
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Dajin Heavy Industry Co., Ltd.** (大金重工股份有限公司), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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Dajin Heavy Industry Co., Ltd.

大金重工股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1081)

(1) INTERIM PROFIT DISTRIBUTION PLAN FOR THE YEAR 2026
(2) PERMANENT REPLENISHMENT OF WORKING CAPITAL FROM
THE REMAINING PROCEEDS
(3) ADJUSTMENT IN THE QUOTA FOR CASH MANAGEMENT FOR 2026
(4) ADJUSTMENT IN THE QUOTA OF FOREIGN EXCHANGE HEDGING
BUSINESS FOR 2026
(5) THE FEASIBILITY ANALYSIS REPORT ON THE FOREIGN
EXCHANGE HEDGING BUSINESS
AND
NOTICE OF 2026 THIRD EXTRAORDINARY GENERAL MEETING

A notice convening the 2026 Third Extraordinary General Meeting (the “EGM”) of the Company to be held at No. 155, Xinqiu Street, Xinqiu District, Fuxin, Liaoning Province, PRC at 2:00 p.m. on Friday, September 11, 2026. The notice of the EGM is set out on pages EGM-1 to EGM-2 of this circular.

If you intend to appoint a proxy to attend the EGM, you are required to complete and submit the accompanying form of proxy in accordance with the instructions printed thereon to the Company's H Share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for H Shareholders only), not less than 24 hours before the time fixed for holding the EGM (i.e. before 2:00 p.m. on Thursday, September 10, 2026). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

Treasury shares, if any and registered in the name of the Company, shall not carry any voting rights at the general meetings of the Company. For the avoidance of doubt, solely from the perspectives of the Hong Kong Listing Rules, the Company shall, upon depositing any treasury shares in the CCASS, abstain from voting at any of its general meeting(s) in relation to those shares.

This circular together with the form of proxy are also published on the website of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<http://www.dajin.cn>). References to time and dates in this circular are to Hong Kong time and dates.

August 21, 2026

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“A Shares”	the ordinary shares issued by the Company with a nominal value of RMB1.00 each, which are listed on the Main Board of the Shenzhen Stock Exchange and traded in RMB
“Articles of Association”	the Articles of Association of the Company, as amended, supplemented or otherwise modified from time to time
“Board” or “Board of Directors”	the board of directors of our Company
“China” or “PRC”	The People’s Republic of China, excluding, for the purpose of this circular only, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan region
“Company”, or “our Company” or “the Company”	Dajin Heavy Industry Co., Ltd. (大金重工股份有限公司), a joint stock company incorporated in the PRC with limited liability, which was established as a limited liability company on September 22, 2003 and converted into a joint stock limited company on October 28, 2009, the A Shares of which are listed on the Main Board of the Shenzhen Stock Exchange (stock code: 002487), and the H Shares of which are listed on the Stock Exchange (stock code: 1081)
“CSRC”	China Securities Regulatory Commission
“Director(s)”	director(s) of our Company
“EGM” or “Extraordinary General Meeting”	the 2026 third extraordinary general meeting of the Company to be held at No. 155, Xinqiu Street, Xinqiu District, Fuxin, Liaoning Province, PRC at 2:00 p.m. on Friday, September 11, 2026
“Global Offering”	the Hong Kong Public Offering and the International Offering as described in the Prospectus
“H Share(s)”	overseas listed shares in the share capital of our Company with nominal value of RMB1.00 each, which are traded in HK dollars and are listed on the Hong Kong Stock Exchange
“H Shareholder(s)”	holder(s) of H Shares

DEFINITIONS

“Hong Kong dollars”, “HK dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Prospectus”	the prospectus of the Company dated May 28, 2026
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of shares
“Share(s)”	ordinary shares in the capital of our Company with a nominal value of RMB1.00 each, comprising A Share(s) and H Share(s)
“subsidiaries”	have the same meaning as “subsidiaries” as defined in the Hong Kong Listing Rules
“%”	percent

* *English translations of company names and other terms from the Chinese language are provided for identification purposes only. In this circular, should there be any discrepancy between the Chinese names of the entities or enterprises established in China and its English translation, the Chinese names shall prevail.*

LETTER FROM THE BOARD



Dajin Heavy Industry Co., Ltd.

