Terms of Reference of the Risk Management Committee of the Board of Directors of CSC Financial Co., Ltd.

Chapter 1 General Provisions

Article 1 In order to standardize the meeting and decision-making procedures of the risk management committee of the board of directors (the Risk Management Committee) of CSC Financial Co., Ltd. (the Company), improve the work efficiency and decision-making capabilities of the Risk Management Committee, and ensure smooth progress on various works of the Risk Management Committee, these terms of reference are formulated in accordance with requirements of the relevant national laws, administrative regulations, departmental rules, normative documents and the listing rules of the stock exchanges where the shares of the Company are listed (collectively as the Relevant Rules), and the Articles of Association of CSC Financial Co., Ltd. (the Articles of Association) with reference to the actual situation of the Company.

Article 2 The Risk Management Committee shall convene its regular meeting once every six months. Pursuant to the provisions of the Relevant Rules, the Articles of Association and these terms of reference, extraordinary meetings may be convened by the Risk Management Committee.

Chapter 2 Composition of the Risk Management Committee

Article 3 The Risk Management Committee shall be composed of no less than three directors.

Article 4 The composition of the Risk Management Committee and the chairman shall be decided by the board of directors.

Article 5 The term of office of the Risk Management Committee shall be the same as that of the board of directors. A member may offer himself/herself for re-election upon the expiration of his/her term of office. Any member of the Risk Management Committee who ceases to be a director of the Company during the term shall be automatically disqualified as a member of the Committee. The board of directors shall fill the vacancy in accordance with the requirements if the number of the members of the Risk Management Committee fails to meet the requirements of the Relevant Rules, the Articles of Association or these terms of reference.

Chapter 3 Duties of the Risk Management Committee

Article 6 In accordance with relevant requirements of the Relevant Rules and the Articles of Association, the Risk Management Committee is primarily responsible for the supervision and management of the overall risk of the Company and ensuring the risk be controlled within a reasonable limit, so that the Company can implement effective risk management plans with respect to all risks in connection with operational activities of the Company. Its major duties are set out as follows:

(1) reviewing and making recommendations on the general objectives and basic policies of compliance management and risk management;

(2) clarifying the overall strategic arrangement and resource allocation for the Company's risk management and consolidated statement management, and ensuring they are consistent with the Company's policies in these areas;

(3) reviewing and making recommendations on the institutional set up and duties in relation to compliance management and risk management; overseeing the Company's risk management and internal control systems on an ongoing basis, and ensuring that a review of the effectiveness of the risk management and internal control systems of the Company and its subsidiaries has been conducted at least annually. The review shall cover all material controls, including financial, operational and compliance controls, and shall, in particular, include:

   (i) 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 and the external environment;

   (ii) the scope and quality of management's ongoing monitoring of risks and the internal control systems, and its internal audit function;

   (iii) the extent and frequency of communication of monitoring results to the board of directors (or the special committees under it);

   (iv) significant control failures or weaknesses that have been identified during the period, and the extent to which they have resulted in unforeseen outcomes or contingencies;

   (v) the effectiveness of the Company's procedures on financial reporting and compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the Hong Kong Listing Rules).

(4) through reviewing and making recommendations on the institutional set up and duties in relation to compliance management and risk management, ensuring the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting functions;
(5) evaluating and advising on risks relating to major decisions to be considered and approved at the board of directors and the solutions to such major risks;
(6) formulating the limits of major risks;
(7) supervising, examining and making recommendations to the board of directors on relevant risk management policies;
(8) reviewing and advising on compliance reports and risk evaluation reports to be reviewed by the board of directors;
(9) other duties determined by the Relevant Rules, the Articles of Association and the board of directors.

Article 7 The Risk Management Committee may set up an administrative office under it with responsibilities undertaken by the risk management department of the Company. Upon approval, the staff of the administrative office are allowed to attend meetings related to risk management and control of the Company, access to relevant information, and issue research reports accordingly on a regular or irregular basis for submission to the Risk Management Committee.

Article 8 The Risk Management Committee may engage external professionals to provide services, and the expenses reasonably incurred shall be borne by the Company.

