



**Prinx Chengshan Holdings Limited**

**浦林成山控股有限公司**

*(incorporated under the laws of Cayman Islands with limited liability)*

**(Stock Code: 1809)**

## **Development Strategy and ESG Committee**

### Terms of Reference

Effective date of these terms of reference:

effective on 9 October 2018;

firstly amended on 30 March 2022;

and secondly amended on 30 March 2026

## **Preamble**

1. Prinx Chengshan Holdings Limited (the “**Company**”) was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**HKEX**”) on 9 October 2018.

## **Constitution**

2. The Development Strategy and Risk Management Committee was established by resolutions of the board of directors of the Company (the “**Board**”, and each director of the Board, a “**Director**”) on 10 September 2018. It was renamed the Development Strategy and ESG Committee (the “**Development Strategy and ESG Committee**”) by resolutions of the Board of the Company on 30 March 2026.

## **Membership**

3. The members of the Development Strategy and ESG Committee shall be appointed by the Board from amongst the Directors and shall consist of not less than three members, a majority of whom should be independent non-executive Directors. The quorum of a Development Strategy and ESG Committee meeting shall be any two members of the Development Strategy and ESG Committee one of whom must be independent non-executive Director.
4. The Development Strategy and ESG Committee shall be chaired by the Chairman of the Board or an independent non-executive Director.
5. The term of office of a member of the Development Strategy and ESG Committee shall be determined by the Board.
6. Each member of the Development Strategy and ESG Committee shall disclose to the Development Strategy and ESG Committee:
  - (a) any personal financial interest (other than as a Shareholder of the Company) in any matter to be decided by the Development Strategy and ESG Committee; or
  - (b) any potential conflict of interest arising from a cross-directorship.

Any such member shall abstain from voting on resolutions of the Development Strategy and ESG Committee in relation to which such interest exists and from participating in the discussions concerning such resolutions, and shall (if so required by the Board) resign from the Development Strategy and ESG Committee.

## **Frequency and procedure of meetings**

7. Unless otherwise stated herein, the meetings of the Development Strategy and ESG Committee are governed by the provisions regulating the meetings and proceedings of Directors in the Company's articles of association.
8. Meetings shall be held not less than once a year. The chairman of the Development Strategy and ESG Committee shall convene a meeting upon request by any member of the Development Strategy and ESG Committee.
9. An agenda and any accompanying Committee papers should be sent in full to all members of the Development Strategy and ESG Committee in a timely manner and at least three days before the proposed date of a meeting of the Development Strategy and ESG Committee (or other agreed period).
10. The quorum of a Development Strategy and ESG Committee meeting shall be any two members of the Development Strategy and ESG Committee, one of whom must be an independent non-executive Director.
11. The Company is obliged to supply the Development Strategy and ESG Committee with adequate information in a timely manner, in order to enable it to make informed decisions. The information supplied must be complete and reliable. Where a Director requires more information than information provided voluntarily by the senior management, the relevant Director should make additional necessary enquiries. The Board and each Director shall have separate and independent access to the senior management.
12. The Secretary of the Development Strategy and ESG Committee shall be the company secretary of the Company or his/her appointed delegate.

## **Annual General Meeting**

13. The chairman of the Development Strategy and ESG Committee shall attend the annual general meeting and be prepared to respond to any shareholder's questions on the Development Strategy and ESG Committee's activities.

14. If the chairman of the Development Strategy and ESG Committee is unable to attend an annual general meeting of the Company, he shall arrange for another member of the Development Strategy and ESG Committee, or failing this, his duly appointed delegate, to attend in his place. Such person shall be prepared to respond to any shareholder's questions on the Development Strategy and ESG Committee's activities.

### **Authority**

15. The Development Strategy and ESG Committee is authorised by the Board to investigate any activity mentioned in these terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Development Strategy and ESG Committee.
16. The Development Strategy and ESG Committee is authorised by the Board to obtain independent professional advice to perform its responsibilities, at the Company's expense. The Development Strategy and ESG Committee is authorised and encouraged by the Board to obtain external independent professional advice from reputable internationally recognised advisors, at the Company's expense, and to secure the attendance of such external advisors with relevant experience and expertise. The Development Strategy and ESG Committee shall be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any external consultant who advises the Development Strategy and ESG Committee.
17. The Development Strategy and ESG Committee is authorised by the Board to set up an administrative office undertaken by the executive office and the risk management department of the Company. Upon approval, the staff and administrative office are allowed to attend meetings related to the development strategy and ESG of the Company, access to relevant information and issue research reports on a regular or irregular basis for submission to the Development Strategy and ESG Committee.