大金重工股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1081)

Executive Directors:

Mr. JIN Xin (金鑫) (*Chairman*)

Mr. SUN Xiaole (孫曉樂)

Ms. LIU Aihua (劉愛花)

Mr. LI Xin (李新)

Mr. JIANG Haitao (姜海濤)

Independent Non-executive Directors:

Mr. CAI Meng (蔡萌)

Mr. QU Guangjie (曲光杰)

Ms. ZHANG Wei (張瑋)

Ms. LU Qiannan (陸倩南)

REGISTERED OFFICE IN THE PRC:

No. 155, Xinqiu Street

Xinqiu District,

Fuxin, Liaoning Province

PRC

HEADQUARTERS IN THE PRC:

No. 1102, East Tower

China Overseas Plaza,

Building 7, Yard 8,

Yongdingmen Outer Street

West Riverside Road

Dongcheng District, Beijing

PRC

PRINCIPAL PLACE OF BUSINESS IN

HONG KONG:

40/F, Dah Sing Financial Centre

248 Queen's Road East

Wanchai

Hong Kong

Hong Kong, August 21, 2026

To the Shareholders

Dear Sir or Madam:

- (1) INTERIM PROFIT DISTRIBUTION PLAN FOR THE YEAR 2026**
(2) PERMANENT REPLENISHMENT OF WORKING CAPITAL FROM
THE REMAINING PROCEEDS
(3) ADJUSTMENT IN THE QUOTA FOR CASH MANAGEMENT FOR 2026
(4) ADJUSTMENT IN THE QUOTA OF FOREIGN EXCHANGE HEDGING
BUSINESS FOR 2026
(5) THE FEASIBILITY ANALYSIS REPORT ON THE FOREIGN
EXCHANGE HEDGING BUSINESS
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NOTICE OF 2026 THIRD EXTRAORDINARY GENERAL MEETING

LETTER FROM THE BOARD

INTRODUCTION

The purpose of this circular is to provide you with notice of the EGM and the reasonably requisite information on certain resolutions proposed to be considered at the EGM to enable you to make informed decisions on whether to vote for or against the resolutions proposed at the EGM.

1. INTERIM PROFIT DISTRIBUTION PLAN FOR THE YEAR 2026

According to the Company's 2026 interim financial report (unaudited), the net profit of the Company for the first half of 2026 was RMB600,567,001.92, of which the net profit attributable to owners of the parent company was RMB600,567,001.92. After adding the undistributed profit brought forward from the beginning of the reporting period and deducting the annual cash dividends distributed for the year 2025, the consolidated undistributed profit as of the end of the reporting period was RMB4,273,288,764.03, and the undistributed profit of the parent company was RMB370,582,746.23.

In order to actively reward investors, share the business results of the Company's development with all Shareholders, and taking into account of factors such as the Company's actual production and business operations in 2026 and its future development plans, the interim profit distribution plan for the year 2026 is proposed as follows:

The Company proposes to distribute interim cash dividends for the year 2026 to all Shareholders (including holders of A Shares and H Shares) at RMB0.88 (tax inclusive) per 10 Shares, amounting to RMB65,127,554.71 (tax inclusive) in total based on the Company's total share capital of 740,085,849 Shares as of the date of this circular. The dividends are declared in RMB and will be paid in RMB to holders of A Shares and in HK dollars to holders of H Shares. If the total share capital of the Company changes before implementation of the distribution, the total amount of dividends will remain unchanged and the dividend per Share will be adjusted accordingly. The Company expects to pay such dividend no later than Wednesday, November 11, 2026. No bonus shares will be distributed and no capital reserve will be capitalized for the first half of 2026.

This resolution was considered and approved by the Board on August 21, 2026, and is hereby proposed as an ordinary resolution for consideration and approval at the EGM. Implementation of the interim profit distribution plan remains subject to Shareholders' approval at the EGM and is therefore subject to uncertainty. Shareholders and potential investors are advised to exercise caution when trading the Company's securities.

LETTER FROM THE BOARD

2. PERMANENT REPLENISHMENT OF WORKING CAPITAL FROM THE REMAINING PROCEEDS

On January 12, 2026, the Board considered and approved the proposal on the conclusion of the fund-raising investment projects at the 24th meeting of the fifth session of the Board. As the Tangshan Dajin Wind Power Ocean Engineering High-end Equipment Manufacturing Project (the “**Tangshan Dajin Project**”) has been completed and has reached its intended usable state, and its first export offshore engineering project commenced operations in December 2025, the Company proposes to conclude the Tangshan Dajin Project and to apply the remaining proceeds of approximately RMB379.19 million from the project (the final amount being the balance of the designated proceeds account on the date of transfer) to permanently replenish its working capital.

