



Changsha Broad Homes Industrial Group Co., Ltd.

長沙遠大住宅工業集團股份有限公司

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

(Stock Code: 2163)

Changsha Broad Homes Industrial Group Co., Ltd.

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

Chapter 1 General Provisions

- Article 1** In order to ensure the reasonableness of the development strategy planning and the scientificity of the investment decision of Changsha Broad Homes Industrial Group Co., Ltd. (the “**Company**”), in accordance with the Company Law of the People’s Republic of China (the “**Company Law**”), the Code of Corporate Governance for Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Articles of Association of Changsha Broad Homes Industrial Group Co., Ltd. (the “**Articles of Association**”), the Rules of Procedures for the Board of Directors of Changsha Broad Homes Industrial Group Co., Ltd. (the “**Rules of Procedures for the Board of Directors**”) and other relevant laws, regulations, departmental rules and business rules, the board of directors has established the strategic committee and formulated these terms of reference.
- Article 2** The strategic committee is a special executive body established under the board of directors of the Company and is mainly responsible for researching and making recommendations on the Company’s long-term development strategies and major investment decisions, and is accountable to the board of directors and reports on its work.
- Article 3** These terms of reference are applicable to the strategic committee and relevant personnel and departments involved in these terms of reference.

Chapter 2 Composition of the Strategic Committee

- Article 4** The strategic committee shall consist of three directors. Members of the strategic committee shall be nominated by the chairman, more than one-half of the independent directors or one-third of all directors and shall be elected by the board of directors of the Company.
- Article 5** The strategic committee shall have one convenor who shall be the chairman of the Company.
- Article 6** The term of office of the strategic committee is the same as that of the corresponding session of the board of directors, and the terms of office of the members of the strategic committee are the same as that of the directors. Members may be re-elected when their terms of office expire. Where any member of the strategic committee, during his/her term of office, ceases to serve as a director of the Company, he/she shall be disqualified as a member automatically.
- Article 7** Members of the strategic committee may tender their resignations to the board of directors before the expiration of their terms of office. To resign, members of the strategic committee shall submit a resignation report to the board of directors and describe the reasons for his/her resignation and matters needed to be concerned by the board of directors of the Company therein.
- Article 8** Upon the proposal of the chairman of the board of directors and the approval of the board of directors, adjustments can be made to the members of the strategy committee during their term of office.
- Article 9** Where the number of members of the strategic committee is less than the number specified in these terms of reference, the board of directors shall make up the number of members in accordance with the provisions of these terms of reference.

Chapter 3 Responsibilities of the Strategic Committee

Article 10

The main responsibilities of the strategic committee:

- (1) To research and make recommendations on the strategic planning for the development of the Company;
- (2) To research and make recommendations on major investment and financing proposals that are required to be approved by the board of directors as stipulated in the Articles of Association;
- (3) To research and make 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) To conduct research and make recommendations on other significant matters affecting the development of the Company;
- (5) To carry out inspections on the implementation of the above matters;
- (6) To formulate and review the Company's environmental, social and governance responsibilities, vision, objectives, strategies, frameworks, principles and policies, and to strengthen the materiality assessment and report process to ensure and implement the ongoing implementation and enforcement of the environmental, social and governance policies approved by the board of directors;
- (7) To review and monitor the Company's environmental, social and governance policies and practices to ensure compliance with legal and regulatory requirements; and to review and monitor the Company's environmental, social and governance risk management and internal control systems to ensure that internal controls are effective and appropriate;
- (8) To supervise the channels and means of communication between the Company and its stakeholders and to ensure that relevant policies are in place to effectively promote the relationship between the Company and its stakeholders and to protect the reputation of the Company;
- (9) To review key trends in environmental, social and governance and the associated risks and opportunities and, in this regard, to assess the adequacy and effectiveness of the Company's environmental, social and governance-related structure and business model, to adopt and update the Company's environmental, social and governance policies where necessary and to ensure that such policies are up-to-date and comply with applicable laws, regulations, regulatory requirements and international standards;

- (10) To review and recommend to the board of directors for approval the Company's annual environmental, social and governance report and, meanwhile, to recommend specific actions or decisions for the board of directors' consideration to maintain the integrity of the environmental, social and governance report and to ensure that the Company's annual environmental, social and governance report is prepared in accordance with the environmental, social and governance reporting guidelines (including amendments thereto from time to time);
- (11) To oversee and review the work of the Company's environmental, social and governance working group, assess, review and report to the board of directors on the Company's environmental, social and governance performance against its objectives; and
- (12) Such other powers and functions as may be granted by the board of directors.