### **Duties**

The duties of the Development Strategy and ESG Committee shall include:

18. Development strategy
  - 18.1 understanding and overseeing the overall operation of the Company and the status of sustainable development governance;

- 18.2 understanding, analysing and monitoring the current situation of the international and domestic industry;
- 18.3 understating and monitoring relevant national policies;
- 18.4 studying the short, medium and long-term development strategies of the Company and discussing and responding to the impact of the Company's operations on various stakeholders, especially the areas of material issues that the stakeholders and the management of the Company prioritize or the relevant issues;
- 18.5 providing consultancy advice on the Company's long-term development strategy and major decisions on major investments, reforms and etc.;
- 18.6 planning the implementation and improvement of sustainable development matters to ensure that the management and decision-making mechanism of key sustainable development issues, including but not limited to tire product safety and quality, emission management and clean technology research and development, are in compliance with relevant laws and regulations, international standards and requirements of stakeholders;
- 18.7 reviewing and approving the special research report on the development strategies and the annual Environmental, Social and Governance ("ESG") report;
- 18.8 publishing routine research reports on a regular or irregular basis;

## 19 Sustainable development strategy

### 19.1 Sustainable development strategy, goals and policies

- i. overseeing the formulation of, and advising the Board on, the Group's sustainability strategy (and its various elements), ensuring that the strategy is effective, aligned with prevailing regulations, good market practices, and the Group's values and culture, and is integrated with the Group's overall strategy and business plans.
- ii. incorporating sustainability and climate risks into risk management and strategic planning.

- iii. overseeing the formulation of appropriate strategic goals and key indicators of sustainable development, and providing recommendations to the Board on the adoption of any external commitments related to sustainable development.
- iv. monitoring the implementation of the Group's sustainable development strategy and strategic objectives.

## 19.2 Environmental oversight

- i. evaluating and monitoring the environmental impacts of the Group's operations and identifying climate-related risks and opportunities, including the Company's impacts on the natural environment and the impacts of the environment on the Company, including the impacts of climate change, direct impacts (from the Company's own activities) and indirect impacts (through its entire value chain, including its investments and suppliers).

## 19.3 Social oversight

- i. supervising the employee benefits and diversity policies, occupational health and safety, and labor practices of the Group;
- ii. monitoring the ethics of the Group and its supply chain (including child labor or forced labor, consumer protection, data privacy, anti-bribery and anti-corruption, extortion, fraud and money laundering);
- iii. supervising social responsibility commitments;

## 19.4 Governance oversight

- i. overseeing stakeholder engagement on ESG matters;
- ii. monitoring compliance with ESG legal and regulatory requirements, including the disclosure requirements and "comply or explain" provisions under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
- iii. ensuring compliance and supporting the Board in maintaining good governance practices with regards to the applicable laws and regulations that have a significant impact on the Group relating to ESG.

## 19.5 Reporting

- i. overseeing accurate ESG data collection, analysis and verification processes to ensure transparency;
- ii. reviewing and recommending annual ESG report for Board's approval, ensuring timely publication;
- iii. ensuring adequate resources, staff qualifications and experience, training programmes and budget to meet ESG legal requirements;
- iv. evaluating ESG initiatives effectiveness and recommending improvements.

### **Reporting procedures**

20. Full minutes of the Development Strategy and ESG Committee's meetings should be kept by the secretary of the Development Strategy and ESG Committee and such minutes shall be available for inspection at any reasonable time on reasonable notice by any Director.
21. Minutes of meetings of the Development Strategy and ESG Committee shall record in sufficient detail the matters considered by the Development Strategy and ESG Committee and decisions reached, including any concerns raised by Directors or dissenting views expressed. Draft and final versions of minutes should be sent to all members of the Development Strategy and ESG Committee for their comment and records respectively, within a reasonable time after such meetings.
22. Without prejudice to the generality of the duties of the Development Strategy and ESG Committee set out above, the Development Strategy and ESG Committee shall report back to the Board and keep the Board fully informed of its decisions and recommendations, unless there are legal or regulatory restrictions on doing so.

### **Provision of terms of reference**

23. The Development Strategy and ESG Committee shall make available these terms of references on request and by inclusion onto the HKEX's website and the Company's website, thereby explaining the role of the Development Strategy and ESG Committee and the authority delegated to it by the Board.

### **Approval of disclosure statements**

24. The Development Strategy and ESG Committee shall be responsible for approving all disclosure statements in relation to the Development Strategy and ESG Committee, including but not limited to relevant disclosure statements in annual reports, interim reports and information uploaded on the HKEX's website and the Company's website.

### **Review of terms of reference**

25. The Development Strategy and ESG Committee shall review these terms of references annually, and may consider and submit to the Board any proposed changes that the Development Strategy and ESG Committee deems appropriate or advisable.