DAHON TECH (SHENZHEN) CO., LTD.

Terms of Reference for Remuneration and Appraisal Committee of the Board of Directors

Chapter 1 General Provisions

Clause 1 In order to further establish and improve the selection and employment of directors and senior management of the DAHON TECH (SHENZHEN) CO., LTD. (the "**Company**"), optimise the composition of the board of directors of the Company (the "**Board**"), establish and improve the performance appraisal and evaluation system of senior management, formulate a scientific and effective performance appraisal and remuneration management system, and further improve the corporate governance structure, the Company has established the remuneration and appraisal committee of the board of directors (hereinafter referred to as the "**Remuneration and Appraisal Committee**" or the "**Committee**") and formulated these terms of reference in accordance with the Company Law of the People's Republic of China, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "**Hong Kong Listing Rules**") and other laws, administrative regulations, departmental rules, relevant provisions of the Articles of Association of Dahon Tech (Shenzhen) Co., Ltd (hereinafter referred to as the "**Articles of Association**").

Clause 2 The Remuneration and Appraisal Committee is a dedicated working body established by the Board for formulation and evaluation of appraisal criteria of the Company's directors and other senior management, as well as formulation and review of remuneration plan of the Company's directors and senior management. It is accountable to the Board.

Clause 3 A "director" referred to in these terms of reference means any director who receives remuneration from the Company, while "senior management" refers to a general manager, deputy general manager and financial officer appointed by the Board.

Chapter 2 Composition

Clause 4 The Remuneration and Appraisal Committee shall consist of four directors, the majority of whom shall be independent non-executive directors.

Clause 5 The members of the Remuneration and Appraisal Committee shall be nominated by either the chairman of the Board, more than 1/2 of the independent non-executive directors, or more than 1/3 of all directors, and shall be elected by the Board.

Clause 6 The Remuneration and Appraisal Committee shall have a convenor. Such role shall be held by an independent non-executive director, who shall be responsible for presiding over the transaction of the committee. The convenor shall be elected among the Committee members and reported to the Board for the record.

Clause 7 The term of office of the Remuneration and Appraisal Committee shall be the same as the Board, and the members may be re-elected upon the expiration of their term. During the period, if any member ceases to be a director of the Company, his qualification as a Committee member will be revoked automatically. The Board shall add new members in accordance with the Articles of Association and these terms of reference.

Clause 8 The Remuneration and Appraisal Committee has a working group that is responsible for providing information on the Company's operations and the relevant information of the personnel under appraisal, is responsible for preparation of the Remuneration and Appraisal Committee meetings and for implementing the relevant resolutions of the Remuneration and Appraisal Committee.

Chapter 3 Duties and Authority

Clause 9 The main duties and authority of the Remuneration and Appraisal Committee include:

(1) To formulate remuneration plans or proposals based on the key scope, responsibilities, and importance of the positions of directors and senior management, as well as the remuneration levels of other relevant companies and relevant positions, and make recommendations to the Board on establishing a formal and transparent process for formulating remuneration plans or proposals;

(2) To review and approve management's remuneration proposals in accordance with the Company's policies and objectives set out by the Board;

(3) To recommend to the Board specific remuneration packages for individual executive directors and senior management, including non-pecuniary benefits, pension entitlements and compensation (including compensation for loss or termination of office or appointment). Factors to be considered include the requirements of relevant laws and regulations, the remuneration paid by similar companies, the time dedicated by and the duties of directors and senior management, the employment terms of other positions in the Company and whether remuneration should be based on performance, etc.

(4) To make recommendations to the Board on the remuneration of non-executive directors;

(5) To consider the remuneration paid by similar companies, the time and responsibilities required, and the employment terms of other positions within the Group;

(6) To review and approve the payment of compensation to executive directors and senior management in connection with the loss or termination of office or appointment to ensure that such compensation is determined in accordance with the relevant contractual terms. If it cannot be determined in accordance with the relevant contractual terms, the compensation must still be fair and reasonable and will not impose an undue burden on the Company;

(7) To review and approve compensation arrangements for dismissal or removal of directors due to misconduct to ensure such arrangements are determined in accordance with the relevant contractual terms. If it cannot be determined in accordance with the terms of the contract, the compensation must still be reasonable and appropriate;

(8) To ensure that any director or his associates (as defined in Rules 14A.12 and 14A.15 of the Hong Kong Listing Rules) are not involved in determining their own remuneration;

(9) To review the performance of the Company's directors and other senior management personnel and conduct annual performance evaluations;

(10) Responsible for supervising the implementation of the Company's remuneration system;

(11) To review and/or approve any matters relating to share scheme(s) of the Company in accordance with Chapter 17 of the Hong Kong Listing Rules (as amended and supplemented from time to time);

(12) Other relevant requirements for the responsibility and authority of the committee in the Articles of Association, other matters authorised by the Board and relevant laws and regulations, the Hong Kong Listing Rules, and other relevant requirements for the committee's duties and authority under the listing rules of the stock exchange where the Company's shares are listed.

Clause 10 The Board has the right to veto any remuneration plan that will jeopardise the interests of shareholders.