(i) Basic Information on the Proceeds

As approved by the CSRC, the Company issued 82,088,349 A Shares of RMB1.00 each to specific investors at an issue price of RMB37.35 per A Share (the “**Private Placement**”). The gross proceeds were RMB3,065,999,835.15 and the net proceeds, after deducting issue expenses (including underwriting fees and accountants’ fees) of RMB6,892,064.48 (excluding tax), were RMB3,059,107,770.67. The proceeds were received on December 9, 2022 and have been verified by BDO China Shu Lun Pan Certified Public Accountants LLP. The proceeds are held in designated accounts in accordance with the Company’s proceeds management policy.

(ii) Actual Use of the Proceeds

As of June 30, 2026, the actual use of the aforesaid proceeds from the Private Placement for investment in projects was as follows:

No.	Project names	Committed investment	Aggregate amount	Remaining proceeds	Project status	Amount outstanding
		amount of proceeds (RMB’0,000)	invested as of June 30, 2026 (RMB’0,000)			
1	The 250MW Liaoning Fuxin Zhangwu Xiliujiazi Onshore Wind Power Project	98,064.11	98,064.11	0	Concluded	0
2	The Dajin Heavy Industry Penglai Facility Production Line Upgrade and R&D Center Construction Project	18,948.84	18,948.84	0	Concluded	0

LETTER FROM THE BOARD

No.	Project names	Committed investment amount of proceeds (RMB'0,000)	Aggregate amount invested as of June 30, 2026 (RMB'0,000)	Remaining proceeds (RMB'0,000)	Project status	Amount outstanding (RMB'0,000)
3	The Dajin Heavy Industry (Yantai) Wind Power Co., Ltd. Blade Production Base Project	0	0	0	Terminated	0
4	The Dajin Heavy Industry Fuxin Facility Technical Upgrade Project	1,465.89	1,465.89	0	Terminated	0
5	Liquidity Replenishment	90,910.78	90,910.78	0	Concluded	0
6	The Tangshan Dajin Wind Power Ocean Engineering High-End Equipment Manufacturing Project	96,521.16	58,602.43	37,918.73	Concluded	30,926.01
	Total	305,910.78	267,992.05	37,918.73		30,926.01

Notes:

- (1) The remaining proceeds exclude bank interest and income from wealth management products. The proceeds of approximately RMB331.21 million had been applied to temporarily replenish working capital.
- (2) The amount outstanding is an estimate comprising certain outstanding payments for construction works, equipment procurement and other final payments. These amounts are subject to confirmation and payment based on project quality, project acceptance and equipment usage, and the final amount will be determined by reference to the project completion settlement amount.

LETTER FROM THE BOARD

(iii) Return of Proceeds Used to Temporarily Supplement Working Capital

On August 25, 2025, the Board considered and approved the resolution on using idle proceeds to temporarily supplement working capital again at the 21st meeting of the fifth session of the Board, under which the Company was permitted to apply up to RMB500,000,000 of idle proceeds to temporarily replenish working capital, provided that the normal progress of the proceeds-invested projects was not affected. The permitted period was 12 months from the date of the Board's approval, with the funds to be returned to the designated proceeds account upon expiry. As at the date of this circular, the Company has returned all such proceeds to the designated proceeds account.

(iv) Key Reasons for the Remaining Balance of Proceeds

During construction of the Tangshan Dajin Project, the Company strengthened supervision and control over project costs and expenses, which reduced overall project expenditure.

The remaining proceeds also include certain outstanding payments for construction works, equipment procurement and other final payments. As the payment cycle for these amounts is relatively long, the Company proposes to apply the remaining proceeds to permanently replenish its working capital in order to improve the use of its funds, and will settle those amounts with its own funds when the payment conditions are met.

(v) Plan for Permanent Replenishment of Working Capital with the Remaining Proceeds and Subsequent Arrangements

As the Tangshan Dajin Project has been concluded, the Company proposes to apply the remaining proceeds of approximately RMB379.19 million from the project (the final amount being the balance of the designated proceeds account on the date of transfer) to permanently replenish working capital for its daily production and operations, so as to improve the use of its funds and its operating results.

