

Red Avenue New Materials Group Co., Ltd.

Terms of Reference of the Strategic Committee of the Board of Directors

CHAPTER I GENERAL PROVISIONS

Article 1 In order to meet the strategic development needs of Red Avenue New Materials Group Co., Ltd. (the “**Company**”), enhance the Company’s core competitiveness, formulate its development plans, improve the investment decision-making procedures, enhance the scientific basis of the decision-making, improve the efficiency and quality of major investment decisions, and further improve the corporate governance structure, the Company has established the Strategic Committee of the Board of Directors (the “**Strategic Committee**”) and formulated these Terms of Reference in accordance with the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Code of Corporate Governance for Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), the Articles of Association of Red Avenue New Materials Group Co., Ltd. (the “**Articles of Association**”), and other relevant laws, regulations and provisions.

Article 2 The Strategic Committee is a specialized committee established by the Board of Directors pursuant to the Articles of Association. It is primarily responsible for researching and proposing recommendations on the Company’s long-term development strategy and major investment decisions.

CHAPTER II COMPOSITION OF MEMBERS

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

Article 4 Members of the Strategic Committee shall be nominated by the Chairman of the Board, more than half of the independent directors, or more than one-third of all directors, and elected by the Board of Directors.

Article 5 The Strategic Committee shall have one chairman, who shall be the Chairman of the Board of the Company, responsible for convening and presiding over the meetings of the Strategic Committee and relevant work.

Article 6 The term of office of members of the Strategic Committee shall be the same as their term of office as directors of the Board. Members may be re-elected upon expiration of their term. Where a member ceases to serve as a director of the Company during his or her term, he or she shall automatically cease to be a member of the Strategic Committee, and the Board of Directors shall appoint a replacement in accordance with Articles 3 to 5 above.

Article 7 The Strategic Committee may establish an Investment Reveille Department as its supporting working body, as needed. Members of the Investment Reveille Department shall be appointed by the Strategic Committee.

CHAPTER III DUTIES AND POWERS

Article 8 The principal duties and powers of the Strategic Committee shall include the following:

- (1) Researching and proposing recommendations on the Company's long-term development strategic plans;
- (2) Researching and proposing recommendations on major investment and financing proposals that require the approval of the Board of Directors as stipulated in the Articles of Association;
- (3) Researching and proposing recommendations on major capital operations and asset management projects that require the approval of the Board of Directors as stipulated in the Articles of Association;
- (4) Researching and proposing recommendations on other significant matters affecting the Company's development;
- (5) Inspecting the implementation of the aforementioned matters;
- (6) Other matters as authorized by the Board of Directors.

Article 9 The Strategic Committee is accountable to the Board of Directors, and its proposals shall be submitted to the Board for deliberation and decision.

CHAPTER IV WORKING PROCEDURES

Article 10 The Strategic Committee shall carry out its work according to the following procedures:

- (1) The heads of relevant departments within the Company or its controlling (or affiliated) enterprises shall report intentions, preliminary feasibility reports, and basic information of partners for major investment and financing, capital operation, and asset management projects;
- (2) The Investment Review Department under the Strategic Committee shall conduct an initial review, issue a project initiation opinion, and submit it to the Strategic Committee for filing;
- (3) The Strategic Committee shall convene meetings based on the proposal from the Investment Review Department for discussion, and then submit the discussion results to the Board of Directors.

Article 11 The filing of initial reviews and project initiation opinions by the Investment Review Department may be handled by a dedicated personnel, or by a committee member designated by the chairman of the Strategic Committee. The filing and registration materials submitted by the Investment Review Department shall be properly kept by the person in charge of filing and registration.

CHAPTER V RULES OF PROCEDURE

Article 12 A meeting of the Strategic Committee may be convened upon the proposal of two or more members, or when the chairman deems it necessary.

Article 13 Meetings of the Strategic Committee shall be convened and presided over by the chairman. Where the chairman is unable or fails to perform such duties, a member elected by more than half of the members shall convene and preside over the meeting.

Article 14 Notice of a meeting of the Strategic Committee specifying the time, venue and matters to be considered shall be given to all members five days prior to the meeting.

In urgent circumstances where a meeting needs to be convened promptly, the above time requirement may be waived, and notice of the meeting together with relevant materials and information may be given at any time by telephone or other means, provided that the convener shall provide an explanation at the meeting.

