TERMS OF REFERENCE OF THE REMUNERATION AND APPRAISAL COMMITTEE OF THE BOARD OF DIRECTORS OF BEIJING TONG REN TANG HEALTHCARE INVESTMENT CO., LTD.

CHAPTER 1 GENERAL PROVISIONS

Article 1 In order to further establish and improve the remuneration and appraisal management system of Beijing Tong Ren Tang Healthcare Investment Co., Ltd. (the "**Company**"), and to improve the corporate governance structure, the Company has established the Remuneration and Appraisal Committee pursuant to the resolution of the Board and in accordance with the Company Law of the People's Republic of China (the "**Company Law**"), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, other relevant laws, regulations, regulatory documents and the Articles of Association of Beijing Tong Ren Tang Healthcare Investment Co., Ltd. (the "**Articles of Association**") applicable to the Company after the issuance of H-shares, and has prepared the Terms of Reference of the Remuneration and Appraisal Committee of the Board of Beijing Tong Ren Tang Healthcare Investment Co., Ltd. (the "**Terms of Reference**") based on the actual circumstances of the Company.

Article 2 The Remuneration and Appraisal Committee is a specialized working body under the Board of the Company. It is mainly responsible for studying and formulating the appraisal standards for directors and senior management, making assessments in accordance with the standards, as well as putting forward opinions and recommendations; and studying, formulating and reviewing the remuneration plans or proposals for directors and senior management of the Company. For the purposes of the Terms of Reference, "remuneration" shall include but not limited to all salaries, bonuses, allowances, benefits (in cash or in kind), pensions, compensations (including compensation payable in respect of loss or termination of office or appointment), options and gifting of shares.

Article 3 For the purposes of the Terms of Reference, "directors" refer to directors who receive remuneration from the Company, and "senior management" refers to the general manager, deputy general manager, secretary to the Board, chief financial officer, and other personnel expressly appointed by the Board as senior management of the Company. The "general manager" as mentioned in the Terms of Reference refers to the "manager" as defined in the Company Law.

CHAPTER 2 COMPOSITION

Article 4 The Remuneration and Appraisal Committee shall be composed of three or more directors, with an odd number of members. Independent non-executive directors shall constitute more than one-half.

Article 5 Members of the Remuneration and Appraisal Committee shall be nominated by the chairman of the Board or the Nomination Committee of the Board, and shall be elected by a majority of the directors of the Board. After the proposal for electing members of the Remuneration and Appraisal Committee has been approved, the new members of the Remuneration and Appraisal Committee shall take office immediately after the conclusion of the meeting of the Board.

Article 6 The members of the Remuneration and Appraisal Committee shall be appointed and removed by the Board. The Remuneration and Appraisal Committee shall report to the Board from time to time.

Article 7 The Remuneration and Appraisal Committee shall have one convener, being the chairperson of the Remuneration and Appraisal Committee, who shall be an independent non-executive director. The chairperson of the Remuneration and Appraisal Committee shall be nominated by the chairman of the Board and appointed by the Board and shall be in charge of the work of the Remuneration and Appraisal Committee. When the chairperson of the Remuneration and Appraisal Committee is unable to or fails to perform his/her duties, an independent non-executive director shall be jointly elected by more than half of the members to perform the chairman's duties.

The main duties and powers of the chairperson of the Remuneration and Appraisal Committee are as follows:

(1) to convene and preside over regular and extraordinary meetings of the Remuneration and Appraisal Committee;

(2) to determine the agenda of each meeting of the Remuneration and Appraisal Committee;

(3) to sign important documents of the Remuneration and Appraisal Committee;

(4) to ensure that the Remuneration and Appraisal Committee reaches clear and definite conclusions for each discussed proposal, including the approval, rejection or to be reconsidered with supplementary materials;

(5) other duties and powers set out in the Terms of Reference or relevant laws and regulations.