Following approval at the EGM, the Company will transfer the remaining proceeds to its self-owned funds account. The designated proceeds account will cease to be used and will be cancelled, whereupon the four-party supervision agreement in respect of the proceeds entered into among the Company, Tangshan Dajin Ocean Engineering Equipment Manufacturing Co., Ltd., the sponsor and the account bank will also terminate.

LETTER FROM THE BOARD

(vi) Impact on the Company

The permanent replenishment of working capital from the remaining proceeds is a reasonable decision based on the construction progress of the projects and the Company's operational development needs. It will help meet the Company's daily working capital requirements, enhance the utilization of the proceeds, reduce financial costs and improve the Company's operating results, and is in the interests of the Company's long-term development.

It is also in full compliance with the relevant regulations such as the Regulatory Rules for Fund-Raising by Listed Companies (《上市公司募集資金監管規則》) and the Shenzhen Stock Exchange Self-discipline Supervisory Guidelines for Listed Companies No. 1 – Standard Operation of Main Board Listed Companies (《深圳證券交易所上市公司自律監管指引第1號——主板上市公司規範運作》) as well as other applicable laws, regulations and normative documents, and will not have any material adverse effect on the Company's business and financial condition, nor constitute any circumstances that are detrimental to the interests of the Company and its Shareholders.

This resolution was considered and approved by the Board on August 21, 2026, and is hereby proposed as an ordinary resolution for consideration and approval at the EGM.

3. ADJUSTMENT IN THE QUOTA FOR CASH MANAGEMENT FOR 2026

Pursuant to the resolution of the 24th meeting of the fifth session of the Board and the first extraordinary general meeting in 2026, the Company and its subsidiaries were approved to use idle self-owned funds of up to RMB3,000.0 million for cash management, for the purchase of low-to-medium risk products with high security and sound liquidity and with an investment term of not more than 12 months. That quota was approved for a period of 12 months from the date of consideration and approval at the general meeting, during which the funds could be utilized on a revolving basis.

In order to make full use of the Company's idle funds, further improve the efficiency of fund utilization and increase returns on those funds for the Company and its Shareholders, without affecting normal production and operations and while ensuring the safety of funds and effectively controlling risks, the Company proposes to increase the cash management quota by up to RMB1,500.0 million (or its equivalent in foreign currency). After the increase, the quota for the Company's use of idle self-owned funds for cash management will not exceed RMB4,500.0 million (or its equivalent in foreign currency). The relevant details are as follows:

- (i) **Type of investment products:** The idle self-owned funds will be used to purchase low-to-medium risk products with high security and sound liquidity issued by commercial banks, securities companies or other financial institutions, including but not limited to bank wealth management products, call deposits, reverse repurchase of government bonds, money market funds, low-risk bonds, trust products and income certificates.

LETTER FROM THE BOARD

- (ii) **Investment limit and term:** The Company and its subsidiaries intend to use idle self-owned funds of up to RMB4,500.0 million for cash management. The above quota shall be valid from the date of consideration and approval at the EGM until the date of consideration and approval of the same matter by the board of directors or the general meeting of the Company for the following year. Within the above quota and period, the funds may be utilized on a revolving basis, and the transaction amount at any time during such period (including any amount arising from the reinvestment of proceeds from the aforesaid investments) shall not exceed the above quota.
- (iii) **Implementation:** The Company authorizes its management to carry out, within the above validity period and quota, cash management operations that meet the relevant requirements, including but not limited to selecting qualified issuers of wealth management products, determining the investment amounts, selecting the types of products and signing the relevant contracts.

The use of the Company's idle self-owned funds to purchase wealth management products constitutes a transaction under Chapter 14 of the Hong Kong Listing Rules. The Company and its subsidiaries will comply with the relevant rules and requirements of Chapter 14 of the Hong Kong Listing Rules (if applicable) when carrying out such cash management.

For the avoidance of doubt, the net proceeds of the Global Offering that are not immediately used for the purposes as stated in the Prospectus and to the extent permitted by the relevant laws and regulations will be placed in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or the applicable laws and regulations in other jurisdictions), and the Company has no plan to change the use of proceeds of the Global Offering stated in the Prospectus.

This resolution was considered and approved by the Board on August 21, 2026, and is hereby proposed as an ordinary resolution for consideration and approval at the EGM.

