

MTAG Group Berhad
Risk Appetite Statement
(Aligned with ISO 31000:2018)

Document Control

Item	Details
Document Title	Risk Appetite Statement
Framework Reference	Enterprise Risk Management Framework
Applicable Standard	ISO 31000:2018
Approved By	Board of Directors
Adoption Date	25 May 2026
Effective Date	25 May 2026
Review Frequency	Annual or As Required
Policy Owner	Audit and Risk Management Committee (“ARMC”) / Management
Version	1.0

1. Purpose

MTAG Group (“the Group”) recognises that risk is inherent in pursuing its strategic, operational and financial objectives. The Group adopts a structured and disciplined approach to risk management to support sustainable growth, operational resilience, sound governance and long-term value creation.

This Risk Appetite Statement defines the nature and level of risk that the Group is willing to accept in pursuit of its objectives and establishes broad parameters for risk-taking, decision-making and governance oversight across the Group.

The Group’s Enterprise Risk Management (“ERM”) framework is aligned with the principles and guidelines of ISO 31000:2018.

2. Risk Appetite Position

The Group is generally willing to accept:

- measured strategic and commercial risks associated with business growth, operational improvements, market expansion, innovation and technology adoption;
- reasonable investment and project execution risks where appropriate due diligence, governance and internal control measures are in place;
- moderate operational and business risks that are manageable within the Group’s operational capability, financial capacity and governance framework; and

- calculated risks that may enhance long-term competitiveness, operational efficiency or shareholder value.

However, the Group has low tolerance toward risks that may result in:

- material breaches of laws, regulations or regulatory obligations;
- fraud, corruption, bribery or unethical conduct;
- material health, safety or environmental incidents;
- significant cybersecurity breaches, data compromise or technology misuse;
- prolonged disruption to critical operations;
- material ESG or sustainability failures;
- significant financial instability, uncontrolled leverage or liquidity stress;
- significant reputational damage or erosion of stakeholder confidence; or
- activities that materially exceed the Group's governance, operational or financial capability.

The Group does not support:

- excessive speculative activities;
- uncontrolled expansion without adequate operational readiness or governance oversight;
- high-risk transactions lacking reasonable commercial justification;
- deliberate non-compliance with applicable laws and regulations; or
- risk-taking behaviour inconsistent with the Group's values, governance standards or long-term sustainability objectives.

For material operational, safety, environmental, cybersecurity and operational continuity risks, the Group shall seek to ensure that risk exposures are reduced to a level that is As Low As Reasonably Practicable ("ALARP"), taking into consideration:

- the likelihood and severity of potential impact;
- available risk mitigation measures;
- operational feasibility;
- regulatory expectations; and
- cost-benefit considerations relative to the risk exposure.

3. Risk Management Expectations

All business units and Management personnel are expected to:

- identify, assess and manage risks within approved risk appetite levels;
- integrate risk considerations into strategic planning and operational decision-making;
- escalate material risks and emerging issues on a timely basis;
- implement appropriate internal controls and mitigation measures; and

- ensure that risk-taking remains aligned with the Group’s governance standards, operational capability and strategic objectives.

Material risks or strategic initiatives outside the Group’s approved risk appetite shall be escalated to the Board of Directors and/or the Audit and Risk Management Committee (“ARMC”) for further consideration and approval.

4. Governance and Oversight

The Board of Directors retains overall responsibility for determining the Group’s risk appetite and overseeing the effectiveness of the Group’s risk management framework.

The Audit and Risk Management Committee (“ARMC”) assists the Board in reviewing:

- the adequacy and effectiveness of risk management processes;
- material risk exposures and emerging risks;
- alignment between risk exposures and approved risk appetite;
- the adequacy of mitigation and control measures; and
- the effectiveness of internal controls and governance practices.

Management is responsible for implementing and maintaining effective risk management practices and ensuring that risk exposures remain within approved risk appetite parameters and tolerance levels.

5. Review

This Risk Appetite Statement shall be reviewed periodically to ensure continued relevance and alignment with:

- the Group’s strategic direction;
- business and market conditions;
- operational environment;
- regulatory developments;
- ESG and sustainability expectations; and
- stakeholder interests.

6. Approval

This Risk Appetite Statement was reviewed and approved by the Board of Directors of MTAG Group on 25 May 2026 and shall remain effective until revised, replaced or withdrawn by the Board.