



PanAsialum Holdings Company Limited

榮陽實業集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2078)

(the “**Company**”, together with its subsidiaries, the “**Group**”)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE – TERMS OF REFERENCE

1. Members

- (a) The Environmental, Social and Governance Committee (the “**ESG Committee**”) shall be established by the board of directors of the Company (the “**Board**”) and shall consist of not less than three (3) members.
- (b) The terms of reference of the ESG Committee shall comply with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”), as amended from time to time.
- (c) The chairman of the ESG Committee (the “**Chairman**”) shall be appointed by the Board.

2. Secretary

- (a) The company secretary of the Company or his/her delegate shall be the secretary of the ESG Committee and shall attend all meetings of the ESG Committee.
- (b) The ESG Committee may from time to time, appoint any other person with appropriate qualification and experience to act as the secretary of the ESG Committee.

3. Meeting Attendance

- (a) The quorum necessary for the transaction of business of the ESG Committee shall be two members of the ESG Committee.
- (b) Reasonable notice should be given for all meetings of the ESG Committee.

- (c) Members of the ESG Committee may participate in a meeting of the ESG Committee by means of a conference telephone or other communications equipment through which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.
- (d) The ESG Committee may invite other persons and advisers of the Company to attend the meeting.

4. Meetings

- (a) Meetings of the ESG Committee shall be held at least once a year. The Chairman or any two members of the ESG Committee may request a meeting if they consider it necessary. Upon the receipt of such request, the secretary of the ESG Committee shall convene a meeting as soon as reasonably practicable and having regard to the convenience of all members.
- (b) Unless otherwise agreed by all the members of the ESG Committee, a meeting shall only be called with at least seven days' prior notice.
- (c) Full minutes of meetings of the ESG Committee shall be kept by the secretary of the ESG Committee. Draft and final versions of minutes of meetings of the ESG Committee shall be sent to all members of the ESG Committee for their comments and records respectively, in both cases within a reasonable period of time after the meeting is held.
- (d) The resolution of the ESG Committee should be passed by more than half of the members.
- (e) A resolution in writing signed by all the members of the ESG Committee shall be as valid and effective as if it had been passed at a meeting of the ESG Committee. Such resolution may be signed and circulated by facsimile or other forms of electronic communications. This provision is without prejudice to any requirement under the Listing Rules for a Board or ESG Committee meeting to be held.

5. Annual General Meetings

The ESG Committee shall make available the Chairman of the ESG Committee (or in his/her absence, at least one of its members) to attend the Company's annual general meeting to answer shareholders' questions (if any).

6. Duties and Powers

The ESG Committee's duties and powers should include:

- (a) to review, formulate and adopt the environmental, social and governance vision, objectives and strategies of the Group, and provide recommendations to the Board on relevant environmental, social and governance matters.

- (b) to review and (if applicable) report back to the Board on major trends in corporate environment, society and governance, as well as risks and opportunities related to environment, society and governance.
- (c) to review and assess the adequacy and effectiveness of the relevant framework for environmental, social and governance matters at the Group level, and to review and monitor the Group's environmental, social and governance policies and practices to ensure compliance with legal and regulatory requirement.
- (d) to identify the relevant matters that significantly affect the operation of the Group and/or the interest of other important stakeholders in the environmental, social and governance aspects.
- (e) to adopt and update as necessary the Group's policies on environmental protection, social responsibility management and corporate governance.
- (f) to supervise, review, evaluate and report back to the Board on the following matters:
 - (i) actions taken by the Group to promote environmental, social and governance objectives, strategies and framework; and
 - (ii) the Group's performance on environmental, social and governance indicators with appropriate international or national standards (if applicable).
- (g) to monitor the channels and methods of communication with the Group's stakeholders and ensure that there is an appropriate communication policy that can effectively promote the relationship between the Group and stakeholders and protect the Group's reputation.
- (h) to monitor internal and external opinions on the Group's environmental, social and governance practices and provide suggestions for improvement of these practices.
- (i) to identify, assess and manage important issues related to environmental, social and governance (including risks relating to the business of the Group) and update the assessment results to the Board on a regular basis.
- (j) to review the Group's public reports on the performance of identified important issues regarding environmental, social and governance and make recommendations to the Board, including but not limited to:
 - (i) setting appropriate standards for environment, society and governance, and monitoring and reporting on an annual basis;

- (ii) preparing annual environmental, social and governance report for relevant activities in accordance with the Listing Rules and uploading it on the websites of the Stock Exchange and the Group; and
 - (iii) reviewing annual environmental, social and governance report and recommending it to the Board for approval, and recommending specific actions or decisions for the Board to consider in order to maintain the integrity of the environmental, social and governance report.
- (k) to ensure that the Company includes an environmental, social and governance report prepared by the Board in its summary financial reports (if any) and annual reports or published independently in accordance with the disclosure requirements under the Listing Rules, the Corporate Governance Code (as included under Appendix 14 to the Listing Rules) and the Environmental, Social and Governance Reporting Guide (as included under Appendix 27 to the Listing Rules).
- (l) to perform other functions assigned to the ESG Committee by the Board.

7. Authorities

- (a) The ESG Committee is authorised by the Board to review, assess and make recommendations on any issue in these terms of reference of the ESG Committee.
- (b) The ESG Committee is authorised by the Board to obtain independent legal or other independent professional advice and to secure the attendance of independent professionals with relevant experience and expertise in the meetings of the ESG Committee if it considers this necessary to perform its duties. The engagement of such professionals shall be at the reasonable expense of the Company.
- (c) The ESG Committee should make available its terms of reference explaining its role and the authority delegated to it by the Board on the Stock Exchange's website and the Company's website. The terms of reference of the ESG Committee shall be provided upon request and the role and function of the ESG Committee shall be explained in the corporate governance report in the annual report of the Company.
- (d) The ESG Committee shall be provided with sufficient resources to perform its duties.

8. Reporting Procedures

The ESG Committee shall report back to the Board on their decisions or recommendations not less than once a year.