4. ADJUSTMENT IN THE QUOTA OF FOREIGN EXCHANGE HEDGING BUSINESS FOR 2026

The 24th meeting of the fifth session of the Board and the first extraordinary general meeting of the Company in 2026 considered and approved the conduct of foreign exchange hedging business by the Company and its subsidiaries, with a quota of up to RMB4,000.0 million (or its equivalent in foreign currency), valid for 12 months from the date of consideration and approval at the general meeting, under which the transaction amount at any time during the term shall not exceed such quota.

LETTER FROM THE BOARD

The Company's core business, covering the research and development and manufacturing of offshore wind power equipment, ocean-going specialized transportation and ship design and construction, is settled in foreign currencies. As the export business of the Company continues to grow and its overseas business is mainly settled in Euro, US dollars and other foreign currencies, the mismatch between the settlement currencies and the scale of receipts and payments results in a relatively high foreign currency balance and a certain degree of foreign currency risk exposure. In view of the increasing volatility in the foreign exchange market and in order to further enhance its ability to manage exchange rate risk and to reduce the adverse impact of exchange rate fluctuations on its profit and shareholders' equity, the Company proposes to increase the above quota by RMB2,000.0 million (or its equivalent in foreign currency). After the increase, the total quota for the Company's foreign exchange hedging business will not exceed RMB6,000.0 million (or its equivalent in foreign currency).

- (i) **Types of business and currencies:** The types of business include but are not limited to forward foreign exchange settlement and sale (fixed-date and optional-date), swaps, options and structured forward foreign exchange contracts. The major currencies include Euro, US dollars and other foreign currencies.
- (ii) **Transaction amount and term:** The transaction amount at any time shall not exceed RMB6,000.0 million (or its equivalent in foreign currency). The above quota shall be valid from the date of consideration and approval at the EGM until the date of consideration and approval of the same matter by the board of directors or the general meeting of the Company for the following year, during which period the funds may be utilized on a revolving basis.
- (iii) **Source of funds:** The self-owned funds of the Company and its subsidiaries, without involving any proceeds from fund-raising activities.
- (iv) **Counterparties:** Financial institutions that have been approved by the regulatory authorities and are qualified to conduct foreign exchange hedging business.
- (v) **Authorization:** The management of the Company is authorized to implement the relevant matters, including signing the agreements, contracts and other documents relating to the foreign exchange hedging business and handling all necessary matters in connection with the relevant transactions.
- (vi) **Impact on the Company:** The foreign exchange hedging business will be conducted on the basis that the Company's day-to-day operations are safeguarded and the related risks remain controllable. It will not affect the Company's normal working capital turnover or the normal development of its principal business, and does not involve the use of any proceeds from fund-raising activities.

LETTER FROM THE BOARD

- (vii) **Others:** Foreign exchange hedging transactions are subject to a certain percentage of initial margin and variation margin required by the relevant financial institutions, which is generally satisfied by utilizing the credit facilities granted by those financial institutions, with transactions settled at maturity by physical delivery of principal, net settlement or other methods.

The conduct of foreign exchange hedging business with self-owned funds constitutes a transaction under Chapter 14 of the Hong Kong Listing Rules. The Company and its subsidiaries will comply with the relevant rules and requirements of Chapter 14 of the Hong Kong Listing Rules (if applicable) when conducting such business.

This resolution was considered and approved by the Board on August 21, 2026, and is hereby proposed as an ordinary resolution for consideration and approval at the EGM.

5. THE FEASIBILITY ANALYSIS REPORT ON THE FOREIGN EXCHANGE HEDGING BUSINESS

The Company has prepared the feasibility analysis report on the foreign exchange hedging business (the “**Feasibility Analysis Report**”).

The full text of the Feasibility Analysis Report is set out in Appendix I to this circular. The Feasibility Analysis Report was prepared in the Chinese language. In the event of any discrepancy between the English translation and the Chinese version of the Feasibility Analysis Report, the Chinese version shall prevail.

This resolution was considered and approved by the Board on August 21, 2026, and is hereby proposed as an ordinary resolution for consideration and approval at the EGM.

6. EGM, CLOSURE OF REGISTER OF MEMBERS AND WAY OF VOTING

A notice convening the EGM of the Company to be held at No. 155, Xinqiu Street, Xinqiu District, Fuxin, Liaoning Province, PRC at 2:00 p.m. on Friday, September 11, 2026 is set out on pages EGM-1 to EGM-2 of this circular.