Article 11 After consideration of the matters provided for in the preceding article of these rules of procedure, the strategic committee shall form and submit proposals to the board of directors for consideration.

Article 12 Responsibilities of the convener of the strategic committee:

- (1) Convene and preside over meetings of the strategic committee;
- (2) Supervise and inspect the work of the strategic committee;
- (3) Sign relevant documents of the strategic committee;
- (4) Report to the board of directors of the Company on the work of the strategic committee;
- (5) Such other duties as required by the board of directors.

Article 13 If necessary, the strategic committee may engage an intermediary to provide professional advice on its decision-making, at the Company's expense.

Chapter 4 Meetings of the Strategic Committee

Article 14 The specific decision-making procedures in relation to matters considered by the strategic committee are as follows:

- (1) The office of the board of directors of the Company shall organise and coordinate with the relevant departments or holding (shareholding) companies to produce documents that require the strategic committee to study and consider such as strategic plans for the development of the Company, feasibility study reports or business plans for major investments, capital operations, asset management projects, etc. The finance department shall be responsible for the preparation of relevant documents in respect of major financing matters;
- (2) The management of the Company shall convene a meeting to consider the above matters and issue a written opinion on whether to agree to the establishment of the project and report it to the board of directors for approval;
- (3) The strategic committee of the Company shall convene a meeting to study and consider the matter, make a written resolution and submit the resolution to the board of directors for consideration and, meanwhile, feedback to the management of the Company.

Article 15 The strategic committee shall convene meetings from time to time when necessary. In any of the following circumstances, within three days of the occurrence of the relevant facts, the convener of the strategic committee shall convene a meeting:

- (1) in circumstances as deemed necessary by the board of directors;
- (2) in circumstances as deemed necessary by the convener of the strategic committee;
- (3) when proposed by 2 or more members.

Article 16 The office of the board of directors shall be responsible for sending the notice of the meeting to the members and relevant personnel invited to attend the meeting by fax, email, telephone, hand delivery or mail 3 days before the meeting (except under special circumstances). The notice of the meeting shall include the manner, time, place, session, subject matter, time of issue of notice and relevant information. The above time limit may be waived in case of emergency.

Article 17 Upon receipt of the notice of meeting, each member of the strategic committee shall provide confirmation and any relevant feedback (including but not limited to confirmation of attendance or absence and any other arrangement) via proper means in a timely manner.

Article 18 The members of the strategic committee shall attend the meeting in person. If a member is unable to attend the meeting in person, such member shall, by signing and submitting a letter of proxy, authorize another member of the strategic committee to attend and express opinions at the meeting on his/her behalf. Such letter of proxy shall expressly state the scope of the authorization as well as instructions and term of the intention to vote on a resolution. Each member shall appoint only one other member as his/her proxy to vote on his/her behalf at each meeting. Each member shall accept a maximum of one member's entrustment.

The member attending the meeting on behalf of another member shall exercise the rights within the scope of authorization. If a member does not attend a meeting of the strategic committee in person or authorize another member to attend such meeting on his/her behalf, nor does he/she submit any opinion in writing prior to the meeting of the strategic committee, he/she shall be deemed to have waived his/her rights.

A member who is unable to attend a meeting in person may also exercise his/her rights by submitting in writing his/her opinion with respect to any matter on the meeting agenda, provided that such written opinion shall be submitted to the office of the board of directors no later than the meeting.

Article 19 If any member of the strategic committee does not attend a meeting of the strategic committee in person or authorize another member of the strategic committee to attend such meeting on his/her behalf, nor does he/she submit any opinion in writing prior to the meeting on two consecutive occasions, or if such member fails to attend in person three quarters of all meetings of the strategic committee held during any year, such member shall be deemed incapable of performing the duties of the strategic committee, and the board of directors may change the members of the strategic committee in accordance with these terms of reference.

Article 20 A meeting of the strategic committee may only be validly held when at least two-thirds of all members attend the meeting. A meeting shall be presided over by the convener of the strategic committee, who may appoint another member of the strategic committee to do so on his/her behalf when he/she is unable to attend the meeting.

Article 21 The agenda items shall be discussed during the meeting of the strategic committee. The members of the strategic committee shall explicitly, independently and fully express their opinions based on their judgment. In the case of any different opinion, such different opinion shall be stated in the minutes of the meeting to be presented to the board of directors.

