TERMS OF REFERENCE FOR THE STRATEGY AND RISK MANAGEMENT COMMITTEE UNDER THE BOARD OF DIRECTORS OF

WENZHOU KANGNING HOSPITAL CO., LTD.

CHAPTER 1 GENERAL PROVISIONS

Clause 1 In order to accommodate the needs of strategic development and risk control of Wenzhou Kangning Hospital Co., Ltd. (the "**Company**"), and to strengthen its core competitiveness, determine its development plans, improve its procedures for making investment decisions, enhance the scientificity of its decision-making process, improve the efficiency and risk control of material investment decisions and capital operation, and enhance its corporate governance structure, and in accordance with the Company Law of the People's Republic of China, relevant laws and regulations, and the Articles of Association of Wenzhou Kangning Hospital Co., Ltd. (the "**Articles**"), the Company has set up a strategy and risk management committee under the board of directors of the Company (the "**Committee**") and formulated the Terms of Reference for the Strategy and Risk Management Committee Under the Board of Directors of Wenzhou Kangning Hospital Co., Ltd (the "**Terms**") taking into account the actual situations of the Company.

Clause 2 The Committee is a specific working body set up by the board of directors (the "**Board**") of the Company. Its main responsibilities are to conduct researches and make recommendations concerning the long term development strategies and material investment decisions of the Company, as well as to carry out assessment on and control over the overall risks of the Company.

CHAPTER 2 COMPOSITION

Clause 3 The Committee shall comprise at least three directors, and the total number of members shall always be an odd number.

Clause 4 The members of the Committee shall be nominated by the chairman of the Board or the Board, and appointed by the Board through election with the approval of more than half of all directors.

Clause 5 The Committee shall have a chairman, who shall be a member of the Committee designated by the Board. If the chairman of the Committee is unable to or fails to perform his/her duties, a member of the Committee elected by at least half of members of the Committee shall act in his/her duties.

Clause 6 The term of office of the members of the Committee shall be in line with those of the Board members. The members of the Committee may serve consecutive terms if re-elected upon the expiry of the current term of office. During his/her term of office, if any member ceases to hold office as a director, he/she will automatically be disqualified and cease to be a member of the Committee. A member of the Committee may resign prior to the expiry of his/her term of office by submitting a written resignation report to the Board, which shall include the reason(s) for such resignation and if necessary, the matters that should be brought to the attention of the Board. If a member of the Committee is disqualified to act or his/her resignation has been accepted, the Board shall fill in the vacancy by appointing a successor member in accordance with relevant laws and regulations and Clauses 3 to 5 above.

CHAPTER 3 DUTIES AND AUTHORITIES

Clause 7 The Committee shall have the following duties and responsibilities:

(i) to review and make recommendations to the Board on the plans for strategic development of the Company;

(ii) to, in light of the plans for the strategic development of the Company, review and make recommendations to the Board on planning, feasibility studies, negotiations, due diligence, intention to cooperate and the execution of contracts in relation to new major investment by the Company;

(iii) to review and make recommendations to the Board on major financing, capital operation and assets management of the Company, including the issuance of shares or debentures of the Company;

(iv) to review and make recommendations to the Board on mergers, divisions, liquidation of the Company and other material matters which will affect the development of the Company;

(v) to conduct studies and make recommendations on other significant matters which will affect the development of the Company;

(vi) to monitor and supervise on, and propose adjustment to, as necessary, the implementation of the above matters after approval by the Board;

(vii) to consider the development program for the comprehensive risk management system and the internal control system;

(viii) to consider the regulatory system, work flows and major control objectives regarding risk management and internal control;

(ix) to consider the organizational structure and the terms of reference of risk management and internal control management departments;

(x) to consider the annual work plans and annual reports on comprehensive risk management and submit the same to the Board;

(xi) to supervise the soundness, reasonableness and effectiveness of the risk management and internal control system, and instruct the comprehensive risk management and internal control of the Company;

(xii) to consider the risk management strategies and significant risk management solutions;

(xiii) to consider the internal control assessment report and submit the same to the Board;

(xiv) to study the significant investigation results and feedbacks from the management concerning the risk management and internal control of the Company; and

(xv) other matters authorized by the Board.