A proxy form for use at the EGM has been published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.dajin.cn) and sent to the H Shareholders by means they have elected to receive communication. Shareholders who intend to appoint a proxy to attend the EGM shall complete the proxy form and return it to the Company’s H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (only for H Shareholders), not less than 24 hours before the time for holding the EGM (i.e. before 2:00 p.m. on Thursday, September 10, 2026). Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the EGM or any adjournment thereof should they so wish, and in such case, instrument appointing a proxy shall be deemed to have been withdrawn.

LETTER FROM THE BOARD

For determining the entitlement of Shareholders to attend and vote at the EGM, the share register of the Company will be closed from Tuesday, September 8, 2026 to Friday, September 11, 2026 (both days inclusive), during which period no transfer of shares will be registered. The record date for determining the entitlement of holders of H Shares to attend and vote at the EGM will be Friday, September 11, 2026. With respect to H Shareholders, to be eligible to attend and vote at the EGM, all share transfer documents together with the relevant Share certificates must be lodged with the Company's H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong before 4:30 p.m. on Monday, September 7, 2026.

Pursuant to Rule 13.39(4) of the Hong Kong Listing Rules, all resolutions at the EGM will be voted on by poll. An announcement on the results of the poll will be published on the websites of the Company and the Stock Exchange after the EGM in the manner prescribed under Rule 13.39(5) of the Hong Kong Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable inquiries, none of the Shareholders has a material interest in any of the resolutions proposed at the EGM and is required to abstain from voting at the EGM. None of the Directors has a material interest in any resolution proposed at the EGM.

7. RECOMMENDATION

The Board considers that all the resolutions set out in the notice of the EGM for consideration and approval by the Shareholders are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favor of all the resolutions to be proposed at the EGM.

8. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable inquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

9. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendix to this circular. This circular is issued in both English and Chinese, but the Chinese version shall prevail.

Yours faithfully,
By order of the Board
Dajin Heavy Industry Co., Ltd.
Mr. JIN Xin
Chairman of the Board and Executive Director

I. BACKGROUND TO THE COMPANY'S CONDUCT OF FOREIGN EXCHANGE HEDGING BUSINESS

As the Company's export business continues to grow, its overseas operations are settled mainly in foreign currencies such as the Euro and the US dollar. The mismatch between the currencies in which the Company's import and export receipts and payments are denominated and the scale of such receipts and payments results in a relatively high foreign currency balance on its books, giving rise to a degree of foreign currency risk exposure. In order to enhance the ability of the Company and its subsidiaries to manage this foreign currency risk exposure, to strengthen the Company's financial soundness and to prevent exchange rate fluctuations from adversely affecting the Company's profit and shareholders' equity, the Company and its subsidiaries propose to conduct foreign exchange hedging business closely related to their day-to-day operations.

II. OVERVIEW OF THE COMPANY'S FOREIGN EXCHANGE HEDGING BUSINESS

The foreign exchange hedging business to be conducted by the Company includes but is not limited to forward foreign exchange settlement and sale (fixed-date and optional-date), swaps, options and structured forward foreign exchange contracts.

III. NECESSITY AND FEASIBILITY OF THE COMPANY'S CONDUCT OF FOREIGN EXCHANGE HEDGING BUSINESS

With continuing changes in the overseas financial market environment, exchange rate fluctuations have become increasingly frequent and uncertainty in the foreign exchange market has become more pronounced. As the scale of the Company's export business continues to expand and its foreign exchange transaction volume gradually increases (mainly denominated in Euro and US dollars), the Company expects to continue to face exchange rate and interest rate fluctuation risk. The foreign exchange hedging business conducted by the Company is closely related to its day-to-day operational needs. In order to enhance the Company's ability to manage exchange rate fluctuation risk, to prevent exchange rate fluctuations from adversely affecting the Company's profit and shareholders' equity, and to strengthen the Company's financial soundness, it is necessary for the Company to make prudent use of its own funds to conduct foreign exchange hedging business. The types of foreign exchange hedging business conducted by the Company are all foreign exchange products closely related to its underlying business, and such business corresponds to the underlying business in terms of type, scale, direction and term, consistent with the Company's principle of prudent and sound risk management.

