Sichuan Neautus Traditional Chinese Medicine Co., Ltd.
四川新荷花中藥飲片股份有限公司

Terms of Reference and Rules of Procedure of the Strategy Committee

Chapter I General Provisions

Article 1 To ensure the reasonableness of the development strategy and plan and the soundness of the investment decisions of Sichuan Neautus Traditional Chinese Medicine Co., Ltd. (the "**Company**"), the Company has established the Strategy Committee (the "**Committee**") under the Board of Directors (the "**Board**") and formulated these Terms of Reference and Rules of Procedure of the Strategy Committee of the Board of Sichuan Neautus Traditional Chinese Medicine Co., Ltd. (the "**Rules**") in accordance with the Company Law of the People's Republic of China, the Basic Standard for Enterprise Internal Control and its supporting guidelines, the relevant laws, administrative regulations and normative documents (collectively, the "**National Laws and Regulations**"), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Listing Rules**") and the Articles of Association of Sichuan Neautus Traditional Chinese Medicine Co., Ltd. (the "**Articles of Association**").

Article 2 The Committee is a specialized working body established under the Board of the Company, primarily responsible for studying and making recommendations on the Company's long-term development strategy and major investment decisions. The Committee is accountable to and reports to the Board.

Article 3 These Rules apply to the Committee and the relevant persons and departments referred to in these Rules.

Chapter II Composition of the Committee

Article 4 The Committee shall comprise three Directors, at least one of whom shall be an independent non-executive Director. Committee members shall be nominated by the Chairman of the Board, elected by the Board and approved by more than half of all Directors.

Article 5 The Committee shall have one Chairperson (the "**Chairperson**"), who shall be the Chairman of the Board and shall be responsible for convening and presiding over Committee meetings.

Article 6 The term of office of each member shall be the same as that of the relevant Director. Upon expiry of a member's term of office, the member may be re-elected. If a member ceases to serve as a Director of the Company during the member's term of office, the member's qualification as a Committee member shall automatically cease. If the number of Committee members falls below the number required under these Rules, the Board shall fill the vacancy in accordance with these Rules.

Chapter III Duties of the Committee

Article 7 The Committee shall primarily undertake the following duties:

(1) to study and make recommendations on the Company's development strategy, the development strategies of its business segments and major investment decisions;

(2) to study and make recommendations on major business reorganizations, mergers, divisions, dissolutions and other matters concerning the Company and its subsidiaries;

(3) to study and make recommendations on major capital operations and asset management projects that are required to be approved by the Board;

(4) to study and make recommendations on other significant matters affecting the Company's development;

(5) to inspect the implementation of the above matters;

(6) to perform other duties required or delegated under the National Laws and Regulations, the Hong Kong Listing Rules, these Rules and by the Board.

Chapter IV Rules of Procedure

Article 8 The Committee shall convene meetings from time to time as necessary. Committee meetings shall be convened by the Chairperson. In any of the following circumstances, the Chairperson shall issue a notice convening a meeting within three days after the relevant circumstance occurs:

(1) the Board considers it necessary;

(2) the Chairperson considers it necessary;

(3) two Committee members propose it.

Article 9 The office of the Board shall be responsible for delivering the meeting notice in writing or by other means to each member and each relevant person invited to attend the meeting three days before the meeting, except in special circumstances.

Article 10 Upon receiving a meeting notice, Committee members shall promptly confirm it in an appropriate manner and provide the relevant information, including but not limited to whether they will attend the meeting and their travel arrangements.

Article 11 Committee members shall attend meetings in person. If a member is unable to attend in person for any reason, the member may submit a signed power of attorney authorizing another Committee member to attend and express opinions on the member's behalf. The power of attorney shall specify the scope and duration of the authorization. A member may authorize only one other member to exercise voting rights on the member's behalf at each meeting. An authorization of two or more persons to exercise voting rights on the member's behalf shall be invalid. In addition, no member may concurrently accept authorizations from two or more other members.

Article 12 A Committee meeting may be held only if more than two-thirds of the members are present. The meeting shall be presided over by the Chairperson. If the Chairperson is unable to attend, the Chairperson may authorize another Committee member to preside.

Article 13 The Committee shall study and discuss the matters under consideration at its meetings. Committee members shall, based on their own judgment, express their opinions clearly, independently and fully. Any disagreement shall be recorded in the meeting minutes submitted to the Board.

Article 14 Committee meetings shall generally be held as physical meetings. In special circumstances, provided that Committee members are able to fully express their opinions and with the consent of the Chairperson, a meeting may be held by means of correspondence. Where a meeting is conducted by means of correspondence, Committee members shall submit written opinions on the matters under consideration to the Board within the period specified in the meeting notice.

Article 15 Where necessary, the Committee may invite the Company's Directors, relevant senior management, relevant Company experts or external experts, scholars, intermediaries and other relevant persons to attend meetings.

Article 16 When a matter under consideration by the Committee involves a conflict of interest for a Committee member, that member shall abstain.

Article 17 All persons attending or present at a meeting shall keep confidential the matters considered at the meeting and may not disclose relevant information without authorization.

Article 18 The secretary to the Board shall be responsible for organizing and coordinating the work between the Committee and the relevant departments, and shall attend Committee meetings.

Article 19 The office of the Board shall be responsible for the meeting affairs of the Committee and shall prepare the relevant materials required for meetings. The Company's relevant functional departments shall be responsible for providing work services, support and cooperation to the Committee.

Article 20 Meeting records shall be prepared for Committee meetings. A designated person appointed by the office of the Board shall take the meeting records, and the members attending the meeting, the persons present at the meeting and the person taking the records shall sign the Committee meeting record.

Article 21 After a Committee meeting, the office of the Board shall be responsible for the preparation of the Committee meeting minutes based on the studies and discussions at the meeting. The resolutions and recommendations passed shall be reported to the Board.

Article 22 The Committee meeting records, meeting minutes, powers of attorney, written opinions of members and other meeting materials shall be kept by the office of the Board in accordance with the relevant provisions.

Article 23 The proposals passed at Committee meetings and the voting results shall be reported in writing to the Board of the Company.

Chapter V Supplementary Provisions

Article 24 Unless otherwise specified, terms used in these Rules shall have the same meanings as those terms have in the Articles of Association.

Article 25 In these Rules, the terms "**or more**" and "**within**" are inclusive of the stated figure, while the term "**more than**" is exclusive of the stated figure.

Article 26 Matters not covered by these Rules, or matters that conflict with laws, administrative regulations, normative documents, relevant regulatory rules of the place where the Company's shares are listed or the Articles of Association as amended through lawful procedures after these Rules take effect, shall be dealt with in accordance with the relevant national laws, administrative regulations, normative documents, relevant regulatory rules of the place where the Company's shares are listed and the Articles of Association, and these Rules shall be amended promptly.

Article 27 The right to interpret and amend these Rules belongs to the Board.

Article 28 These Rules shall take effect and be implemented after approval by the Board, with effect from the date on which the Company is first listed on The Stock Exchange of Hong Kong Limited.

Article 29 If these Rules are available in both Chinese and English and there is any inconsistency between the Chinese and English versions, the Chinese version shall prevail.