Article 8 The term of office of the Remuneration and Appraisal 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 of office. During his/her term of office, if any member ceases to be a director of the Company, or any member with the capacity of an independent non-executive director ceases to have the independence as stated in the Articles of Association and the Listing Rules, he/she shall automatically be disqualified as a member of the Remuneration and Appraisal Committee. A member may submit his/her resignation report in writing to the Board prior to the expiry of his/her term of office to resign from his/her position in the Remuneration and Appraisal Committee. The resignation report shall include a statement of the reasons for such resignation and if necessary the matters that should be brought to the attention of the Board of the Company. In the event that members of the Remuneration and Appraisal Committee are disqualified or permitted to resign, the Board shall fill the vacancy in accordance with relevant laws, regulations, regulatory documents and the provisions of Articles 4 to 7 above. When the number of committee members falls below the minimum number of members stipulated in the Terms of Reference, the original members shall continue to perform their duties until the replacement members take office. The term of office for the member filling the vacancy shall expire upon the expiration of his/her term of office as a director or an independent non-executive director. A member of the Remuneration and Appraisal Committee shall not, before the expiry of his/her term of office, be relieved of his/her duties without causes except for the situations that prevent such member from holding office as specified in the Company Law, the Articles of Association or the Listing Rules.

Changes to the members of the Remuneration and Appraisal Committee may be made during their terms of office as and when proposed by the chairman of the Board and approved by the Board after discussion.

CHAPTER 3 DUTIES AND AUTHORITIES

Article 9 The main duties and authorities of the Remuneration and Appraisal Committee are:

(1) to formulate the remuneration policies and make recommendations to the Board in respect of the overall remuneration policies and structure of the directors and senior management of the Company (including but are not limited to performance appraisal criteria, procedures and key appraisal systems, major schemes and systems for incentives and penalties) based on the key scope of their positions, responsibilities, importance, and the remuneration levels of similar positions in comparable companies, as well as in respect of the establishment of formal and transparent procedures; and to supervise the implementation of such schemes;

(2) to review and approve the management's remuneration proposals with reference to the Board's corporate policies and objectives;

(3) to evaluate the performance of individual executive directors and senior management, and to make recommendations to the Board on the determination of the remuneration packages of individual executive directors and senior management, including benefits in kind, pension rights and compensation amounts (including compensation payable for loss or termination of office or appointment), and to make recommendations to the Board on the remuneration of non-executive directors;

(4) to consult the chairman of the Board or the general manager in respect of the remuneration proposed for other executive directors. The Remuneration and Appraisal Committee shall seek independent professional opinions if necessary;

(5) to consider remunerations paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;

(6) to review and approve the compensation payable to executive directors and senior management for any loss or termination of office or appointment, so as to ensure that such compensation is consistent with the contractual terms or is otherwise fair, reasonable and not excessive;

(7) to review and approve compensation arrangements relating to the dismissal or removal of directors for misconduct, so as to ensure that such arrangements are consistent with the contractual terms or are otherwise reasonable and appropriate;

(8) to ensure that any director or any of his/her associate (as defined in the Listing Rules) does not participate in the determination of his/her own remuneration; and in relation to a non-executive director who is also a member of the Remuneration and Appraisal Committee, his/her remuneration shall be determined by other members of the Remuneration and Appraisal Committee;

(9) to review the incentive schemes and service contracts of directors;

(10) to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules;

(11) to guide and coordinate the development of the Company's legal governance and integrity compliance management systems, establish and improve relevant rules and regulations, study major issues related to legal governance and integrity compliance management, provide opinions and recommendations, and supervise management and other employees in conducting operations in accordance with laws and regulations;

(12) other matters authorized by the Board; and

(13) other relevant requirements on the terms of reference of the Remuneration and Appraisal Committee as amended from time to time by laws and regulations, normative documents, the Articles of Association, the Terms of Reference, and the regulatory rules of the place(s) where the Company's shares are listed.

Article 10 The remuneration plans or schemes proposed by the Remuneration and Appraisal Committee shall not prejudice the interests of the shareholders. The Board shall have the right to reject any remuneration plans or schemes that prejudice the interests of the shareholders.

Article 11 The remuneration plans or schemes for the directors of the Company proposed by the Remuneration and Appraisal Committee shall be approved by the Board and submitted to a general meeting for consideration and approval before implementation (if applicable). The remuneration plans or schemes for the senior management of the Company shall be reported to the Board for approval. The Remuneration and Appraisal Committee shall be accountable to the Board and proposals of the committee shall be submitted to the Board for consideration. Relevant departments of the Company shall be obligated to cooperate with the Remuneration and Appraisal Committee and provide relevant materials. Sufficient resources shall be made available to the Remuneration and Appraisal Committee for its fulfillment of duties and responsibilities.