Clause 8 The Committee shall conduct discussion on any matters within its scope of duties and then submit the passed resolutions and voting results to the Board in writing for review.

CHAPTER 4 RULES OF PROCEDURES FOR MEETINGS

Clause 9 Meetings of the Committee shall include regular meetings and extraordinary meetings.

The regular meeting of the Committee shall be held prior to the regular board meeting to be held before the annual general meeting of the Company to discuss the opinions and suggestions to be submitted to the Board.

An extraordinary meeting may be held any time when the chairman of the Committee considers necessary or when proposed by at least half of the members of the Committee or by the chairman of the Board.

Clause 10 Meetings of the Committee shall be convened, and the notice thereof shall be issued, by the chairman of the Committee. The notice of a meeting and other meeting materials shall be delivered to all members of the Committee at least three days before the date of the meeting. Upon unanimous consent of all members of the Committee, the foregoing requirement of notification period may be waived.

Clause 11 Meetings of the Committee shall be presided over by the chairman of the Committee. If the chairman of the Committee is unable to attend a meeting, he/she may appoint another member of the Committee to preside over the meeting.

Clause 12 The quorum of meetings of the Committee shall be at least two-third of the members; if a member is unable to attend a meeting, he/she may by a written power of attorney appoint another member to attend and vote at the meeting on his/her behalf. The power of attorney shall set out the name of the proxy, the subject and scope of authorization and the period of the validity of the power of attorney, and shall be signed or officially sealed by the principal.

Resolutions made at the meeting of the Committee must be approved by more than half of all the members. All resolutions and opinions of the Committee shall be signed by all of its members present at the meeting. Each member of the Committee shall have one vote. A member of the Committee may vote for, against or abstain from voting on a given matter. Where the respective votes for and against a resolution are equal in number, the chairman of the Committee shall have a casting vote.

Clause 13 Meetings of the Committee may be held by means of on-site meeting, by communication, by circulation and execution of resolutions or by other appropriate means.

Clause 14 Persons-in-charge from relevant departments of the Company involving strategic plans can be present at meetings of the Committee. In addition, directors, supervisors and other senior management members of the Company may be invited to be present at such meetings if necessary.

Clause 15 If necessary, the Committee may also engage independent intermediaries to advise on its decision-makings at the reasonable cost of the Company.

The senior management and relevant departments of the Company shall support and cooperate with the work of the Committee, and provide such necessary information and documents as required by the Committee.

Clause 16 The procedures for convening a meeting, the method of voting and resolutions passed at a meeting of the Committee shall comply with relevant laws and regulations, the Articles and the provisions of the Terms.

Clause 17 The Committee shall keep minutes of its meetings. Members present at a meeting shall sign the minutes of that meeting. The meeting minutes shall be kept by the secretary to the Board for a period of not less than 10 years.

Clause 18 All persons attending or present at a meeting shall keep confidential all matters discussed at the meeting and shall not disclose any relevant information without authorization.

CHAPTER 5 MISCELLANEOUS

Clause 19 The expression "at least" includes the numbers following such expression, and "more than half" excludes half.

Clause 20 The Terms have been approved by the Board and shall become effective on the day when the overseas listed foreign shares issued by the Company are listed and traded on The Stock Exchange of Hong Kong Limited. The Board shall have the power to amend and interpret the Terms.

Clause 21 Any matters not covered by the Terms shall be implemented in accordance with the provisions of the relevant laws and regulations, the relevant regulatory rules of the place(s) where the Company's shares are listed, and the Articles. If the Terms contravene any provisions of the relevant laws and regulations, the relevant regulatory rules of the place(s) where the Company's shares are listed, or the Articles, such relevant laws, regulations, the relevant regulatory rules of the place(s) where the Company's shares are listed and the Articles shall prevail, and in such case, the Terms shall be amended accordingly and submitted to the Board for consideration and approval as soon as practicable.

Clause 22 The Terms are made in both English and Chinese. In the event of any discrepancy between the English and Chinese versions of the Terms, the Chinese version shall prevail.