- Article 22** Each member shall have one vote and the deliberations of the strategic committee to the board of directors shall be approved by a majority of all members. In the event that the members of the strategic committee are unable to form effective deliberation opinions due to recusal, the relevant matters shall be considered directly by the board of directors.
- Article 23** In general, the strategic committee shall physically meet on site to hold a meeting. Under special circumstances, on the premise that the members of the strategic committee are able to sufficiently express their opinions, with the consent of the convenor of the strategic committee, meetings may be held by means of remote communication. Where a meeting is conducted by means of remote communication, the members of the strategic committee shall submit to the board of directors their written opinions with respect to the agenda items within the period prescribed by the notice of the meeting.
- Article 24** If necessary, the strategic committee may invite directors of the Company, relevant senior management, relevant experts of the Company or external experts, scholars, intermediary agencies and other relevant personnel to attend the meeting. Such personnel invited to attend the meeting shall provide necessary information on any issue as required by any member of the strategic committee.
- Article 25** If a member of the strategic committee is interested in any matter being considered by the strategic committee, such member shall refrain from the discussion and decision of such matter.
- Article 26** All personnel attending the meeting shall have the obligation to keep all matters discussed at the meeting confidential and shall not disclose any information relating thereto without authorization.

Chapter 5 Work Organisation of the Strategy Committee

Article 27 The secretary of the board of directors of the Company is responsible for organising and coordinating the work of the strategic committee with relevant departments.

The secretary of the board of directors attends the meetings of the strategic committee.

Article 28 The office of the board of directors of the Company and the relevant departments of the Company cooperate with each other to carry out relevant work of the strategic committee.

Article 29 The office of the board of directors is responsible for the preparation and distribution of meeting notices and other conference affairs.

The office of the board of directors of the Company shall prepare and furnish the strategic committee with relevant materials related to the matters to be deliberated, and liaise with relevant entities concerned (including relevant experts of the Company or external experts, scholars and intermediary agencies engaged by the strategic committee).

The office of the board of directors of the Company shall, in accordance with the duties of the strategic committee, formulate relevant working systems and procedures for the provision of services to the strategic committee and report to the board of directors for record.

Relevant functional departments of the Company have the responsibility to provide services for the strategic committee and provide support and cooperation for the work of the office of the board of directors.

Chapter 6 Minutes and Summary of the Meetings of the Strategic Committee

Article 30 Minutes shall be prepared for the meetings of the strategic committee. The minutes shall be prepared by the office of the board of directors, and shall include the following information:

- (1) Serial number, method, date, venue and name of the chairperson of the meeting;
- (2) The attendance of members personally or by proxy;
- (3) Name and title of each attendee;
- (4) Matters considered at the meeting;
- (5) Main points made by the members of the strategic committee and other relevant attendees;
- (6) Name of the person taking minutes;

The members of the strategic committee and the secretary of the board of directors present at the meeting shall sign the minutes of the meeting of the strategic committee.

Article 31 After each meeting of the strategic committee, the office of the board of directors of the Company shall prepare a meeting summary recording the considerations and discussions during the meeting of the strategic committee.

Copies of the meeting summary shall be submitted to the board of directors of the Company and sent to the members of the strategic committee, secretary of the board of directors, the office of the board of directors of the Company, the planning and development department and other relevant departments and personnel.

Article 32 Meeting minutes, meeting summary, letters of proxy, written opinions of the members of the strategic committee and other materials of the meeting shall be handled by the office of the board of directors in accordance with the relevant file management system of the Company.

Chapter 7 Supplementary Provisions

- Article 33** Unless otherwise stated, terms used in these terms of reference shall have the same meanings ascribed to them in the Articles of Association.
- Article 34** For any matter not covered in these terms of reference, and in the event of any contradiction with the laws, regulations, regulatory documents or the provisions of the Articles of Association or the Rules of Procedures for the Board of Directors promulgated and amended after these terms of reference become effective, the provisions of such laws, regulations, regulatory documents, the Articles of Association and the Rules of Procedures for the Board of Directors shall prevail.
- Article 35** All references to “above” and “within” include the present number and “below” excludes the present number in these terms of reference.
- Article 36** The right of interpretation and amendment of these terms of reference rests with the board of directors of the Company.
- Article 37** These terms of reference shall be implemented upon the approval of the resolutions of the board of directors of the Company.