

BEIJING ENTERPRISES HOLDINGS LIMITED

Composition and Terms of Reference of the Strategy and Investment Committee

CHAPTER I GENERAL PROVISIONS

Article 1 To improve the corporate governance structure of Beijing Enterprises Holdings Limited (the “Company”), to strengthen the linkage between strategic planning and significant investment operations to enable strategy guiding the investment better and effectively implements strategy through investments, the Strategy and Investment Committee (the “Committee”) is hereby established under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the New Articles of Association of Beijing Enterprises Holdings Limited, with strategy-related duties added to the terms of reference of the existing Investment Committee, and the terms of reference (the “Terms of Reference”) are hereby formulated to govern the Committee.

Article 2 The Committee is a professional committee established under the board of directors of the Company (the “Board”). It shall operate within the scope of the authority delegated by the Board and shall be accountable to the Board.

Article 3 The primary duties of the Committee include reviewing the medium- to long-term strategy and development of the Company; considering material investment, capital operations and asset disposal proposals; overseeing the implementation of the Company’s strategies and investment projects; and ensuring the applicability and effective implementation of the strategic objectives of the Company.

CHAPTER II COMPOSITION AND MEMBERSHIP

Article 4 The Committee shall consist of not less than three directors of the Company (the “Members”). The Members shall include at least one independent non-executive director of the Company, and the total number of Members shall be an odd number.

Article 5 Members shall be nominated by the Nomination Committee of the Board and appointed upon review and approval by the Board. The Committee shall have a chairman (the “Chairman”) who shall be elected among the Members through negotiation and whose appointment shall be subject to approval by the Board.

Article 6 The term of office of a Member shall be the same as his or her term of office as a director of the Company. A Member may be eligible for re-election. When a Member ceases to be a director of the Company, his or her term of office and position in the Committee shall terminate automatically.

Article 7 The Company Secretary shall act as the secretary of the Committee who will be responsible for the daily affairs of the Committee and the organisation of the Committee meetings (the “Meetings”).

CHAPTER III DUTIES, AUTHORITIES AND FUNCTIONS

Article 8 The Committee shall exercise the following duties, which cover the three major functions of strategy research and planning, review of significant investment, financing and capital operations, and project supervision and system development:

1. Strategy Research and Planning Functions

(a) to study the medium- to long-term development strategy of the Company, business development direction, and make recommendations for significant strategic adjustments;

(b) to review the strategic planning proposals of the Company and strategic implementation evaluation reports;

(c) to monitor and study national industrial policies, industry trends, and changes in market environment, and to assess their potential impact on the strategic plans to the Company;

(d) to guide the development of the strategic management system and planning mechanisms, and to promote the effective implementation of strategy.

2. Functions for Reviewing Significant Investment, Financing and Capital Operations

(a) to review significant investment and financing, merger and acquisition restructuring, capital operations, and asset disposal transactions that require approval by the Board;

(b) to review the feasibility studies, risk assessments, and benefit justifications for transactions such as significant investment and financing, merger and acquisition restructuring, capital operations, and asset disposals;

(c) to review matters relating to the optimisation of significant capital structure and equity management of the Company;

(d) to supervise the establishment of the significant investment projects library of the Company and its dynamic management.

3. Functions for Project Supervision and System Development

(a) to supervise the implementation progress, execution effectiveness, and risk control status of the strategic plans, significant investment projects, and capital operation projects of the Company;

(b) to supervise the implementation and effectiveness of the relevant systems of the Company relating to investment management, capital operations, and asset disposals;

(c) to review compliance approval, information disclosure, and connected transaction management matters relating to strategy and investment.

4. Other Responsibilities

(a) to consider other material matters relating to strategy and investment that are required to be considered and decided by the Committee;

(b) to exercise other relevant authorities as resolved or authorised by the Board.

Article 9 The Committee has the authority to:

1. request relevant departments and personnel of the Company to provide necessary information;
2. engage external experts or advisers to provide professional opinions;
3. attend or receive reports from relevant meetings;
4. hold discussion meetings or conduct interviews with relevant personnel.

CHAPTER IV PROCEEDINGS OF MEETINGS

Article 10 Meetings shall be convened and chaired by the Chairman. If the Chairman is unable to perform his or her duties, he or she may appoint a Member in writing to chair the meeting on his or her behalf.

Article 11 The Committee shall meet at least twice a year. Additional meetings may be held as and when necessary, subject to the consent of more than one-third of the Members.

Article 12 Meeting materials shall be sent to all Members at least three days in advance before a Meeting is held. The meeting materials shall include the notice, agenda, discussion items, and relevant supporting documents.

Article 13 Meetings may be held by way of physical meeting, telephone conference, video conference, or a combination of the above methods.

Article 14 The Chairman may decide to consider matters by way of a resolution in writing, and such written resolution shall have the same effect as resolutions passed at a meeting.

Article 15 A quorum for a Meeting shall be more than half of the Members attending the Meeting.

Article 16 The Committee may, when necessary, invite relevant personnel of the Company (including but not limited to the Company Secretary, General Counsel, Chief Financial Officer and heads of departments), external experts, or advisers to attend Meetings.

Article 17 Matters discussed at a Meeting shall be decided by a vote of the Members present at the Meeting. A matter shall be approved if it receives the affirmative vote of more than half of the Members present at the Meeting. In the case of an equality of votes, the Chairman shall have the casting vote.

CHAPTER V MEETING MATERIALS, MINUTES AND RESOLUTIONS

Article 18 The secretary of the Committee shall be responsible for the preparation and distribution of meeting materials, which shall include at least the following:

1. Notice of Meeting (specifying the time, place, method, and discussion items of the Meeting, etc.);
2. Agenda (detailing the discussion items, sequence, presenters, and attendees, etc.);
3. Discussion item reports and materials (prepared by the department initiating the discussion item);
4. Voting slips (if applicable).

Article 19 Formal minutes of the Meeting shall be prepared, which shall include the following:

1. Basic Meeting Information: time, place, chairman, list of Members present and attendees;
2. Matters Considered: record the key points of each proposal report, members' discussion opinions, and questions;
3. Voting Results: the outcome of the vote on each proposal;
4. Other matters that need to be recorded.

Article 20 The minutes of a Meeting shall be finalised within a reasonable period of time after the Meeting and shall be circulated to the Members present for their review and signature confirmation.

Article 21 A resolution of the Meeting shall be prepared based on the voting results. The resolution shall be clear and unambiguous, and shall include (if applicable) the matter resolved, conditions for effectiveness, implementation requirements, and the responsible department.

Article 22 Resolutions of the Meeting shall be signed by the Members present. The text of the resolutions shall be distributed to the relevant implementing department.

Article 23 All documents and records of the Meeting shall be centrally archived by the Corporate Governance Department.

CHAPTER VI REPORTING PROCEDURES

Article 24 The Committee shall regularly report its work and findings to the Board on an annual basis.

CHAPTER VII SUPPLEMENTARY PROVISIONS

Article 25 The Terms of Reference shall take effect from the date of approval by the Board.

Article 26 The Terms of Reference shall be formulated, amended, and interpreted by the Corporate Governance Department under the authorisation of the Board.