuing applications of the articles of association of the Company**

The articles of association of the Company regulating the meetings and proceedings of the Directors so far as the same are applicable and not inconsistent with the provisions of these Regulations shall apply, *mutatis mutandis*, to regulate the meetings and proceedings of the Committee.

## **9. Powers of the Board**

The Board may, subject to compliance with the articles of association of the Company and the Listing Rules, amend, supplement and revoke these Regulations and any resolution passed by the Committee provided that no amendments to and revocation of these Regulations and the resolutions passed by the Committee shall invalidate any prior act and resolution of the Committee which would have been valid if these Regulations or resolution had not been amended or revoked.

Adopted on 22 March 2016