

CHINA NEW TOWN DEVELOPMENT COMPANY LIMITED

(the “**Company**”)

(Incorporated as a business company limited by shares under the laws of the British Virgin Islands)

(Stock Code: 1278)

Terms of Reference of ESG Committee

1. INTRODUCTION

- 1.1 The Company is committed to balancing the economic interests of its various stakeholders with the needs related to environmental, social and governance (“**ESG**”) aspects, striving to achieve optimal coordination. For this purpose, the Company has established an environmental, social and governance committee (the “**ESG Committee**”) to define the management system for ESG aspects in support of the Company’s long-term development.
- 1.2 Set out below are the terms of reference of the ESG Committee, including its authorities and duties as well as the procedure regulating the conduct of its meetings.
- 1.3 In the event of any conflict between the provisions of the terms of reference contained herein and the code provisions of the Environmental, Social and Governance Reporting Code (the “**ESG Code**”) set out in Appendix C2 to the Listing Rules, the code provisions shall prevail and the terms of reference of the ESG Committee set out hereunder shall be deemed amended to such extent as may be necessary to remove such conflict.

2. CONSTITUTION AND AUTHORITY

- 2.1 The ESG Committee is constituted by resolutions of the Board pursuant to the Company’s articles and association (“**Articles and Association**”).
- 2.2 The ESG Committee is authorised by the Board to review, assess and evaluate all ESG matters within the terms of reference and to provide targeted opinions and recommendations.
- 2.3 The ESG Committee is authorised by the Board to investigate any matter within its terms of reference, full access and co-operation by the management and full discretion to invite any director or executive officer to attend its meetings and reasonable resources to enable it to discharge its functions properly. Relevant personnel and departments shall provide all information requested by the ESG Committee in a timely manner and shall not refuse to provide, conceal, divert information, or submit fraudulent information.

- 2.4 The ESG Committee is authorised by the Board at the expense of the Company to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this is necessary and it shall be given reasonable resources to enable it to discharge its functions properly.
- 2.5 An ESG working group (the “**Working Group**”) shall be established under the ESG Committee as the executive body, responsible for the comprehensive implementation of the Group’s environmental, social and governance initiatives under the guidance of the ESG Committee.
- 2.6 The ESG Committee may, in accordance with the Company’s actual operational needs and best interests, delegate part of its authority to the subordinate Working Group. The specific scope of such delegation shall be determined by discussions among the members of the ESG Committee.

3. MEMBERSHIP

- 3.1 The ESG Committee shall be composed of 3 members, all of whom shall be appointed by the Board, and at least two-thirds of the members are independent non-executive directors.
- 3.2 The ESG Committee shall have one Chairman, who shall be appointed by the Board. The Chairman is responsible for presiding over the ESG Committee’s work, ensuring its effective operation and the fulfillment of its duties.
- 3.3 The ESG Committee shall have one ESG Committee secretary to assist in communications among the ESG Committee, the Board and relevant departments and be responsible for meeting preparation and organisation.
- 3.4 The appointment of members of the ESG Committee must be resolved by the Board and no additional members shall be appointed nor any incumbent members removed without due authorisation.

4. DUTIES

- 4.1 The primary duties of the ESG Committee shall be:
- (a) to assist the board of directors the Company (the “**Board**”) in maintaining the effectiveness of the ESG management (including the management of climate-related matters) and review and confirm applicable ESG standards or principles, priorities and objectives.
 - (b) to oversee the implementation of the Company’s ESG and climate-related goals, strategies and policies and supervise the identification of climate-related risks and opportunities, as well as the development and execution of corresponding response strategies.

