Liuliumei Co., Ltd.
溜溜梅股份有限公司

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

(Stock code: 6658)

TERMS OF REFERENCE OF THE REMUNERATION AND APPRAISAL COMMITTEE OF THE BOARD OF DIRECTORS

CHAPTER 1 GENERAL PROVISIONS

Article 1 In order to further establish a sound assessment and remuneration management system for the Directors and senior management of Liuliumei Co., Ltd. (the "**Company**") and improve the corporate governance structure, the Board established the Remuneration and Appraisal Committee and formulated these Terms of Reference in accordance with the Company Law of the People's Republic of China, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Listing Rules**"), the Articles of Association of Liuliumei Co., Ltd. (the "**Articles of Association**") and other relevant provisions.

Article 2 The Remuneration and Appraisal Committee is primarily responsible for formulating the appraisal standards of the Directors and senior management of the Company and conducting appraisals; formulating and reviewing the remuneration policies and plans of the Directors and senior management of the Company, and shall be accountable to the Board.

Article 3 Senior management as referred herein shall refer to the general manager, deputy general manager, secretary to the Board appointed by the Board and other senior management as stipulated in the Hong Kong Listing Rules and the Articles of Association.

CHAPTER 2 COMPOSITION

Article 4 The Remuneration and Appraisal Committee shall consist of three directors and a majority of whom shall be independent non-executive directors.

Article 5 Members of the Remuneration and Appraisal Committee shall be elected by the Board.

Article 6 The Remuneration and Appraisal Committee shall have a chairman, who shall be an independent non-executive director and responsible for taking charge of the work of the Committee; the Chairman shall be a member of the Remuneration and Appraisal Committee and shall be elected by the Board.

Article 7 The term of office of the Remuneration and Appraisal Committee shall be consistent with that of the Board and each member of the Committee shall be eligible for re-election upon expiry of his term of office. Where a member ceases to be a director of the Company, he/she will automatically cease to be qualified as a member of the Committee, and the casual vacancy shall be filled by the person elected by the Board in accordance with the provisions of Article 4 to Article 6 above.

CHAPTER 3 DUTIES AND AUTHORITIES

Article 8 The major duties and authorities of the Remuneration and Appraisal Committee are:

(I) to formulate remuneration plans or packages in accordance with the main scope, responsibilities and significance of the management positions of Directors and senior management and the remuneration levels of relevant positions in other relevant enterprises (remuneration plans or packages mainly include but are not limited to performance appraisal standards, procedures and main appraisal systems, major schemes and systems for rewards and penalties, etc.);

(II) to review the performance of duties of the Directors and senior management of the Company and conduct their annual performance appraisal;

(III) to supervise the implementation of the remuneration system of the Company;

(IV) to make recommendations to the Board on the Company's overall policy and structure for remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy;

(V) to review and approve management's remuneration proposals with reference to the corporate goals and objectives set by the Board;

(VI) to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management, which shall include benefits in kind, pension rights and compensation payments (including compensation for loss or termination of office or appointment);

(VII) to make recommendations to the Board on the remuneration of non-executive Directors;

(VIII) to consider the remuneration paid by comparable companies, the time commitment and responsibilities required, and the employment conditions of other positions within the Group;

(IX) to review and approve compensation payable to executive Directors and senior management for loss or termination of office or appointment, so as to ensure that such compensation is consistent with the terms of the contract; If it fails to comply with the terms of the contract, the compensation shall also be fair and reasonable and not excessive;

(X) to review and approve compensation arrangements in relation to dismissal or removal of Directors due to misconduct, so as to ensure that such arrangements are consistent with the terms of the contract; If it fails to comply with the terms of the contract, the relevant compensation shall also be reasonable and appropriate;

(XI) to ensure that no Director or any of their associates is involved in determining their own remuneration;

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

(XIII) other matters authorised by the Board.

Article 9 The board shall have the right to veto any remuneration plan or package that damages the interests of shareholders.

Article 10 If the remuneration plan or package formulated by the Remuneration and Appraisal Committee falls within the scope of duties and authorities of the Board, it shall be implemented after deliberation and approval by the Board; If it falls within the scope of duties and authorities of the General Meeting, it shall be implemented after deliberation and approval by the General Meeting.

Article 11 The Remuneration and Appraisal Committee is responsible to the Board, and its proposals shall be submitted to the Board for deliberation and decision.