Clause 11 The remuneration plan of the Company's directors proposed by the Remuneration and Appraisal Committee shall be submitted to the board for approval, and shall then submitted to the general meeting of shareholders for review and approval before implementation. The salary distribution plan of other senior management personnel of the Company must be approved by the Board before implementation. Where the Remuneration and Appraisal Committee makes recommendations to the Board on remuneration packages for individual executive directors and senior management, in the event that the Committee is in disagreement with the remuneration or compensation arrangements as approved by Board resolution, the Board shall disclose the rationale for such resolution in the subsequent *Corporate Governance Report*.

Clause 12 The Remuneration and Appraisal Committee shall publish its terms of reference on the website of the Stock Exchange of Hong Kong Limited and the website of the Company, explaining its role and the terms of reference delegated to it by the Board. (Pursuant to Hong Kong Listing Rules B.1.3).

Clause 13 The Board of the Company shall disclose in annual report the directors' remuneration policy, work undertaken by the Remuneration and Appraisal Committee during the preceding year (including convening of meetings and resolution-related matters), as well as details of any remuneration payable to members of senior management by band and other remuneration related matters.

Chapter 4 Decision-making Procedures

Clause 14 The task force under the Remuneration and Appraisal Committee shall be responsible for the preliminary preparations for the decision-making of the Remuneration and Appraisal Committee and shall provide relevant information of the Company as to:

(1) The stage of achievement of major financial benchmarks and business objectives of the Company;

(2) The scope of work and main responsibilities of the Company's senior management;

(3) The stage of achievement of benchmarks involved in the performance appraisal system for directors and senior management;

(4) The business innovation ability and business performance of directors and senior management personnel;

(5) Relevant calculation basis for formulating the Company's salary distribution plan and distribution method according to the Company's performance.

Clause 15 The evaluation procedures of the Remuneration and Appraisal Committee for directors and senior management include:

(1) Work report and self-assessment by the Company's directors and senior management to the Remuneration and Appraisal Committee;

(2) The Remuneration and Appraisal Committee shall evaluate the performance of directors and senior management in accordance with performance evaluation standards and procedures;

(3) Propose the amount of remuneration and form of reward for directors and senior management according to the results of performance evaluation and salary distribution policy, and report the same to the Board of the Company upon its approval by voting.

Chapter 5 Rules of Procedure

Clause 16 In principle, a 3-day notice in advance shall be served to all members for any meeting of the Remuneration and Appraisal Committee, except in special circumstances. The meeting shall be presided over by the convenor, and if the convenor is unavailable, he may delegate the same to another member (who shall be an independent non-executive director).

Clause 17 The meeting of the Remuneration and Appraisal Committee shall be attended by more than two-thirds of the members. Each member shall have one vote. The resolution made at the meeting must be passed by a majority of all members.

Clause 18 Voting in a meeting of the Remuneration and Appraisal Committee shall be by a show of hands or by poll; extraordinary meetings may be held by voting via communication.

Clause 19 The Remuneration and Appraisal Committee may invite the Company's directors, supervisors and other senior management personnel, as well as the Company's professional consultants and legal advisers to attend a meeting as observers.

Clause 20 If necessary, the Remuneration and Appraisal Committee may engage any intermediary institution to provide professional advice on its decision-making, all related costs shall be borne by the Company.

Clause 21 When discussing any issue related to certain member at the meeting of the Remuneration and Appraisal Committee, such member shall recuse himself.

Clause 22 When the Remuneration and Appraisal Committee convenes a meeting, it may require directors and other relevant senior management personnel to report on their duties or take up questions, and such personnel shall not refuse.

Clause 23 The procedures for convening the meeting, the voting method, and the remuneration policy and distribution plan adopted by the meeting must all comply with the provisions of relevant laws, regulations, the Articles of Association and these terms of reference.

Clause 24 For matters required to be decided or judged by the Remuneration and Appraisal Committee (no matter whether adopted or not at the meeting) shall be reported to the Board for review. Members with dissenting opinions will be able to present their statement at the meeting of the Board.

Clause 25 Minutes shall be taken in written form for meetings of the Remuneration and Appraisal Committee, which should record in sufficient detail the matters considered and decisions reached, including any concerns raised by directors or dissenting views expressed. Minutes shall be signed by the members present at the meetings. The minutes shall be kept by the secretary of the Board of the Company for a period of not less than ten years.

Clause 26 Resolutions passed by the Remuneration and Appraisal Committee and the voting results shall be reported in writing to the Board of the Company.

Clause 27 Members who are present at the meeting shall keep confidential the matters discussed at the meeting, and shall not disclose relevant information without authorisation; otherwise they shall bear all legal liabilities arising therefrom.

Chapter 6 Supplementary Provisions

Clause 28 These terms of reference shall take effect upon review and approval by the Board from the date of the Company's publicly issued overseas listed foreign shares (H shares) listing and trading on the Hong Kong Stock Exchange.

Clause 29 Any matters not covered in these terms of reference shall be implemented in accordance with relevant national laws, regulations, normative documents, the listing rules of the stock exchange where the Company's shares are listed and the provisions of the Articles of Association. In the event of any conflict between these terms of reference and the laws, regulations, normative documents, and listing rules of the stock exchange where the Company's shares are listed in the future, they shall be implemented in accordance with the relevant national laws, regulations, normative documents, and the listing rules of the stock exchange where the Company's shares are listed, and these terms of reference shall be immediately revised and reported to the Board for review and approval.

Clause 30 The right to interpret and revise these terms of reference belongs to the Board.

DAHON TECH (SHENZHEN) CO., LTD.
September 8, 2025