According to the Listing Rules, the above service contracts of directors which are subject to shareholders' approval include:

(1) service contracts with a term of over three years;

(2) contracts which may not be terminated by the Company unless at least one year's notice is given, or compensation or other amounts equivalent to at least one year's emoluments are paid; or

(3) agreements required by the securities regulatory authority where the Company's shares are listed.

The Remuneration and Appraisal Committee shall make comments on the above service contracts of directors which are subject to the shareholders' approval, notify shareholders on whether relevant contractual terms are fair and reasonable, whether relevant contracts are in the interests of the Company and its shareholders as a whole, and shall put forward opinions on how shareholders (other than those shareholders who are directors and have a material interest in such service contracts, as well as their associates) should vote.

Article 12 The Remuneration and Appraisal Committee shall make available its terms of reference explaining its role and the authority delegated to it by the Board on the websites of The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") and the Company. The Company shall disclose directors' remuneration policy in its annual report, and set out the details of the remuneration of senior management by band, as well as other matters related to remuneration.

CHAPTER 4 WORKING PROCEDURES

Article 13 The Company's Human Resource Department shall be under direct leadership of the Remuneration and Appraisal Committee. The Securities Affairs Department and the Human Resource Department of the Company, as the executive offices of the Remuneration and Appraisal Committee, shall be responsible for organizing meetings of the Remuneration and Appraisal Committee, implementing its resolutions, and coordinating with relevant departments to provide necessary materials.

Article 14 The department submitting the proposals for the meetings of the Remuneration and Appraisal Committee is responsible for the preliminary preparation for the committee's decision-making, including drafting the proposals, providing relevant materials, and responding to inquiries from the committee members. Relevant materials include but are not limited to:

(1) the Company's fulfillment of its main financial indicators and business objectives;

(2) the scope of responsibilities and the performance of main duties by directors and senior management of the Company;

(3) the fulfillment of indicators involved in the work performance evaluation system of the directors and senior management;

(4) the operation performance driven by business innovation and profit-making ability of the directors and senior management;

(5) the relevant calculation basis indicating remuneration plans or proposals proposed in accordance with the performance of the Company;

(6) maintaining daily working contact with the intermediaries designated by the Remuneration and Appraisal Committee;

(7) providing information on various remuneration systems and their implementation across the Company at the request of the Remuneration and Appraisal Committee.

The Remuneration and Appraisal Committee performs the main duties under Article 9 of the Terms of Reference based on the information provided by the executive offices.

The chairperson of the Remuneration and Appraisal Committee or (in his/her absence) another member of the Remuneration and Appraisal Committee (who must be an independent non-executive director) is required to attend the annual general meeting of the Company and respond to enquiries from shareholders on the activities and responsibilities of the Remuneration and Appraisal Committee.

CHAPTER 5 RULES OF PROCEDURE

Article 15 The Remuneration and Appraisal Committee shall hold at least one meeting every year. In principle, all meetings of the Remuneration and Appraisal Committee shall be held prior to regular Board meetings. An extraordinary meeting of the Remuneration and Appraisal Committee may be convened if deemed necessary by the chairperson of the Remuneration and Appraisal Committee, upon the proposal of more than half of the committee members, or at the suggestion of the chairman of the Board.

Article 16 The chairperson of the Remuneration and Appraisal Committee shall convene the meeting. The notice of meeting and the meeting materials shall be delivered to all members three days (excluding the date of convening such meetings) in advance of the meeting. In the event of an emergency requiring the Remuneration and Appraisal Committee to convene a meeting promptly, a meeting notice may be issued on the same day by telephone, fax, or email, but the chairperson of the Remuneration and Appraisal Committee shall provide an explanation at the meeting. Prior to the meeting, the committee members shall thoroughly read the meeting materials.

Article 17 The chairperson of the Remuneration and Appraisal Committee shall preside over the meeting of the committee, and in the event that the chairperson of the committee is unable to attend, another independent non-executive director may be appointed to preside over the meeting.

Article 18 A meeting of the Remuneration and Appraisal Committee shall be held only when at least two-thirds of the members are present, and at least one of them must be an independent non-executive director. A member who is unable to attend may appoint another member by a written power of attorney to attend and vote on his/her behalf. The power of attorney shall specify the name of the proxy, the matters delegated, voting instructions for each meeting agenda item (e.g., for, against, or abstention), the scope of authorization, and the validity period, and shall be signed or stamped by the appointer and submitted to the presider of the meeting no later than the time when voting takes place in the meeting.

