



China Hongqiao Group Limited

中国宏桥集团有限公司

(Incorporated under the laws of the Cayman Islands with limited liability)

(the “Company”)

(Stock Code: 1378)

**TERMS OF REFERENCE OF THE SUSTAINABILITY
COMMITTEE (THE "COMMITTEE") OF THE BOARD OF
DIRECTORS (THE “BOARD”) OF THE COMPANY**

1. Composition

1.1 The Committee was established by a resolution passed at the meeting of the Board on 14 March 2025, and its responsibilities are as follows:

- (a) To guide and formulate the Company's vision, goals, strategies, and framework in respect of sustainability matters; to supervise the Company's management systems, work procedures, and relevant standards and methods in the field of sustainability management, including but not limited to climate change, health and safety, community relations, supplier management, environment, human rights, and anti-corruption, and to conduct research and make recommendations to ensure that the Company's needs are met and that it complies with applicable laws, regulations, regulatory requirements, and international standards.
- (b) To assist the Board in guiding, evaluating, and supervising the Company's culture, management framework, corporate affairs, risk management, and capacity building in the fields of sustainability and ESG, so as to continuously optimise them;
- (c) To assist the Board in reviewing the implementation of sustainability (including climate change) and ESG vision, goals, and strategies;
- (d) To communicate regularly with different committees to ensure that relevant

committees are aware of the latest ESG-related issues affecting the Company;

- (e) To review significant non-financial risks and report to the Board, and to discuss with management whether the measures for identifying and managing significant risks related to sustainability are adequate;
- (f) To ensure that the members of the Company's highest governance body and senior management regularly engage with stakeholders such as investors on ESG issues;
- (g) To identify, evaluate and discuss risks related to sustainability (including climate change), enhance risk management and internal control systems to monitor and respond to significant risks and opportunities related to sustainability (including climate change), and report and make recommendations to the Board;
- (h) To enhance the common knowledge, skills and experience of the Company's highest governance body regarding sustainability, and continuously promote Board members and senior management to participate in training and continuing professional development programs organised by regulatory authorities or the industry;
- (i) To monitor the development and implementation of the Company's ESG vision, goals, strategies and framework, including setting the Company's ESG management performance goals and key performance indicators and reviewing the progress of achieving the goals, be responsible for reviewing the goals and key performance indicators of the Company's environmental, social responsibility and sustainability aspects, make recommendations on performance-based remuneration based on the results of the management's implementation of sustainability matters and the achievement of performance goals, and make recommendations to the Board on improving performance;
- (j) To receive and review reports on sustainability-related matters (including but not limited to the adequacy and effectiveness of the ESG management framework and the performance of key indicators), discuss the results with the management and report to the Board;
- (k) To supervise the operation of the sustainability systems of each business

segment of the Company, review and examine the impacts of the Company's business on the environment, the society, and sustainability, actively respond to emerging sustainability issues, and provide suggestions and solutions for enhancing the Company's sustainability performance;

- (l) To monitor the channels and methods of communication with the Company's stakeholders and ensure that relevant policies have been formulated to effectively promote the relationship between the Company and its stakeholders and safeguard the Company's reputation;
- (m) To review the Company's ESG reports and other ESG-related disclosures, and make recommendations to the Board to maintain the completeness of the ESG reports and other ESG-related disclosures and ensure compliance with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the expectations of stakeholders;
- (n) To study and make recommendations on other significant matters affecting the Company's sustainable development;
- (o) To conduct follow-up inspections on the implementation of the above-mentioned matters; and
- (p) To perform other sustainability and ESG-related duties as assigned by the Board.

1.2 The Committee is authorised by the Board to handle the matters set out in Paragraph 1.1 above and shall have the following powers:

- (a) To require the Company's senior management to provide sufficient resources and administrative support for the Committee's work and to have an independent channel to access the Company's senior management;
- (b) To require any member of the Company's senior management to respond as comprehensively and as soon as possible to questions raised by any member of the Committee; and
- (c) Within the scope of its authority as defined in the terms of reference, to make

reasonable requests, where appropriate, to seek legal or other independent professional advice for the purpose of its decision making at the Company's expense. Where professional advice from external consultants is required, such engagement shall be commissioned by the chairman of the Committee, and the advice shall be submitted directly to the chairman (independent of the senior management).

