



Poly Property Group Co., Limited

保利置業集團有限公司

(Incorporated under the laws of Hong Kong with limited liability)
(Stock Code: 00119)

TERMS OF REFERENCE OF RISK MANAGEMENT COMMITTEE

Membership

1. The Risk Management Committee (the “Committee”) shall consist of all independent non-executive directors and non-executive director(s) and at least one executive director appointed by the board of directors (the “Board”) of Poly Property Group Co., Limited (the “Company”) from time to time.
2. The Board shall nominate a member as the chairman of the Committee (the “Chairman”).
3. The company secretary of the Company shall act as secretary of the Committee.

Frequency and proceedings of meetings

4. The Committee shall meet at least twice every year. Additional meetings shall be held as the work of the Committee demands.
5. The Chairman may convene additional meetings at his/her discretion.
6. The quorum of a meeting shall be two members of the Committee.

Authority

7. The Committee is granted the authority to require the management of the Company and its subsidiaries (the “Group”) to provide administrative support to the work of the Committee and the Committee may directly contact the Group’s senior management independently. The Committee may require any senior management or employee to attend the meeting of the Committee or to reply the questions raised by any member of the Committee promptly.
8. The Committee is authorized by the Board under the terms of reference to assess the risk

management system of the Group with the co-operation of all managerial staff and shall report and make recommendations to the Board of its findings of any material risk or deficiency in risk management system.

9. The Committee is authorized by the Board to seek outside legal or other independent professional advice; if necessary, may invite external parties who possess relevant experience and professional knowledge to attend meeting at the expenses of the Group.

Responsibility

10. The Committee is a standing committee under the Board and is set up to assist the Board in carrying out the following supervisory duties:
 - (a) to oversee the design, implementation and monitoring of the risk management system carried out by the management on an ongoing basis; and
 - (b) to analyse and independently assess whether the system in managing risks is sufficient, efficient and effective.

Reporting Procedures

11. The Committee should report to the Board on a regular basis. At the next meeting of the Board following a meeting of the Committee, the Chairman shall report to the Board on the findings and recommendations of the Committee. At least annually, the Committee should report to the Board which addresses the work and findings of the Committee during the year.

Duties, powers and functions

12. The Committee shall:
 - (a) monitor and review the process of the risk management and advise to the Board about the effectiveness of and improvements to be made to the existing risk management system;
 - (b) provide recommendations to the management on risk management and set up procedures to unveil, assess and manage material risk factors; and ensure management discharges its responsibility to implement an effective risk management system; and
 - (c) review with the Group's management, external auditor and internal auditor, the adequacy of the Group's policies and procedures regarding risk management system and any relevant statement by the directors to be included in the annual accounts prior to endorsement by the Board.

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