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Tong Ming Enterprise Co., Ltd.

Policy on Linking Senior Managerial Officers' Compensation with ESG-Related Performance Evaluation

The compensation of senior managerial officers comprises base salary, bonuses, profit-sharing, retirement payments, and other such components; the related performance appraisals and the reasonableness of the compensation are evaluated and reviewed regularly each year by the Remuneration Committee and the Board of Directors. To motivate senior managerial officers to give weight to long-term overall performance so as to achieve sustainable operation, and to ensure the Company's commitment to sustainable development and long-term value creation, compensation is linked to ESG-related performance-evaluation indicators.

1. Persons covered: senior managerial officers, such as the President and Vice Presidents.
2. Short-term objectives:
 - (1) Strengthen the link between compensation and sustainability performance, include senior executives among the persons covered, and plan the weighting proportions.
 - (2) Link unit KPIs to net-zero targets: evaluate and formulate the items to be linked and their weights.
3. Long-term objectives:
 - (1) Extend the persons covered by the strengthened link between compensation and sustainability performance to managerial-grade personnel.
 - (2) Formulate the incorporation of net-zero carbon-reduction targets into individual "behavioral appraisal indicators".
4. The weights of the sustainable development performance indicators for senior managerial officers are as follows:

Performance indicator	Weight	Implementation approach
Financial indicators	30%	Focus on the enterprise's economic and operational performance, such as ranking among industry peers and revenue performance
Strategic indicators	20%	Mainly evaluate management's performance in advancing the Company's long-term development strategy, such as market expansion and technological innovation

Performance indicator	Weight	Implementation approach
Sustainability and internal-control indicators	30%	Concentrate on the establishment and implementation of environmental, social, and corporate governance (ESG) and internal control systems, such as ethical corporate management, legal compliance, and risk control, putting the key ESG work items into practice
Management indicators	20%	Attend to senior managerial officers' performance in internal management and leadership capability, such as leadership development, organizational efficiency, and employee satisfaction and performance