

# Risk Management Advisory Services

In this complex and ever-changing business environment, enterprises are more connected to Regulatory Authority than ever before, business operations become digitalized, and regulatory requirements become complicated. In front of these changes, the risk management systems of enterprises are being tested. AVISTA understands the importance of risk management and internal control system and, with our years of experience in providing risk management advisory services to numerous listed companies in different industries, our expertise is ready to accompany enterprises to fulfill their risk management needs in different business stages.

## Internal Audit Managed Service

In accordance with the HKEx's Corporate Governance Code (the "Code"), an internal audit function should be established to assist the board of directors in maintaining and evaluating the effectiveness of risk management and internal control systems of the listed entity. The Code also requires listed companies to annually evaluate the adequacy and effectiveness of their risk management and internal control systems. AVISTA can assist companies in reviewing and enhancing their risk management and internal control systems through a series of reviews and testing. A written internal control review report would be provided to the management and the audit committee highlighting the deficiencies noted and suggesting ways to improve them. Additionally, we are able to assist the internal audit department to improve its efficiency and professionalism in order to enhance the quality of the audit. We can also provide guidance on how to improve corporate governance systems in order to comply with the HKEx's requirements.

## Capital Market Risk Advisory

In the capital market, companies may raise funding by going public or through mergers and acquisitions ("M&A"). During the listing process, sponsors are required to perform due diligence reviews of listing applicants in accordance with PN21, in which risk management and internal control systems are examined as compulsory components. It is therefore mandatory for applicants to establish an effective risk management and internal control system at the beginning of or even before the listing application process. AVISTA can assist companies to evaluate the effectiveness of their risk management and internal control systems, and provide improvement suggestions aligned with HKEx's requirements. Over the past ten years, we have assisted a variety of companies in various industries in successfully listing on the HKEx.

During the M&A process, we can also assist companies to improve the quality of the target company's risk management and internal control systems, building up the foundation for future business cooperation with the target company.

## Business Development Advisory

As an enterprise develops, it will encounter a variety of issues. Our expertise in finance and accounting allows us to provide professional solutions at different stages of the business development process, which allows companies to focus on developing their business. AVISTA is able to assist companies with the development of business plans in order to present them to potential investors, as well as assist companies with the preparation of listing applications and provide a wide range of financial and compliance services once the company has been listed.

## Information Technology Risk Advisory

Digital transformation and big data application are the major trends in the current business landscape, which raises concerns among companies for cybersecurity risks (e.g. unethical hacking) and compliance with cyber-related laws and regulations. China has continuously launched new cyber and data-related regulations since the enactment of the Cybersecurity Law in 2016. It is imperative that enterprises continuously assess whether their cybersecurity systems, processed data, and data processing procedures, may breach any regulatory requirements. AVISTA is able to assist companies in setting up an effective cybersecurity governance framework from scratch, and provide various cyber-related advisory services to strengthen companies' cybersecurity system in accordance with regulatory requirements.