

D&G Technology Holding Company Limited

德基科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1301)

TERMS OF REFERENCE FOR THE RISK MANAGEMENT COMMITTEE

(REVISED AND APPROVED BY THE BOARD ON 27 MARCH 2026)

Constitution

1. The risk management committee (the “**Committee**”) is established pursuant to a resolution passed by the board of directors (the “**Board**”) of D&G Technology Holding Company Limited (the “**Company**”) on 30 March 2016.

Membership

2. The Committee shall consist of a minimum of four members appointed by the Board. The Committee shall have at least three directors.
3. The Committee shall be appointed by the Board from amongst the directors of the Company and management who are professionals in the relevant aspect of the Company.

Chairman

4. The chairman of the Committee (the “**Chairman**”) shall be appointed by the Board.

Secretary

5. The company secretary of the Company or any person appointed by the Committee shall be the secretary of the Committee (the “**Secretary**”). In the absence of the Secretary, the members present shall elect one of themselves or appoint another person as the secretary for that meeting.

Frequency of meetings

6. The Committee shall meet at least once a year. Additional meetings may be held as and when required.

Notice of meetings

7. A meeting of the Committee may be convened by any of its members.
8. Unless otherwise agreed by all the members of the Committee, notice of each meeting stating the

time, date and place of the meeting shall be given to each member of the Committee and any other person invited to attend at least seven days prior to the date of the meeting.

9. The agenda and any supporting documents and papers shall be forwarded to each member of the Committee and any other person invited to attend at least three days prior to the date of the meeting (or such other period as the members may agree).

Proceedings of meetings and resolutions

10. No business shall be transacted at any meeting of the Committee unless a quorum is present. The quorum of a meeting shall be two members of the Committee.
11. Only members of the Committee have the right to attend Committee meetings. Other persons including but not limited to any director, management, external advisors or consultants may be invited by the Committee to attend for all or part of any meeting as and when appropriate.
12. Meetings of the Committee may be held either in person or through electronic means of communication or in such other manner as the members may agree.
13. Questions arising at any meeting shall be determined by a majority of votes of the members of the Committee present. Each member of the Committee shall have one vote. In the case of any equality of votes the chairman of the meeting shall have an additional or casting vote.
14. Members must abstain from voting on any resolution in respect of which he or she is an interested party.
15. A resolution in writing signed by all members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee. Any such resolution may be contained in a single document or may consist of several documents in like form each signed by one or more of the members of the Committee.
16. Draft and final versions of minutes of the Committee meetings shall be sent to all Committee members for their comment and records within a reasonable time after the meeting.
17. The Secretary shall cause full minutes to be made for all meetings of the Committee. Such minutes shall include sufficient details of the meetings including the attendances thereat, all business transacted, all resolutions passed and all orders made at such meetings. Any such minutes of any meeting, if purporting to be signed by the chairman of such meeting or by the chairman of the next succeeding meeting of the Committee, shall be sufficient evidence without any further proof of the facts therein stated.
18. Save as otherwise provided herein expressly, proceedings of meetings of the Committee shall be governed by the provisions of the articles of association of the Company for regulating the proceedings of meetings of the Board mutatis mutandis.

Authority

19. The authorities of the Committee shall include such authorities set out in the relevant code provisions of the Corporate Governance Code (the “**Corporate Governance Code**”) under the Listing Rules (as amended from time to time).
20. The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.
21. The Committee is authorised by the Board to obtain any independent professional advice, at the Company’s expense, from any person if it considers it necessary to perform its duties.
22. The Committee is to be provided with sufficient resources to discharge its duties. In the event that the Committee determines that it has insufficient resources, it may make a request for additional resources to the Chairman. If the request for additional resources is denied, the Committee may, if it chooses, make a request to the Board through the Secretary. The Board shall convene a Board meeting as soon as reasonably practicable to consider the request.