Resolutions made at the meeting shall be approved by more than half of all the members, and relevant resolutions or opinions shall be signed by the members of the Remuneration and Appraisal Committee attending the meeting. Each member is entitled to one vote, which is divided into three categories, namely “for”, “against” and “abstention”.

Article 19 Meetings of the Remuneration and Appraisal Committee may be convened by appropriate methods and means such as on-site meeting, telephone conference, video conference, circulation of documents, fax and mail.

Article 20 When necessary, the Remuneration and Appraisal Committee may invite the Company’s directors and senior management, and external advisors to attend its meetings. Attendees may provide explanations or clarifications on matters discussed at the meetings, but non-members of the Remuneration and Appraisal Committee shall have no voting rights.

Article 21 The Company shall provide the Remuneration and Appraisal Committee with sufficient resources to perform its duties. The senior management and relevant departments of the Company shall cooperate with and support the Remuneration and Appraisal Committee, provide relevant information and actively cooperate with the Remuneration and Appraisal Committee. If necessary, the Remuneration and Appraisal Committee may engage independent intermediaries to provide professional advice for its decision-making, and any reasonable expenses incurred shall be borne by the Company.

Article 22 In any of the following circumstances, the members of the Remuneration and Appraisal Committee shall make a prior disclosure to the Remuneration and Appraisal Committee and abstain from considering and voting on the relevant matters:

(1) in evaluating of such member or reviewing his/her remuneration;

(2) in evaluating of the associates (as defined in the Listing Rules) of such member or reviewing his/her remuneration;

(3) other circumstances where such member has interests or that may affect such member in making objective and fair judgments.

If a valid resolution cannot be reached due to the recusal of any member, the relevant matter shall be considered directly by the Board.

Article 23 The convening procedures, voting methods and remuneration policies and allocation proposals passed at the meetings of the Remuneration and Appraisal Committee shall comply with the requirements of laws and regulations, the Listing Rules, the Articles of Association and the Terms of Reference.

Article 24 Meetings of the Remuneration and Appraisal Committee shall be recorded. Meeting minutes shall at least include the followings: the date, venue and name of convener of the meeting; the names of the attendees with specific notes on whether a proxy is delegated for the meeting; the meeting agenda; the key points of the members' speeches; the voting method and voting results of each resolution or proposal; and other matters need to be indicated and recorded in the meeting minutes. The members present shall sign the meeting minutes. The meeting minutes shall be kept by the secretary to the Board.

Article 25 Resolutions passed at the meetings of the Remuneration and Appraisal Committee and voting results shall be reported to the Board of the Company in writing for its consideration.

Article 26 Members present and attendees at the meeting are obliged to keep confidential the matters discussed at the meeting and are not allowed to disclose the relevant information without authorization, unless according to provisions otherwise required by relevant laws and regulations, and/or regulatory authorities.

CHAPTER 6 SUPPLEMENTARY PROVISIONS

Article 27 Unless otherwise specified, the terms used herein shall have the same meanings as those in the Articles of Association. The phrase"more than" as referred to herein shall include the number itself, while "majority" shall exclude the number itself.

Article 28 The Terms of Reference shall become effective upon approval by the Board; provided, however, that provisions relating to the Listing Rules shall become effective and be implemented from the date on which the Company's initial public offering of overseas-listed foreign shares (H Shares) is listed and traded on the Hong Kong Stock Exchange. Any amendment to or interpretation of the Terms of Reference shall be done by the Board.

Article 29 Any matter not covered herein shall be implemented in accordance with the relevant laws and regulations, departmental rules, the Listing Rules and the Articles of Association. Where the Terms of Reference conflict with any relevant laws or regulations, departmental rules, relevant regulatory provisions of the place(s) where the shares of the Company are listed including the Listing Rules, or the Articles of Association, such relevant laws and regulations, departmental rules, relevant regulatory provisions of the place(s) where the shares of the Company are listed including the Listing Rules, and the Articles of Association shall prevail, in which case the Terms of Reference shall be amended accordingly as soon as practicable and submitted to the Board for consideration and approval.