**IV. BASIC INFORMATION ON THE COMPANY'S CONDUCT OF FOREIGN
EXCHANGE HEDGING BUSINESS**

1. Types of transactions: including but not limited to forward foreign exchange settlement and sale (fixed-date and optional-date), swaps, options and structured forward foreign exchange contracts.
2. Transaction amount and term: the transaction amount at any time shall not exceed RMB6,000.0 million (or its equivalent in foreign currency). The above quota shall be valid from the date of consideration and approval at the general meeting until the date of consideration and approval of the same matter by the board of directors or the general meeting of the Company for the following year, during which period the funds may be utilized on a revolving basis.
3. Source of funds: the self-owned funds of the Company and its subsidiaries, without involving any proceeds from fund-raising activities.
4. Counterparties: financial institutions that have been approved by the regulatory authorities and are qualified to conduct foreign exchange hedging business.
5. Authorization: the management of the Company is authorized to implement the relevant matters, including signing the agreements, contracts and other documents relating to the foreign exchange hedging business and handling all necessary matters in connection with the relevant transactions.
6. Others: foreign exchange hedging transactions are typically subject to a certain percentage of initial margin and variation margin required by the relevant financial institutions, generally funded by utilizing the credit facilities granted by those financial institutions, with transactions settled at maturity by physical delivery of principal, net settlement or other methods.

**V. RISK ANALYSIS OF THE COMPANY'S CONDUCT OF FOREIGN EXCHANGE
HEDGING BUSINESS**

1. Exchange rate fluctuation risk: as the foreign exchange market is influenced by numerous complex factors affecting exchange rate movements, significant uncertainty exists. Should future exchange rate movements deviate substantially from the Company's expectations, the actual exchange rate may differ materially from the rate locked in under the Company's foreign exchange hedging contracts, resulting in losses to the Company.

2. Internal control risk: as foreign exchange hedging business is highly specialized and complex, operational risk may arise from inadequacies in internal control mechanisms.
3. Customer default risk: overdue trade receivables, adjustments to customer orders and similar events may cause actual receipts to differ from expected receipts, which may result in a mismatch between actual cash flows and the term or amount of foreign exchange hedging transactions already entered into, thereby causing losses to the Company.

VI. RISK CONTROL MEASURES ADOPTED BY THE COMPANY IN RESPECT OF THE FOREIGN EXCHANGE HEDGING BUSINESS

1. The Company conducts its foreign exchange hedging business in accordance with the principles of lawfulness, prudence, safety and effectiveness. All foreign exchange hedging transactions are conducted on a non-speculative basis, corresponding to the Company's bona fide business needs, are based on the Company's normal production and operations, and are supported by genuine underlying transactions, for the purpose of hedging against exchange rate risk.
2. The Company only conducts foreign exchange hedging business with financial institutions that have been approved by the regulatory authorities and are qualified to conduct foreign exchange hedging business, restricting transactions exclusively to such pre-approved, qualified financial institutions to mitigate counterparty risk.
3. The Company has formulated the Administrative Measures for Foreign Exchange Hedging Business (《外匯套期保值業務管理制度》), which sets out clear provisions on the principles of transactions, approval authority, internal control procedures, information segregation measures, internal risk reporting systems and risk handling procedures, so as to control transaction risks.
4. The Company conducts a rigorous review of the terms of contracts entered into with financial institutions and strictly implements its risk management system in order to mitigate legal risk.
5. The Company's finance department continuously monitors publicly quoted market prices and fair value changes of foreign exchange derivatives, assesses changes in the risk exposure of the foreign exchange hedging business in a timely manner, and reports regularly to management. Any irregularities identified will be promptly escalated, with risks flagged and contingency measures implemented.

6. The Company's internal audit department conducts periodic reviews of the compliance of the decision-making, management and implementation of the foreign exchange hedging business.
7. The Company's audit committee will supervise the foreign exchange hedging business and report the relevant matters to the Board in a timely manner.

VII. CONCLUSION ON THE FEASIBILITY ANALYSIS OF THE COMPANY'S CONDUCT OF FOREIGN EXCHANGE HEDGING BUSINESS

The foreign exchange derivative transactions proposed to be conducted by the Company are based on the Company's actual circumstances and are conducted for hedging purposes. The Company will not engage in foreign exchange transactions for speculative purposes, and the conduct of this business is necessary.

The Company has formulated the Administrative Measures for Foreign Exchange Hedging Business and has put in place the relevant internal control procedures. The targeted risk prevention measures adopted by the Company are feasible. By conducting foreign exchange derivative transactions, the Company is able, to a certain extent, to hedge against exchange rate risk, and to lock in future transaction costs and returns in accordance with its specific operational and investment needs, thereby achieving hedging for the purpose of avoiding foreign exchange risk. Accordingly, the conduct of foreign exchange derivative business by the Company can effectively reduce the risks associated with its foreign exchange business, and is both necessary and feasible.

