

HK Asia Holdings Limited (the “Company”)

Terms of reference of the Environmental, Social and Governance (ESG) Committee (the “Committee”) of the Company

1. CONSTITUTION

The Committee is established pursuant to a resolution passed by the board (the “**Board**”) of directors (the “**Directors**”) of the Company at its meeting held on 24 March 2022.

2. PURPOSE OF THE COMMITTEE AND DEFINITION OF ESG MATTERS

The main purpose of the Committee is to assist and advise the Board in defining the Company’s strategy relating to ESG matters, in reviewing the practices and initiatives of the Company relating to ESG matters to ensure they remain effective and up to date, in fulfilling its oversight responsibilities in the aspects of ESG, and in guiding and supervising the development and implementation of ESG works of the Company.

In these terms of reference “**ESG matters**” or “**ESG**” refers to the following areas:

- *Environmental*: the Company’s impact on the natural environment and its response to the challenge of climate change including: greenhouse gas emissions, energy consumption, generation and use of renewable energy, biodiversity and habitat, impact on water resources and deforestation, pollution, efficient use of resources, the reduction and management of waste, and the environmental impact of the Company’s supply chain.
- *Social*: the Company’s interaction with employees, other stakeholders and the communities in which it operates and the role of the Company in society including: workplace policies (e.g., employee relations and engagement, diversity, non-discrimination and equality of treatment, health safety and well-being), ethical/responsible sourcing and social aspects and labour standards of the supply chain (including child labour and modern slavery), and engagement with and contribution to the broader community through social projects and charitable donations.
- *Corporate Governance and Behaviour*: the ethical conduct of the Company’s business including its corporate governance framework, business ethics, policies, and codes of conduct (e.g., related to donations and political lobbying, bribery and corruption), and the transparency of non-financial reporting.

3. MEMBERSHIP

- 3.1 Members of the Committee shall be appointed by the Board on the recommendation of the Nomination Committee of the Board in consultation with the Chairman of the Committee. The Committee shall be made up of at least two members.
- 3.2 Appointments to the Committee shall normally be for a period of up to three years, which may be extended for two further three-year periods. The membership of the Committee will at all times be subject to periodic review by the Board and the Nomination Committee of the Board in conjunction with the Chairman of the Committee.
- 3.3 The Chairman of the Committee shall be appointed by the Board and shall be an executive Director. In the absence of the Chairman of the Committee, the remaining Committee members present at the meeting shall elect one of themselves to chair that meeting.
- 3.4 The appointment of the members of the Committee may be revoked, replaced or additional members may be appointed to the Committee by separate resolutions passed by the Board.

4. SECRETARY

The company secretary of the Company or his/her duly appointed delegate shall be the secretary of the Committee, and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the matters under discussion. In the absence of the secretary of the Committee, Committee members present at the meeting may elect among themselves or appoint another person as the secretary for that meeting.

5. PROCEDURAL STANDING ORDERS

- 5.1 The Standing Orders which from time to time apply to the terms of reference of the Audit Committee of the Board shall apply *mutatis mutandis* to these terms of reference. The articles of association of the Company regulating the meetings and proceedings of the Directors so far as the same are applicable and are not replaced by the provisions in these terms of reference shall apply to the meetings and proceedings of the Committee.
- 5.2 The Committee shall meet at least once a year and at such other times as the Chairman of the Committee shall require.
- 5.3 Only members of the Committee have the right to attend Committee meetings. However, the Committee is authorised to require the attendance of other individuals such as the General Manager, the Chief Financial Officer or any other employee for all or part of any meetings as and when appropriate. The Committee may also invite external advisers to attend for all or part of any meeting.

6. ANNUAL GENERAL MEETING

The Chairman of the Committee or in his/her absence, another member of the Committee or failing this, his/her duly appointed delegate, shall attend the annual general meeting of the Company and be prepared to answer questions at the annual general meeting on the Committee's activities and their responsibilities.

7. DECISIONS OF THE COMMITTEE

Any decisions of the Committee shall be taken on a simple majority basis. The Chairman of the Committee shall have a casting vote in the case of any equality of votes.

