



China Dongxiang (Group) Co., Ltd.

中國動向（集團）有限公司

(Incorporated in the Cayman Islands with limited liability)

(the “Company”)

(Stock Code: 3818)

Environment, Social and Governance Committee

Terms of Reference

Adopted by the Board on 10 March 2021

Approved for Amendment by the Board on 20 March 2024

Pursuant to a resolution of the Board of China Dongxiang (Group) Co., Ltd. (the “Company”), the Environment, Social and Governance Committee was established on 10 March 2021 to oversee the Company’s positions and practices on issues in relation to environmental, social and governance that affect shareholders and other stakeholders.

1 Role

The Environment, Social and Governance Committee (the “Committee”) will assist the Board to meet its oversight responsibilities in relation to the Company’s environmental, social and governance policies and practices. The duties of the Committee include reviewing, and making recommendations to the Board on, the Company’s policy and performance in relation to the environmental, social and governance aspects.

2 Membership of the Committee

The Committee will have at least three members, with the majority of the members being executive directors. The Chairman of the Committee shall be an executive director.

3 Committee meetings

The Committee will meet at least once a year, and at such additional times as the Chairman of the Committee shall decide in order to fulfill its duties.

An agenda and any supporting documentation will be circulated to members of the Committee at least three days prior to each meeting.

In addition to the members of the Committee, any other directors wishing to be present are entitled to attend Committee meetings.

The Committee is authorised:

- a) to seek any information it requires in order to perform its duties from any department or employee of the Company; and
- b) to obtain, at the Company's expense, external legal or other professional advice on any matter within its terms of reference.

The Committee may extend an invitation to any person to attend all or part of any meeting which it considers appropriate. In particular, the Committee may meet with external advisers, auditors, lawyers, any executive or other employee, any other non-executive director as to any matter pertaining to the powers or duties of the Committee at the Company's expense, and may do so with or without the presence of management.

The Secretary shall attend Committee meetings take minutes. All minutes of the Committee will be entered into a minute book maintained for that purpose and will be open at all times for inspection by any director.

A quorum will comprise any two members. In the absence of the Committee Chairman or appointed delegate, the members shall elect one of their number as Chairman for that meeting.

4 Reporting of the Committee

The Chairman of the Committee will report the deliberations of each meeting of the Committee to the subsequent Board meeting. Where practicable, copies of agreed minutes of the Committee will be circulated to all directors.

The Committee Chairman will also, if requested, provide a brief verbal report to the Board as to any material matters arising out of the Committee meeting.

5 Responsibilities and functions of the Committee

In this section, "Group" means the Company and its subsidiaries.

The Committee is responsible for assisting the Board in overseeing the development direction of the Group's environmental, social and governance related affairs and the implementation of specific works, and regularly reports to the Board and makes related suggestions:

- 1) Formulates short, medium and long-term environment, social and governance development visions, strategies and management approaches for the Group, ensures the Group's various environment, social and governance affairs are in continuous compliance with legal and regulatory requirements and reports on the performance to the Board;

- 2) Oversees the formulation and implementation of the Group's environment, social and governance targets, and regularly reviews the progress of accomplishing those targets and the actions and support required thereof and reports on the performance to the Board;
- 3) assesses the materiality of the Group's environmental, social and governance issues regularly, evaluates, prioritises and manages material environmental, social and governance issues;
- 4) Reviews and determines the Group's environment, social and governance related risks and opportunities (including those related to climate change), and evaluates the adequacy and effectiveness of risk control related to environment, social and governance;
- 5) Continuously monitors diversified communication channels with various stakeholders, and ensures the collection of opinions or suggestions on the Group's environment, social and governance for continuous improvement;
- 6) Reviews the Group's annual environment, social and governance related results, including but not limited to:
 - a) Reviews the Group's compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and code provisions contained in its Appendix C1 — Corporate Governance Code and Appendix C2 — Environmental, Social and Governance Reporting Guide of the Rules Governing the Listing;
 - b) Reviews the Group's annual environment, social and governance report, and makes external and open disclosure upon submitting to the Board for consideration and approval;
 - c) Reviews the Group's annual environment, social and governance related policies, framework and management approaches;
 - d) Reviews the Group's annual environment, social and governance performance, actions and commitments, honours and recognition, etc.;
- 7) Performs other functions related or incidental to the foregoing and deemed necessary or appropriate by the Committee and/or the Board.

6 Review

The Board will review membership and the terms of reference of the Committee annually.

Note: If there is any inconsistency between the English and Chinese versions of this terms of reference, the English version shall prevail.