CHAPTER 4 DECISION-MAKING PROCEDURE

Article 12 The working group subordinated to the Remuneration and Appraisal Committee shall be responsible for performing the preliminary works for decision-making and shall provide the following relevant information of the Company:

(I) results of performance of major financial indicators and operation objectives of the Company;

(II) the division of labor of the Company's senior management and the execution of their respective main duties;

(III) the completion of indicators in the performance appraisal system for Directors (non-independent non-executive directors) and senior management;

(IV) the relevant calculation basis of formulating the company's remuneration distribution plan and distribution method according to the performance of the Company.

Article 13 The appraisal procedures of the Remuneration and Appraisal Committee for Directors and senior management:

(I) Directors (non-independent non-executive directors) and senior management of the Company shall report job duties and make self-assessment to the Remuneration and Appraisal Committee;

(II) the Remuneration and Appraisal Committee shall evaluate the performance of Directors (non-independent non-executive directors) and senior management in accordance with the performance appraisal standards and procedures;

(III) the amount of remuneration and method of reward for Directors (non-independent non-executive directors) and senior management shall be proposed according to the job performance appraisal results and remuneration distribution policy and reported to the Board after being approved by voting;

CHAPTER 5 RULES OF PROCEDURES

Article 14 The Remuneration and Appraisal Committee shall hold at least one regular meeting every year and notify all members 3 days before the meeting. The meeting shall be presided over by the chairman, or where the chairman is unable to attend the meeting, he/she may appoint another member (independent non-executive director) to preside over it.

An extraordinary meeting of the Remuneration and Appraisal Committee shall be convened when proposed by the Board, the Chairman of the Board, the Chairman and two or more members of the Remuneration and Appraisal Committee, the Chairman of the Remuneration and Appraisal Committee shall convene and preside over the extraordinary meeting within 3 working days after receiving the proposal. When the Chairman is unable to perform his/her duties or fails to perform his/her duties, another member who is an independent non-executive director shall convene and preside over the meeting.

Article 15 The quorum of a meeting of the Remuneration and Appraisal Committee shall be more than two-thirds of the members; each member shall have one vote; resolutions made at the meeting must be approved by more than half of all members.

Article 16 Voting at meetings of the Remuneration and Appraisal Committee shall be conducted by poll; extraordinary meetings may be held by means of communication voting.

Article 17 The general manager of the company may attend the meeting of the Remuneration and Appraisal Committee as nonvoting delegates, and when necessary, the Remuneration and Appraisal Committee may invite other Directors, Supervisors and senior management of the company to attend the meeting as observers.

Article 18 The Remuneration and Appraisal Committee may engage intermediaries to provide professional advice for its decision-making where necessary and the expense shall be paid by the Company. The Board shall ensure that the Remuneration and Appraisal Committee has sufficient resources to fulfil its duties.

Article 19 A member shall refrain from discussions regarding any matter related to such member at a meeting of the Remuneration and Appraisal Committee. The meeting of the Remuneration and Appraisal Committee can be held when more than half of the unrelated members attend, and the resolutions made at the meeting must be approved by more than half of the unrelated members; If the number of unrelated members attending the meeting is less than half of the total number of unrelated members of the remuneration and appraisal committee, the matter shall be submitted to the board of directors for consideration.

Article 20 The convening procedure, voting method and remuneration policy distribution plan adopted at the meeting of the Remuneration and Appraisal Committee must comply with the provisions of relevant laws and regulations, the Hong Kong Listing Rules, the Articles of Association and these Terms of Reference.

Article 21 The meeting of the Remuneration and Appraisal Committee shall keep meeting minutes, and the meeting minutes shall be signed by the members attending the meetings. The meeting minutes shall be kept by the secretary to the Board for a period of not less than 10 years.

Article 22 The proposals and voting results passed at the meeting of the Remuneration and Appraisal Committee shall be reported to the Board of the company in written form.

Article 23 Members present at a meeting shall keep confidential of all matters discussed at the meeting and shall not disclose such information without authorization.

CHAPTER 6 SUPPLEMENTARY PROVISIONS

Article 24 Unless otherwise stated, the terms used in these Terms of Reference have the same meanings as those in the Articles of Association.

Article 25 These Terms of Reference have been reviewed and approved by the Board and will come into effect on the date when the company's initial public offering of overseas listed foreign shares (H shares) is listed and traded on The Stock Exchange of Hong Kong Limited, and the same will be applied when amended.

Article 26 Matters not covered in these Terms of Reference shall be implemented in accordance with relevant laws, regulations, normative documents, the Hong Kong Listing Rules and the Articles of Association.

Article 27 These Terms of Reference shall be interpreted by the Board of the Company.