Dajin Heavy Industry Co., Ltd.

Terms of Reference of the Strategy and Sustainable Development Committee of the Board (2025 Revision)

Chapter 1 General Provisions

Article 1 In order to meet the needs of strategic development of Dajin Heavy Industry Co., Ltd. (the "Company"), enhance the Company's core competitiveness, determine the Company's development plans, improve the investment decision-making process, fully and actively respond to global climate initiatives and national sustainable development strategies, lead all organizational departments within the Group to promote the Company's sustainable development from top to bottom, identify compliance risks, explore opportunities for sustainable development, satisfy customer needs, enhance the Company's core competitiveness in sustainable development, strengthen scientific decision-making, improve the efficiency and quality of major investment decisions, and improve corporate governance structure, the Company established the Strategy and Sustainable Development Committee of the Board (the "Strategy Committee") and formulated these Terms of Reference in accordance with the Company Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies and the Articles of Association of Dajin Heavy Industry Co., Ltd. (the "Articles of Association") and other relevant provisions.

Article 2 The Strategy Committee is a specialized working body established by the Board of the Company with the approval of the general meeting and is mainly responsible for studying and making recommendations on the Company's long-term development strategy and major investment decisions, ESG practice and sustainable development strategy.

Chapter 2 Composition

Article 3 The Strategy Committee shall consist of three directors, including at least one independent director.

Article 4 The members of the Strategy Committee shall be nominated by the Chairman of the Board, over one-half of the independent directors or one-third of the directors, and shall be elected by the Board.

Article 5 The Strategy Committee shall have one chairman, who shall be the Chairman of the Board, responsible for convening Committee meetings and presiding over the work of the Committee. In the event that the chairman is unable or unwilling to perform duties, a Committee member nominated by more than half of the members shall convene and preside over the meetings.

Article 6 The term of office of the Strategy Committee shall be the same as that of the Board. Members of the Committee can be re-elected. If a member is no longer the Company's director during the term of office, he/she will automatically lose the qualification to be a member of the Committee, and the vacancy shall be filled up by the Committee in accordance with these Terms of Reference.

Article 7 The Sustainable Development Center is established as the daily operating institution under the Strategy Committee, which communicates and coordinates the implementation of sustainable development among all departments of the management.

Article 8 The Office of the Secretary to the Board of the Company is the daily operating institution of the Strategy Committee, responsible for daily work liaison, meeting organization and various preparations before the decision-making of the Strategy Committee.

Chapter 3 Duties and Powers

Article 9 The primary duties and powers of the Strategy Committee are as follow:

(1) Research and propose recommendations on the Company's long-term development strategy;

(2) Research and propose recommendations on major investment and financing plans requiring Board approval as stipulated in the Articles of Association;

(3) Examine and propose recommendations on major capital operations, asset management initiatives requiring Board approval as stipulated in the Articles of Association;

(4) Research and propose recommendations on other significant matters affecting the Company's development;

(5) Formulate the Company's long-term vision, mission and strategy for sustainable development, and ensure the advanced nature of corporate strategy, consistency between strategy and implementation through monitoring and evaluation, as well as compliance, transparency and responsibility in sustainable development;

(6) Monitor sustainability commitment and performance, and assess the risks associated with the sustainable development of the Company;

(7) Report the matters and progress of sustainable development to the Board of the Company on a regular basis;

(8) Monitor the implementation of the above matters;

(9) Perform other duties and responsibilities as authorized by the Board.

Article 10 The Strategy Committee shall be accountable to the Board, and its proposals shall be submitted to the Board for consideration and decision.

Article 11 The primary duties and powers of the Sustainable Development Center are as follow:

(1) Lead all organizational departments of the Company to fully and actively respond to the trend of sustainable development, to coordinate internal and external resources of the Group, to respond to global climate initiatives, to identify compliance risks, to explore opportunities for sustainable development, and to enhance the Company's core competitiveness of sustainable development;

(2) Continue to pay attention to the latest developments in the sustainable development of customers, partners and the industry, and formulate work plans to respond to the concerns of stakeholders on the sustainable development of the Company;

(3) Provide sustainability training to all departments of the Company, share and discuss the progress of issues related to sustainable development and their impact on business.

