

**TERMS OF REFERENCE FOR THE
STRATEGY AND ESG COMMITTEE
(APPLICABLE UPON THE ISSUANCE AND LISTING OF H SHARES)**

Shenzhen Zhaowei Machinery & Electronics Co., Ltd.

CHAPTER I GENERAL PROVISIONS

Article 1 To meet the strategic development needs of Shenzhen Zhaowei Machinery & Electronics Co., Ltd. (the “Company”), improve investment decision-making procedures, enhance the efficiency and quality of major investment decisions, refine the corporate governance structure, ensure standardized operations and healthy development, and strengthen the core competitiveness of the Company, these terms of reference (the “Terms of Reference”) are hereby formulated in accordance with the Company Law of the People’s Republic of China (《中華人民共和國公司法》) (the “Company Law”), the Securities Law of the People’s Republic of China (《中華人民共和國證券法》) (the “Securities Law”), the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange (《深圳證券交易所股票上市規則》), the Code of Corporate Governance for Listed Companies (《上市公司治理準則》) and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”), as well as other applicable laws, administrative regulations, departmental rules and the Articles of Association of Shenzhen Zhaowei Machinery & Electronics Co., Ltd. (the “Articles of Association”) and other relevant provisions, taking into account the actual circumstances of the Company.

Article 2 The strategy and ESG committee (the “Strategy and ESG Committee”) under the board (the “Board”) of directors (the “Directors”) is a specific working body established by the Board, which shall assist the Board in carrying out relevant duties, report to and be accountable to the Board. It is primarily responsible for studying and proposing recommendations on the Company’s long-term development strategies and major investment decisions, formulating the Company’s strategic development plans, guiding the formulation of the Company’s ESG strategy and overseeing the Company’s ESG matters.

Article 3 The convening procedures, voting methods, and proposals approved at a meeting of the Strategy and ESG Committee shall comply with the provisions of relevant laws, regulations, the Articles of Association, and these Terms of Reference.

CHAPTER II COMPOSITION

Article 4 The Strategy and ESG Committee shall consist of five Directors, at least one of whom shall be an independent Director.

Article 5 Members of the Strategy and ESG Committee shall be nominated by the chairman of the Board, no less than half of the independent Directors or no less than one-third of all Directors, and shall be elected by the Board.

Article 6 The Strategy and ESG Committee shall have one Chairperson (convener), who shall be served by the chairman of the Company and is responsible for presiding over the committee’s work. If the Chairperson (convener) is unable or fails to perform his/her duties, he/she shall designate another member to act on his/her behalf. If the convener neither performs his/her duties nor designates another member to act on his/her behalf, any member may report the matter to the Company’s Board, which shall then designate a member to fulfill the convener’s responsibilities.

Article 7 The term of office of the Strategy and ESG Committee shall be the same as that of the Board. A member may serve consecutive terms if re-elected upon expiry of his/her term. During the term of office, where a member ceases to hold the position of a Director, such member shall automatically lose his/her qualification as a member and the Board shall fill the vacancy in accordance with Articles 4 to 6 of these Terms of Reference.

The Strategy and ESG Committee shall suspend performance of its duties as prescribed in these Terms of Reference until the number of committee members reaches two-thirds of the required quorum.

CHAPTER III DUTIES AND AUTHORITIES

Article 8 The main duties and authorities of the Strategy and ESG Committee are as follows:

- (I) To study and make recommendations on the Company's long-term development strategy plans;
- (II) To study and make recommendations on major investment and financing plans requiring approval from the Board as specified in the Articles of Association or authorized by the shareholders' meeting;
- (III) To study and make recommendations on major capital operations and asset management projects requiring approval from the Board as specified in the Articles of Association or authorized by the shareholders' meeting;
- (IV) To study and make recommendations on other significant matters that impact the Company's development;
- (V) To study and make decision-making recommendations on major matters such as the Company's ESG objectives and philosophy, strategic planning, governance structure and management systems;
- (VI) To oversee the implementation and execution of the Company's ESG objectives and make recommendations on actions necessary to achieve such objectives;
- (VII) To review the Company's ESG-related disclosure documents, including but not limited to the annual ESG report, and report to the Board;
- (VIII) To identify and assess risks related to the Company's ESG areas, and raise inquiries and propose response strategies regarding significant matters that affect the performance of the Company's ESG-related work;
- (IX) To inspect and analyze the implementation of the above matters and make recommendations on adjustments and improvements to the Board;
- (X) Other matters as required by laws, regulations, rules, normative documents, the Articles of Association, these Terms of Reference, the regulatory provisions of the place where the Company's shares are listed, and as authorized by the Board.