- (c) to monitor the achievement of the Company's key ESG performance indicators and targets set, regularly evaluate the Company's relevant performance and the effectiveness of action plans and propose recommendations to the Board on actions required to enhance such performance.
- (d) to review major ESG trends and ESG-related risks and opportunities (including climate-related risks and opportunities) that may have a material impact on the Company's operations, such as legislation, regulation, litigation and public opinion; and to examine, assess and review the reasonableness, timeliness and effectiveness of the Company's existing ESG-related management structure and approaches.
- (e) to focus on the current state of the industry sector, pay attention to peer analysis of ESG-related risks and opportunities and through industry comparisons, examine, review and improve ESG work arrangements to explore industry opportunities.
- (f) to monitor and evaluate the impact of the Company's ESG performance on stakeholders and propose corrective action plans when necessary.
- (g) to review the Company's public communications, disclosures and publications (including the ESG report in the annual report) to ensure the completeness, truthfulness and accuracy of ESG and climate-related disclosures.
- (h) to assist the Board in formulating, monitoring and reviewing the Company's overall ESG-related governance framework, management policies and strategies.
- (i) The ESG Committee shall conduct regular evaluations of the performance of its members. The evaluation shall cover matters related to the fulfillment of duties by ESG Committee members, including but not limited to whether they possess appropriate skills and competence to oversee the response to climate-related risks and opportunities.
- (j) to perform other ESG-related duties as assigned by the Board.

4.2 Duties of the ESG Working Group

- (a) to coordinate the ESG and climate-related work across all departments, liaise with personnel from the human resources department, legal and compliance department, general administration department and other key functional departments and promote effective inter-departmental collaboration.
- (b) to implement the Company's ESG standards, priorities and objectives; formulate and execute specific ESG-related work plans; and regularly report the progress to the ESG Committee.

- (c) to develop, review and update the Company's ESG and climate-related risk policies and report on them regularly to the ESG Committee.
- (d) to identify, assess and review the Company's materiality issues, stay informed of the ESG and climate-related risks and opportunities faced by the business operations and adjust the focus of ESG work in a timely manner.
- (e) to organise and conduct activities such as ESG-related knowledge training, corporate culture building, emergency fire drills.
- (f) to collect the data and information required for the Company's ESG report and ensure the truthfulness, accuracy and validity of the data sources.
- (g) to assist independent ESG consultants or third-party consulting firms in preparing the Company's annual ESG report, submit the same to the ESG Committee for review and, upon deliberation and approval by the Board, proceed with its disclosure.

5. MEETINGS

- 5.1 Unless varied by these terms of reference, meetings and proceedings of the ESG Committee shall be governed by the provisions in the Articles of Association regulating the meetings of the Board and the ESG Committee formed by it.
- 5.2 Meetings of the ESG Committee shall be held at least once a year. Additional meetings should be held as the demands of the ESG Committee's work.
- 5.3 The notice and agenda of meetings of the ESG Committee shall be circulated to each member of the ESG Committee at least one (1) week before the scheduled meetings.
- 5.4 The quorum for meetings of the ESG Committee shall be two (2) independent non-executive directors present in person and voting.
- 5.5 The meetings may be conducted by physical attendance or by teleconference, video conference or other methods of simultaneous communications and the minutes of such a meeting signed by the Chairman shall be conclusive evidence of the proceedings of any meeting conducted as aforesaid.
- 5.6 The ESG Committee secretary shall be the company secretary or a person designated by the ESG Committee. The secretary shall maintain full and detailed minutes of matters considered and decisions reached by the ESG Committee members, including any concerns raised and dissenting views expressed by the ESG Committee members.

- 5.7 A resolution shall be considered passed if there is a majority of votes passed in favour of the resolution during a meeting of the ESG Committee. In the event of an equality of votes, the Chairman of the ESG Committee shall have a casting vote.
- 5.8 Any such resolution may consist of several documents in original or facsimile in the like forms, each signed by one (1) or more members.

6. REPORTING PROCEDURES

- 6.1 The ESG Committee should report to the Board on a regular basis on its decisions or recommendations on the resolutions and voting results passed at the meeting of the ESG Committee.
- 6.2 Full minutes of the meetings of the ESG Committee shall be kept by the secretary of the ESG Committee, the draft and final versions of minutes of meetings and all written resolutions of the ESG Committee shall be prepared and sent to all members of the ESG Committee for their comment and records respectively, in both cases within a reasonable time after the meeting.
- 6.3 At the next meeting of the Board following a meeting of the ESG Committee, the Chairman of the ESG Committee shall report to the Board on the findings and recommendations of the meeting of the ESG Committee.

(Adopted by the Board resolution of the Company passed on 12 December 2025)