Duties and functions

23. The duties and functions of the Committee, without prejudice to the foregoing, shall include:
 - (a) review the Group’s risk management systems and internal control systems (including financial, operational and compliance controls), internal audit function, Environmental, Social and Governance’s performance and reporting (including the Environmental, Social and Governance report), to ensure that effective and adequate risk management and internal control systems are established and maintained and that sufficient resources are in place for the Group’s internal audit function);
 - (b) consider major investigation findings on risk management matters as delegated by the Board or on its own initiative and management’s response to these findings;
 - (c) consider the changes, since the last annual review, in the nature and extent of significant risks, and the Company’s ability to respond to changes in its business, operating and external environment, including emerging risks and ESG-related developments and regulatory requirements;
 - (d) consider the scope and quality of management’s ongoing monitoring of risks and of the internal control systems;
 - (e) the extent and frequency of communication of monitoring results to the Board (or board committee(s)) for the purposes of assessing the adequacy and the effectiveness of the Group’s risk management and internal control systems

- (f) significant control failings or weaknesses identified during the review of the risk management and internal control systems, 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 Group's financial performance or condition, and any remedial measures taken to address such control failings or weaknesses;
- (g) the effectiveness of the Group's processes for financial reporting and Listing Rule compliance;
- (h) the adequacy of resources (internal and external) for designing, implementing and monitoring the risk management and internal control systems, including staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit, and financial reporting functions, as well as those relating to the Group's ESG performance and reporting.
- (i) consider the effectiveness of the Group's decision-making processes in crisis and emergency situations and to maintain the Group's risk management standards, crisis management and business continuity arrangements;
- (j) cooperate with the Audit Committee to ensure that Audit Committee has access to information necessary to fulfill their duties and responsibilities with respect to risk assessment and risk management;
- (k) on an annual basis report to the Board on the effectiveness of the risk management systems and internal control systems (including financial, operational and compliance controls) for the Group, Environmental, Social and Governance report and adequacy of resources of its internal audit functions; and
- (l) consider any other matters and perform other duties applicable to the Committee as specified in the Listing Rules (including the code provisions of the Corporate Governance Code) or as delegated to the Committee by the Board from time to time.
- (m) review the whistleblowing policy and system for employees and those who deal with the Group (e.g. customers and suppliers) to raise concerns, in confidence and anonymity, with the Committee about possible improprieties in any matter related to the Group.

- (n) review at least annually the need for the Company to establish an internal audit function. Where no such function is established, the Committee shall:
- (i) consider whether the Company's existing risk management, internal control and compliance resources are adequate to provide an objective and independent assurance over the effectiveness of the Group's risk management and internal control systems; and
 - (ii) recommend to the Board the reasons for not establishing an internal audit function for inclusion in the Company's Corporate Governance Report, and keep this decision under regular review.
- (o) consider other matters and perform other duties applicable to the Committee as specified in the Listing Rules (including the code provisions of the Corporate Governance Code) or as delegated to the Committee by the Board from time to time.

Reporting Procedures

24. The Committee shall report directly to the Board on its findings, decisions and/or recommendations, unless there are legal or regulatory restrictions on its ability to do so (such as restriction on disclosure due to regulatory requirements). At the next meeting of the Board following a meeting of the Committee, the Chairman shall report the findings, decisions and/or recommendations of the Committee to the Board. The company secretary shall also circulate the minutes of meetings, reports and/or written resolutions (if any) of the Committee to all members of the Board.

Annual General Meeting

25. The Chairman or in his or her absence, another member of the Committee or failing this, his or her duly appointed delegate, shall attend the annual general meeting of the Company and be prepared to answer questions at the annual general meeting on the Committee's work and its responsibilities.

Amendment

26. Subject to the compliance with the articles of association of the Company and the Listing Rules, any amendment to these terms of reference shall be authorised by the Board.

Publication

27. The Committee shall make available these terms of reference by publishing them on the websites of The Stock Exchange of Hong Kong Limited and the Company.

27 March 2026