Article 9 The chairman of the Risk Management Committee is primarily responsible for performing the following duties:
(1) convening and presiding over the regular meetings of the Risk Management Committee;
(2) convening extraordinary meetings of the Risk Management Committee under exceptional circumstances;
(3) preparing and writing special research reports on risk management;
(4) examining and approving routine research reports;
(5) other duties authorized by the board of directors and the Risk Management Committee.

Chapter 4 Convening and Notices of Meetings of the Risk Management Committee

Article 10 The meetings of the Risk Management Committee shall be held on-site. On the premise of ensuring that all participating directors can fully communicate and express their opinions, the meetings may be held by video, telephone or other means in accordance with the procedures when necessary.

Article 11 In principle, a written notice shall be given and relevant data and information shall be provided to all members not later than three days before the meeting of the Risk Management Committee is convened; however, under special circumstances, such notice period may be reduced to less than three days upon consent of two-thirds or more of the members of the Risk Management Committee, or by way of other means to inform all members.

Article 12 Notice of the meeting of the Risk Management Committee shall include the following:

(1) date and venue of the meeting;
(2) duration of the meeting;
(3) reasons for and proposals of the meeting;
(4) date of dispatch of the notice.

The proposals and notices of the meeting shall be determined by the chairman of the Risk Management Committee and delivered to each member of the Risk Management Committee through the staff of the board of director of the Company.

Chapter 5 Rules of Procedures and Voting Procedures of the Risk Management Committee

Article 13 The meeting of the Risk Management Committee shall be held with two-thirds or more of members present. Each member shall have one vote. An effective resolution shall be approved by two-thirds or more of all members of the Risk Management Committee.

Article 14 The Risk Management Committee may, after consideration of a matter, report or document, formulate a resolution and submit it to the board of directors of the Company.

Article 15 In the case of a report not formulated as a resolution, committee members who have submitted the proposal or the research report may submit it to the board of directors for review in their own personal capacity.

Article 16 The meetings of the Risk Management Committee shall be attended by members in person and shall not be represented.

Article 17 Meetings of the Risk Management Committee shall be presided over by the chairman of the Risk Management Committee. Where the chairman of the Risk Management Committee is unable to preside over the meeting for any reason, other members as designated by the chairman shall preside over the meeting.

Article 18 Based on the agenda and needs of the meetings, the Risk Management Committee can invite other persons relating to the topics of the meeting to brief relevant situation or listen to relevant opinions, and such persons shall not be absent from the meeting without proper reasons. Such persons shall not be involved in the discussion, or affect the progresses, voting or resolution of the meeting.

Article 19 In principle, the Risk Management Committee will not review the topics or matters not listed in the notice of the meeting. Under special circumstances where new topics or matters have to be added, such topics or matters shall be reviewed and resolution shall be made with the consent of two-thirds or more of the members.

Chapter 6 Resolutions and Minutes for the Meeting of the Risk Management Committee

Article 20 After voting at the meeting of the Risk Management Committee, the resolutions shall be formulated and minutes shall be prepared, and opinions of independent directors shall be set forth in the minutes of the meeting. Each member of the Risk Management Committee attending the meeting shall sign the resolutions and minutes of the meeting. The written documents and minutes of the resolutions shall be kept by the Company as corporate archives and shall be kept for a period of not less than ten years during the existence of the Company.

Article 21 The resolutions of the Risk Management Committee meeting shall include the following:

(1) the date, venue and the convener of the meeting;
(2) the number of Committee members who should attend the meeting and the actual number of attendees;
(3) explanations on the procedures of the meeting and the validity of the resolutions of the meeting;
(4) explanations on the contents of the resolutions as considered and voted at the meeting and the voting result;
(5) other matters to be described and included in the resolutions.

Article 22 After the formulation of the resolutions by the Risk Management Committee, if necessary, such resolutions should be submitted to the board of directors for consideration and approval in a timely manner.

Chapter 7 Supplementary Provisions

Article 23 Unless otherwise specified, terms used in these terms of reference shall have the same meanings as those defined in the Articles of Association.

Article 24 Matters not provided for under these terms of reference or resulting in conflict with these terms of reference and provisions of the Relevant Rules and the Articles of Association shall be implemented in accordance with provisions of the Relevant Rules or the Articles of Association.

Article 25 These terms of reference shall be interpreted and amended by the board of directors.

Article 26 Upon consideration and approval by the board of directors, these terms of reference shall become effective from November 21, 2025.