2. Membership

- 2.1 The members of the Committee shall be appointed by the Board from among the directors of the Company.
- 2.2 The chairman of the Committee shall be appointed by the Board.
- 2.3 The removal of Committee members or the appointment of additional persons as Committee members shall be subject to a resolution passed by the Board.
- 2.4 The company secretary of the Company shall be the of the Committee.
- 2.5 The composition of the Committee shall comply with the requirements of the Listing Rules as amended from time to time.

3. Frequency and Proceedings of Meetings

- 3.1 The Committee shall hold at least one meeting per year and additional meetings as necessary.
- 3.2 Notice of Meeting:
 - (a) Unless otherwise agreed by all the members of the Committee, a meeting shall be convened by at least fourteen (14) days' notice.
 - (b) Any member of the Committee may call a Committee meeting at any time.
 - (c) The notice of meeting may be given orally, in writing, or by phone call, fax, or email to each member of the Committee at the numbers and addresses notified to the secretary of the Company by the Committee members from time to time, or in any other manner agreed upon by the Committee members from time to time.
 - (d) Notices given orally shall be confirmed in writing before the meeting.

(e) Notice of meeting shall state the time and location of the meeting and provide the proposed agenda.

(f) The final version of the meeting agenda and all relevant meeting documents shall be sent to all members of the Committee and (where appropriate) other attendees no later than three (3) days (or such other time limit as agreed by the members) before the date of the meeting.

3.3 The quorum for a Committee meeting shall be two Committee members.

3.4 Committee members may participate in any Committee meeting by telephone, electronic or other communication devices that allow all participants to communicate with each other simultaneously and instantaneously. For the purpose of calculating the quorum, participation in this manner shall be deemed as attendance at the meeting as if the participants were physically present.

3.5 Committee meetings shall be chaired by the chairman of the Committee. If the chairman of the Committee is unable to attend, he/she may appoint a Committee member to chair the meeting. If the chairman of the Committee does not make an appointment, more than half of the members present at the meeting shall collectively elect a Committee member to chair the meeting.

3.6 The voting methods for Committee meetings shall include show of hands, oral voting or ballot voting. Each Committee member shall have one vote. Resolutions made at a meeting shall be valid only if they are passed by more than half of all members present at the meeting.

3.7 Other members of the Board shall have the right to attend the meeting, but their opinions shall not be regarded as the opinions of the Committee, and such directors shall not have the right to vote.

4. Appointment of Representatives

4.1 If a Committee member is unable to attend a meeting for any reason, he/she may appoint another member in writing to attend the meeting on his/her behalf and exercise his/her voting rights. Each Committee member may accept the appointment of at most one Committee member.

5. Meeting Minutes

5.1 The secretary of the Company shall maintain the minutes of the Committee's meetings, which shall contain a detailed record of the matters considered by the Committee and the decisions reached, including all concerns raised or objections expressed by Committee members. If any director of the Company gives reasonable notice, the relevant meeting minutes shall be made available for inspection during

any reasonable period. The secretary of the Company shall send the draft and final versions of the Committee meeting minutes to all members of the Committee within a reasonable period after the meeting, with the draft for their comments and the final version for their records.

6. Written Resolutions

- 6.1 Committee members may pass resolutions in writing. This provision does not affect any requirements of the Listing Rules regarding the holding of Board or committee meetings.

7. Reporting Procedures and Confidentiality

- 7.1 The Committee shall report its resolutions, decisions or recommendations to the Board after each resolution is made, unless the Committee is restricted by law or regulation from making such a report (for example, due to restrictions on disclosure imposed by regulatory requirements).
- 7.2 Committee members present at the meeting and other attendees shall be obliged to keep the matters discussed at the meeting confidential and shall not disclose information related to the meeting without permission.

8. Continued Applicability of the Article of Association of the Company

- 8.1 The provisions of the article of association of the Company that govern the procedures of Board meetings, if applicable to Committee meetings and not replaced by these terms of reference, shall also apply to the meetings and procedures of the Committee.

9. Power of the Board

- 9.1 Subject to compliance with the article of association of the Company and the Listing Rules (including Appendix C1 "Corporate Governance Code" of the Listing Rules), the Board may, at any time, amend, supplement, and repeal these terms of reference and any resolutions passed by the Committee. However, such amendments, supplements and repeals shall not affect the validity of any resolutions passed or actions taken by the Committee prior to such actions.
- 9.2 These terms of reference shall be interpreted by the Board.