

DAOHE GLOBAL GROUP LIMITED

(Incorporated in Bermuda with limited liability)

TERMS OF REFERENCE OF THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

The following terms of reference of the environmental, social and governance (“**ESG**”) committee (“**Committee**”) were adopted by the board of directors (“**Board**”) of Daohe Global Group Limited (“**Company**”) (the Company and its subsidiaries are hereinafter collectively referred to as the “**Group**”) on 18 December 2020 and revised on 30 August 2022 and 27 March 2024.

In these terms of reference, ESG refers to the aspects as stipulated in the Appendix C2 Environmental, Social and Governance Reporting Guide (“**Reporting Guide**”) to the Rules Governing the Listing of Securities (“**Listing Rules**”) on the Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) (amended from time to time).

Constitution

1. The Committee was established by a resolution passed at the Board meeting on 18 December 2020.

Goal

2. The goal of the Committee is to:
 - (a) Advise and assist the Board in managing matters relating to ESG of the Group;
 - (b) Assist the Group to formulate ESG policy and implement ESG management;
 - (c) Enable the Group to operate with a sound and proper ESG management system for the long-term benefits for both the Group and community; and
 - (d) Enable the Group to implement an effective management of ESG-related risks.

DAOHE GLOBAL GROUP LIMITED

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Membership

3. Members of the Committee shall be appointed and dismissed by the Board and shall consist of a minimum of three members, at least two of them should be member of the Board. Members of the committee should possess operational management expertise.
4. The Chairman of the Committee (“**Chairman**”) shall be appointed by the Board or elected among the Committee members and shall be an executive director or an independent non-executive director of the Company whereas with the rest of the members shall comprise department heads of operation, finance and human resources.

Attendance at meetings

5. A quorum for a meeting shall be two members.
6. The Committee may, if necessary, engage external ESG consultant and invite them and/or other advisors to attend the meetings of the Committee, including but not limited to external professional advisors or consultants to advise its members.
7. The company secretary shall be the secretary of the Committee. In the absence of the secretary of the Committee, the members present at the meeting of the Committee shall elect another person as the secretary.

Frequency of meetings

8. Meetings shall be held at least once a year.
9. A meeting of the Committee may be convened by any of its members, or by the secretary of the Committee at the request of any of its members.

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Notice of meetings

10. Unless otherwise agreed by all the members of the Committee, notice of at least three days shall be given of a meeting of the Committee, and such notice shall be sent to each member of the Committee, and to any other person invited to attend. Irrespective of the length of notice being given, attendance of a Committee member at a meeting constitutes a waiver of such notice unless the Committee member attending the meeting attends for the expressed purpose of objecting, at the beginning of the meeting, to the transaction of any business on the grounds that the meeting has not been properly convened.

Authority

11. The Committee is authorised by the Board to deal with any ESG matters of the Board within its terms of reference. It is authorised to seek any information it requires from management and management is directed to co-operate with any request by the Committee.
12. The Committee should be provided with sufficient resources to perform its duties and is authorised by the Board to obtain independent professional advice, at the Company's expense, to perform its responsibilities if it considers this necessary.

Duties

13. The duties of the Committee shall include:
 - (a) to oversee the process used to identify, evaluate and manage material ESG-related issues which are relevant and material to the Group;
 - (b) to formulate and establish overall ESG policy, strategy and ESG-related goals and targets and management system in guiding the implementation of the ESG initiatives;
 - (c) to review, monitor and assess the Group's policies, practices and performance in relation to key ESG matters defined by the Reporting Guide and reporting impact against ESG-related goals and targets to ensure that they are appropriate with respect to the Group's operation;

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- (d) to ensure effective risk management and internal control systems are in place for managing ESG risks;
- (e) to ensure the disclosure relating to ESG issues is in compliance with the Reporting Guide and Listing Rules;
- (f) to oversee stakeholder engagement and materiality assessment to ensure effective communication and relationship are in place with stakeholders; and
- (g) to report to the Board on matters in applicable code provision(s) of the Reporting Guide and any irregularities which comes to its attention, and make recommendations to the Board it deems appropriate on any area within its remit where actions or improvement is needed.

Minutes of meetings

14. The secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly. The relevant member of the Committee shall not be counted towards the quorum and he must abstain from voting on any resolution of the Committee in which he or any of his associates has a material interest, unless the exceptions set out in bye-law 100 of the Company's bye-laws apply.
15. Minutes of meetings shall record in sufficient detail the matters considered by the Committee and decision reached, including any concerns raised by members of the Committee or dissenting view expressed.
16. Draft and final versions of minutes of the meetings shall be sent to all Committee members for their comment and records within a reasonable time after the meeting.
17. The secretary shall keep the minutes of meetings and reports of the Committee for the Company.

DAOHE GLOBAL GROUP LIMITED

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Reporting procedures

18. The Committee shall report back to the Board on their decisions or recommendations whenever appropriate.
19. The Committee shall report to the Board on irregularities which come to its attention including significant weaknesses in ESG reporting and management; non-compliance with ESG policies and procedures of the Group; or infringements of applicable laws, rules and regulations.
20. The secretary shall make available the minutes of meetings and reports of the Committee to all members of the Board for inspection upon request.

Other regulations governing the meetings and proceedings of the Committee

21. Unless otherwise specified above, the provisions contained in the Company's memorandum and bye-laws for regulations and proceedings of directors shall apply to the meetings and proceedings of the Committee (including, among other things, the provision relating to passing of a resolution in writing).

Review

22. The Board shall periodically review the adequacy of these terms of reference and make appropriate amendments, as and when necessary in light of changes in circumstances and changes in regulatory requirements/recommendations of the Reporting Guide and Listing Rules.
23. Any amendment to these terms of reference shall be by way of resolution of the Board of the Company and shall be in full compliance with the Listing Rules and any other regulatory requirements.

Relevant requirements:

Rule 13.91 of the Listing Rules

Appendix C2 to the Listing Rules