

**Sang Hing Holdings (International) Limited**  
生興控股(國際)有限公司  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 1472)**

**Terms of Reference – Sustainable Development Committee**

**1. Constitution**

The board of directors (the “**Board**”) of Sang Hing Holdings (International) Limited (生興控股(國際)有限公司) (the “**Company**”) has established a sustainable development committee (the “**Committee**”) and has adopted the following terms as the terms of reference for the Committee.

**2. Membership**

- 2.1 Members of the Committee shall be appointed by the Board from amongst the directors of the Company (the “**Directors**” and each a “**Director**”) and shall comprise not less than three members.
- 2.2 The term of each Committee member shall be the same as his/her term as a Director. Subject to the constitutions of the Company and the applicable laws and regulations, any member of the Committee may be re-appointed by the Board and continue to act as a member of the Committee upon the expiry of his/her term of appointment relating thereof.
- 2.3 A member of the Committee who ceases to be a member of the Board shall immediately and automatically cease to be a member of the Committee.
- 2.4 The chairman of the Committee (the “**Committee Chairman**”) shall be appointed by the Board from time to time. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

**3. Committee Secretary**

The company secretary of the Company shall act as the secretary of the Committee (the “**Committee Secretary**”). The Committee may, from time to time, appoint any other person with the appropriate qualification and experience as the Committee Secretary. The Committee Secretary or in his/her absence, his/her representative or any one member of the Committee, shall be the secretary of the meeting.

#### **4. Frequency of Meetings**

- 4.1 Meetings shall be held as and when appropriate, but at least once a year.
- 4.2 The Committee Chairman shall convene a meeting upon request by any member of the Committee.

#### **5. Conduct of Meetings**

- 5.1 Unless specified by these terms of reference, meetings and proceedings of the Committee shall be governed by the Company's articles of association regulating the meetings and proceedings of the Directors.
- 5.2 Unless otherwise waived by all members of the Committee, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee no later than seven working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.
- 5.3 The quorum of the meeting of the Committee shall be any two members of the Committee. Meetings could be held in person, by telephone or by video conference. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
- 5.4 Resolutions of the Committee at any meetings shall be passed by a majority of votes of the members of the Committee present. Subject to compliance with the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the applicable laws and regulations, a resolution in writing signed by all the members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.
- 5.5 The Committee may invite any member of the senior management of the Company, any Director, external advisers or any other persons to attend all or part of any meetings as the Committee considers appropriate, notwithstanding that the aforementioned persons shall not have a right to vote at such meetings.

## **6. Annual General Meeting**

The Committee Chairman, or in his/her absence, another member of the Committee, or failing which his/her duly appointed alternate shall attend the annual general meetings of the Company and be available and prepared to answer any shareholders' questions thereat on the Committee's activities and its responsibilities.

## **7. Authority**

- 7.1 The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee of the Company and all employees are directed to co-operate with any request made by the Committee.
- 7.2 The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise at meetings of the Committee if it considers necessary.
- 7.3 Management of the Company is obliged to supply the 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 member of the Committee requires more information than is the information provided voluntarily by the management of the Company, the relevant member of the Committee should make additional necessary enquiries. Each member of the Committee shall have separate and independent access to the management of the Company.
- 7.4 The Company shall provide the Committee with sufficient resources to perform its duties. Where necessary, the Committee should seek independent professional advice, at the Company's expense, to perform its responsibilities.

## **8. Duties**

- 8.1 The duties of the Committee shall include, without limitation, the following:
  - 8.1.1 consider and submit proposals for the Company's long term development planning and sustainable development policies;

- 8.1.2 identify material environmental, social and governance matters through review and assessment of internal operations of the Company and determine the importance of such matters to the business of the Company and its subsidiaries and the Company's stakeholders;
- 8.1.3 consider and submit proposals for the Company's sustainable development strategies including but not limited to policies in relation to health and safety, community relations, environment, human rights and anti-corruption;
- 8.1.4 guide, evaluate, supervise and continuously optimize the culture, management framework, affairs, risk management, capacity building and other matters in the fields of environment, social responsibility and sustainable development of the Company;
- 8.1.5 deliberate and review the policies, management framework and daily operations in the fields of the environment, social responsibility and sustainable development of the Company annually to ensure the Company's compliance with laws and regulations, and submit opinions and proposals to the Board on the relevant matters;
- 8.1.6 advise on the corrective and preventive measures for material internal control incidents (i.e. accidents, cases, complaints);
- 8.1.7 review the Company's annual Environmental, Social and Governance Report, before the deliberation and approval by the Board and the publication of such report annually;
- 8.1.8 review, supervise and respond to emerging issues in the areas of environment, social responsibility and sustainable development and, where appropriate, submit proposals to the Board for the Company to make continuous progresses in such areas; and
- 8.1.9 supervise the relevant Company's risk management, external engagement related to sustainable development matters and their fulfillment, all matters related to corporate governance and the formulation of relevant policies, and to supervise the implementation of such policies by the management of the Company, including deliberating the reports on policy implementation submitted by the management.

## **9. Reporting Procedures**

- 9.1 Full minutes of the Committee's meetings should be recorded and kept by the Committee Secretary and shall be available for inspection at any reasonable time on prior reasonable notice by any Director.
- 9.2 Draft and final versions of minutes should be sent to all members of the Committee for their comments and records respectively, within a reasonable time after such meetings.
- 9.3 The Committee shall report back to the Board and keep the Board fully informed of its decisions and recommendations on a regular basis, unless prohibited by applicable laws and regulations.

## **10. Availability of terms**

The Committee shall make available these terms of reference on request and by including them on The Stock Exchange of Hong Kong Limited's website and the Company's website.