Chapter 4 Rules of Procedure

Article 12 The rules of procedures of the Strategy Committee are as follows:

(1) The Office of the Secretary to the Board is responsible for making preliminary preparation for meetings of the Strategy Committee, organizing and coordinating with relevant departments or intermediaries in preparing documents relating to the meetings, and ensuring truth, accuracy and completeness of such documents. The documents for meetings shall include but not be limited to:

1. Strategic development plans of the Company;

2. Detailed analysis of strategic development plans of the Company;

3. Submission by the heads of relevant departments or controlling subsidiaries (or participating associates) of the Company of project intentions, preliminary feasibility reports, and basic information of potential partners in respect of major investment and financing activities, capital operations, and asset management projects;

4. Other information.

(2) The Office of the Secretary to the Board shall perform the internal approval procedures for meeting documents in accordance with the Company's internal management system;

(3) The Office of the Secretary to the Board shall submit the meeting documents to the chairman of the Strategy Committee for approval, and convene a meeting of the Strategy Committee in a timely manner after approval;

(4) The suggestions or proposals proposed at the meetings of the Strategy Committee shall be submitted to the Board of the Company in writing. Where the approval of the Board or the general meeting is required, the Strategy Committee shall submit a proposal to the Board and carry out the approval procedures in accordance with the relevant laws, regulations and the Articles of Association.

Article 13 The Strategy Committee shall convene meetings from time to time as needed, and all members shall be notified two days prior to the meeting. If the situation is urgent and it is necessary to convene a meeting of the Strategy Committee as soon as possible, notice of the meeting may be given by telephone or other oral means at any time, but the convener shall give an explanation at the meeting.

Article 14 A meeting of the Strategy Committee shall be held only when at least two-thirds of the members are present. Each member shall have one vote. A resolution of the meeting shall be adopted only upon approval by a majority of all members.

Article 15 The voting method of the meeting of the Strategy Committee shall be voting by show of hands or by poll. Meetings may also be convened by means of voting by correspondence.

Article 16 Members of the Sustainable Development Center may attend Strategy Committee meetings and may invite directors and senior management of the Company to attend.

Article 17 Where necessary, the Strategy Committee may engage intermediary institutions to provide professional advice for its decision-making, with all expenses to be borne by the Company.

Article 18 The convening procedures, voting methods and resolutions passed at meetings of the Strategy Committee shall comply with relevant laws, regulations, the Articles of Association, and these measures.

Article 19 Records shall be kept for meetings of the Strategy Committee. Members of the Strategy Committee who attend the meeting shall sign the minutes. The minutes shall be maintained by the secretary to the Board of the Company for a period of ten years.

Article 20 Resolutions passed and voting results at meetings of the Strategy Committee shall be reported to the Board of the Company in writing.

Article 21 All members of the Strategy Committee and others present and attending the meeting shall have a duty of confidentiality with respect to the matters discussed at the meeting and shall not disclose any relevant information without authorization.

Chapter 5 Supplementary Provisions

Article 22 These Terms of Reference shall be implemented from the date of the approval by resolution of the Board of the Company.

Article 23 Matters not covered in these Terms of Reference shall be implemented in accordance with the relevant provisions of the relevant national laws, regulations, securities regulatory rules of the places where the Company's shares are listed, the Articles of Association and other normative documents. In the event of any conflict between these Terms of Reference and the national laws, regulations, securities regulatory rules of the places where the Company's shares are listed subsequently introduced, or the Articles of Association as amended through lawful procedures, such relevant provisions of the relevant national laws, regulations, securities regulatory rules of the places where the Company's shares are listed and the Articles of Association shall prevail, and these Terms of Reference shall be revised accordingly and submitted to the Board of the Company for consideration and approval.

Article 24 The right to interpret these Terms of Reference shall be vested in the Board of the Company.