Article 9 The Strategy and ESG Committee shall be accountable to the Board and submit its proposals to the Board for consideration and decision.

CHAPTER IV CONVENING AND NOTICE OF THE MEETING

Article 10 The Strategy and ESG Committee shall convene meetings based on the actual operating conditions of the Company. The Chairperson shall notify all committee members by written or verbal notice three days before the meeting; in case of emergency, such time limit may not apply. The meeting shall be presided over by the Chairperson; if the Chairperson is unable to attend, he/she may appoint another member to preside.

Article 11 The notice of the Strategy and ESG Committee meeting shall include at least the following:

- (I) the time and venue of the meeting;
- (II) the agenda of the meeting to be discussed;
- (III) contact person of the meeting and contact information;
- (IV) the date of notice of the meeting.

Article 12 Notice of meeting of the Strategy and ESG Committee may be sent via methods such as fax, email, telephone, personal delivery or mail. When the notice is delivered by telephone, email or other expedited notification methods, the parties being notified shall be deemed to have received the notice of the meeting if no written objection is received from them within two days from the date of delivery of the notice.

CHAPTER V CONSIDERATION AND VOTING PROCEDURES

Article 13 Meetings of the Strategy and ESG Committee shall be held only when attended by no less than two-thirds of the members; if a member is unable to attend for any reason, he/she may appoint another member to attend on his/her behalf. Each member shall be entitled to one vote; resolutions made at the meeting shall be subject to approval by more than half of all members.

Any member who appoints another member to attend the meeting and vote on his/her behalf shall submit a power of attorney to the chairman of the meeting. The power of attorney shall be submitted to the chairman of the meeting no later than the voting at the meeting.

Article 14 Members shall vote by a show of hands or in written form at the meeting of the Strategy and ESG Committee. A meeting may be held by correspondence under special circumstances.

Article 15 The Strategy and ESG Committee may, if necessary, engage intermediary institutions to provide professional advice for its decision-making. The cost shall be borne by the Company.

Article 16 The convening procedures, voting methods, and the resolutions passed at a meeting of the Strategy and ESG Committee shall comply with the provisions of the relevant laws, regulations, the Articles of Association and these Terms of Reference.

Article 17 Minutes shall be kept for meetings of the Strategy and ESG Committee, and members present at the meeting shall sign the minutes; the meeting minutes shall be kept by the Company's Board Office for a period of no less than ten years.

Article 18 Any resolutions passed at and the poll results of a meeting of the Strategy and ESG Committee shall be reported in written form to the Board.

Article 19 Members present at the meetings shall have an obligation to keep all matters discussed at such meetings confidential, and shall not disclose relevant information without authorization, nor use information coming to his/her knowledge for insider dealing, whether for his/her own account or otherwise.

Article 20 Where a member is related to a proposal being discussed at the meeting of the Strategy and ESG Committee, he/she shall abstain. Resolutions made at the meeting shall be subject to approval by more than half of the non-related members.

If, after the related members abstain, the number of members present at the meeting is less than the quorum specified in these Terms of Reference, all members (including interested members) shall resolve on procedural issues, including submitting the proposal to the Board of the Company for consideration. Such proposal shall be considered by the Board.

CHAPTER VI SUPPLEMENTARY PROVISIONS

Article 21 Any matters not covered herein shall be subject to the relevant national laws, regulations, rules, normative documents, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association. In the event that these Terms of Reference contravene any national laws, regulations, rules, normative documents, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association as amended through legally prescribed procedures, the new relevant provisions shall prevail, and these Terms of Reference shall be amended promptly.

Article 22 Unless otherwise specified by relevant laws, administrative regulations and the securities regulatory rules of the place where the Company's shares are listed, the term "independent Director" in these Terms of Reference shall include the meaning of "independent non-executive Director" under the Hong Kong Listing Rules.

Article 23 These Terms of Reference shall be formulated by the Board, which, after consideration and approval by the Board of the Company, shall come into effect from the date on which H Shares of the Company are listed on The Stock Exchange of Hong Kong Limited.

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

Shenzhen Zhaowei Machinery & Electronics Co., Ltd.
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