Article 15 A meeting of the Strategic Committee shall be validly convened only when more than two-thirds of the members are present. Each member shall have one vote. Resolutions of the meeting shall be passed by more than half of all members of the Strategic Committee.

Article 16 Resolutions of the Strategic Committee shall be made by show of hands, poll voting, or written communication. Meetings of the Strategic Committee shall in principle be held in person. Provided that all participating directors are able to fully communicate and express their views, meetings may, where necessary and in accordance with proper procedures, be held by video conference, telephone or other means, and participation in such manner shall be deemed as attendance in person at the relevant meeting.

Article 17 Where necessary, the Strategic Committee may invite the Company's directors, senior management, and other staff who are not members of the Strategic Committee to attend meetings as non-voting participants.

Article 18 In performing its duties, the Strategic Committee shall be supported by the relevant departments of the Company. Where necessary, the Strategic Committee may engage independent professional intermediaries to provide professional advice for its decision-making, with the cost to be borne by the Company.

Article 19 Where a matter under discussion at a meeting of the Strategic Committee involves a conflict of interest with a member of the Strategic Committee, such member shall abstain from participation. A meeting may be convened provided that more than

half of the members without a conflict of interest are present, and any resolution shall be passed by more than half of the members without a conflict of interest. Where the number of members without a conflict of interest attending the meeting is less than half of the total number of members without such conflict, the matter shall be submitted to the Board of Directors for consideration.

Article 20 The procedures for convening the Strategic Committee meetings, voting methods, and resolutions passed at such meetings must comply with relevant laws, regulations, the Articles of Association, and these Terms of Reference.

Article 21 Strategic Committee meetings shall have minutes, and the attending members shall sign the meeting minutes. The meeting minutes shall be kept by the Board Secretary.

Article 22 Strategic Committee members shall attend meetings in person. Where a member is unable to attend the meeting in person for any reason, such member shall review the meeting materials in advance, form a clear opinion, and authorize another member in writing to attend on his or her behalf.

Article 23 Unless required by statutory reasons or compulsory orders of competent authorities, members and other relevant personnel attending the meeting shall maintain confidentiality regarding the matters discussed at the meeting. Prior to the approval and public disclosure of such matters by the shareholders' meeting or the Board of Directors, no information relating to the meeting shall be disclosed to any person without authorization.

CHAPTER VI SUPPLEMENTARY PROVISIONS

Article 24 These Terms of Reference, upon approval by resolution of the Board of Directors, shall become effective and implemented from the date on which the Company's issuance of H Shares is filed with the China Securities Regulatory Commission and the H Shares are listed and commence trading on The Stock Exchange of Hong Kong Limited. Upon the effective date of these Terms of Reference, the Company's previous Terms of Reference of the Strategic Committee of the Board of Directors shall automatically lapse.

Article 25 The terms "more than" and "at least" as used in these Terms of Reference include the stated number.

Article 26 Unless otherwise expressly provided by applicable laws, administrative regulations or the securities regulatory rules of the place where the Company's shares are listed, the term "independent director" referred to in these Terms of Reference shall have the same meaning as "independent non-executive director" under the Listing Rules.

Article 27 Matters not covered in these Terms of Reference shall be governed by the relevant provisions of applicable national laws and regulations, normative documents, the securities regulatory rules of the place where the Company's shares are listed, and the

Articles of Association. Where these Terms of Reference are inconsistent with any applicable laws, regulations, normative documents, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association, the provisions of such laws, regulations, normative documents, securities regulatory rules and the Articles of Association shall prevail. Where these Terms of Reference conflict with any laws, regulations or normative documents promulgated by the State in the future, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association as amended in accordance with lawful procedures, the relevant provisions of such laws, regulations, normative documents, securities regulatory rules and the Articles of Association shall prevail, and these Terms of Reference shall be amended accordingly without delay and submitted to the Board of Directors for consideration and approval.

Article 28 (If required,) the Strategic Committee shall make its Terms of Reference publicly available on the Company's website and the website of The Stock Exchange of Hong Kong Limited, explaining its role and the authority delegated to it by the Board of Directors.

Article 29 In the event of any discrepancy between the Chinese and English versions of these Terms of Reference, the Chinese version shall prevail.

Article 30 The right of interpretation of these Terms of Reference shall vest in the Board of Directors.

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