8. DUTIES OF THE COMMITTEE

The duties of the Committee shall be:

- 8.1. to oversee the development of and to make recommendations to the Board regarding the Company's ESG responsibilities, vision, objectives, strategies, framework, principles and policies;
- 8.2. to oversee the establishment of ESG policies, standards and codes of practice and their effective implementation, and to monitor and review their ongoing relevance, effectiveness and further development;
- 8.3. to identify, assess and manage the relevant ESG matters that do or are likely to have a significant impact on the operation of the Company and/or its strategy, and recommend specific actions or decisions for the Board's consideration;
- 8.4. to ensure that the Company monitors and reviews current and emerging ESG trends, related risks and opportunities, relevant international standards and legal and regulatory requirements; identifies how those are likely to impact on the strategy, operations, and reputation of the Company; and determines whether and how these are incorporated into or reflected in the Company's ESG policies and objectives;
- 8.5. to set appropriate strategic goals, as well as shorter term key performance indicators ("KPIs") and associated targets related to ESG matters and oversee the ongoing measurement and reporting of performance against those KPIs and targets, and make recommendations to the Board for improvement;
- 8.6. to work in conjunction with the Audit Committee of the Board to oversee the identification and mitigation of risks relating to ESG, as well as the identification of opportunities related to ESG matters;

- 8.7. to make recommendations to the Board in relation to the required resourcing and funding of ESG related activity, and on behalf of the Board, oversee the deployment and control of any resources and funds;
- 8.8. to oversee the Company's engagement with its broader stakeholder community, working with the Human Resources Department of the Company in the case of the workforce, and to ensure that relevant policies are in place to effectively promote the relationship between the Company and its stakeholders and protect the reputation of the Company;
- 8.9. to ensure that the Company provides appropriate information and is transparent regarding its ESG related policies with the investment community, particularly ethical/socially conscious investment funds, by whatever means which are deemed to be most effective;
- 8.10. to oversee the production of the ESG report of the Company, which will form part of the Company's annual report, make suggestions to the Board for its consideration in order to maintain the integrity of the ESG report and ensure that the Company's ESG report is prepared in accordance with the Environmental, Social and Governance Reporting Guide as set out in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"); and
- 8.11. to consider and implement other matters, as assigned by the Board from time to time.

9. REPORTING RESPONSIBILITIES

- 9.1. The Chairman of the Committee shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 9.2. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

10. OTHERS

- 10.1. At least annually, the Committee shall review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.
- 10.2. The Committee should have access to sufficient resources in order to carry out its duties, including access to the company secretary of the Company for assistance as required, and also should be provided with appropriate training as required.

11. AUTHORITY

11.1. The Committee is authorised by the Board to investigate any activity within the scope of these terms of reference including to seek any information it requires from any employee of the Company in order to perform its duties, and all employees shall be directed to cooperate with any requests made by the Committee.

11.2. In connection with its duties the Committee is authorised by the Board, at the Company's expense, subject to any budgetary constraints imposed by the Board:

11.2.1 to obtain outside legal or other independent professional advice on or assistance to any matters within these terms of reference from time to time as required;

11.2.2 to commission or purchase any relevant reports, surveys or information which it deems necessary to help fulfil its duties;

11.2.3 to appoint ESG consultants and negotiate their terms of appointment subject to prior Board consultation and approval; and

11.2.4 to exercise such powers as the Committee may consider necessary and expedient so that its duties can be properly discharged.

12. POWERS OF THE BOARD

The Board may, subject to compliance with the articles of association of the Company and the Listing Rules, amend, supplement and revoke these terms of reference and any resolution passed by the Committee provided that no amendments or supplements to and revocation of these terms of reference and the resolutions passed by the Committee shall invalidate any prior act and resolution of the Committee which would have been valid if such terms of reference or resolution had not been amended, supplemented or revoked.

13. PUBLICATION OF THE TERMS OF REFERENCE OF THE COMMITTEE

The Committee should make available these terms of reference, explaining its role and the authority delegated to it by the Board by including them on the website of the Company and on the website of The Stock Exchange of Hong Kong Limited.

Adopted on 24 March 2022