Befar Group Co., Ltd
Terms of Reference for the Development Strategy Committee of the Board of Directors

CHAPTER 1 GENERAL PROVISIONS

Article 1 In order to adapt to the Company's strategic development needs, enhance the Company's core competitiveness, determine the Company's development plan, improve investment decision-making procedures, strengthen decision-making scientific basis, improve the efficiency and decision-making quality of major investments, and perfect the Company's corporate governance structure, the Company hereby establishes the Development Strategy Committee of the Board of Directors and formulates these Terms of Reference in accordance with the Company Law of the People's Republic of China, the Corporate Governance Standards for Listed Companies, the Articles of Association and other relevant provisions.

Article 2 The Development Strategy Committee of the Board of Directors is a specialized working body established by the Board, primarily responsible for researching, planning and making recommendations on the Company's long-term development strategy and major investment decisions, as well as other matters authorized by the Board.

CHAPTER 2 COMPOSITION

Article 3 The Development Strategy Committee shall consist of four to nine directors.

Article 4 Members of the Development Strategy Committee shall be nominated by the chairman of the Board, and the election of members shall be approved by a majority of all Directors.

Article 5 The Development Strategy Committee shall have one convener, who shall be the chairman of the Board of the Company.

Article 6 The term of office of the Development Strategy Committee shall be consistent with that of the Board. Upon expiration of their term, members may serve consecutive terms if re-elected. Should any member cease to hold the position of director of the Company during their term, they shall automatically lose their membership on the Committee, and the Committee shall fill the vacancy in accordance with Articles 3 to 5 above.

Article 7 The Development Strategy Committee shall have an investment review panel under it, with the general manager or the deputy general manager of the Company in charge serving as the head of the investment review panel.

CHAPTER 3 DUTIES AND AUTHORITY

Article 8 The primary duties and authority of the Development Strategy Committee are:

(I) to conduct research and make recommendations on the long-term development strategies and major investment decisions of the Company;

(II) other matters authorized by the Board.

Article 9 The Development Strategy Committee shall be responsible to the Board, and proposals of the Committee shall be submitted to the Board for deliberation and decision.

CHAPTER 4 DECISION-MAKING PROCEDURES

Article 10 The investment review panel shall be responsible for preparing the preliminary work for the decision-making of the Development Strategy Committee and providing relevant materials from various aspects of the Company:

(I) relevant materials such as the intention, preliminary feasibility study report and basic information of the counterparty for major investment and financing, capital operation and asset management projects shall be submitted by the persons in charge of the relevant departments of the Company or its holding (or participating) enterprises;

(II) the investment review panel shall conduct preliminary review, issue a project initiation opinion letter, and report the same to the Development Strategy Committee for record;

(III) the relevant departments of the Company or its holding (or participating) enterprises shall negotiate agreements, contracts, Articles of Association, feasibility study reports and other documents with external parties and submit them to the investment review panel;

(IV) the investment review panel shall conduct review, issue a written opinion, and submit a formal proposal to the Development Strategy Committee.

Article 11 The Development Strategy Committee shall convene meetings based on the proposals of the investment review panel, conduct discussions, submit the discussion results to the Board, and simultaneously provide feedback to the investment review panel.

CHAPTER 5 RULES OF PROCEDURE

Article 12 Meetings of the Development Strategy Committee shall be convened by the convener of the Committee, and all members shall be notified three days prior to the holding of the meeting. In emergency circumstances, meetings may be convened without being subject to the time limit of the preceding notice requirement, provided that the attendance of at least two-thirds of the members is ensured. A committee meeting must be convened upon the proposal of more than half of the members. The meeting shall be presided over by the convener. In the event that the convener is unable to attend, the convener may authorize another member to preside over the meeting.

Article 13 Meetings of the Development Strategy Committee may be held only when at least two-thirds of the members are present. Meetings shall be held on-site in principle; provided that all attending members can fully communicate and express their opinions, meetings may, when necessary, be held by means of video, telephone or other means in accordance with procedures. Each member shall have one vote. Resolutions adopted at the meeting must be approved by a majority of all members.

Article 14 Resolutions of the Development Strategy Committee shall be adopted by a show of hands, ballot vote or correspondence vote.

Article 15 The head of the investment review panel may attend meetings of the Development Strategy Committee as a non-voting participant, and when necessary, Directors and other senior management members of the Company may also be invited to attend the meeting as non-voting participants.

Article 16 If necessary, the Development Strategy Committee may engage intermediaries to provide professional opinions for its decision-making, with the costs to be borne by the Company.

Article 17 The convening procedures, voting methods and proposals adopted at meetings of the Development Strategy Committee must comply with the provisions of relevant laws, regulations, the regulatory rules of the place where the Company's shares are listed, the Articles of Association and these Terms of Reference.

Article 18 Meetings of the Development Strategy Committee shall have minutes prepared, and the members attending the meeting shall sign the minutes. The minutes shall be kept by the working group of the Development Strategy Committee. The retention period for documents of the Development Strategy Committee shall be 10 years.

Article 19 Proposals adopted at meetings of the Development Strategy Committee and the voting results shall be reported to the Board of Directors of the Company in writing.

Article 20 All members attending the meeting shall have a duty of confidentiality with respect to the matters discussed at the meeting and shall not disclose relevant information without authorization.

CHAPTER 6 SUPPLEMENTARY PROVISIONS

Article 21 These Terms of Reference shall, upon approval by a resolution of the Board, take effect from the date on which the Company's H shares offered in the initial public offering are listed on The Stock Exchange of Hong Kong Limited.

Article 22 For any matters not covered by these Terms of Reference, they shall be executed in accordance with the relevant PRC laws and regulations and the Articles of Association. In the event that these Terms of Reference contravene any future PRC laws and regulations to be promulgated, and the Articles of Association amended through valid procedure, then the relevant PRC laws and regulations, and the Articles of Association shall prevail.

Article 23 The right to interpret these Terms of Reference shall reside in the Board of the Company.