NOTICE OF 2026 THIRD EXTRAORDINARY GENERAL MEETING

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Dajin Heavy Industry Co., Ltd. **大金重工股份有限公司**

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1081)

NOTICE OF 2026 THIRD EXTRAORDINARY GENERAL MEETING TO BE HELD ON SEPTEMBER 11, 2026

Notice is hereby given that the 2026 Third Extraordinary General Meeting (the “**EGM**”) of Dajin Heavy Industry Co., Ltd. (the “**Company**”) will be convened at No. 155, Xinqiu Street, Xinqiu District, Fuxin, Liaoning Province, PRC at 2:00 p.m. on Friday, September 11, 2026 for the purposes of considering and, if thought fit, approving the following resolutions. For details of the resolutions, please refer to the circular dated August 21, 2026 of the Company (the “**Circular**”). Unless otherwise defined, capitalized terms used in this notice shall have the same meanings as defined in the Circular.

ORDINARY RESOLUTIONS

1. To consider and approve the interim profit distribution plan for the year 2026.
2. To consider and approve the permanent replenishment of working capital from the remaining proceeds.
3. To consider and approve the adjustment in the quota for cash management for 2026.
4. To consider and approve the adjustment in the quota of foreign exchange hedging business for 2026.
5. To consider and approve the feasibility analysis report on the foreign exchange hedging business.

By order of the Board
Dajin Heavy Industry Co., Ltd.
Mr. JIN Xin
Chairman of the Board and Executive Director

Hong Kong, August 21, 2026

NOTICE OF 2026 THIRD EXTRAORDINARY GENERAL MEETING

As of the date of this notice, the Board of the Company comprises: (i) Mr. JIN Xin, Mr. SUN Xiaole, Ms. LIU Aihua, Mr. LI Xin and Mr. JIANG Haitao as executive directors; and (ii) Mr. CAI Meng, Mr. QU Guangjie, Ms. ZHANG Wei and Ms. LU Qiannan as independent non-executive directors.

Notes:

1. For determining the entitlement of Shareholders to attend and vote at the EGM, the share register of the Company will be closed from Tuesday, September 8, 2026 to Friday, September 11, 2026 (both days inclusive), during which period no transfer of shares will be registered. The record date for determining the entitlement of holders of H Shares to attend and vote at the EGM will be Friday, September 11, 2026. With respect to H Shareholders, to be eligible to attend and vote at the EGM, all share transfer documents together with the relevant Share certificates must be lodged with the Company's H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong before 4:30 p.m. on Monday, September 7, 2026.
2. A Shareholder entitled to attend and vote at the EGM may appoint one or more proxies to attend and vote in his/her/its stead. The proxy needs not be a member of the Company. If more than one proxy is appointed, the number and class of Shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy.
3. The instrument appointing a proxy must be in writing under the hand of the Shareholder or his/her/its attorney duly authorized in writing. If the Shareholder is a corporation, that instrument must be executed either under its common seal or under the hand of its Director(s) or duly authorized attorney. If that instrument is signed by an attorney of the Shareholder, the power of attorney authorizing that attorney to sign or other authorization documents must be notarized.
4. In order to be valid, this form of proxy together with the power of attorney (if any) or other authority (if any) under which it is signed or a notarially certified copy thereof must be deposited at the Company's H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for H shareholders) not less than 24 hours before the time fixed for holding the EGM (i.e. before 2:00 p.m. on Thursday, September 10, 2026) or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the EGM or any adjournment thereof should they so wish at that time. In this case, the documents appointing the proxy will be deemed to have been withdrawn.
5. If the attending Shareholder is a corporation, its legal representative shall present his or her identification document, a valid certificate proving his or her qualification as a legal representative and proof of shareholding; if a proxy is appointed to attend the meeting, such proxy shall present his or her ID card and a written power of attorney issued by the relevant Shareholder in accordance with law.
6. Pursuant to Rule 13.39(4) of the Hong Kong Listing Rules, subject to certain exceptions, all votes of the Shareholders at the general meetings must be taken by poll. Therefore, voting on the resolutions contained in the notice of the 2026 Third Extraordinary General Meeting will be conducted by poll.