

**Board of Directors of Far East Horizon Limited**  
**Working Rules of Environmental, Social and Governance Committee**

**CHAPTER 1 GENERAL PROVISIONS**

**Article 1** In order to comply with the code and guidelines of corporate governance practice stipulated in the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ( the "Stock Exchange") (the "Listing Rules") (香港聯合交易所有限公司證券上市規則), further improve the governance structure of Far East Hongxin Limited ( the "Company"), and strengthen the decision-making function of the Board of Directors (the "Board") of the Company, the Company established the Environment, Society and Governance ("ESG") Committee ( the "Committee") under the Board in accordance with the Articles of Association of the Company subject to resolution of the Board.

**Article 2** The Committee shall report to the Board and be accountable to the Board. The Committee shall be subject to authorisation by the Board. Primary duties of the Committee are to analyse ESG policies and practices of the Company and present suggestions in that regard.

**CHAPTER 2 COMPOSITION OF COMMITTEE AND APPOINTMENT AND DISMISSAL OF COMMITTEE MEMBERS**

**Article 3** The majority members of the Committee shall be appointed by the Board amongst the independent non-executive directors of the Company, and the Committee shall comprise no less than three members.

**Article 4** The Committee shall have a chairman, who shall be an independent non-executive director. The chairman shall be appointed by the Board of the Company and shall preside over the work of the Committee.

**Article 5** The term of office of members of the Committee shall be the same as that of directors. Any member of the Committee may be re-elected after his/her term of office expires. If any member of the Committee ceases to serve as a director of the Company during his/her term of office, he/she shall automatically become disqualified for the membership, and the Board shall fill the vacancy in the Committee in accordance with the provisions under Article 3 to Article 4 above.

Any member of the Committee who fails to attend two consecutive committee meeting in person without appointing other members of the Committee to act on his behalf or notifying his/her absence in writing prior to the meeting, shall be deemed failure to perform duties of the member of the Committee. The Board may change the composition of the Committee in accordance with the Rules. Upon the proposal of the Committee and the resolution of the Board, the members of the Committee may be adjusted during their term of office.

**Article 6** The Committee may establish a task force responsible for analysing, drafting and recommending the Company's ESG policies and practices, preparing annual ESG reports, following up ESG performance, identifying ESG risks, and fully implementing the Company's ESG activities.

**CHAPTER 3 SCOPE OF DUTIES**

**Article 7** The main duties of the Committee are as follows:

- (I) to guide, review and formulate the Company's ESG management policies, strategies, principles and vision to ensure that they keep pace with the times, meet the needs, and comply with applicable laws and regulatory requirements;
- (II) to supervise the formulation and implementation of the Company's ESG objectives, including: establishing the Company's ESG management performance objectives; reviewing the progress of realisation of the objectives and providing suggestions on the actions needed to achieve the objectives;

(III) to monitor the external environment, and social and governance trends so as to report the significant trends affecting ESG policies, strategies and objectives of the Company to the Board;

(IV) to guide and review the identification and prioritisation of important ESG issues of the Group;

(V) to review the Annual Environmental, Social and Governance Report and other ESG-related disclosures, and to make recommendations to the Board for approval;

(VI) to identify ESG risks and opportunities related to the Company, assess the effect of such risks or opportunities on the Group, and provide suggestions to the Board regarding the response to risks or opportunities; and

(VII) to perform other duties assigned by the Board.

**Article 8** The Committee shall publish its terms of reference on the websites of the Stock Exchange and the Company, explaining its role and the powers delegated to it by the Board.

#### **CHAPTER 4 WORKING PROCEDURES**

**Article 9** The secretary to the Committee shall assemble the minutes of meetings of the Committee into a report, solicit the opinions of the Committee members on the contents of such report, then circulate the report to all members of the Board, and present such report on the immediately following meeting of the Board so that the report is adopted.

**Article 10** The Investor Relations Department of the Company shall prepare for and provide relevant materials required by the Committee meeting, and prepare for matters related to the meeting.

#### **CHAPTER 5 RULES OF PROCEDURE**

**Article 11** The Committee shall meet at least once a year. Interim meetings may be called if members of the Committee consider necessary. The meeting shall be convened and chaired by the chairman of the Committee. Where the chairman of the Committee is unable to convene or preside over the meeting, he/she may entrust any other member of the Committee to convene or preside over the meeting on his/her behalf.

**Article 12** The Investor Relations Department of the Company shall notify all members in writing 7 working days before the convening of the Committee meeting. The meeting of the Committee shall be attended by more than half of the members. Each member has one vote; and any resolutions made at the meeting of the Committee must be passed by more than half of all the members.

**Article 13** When the Committee holds a meeting, the Committee may, based on the topics of the meeting, invite the directors, chief financial officer and other senior management of the Company as well as personnel from relevant departments of the Company to attend the meeting as nonvoting participants. Senior management refers to the same category of persons mentioned in the annual report of the Company.

**Article 14** The Committee may appoint the company secretary or other person to act as secretary to the Committee to coordinate the specific affairs of the Committee.

**Article 15** The Company shall provide the Committee with sufficient resources to enable the Committee to perform its duties. The Committee, if necessary, may seek independent professional advice in performing its duties and the expenses arising therefrom shall be borne by the Company upon approval by the Board.

**Article 16** In general, the committee meeting shall be convened in the form of physical meeting. In the event of contingencies, it may be convened by means of communication with the consent of the

chairman of the Committee, provided that members of the Committee are able to fully express their opinions. For meetings held by means of communication, members of the Committee should submit their written opinions regarding the matters discussed to the Board within the period required by the notice of meeting.

**Article 17** Expenses of the Committee refer to the expenses incurred in course of performance of duty of the Committee, which are mainly used for research, printing, meetings, training, and inviting or hiring intermediaries to provide relevant professional opinions, etc., and shall be borne by the Company and incorporated into the expenses budget of the Board.

**Article 18** Members attending and persons who sit in on the meeting shall keep all matters discussed at the meeting in confidence. Unauthorised disclosure of the relevant information shall be prohibited. The above persons shall strictly comply with the relevant requirements of the Company.

## **CHAPTER 6 SUPPLEMENTARY PROVISIONS**

**Article 20** These Rules shall come into force and be implemented as of the date on which the resolution of the Board is passed.

**Article 21** In case of any matters not covered herein or conflicts with the laws, regulations or Articles of Association promulgated or revised after the Rules come into effect, the laws, regulations, and Articles of Association shall prevail. These Rules shall be amended forthwith and proposed to the Board for consideration and approval.

**Article 22** The interpretation of the rules of procedure shall be vested in the Board.

**Board of Directors  
Far East Hongxin Limited**

August 2021