STAR SPORTS MEDICINE CO., LTD.

北京天星醫療股份有限公司

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

Terms of Reference of the Audit Committee under the Board of Directors

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CHAPTER 1 GENERAL PROVISIONS

Article 1 To standardize the rules of procedure of the Audit Committee of the Board of Directors (hereinafter referred to as the Board) of Star Sports Medicine Co., Ltd. (hereinafter referred to as the Company) and fully protect the legitimate rights and interests of the Company and its shareholders, these Terms of Reference are formulated in accordance with the Company Law of the People's Republic of China (hereinafter referred to as the Company Law), the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the Hong Kong Listing Rules), and other relevant laws, administrative regulations, departmental rules and normative documents, as well as the Articles of Association of Star Sports Medicine Co., Ltd. (hereinafter referred to as the Articles of Association) and the Rules of Procedure for Meetings of the Board of Directors of Star Sports Medicine Co., Ltd. and with reference to the actual conditions of the Company.

Article 2 As a specialized committee under the Board, the Audit Committee is accountable to the Board and reports its work to the Board.

Article 3 The Audit Committee is responsible for proposing the appointment or replacement of external audit institutions, coordinating between internal and external auditors, reviewing the Company's financial information and its disclosure, and supervising and evaluating the Company's internal control.

CHAPTER 2 COMPOSITION OF THE AUDIT COMMITTEE

Article 4 The Audit Committee shall consist of no fewer than three non-executive directors of the Company, the majority of whom shall be independent non-executive directors, and at least one independent non-executive director shall be an accounting professional. A former partner of the Company's current external audit institution shall not serve as a member of the Audit Committee within a period of two years from the date on which he/she ceased to be a partner of the external audit institution or ceased to have any financial interest in the current external audit institution, whichever is later.

Article 5 Members of the Audit Committee shall be nominated by the chairman of the Board, or by more than half of the independent non-executive directors, or by more than one-third of all directors, and shall be elected by the Board upon approval by a majority of all directors.

Article 6 The Audit Committee shall have one chairman (convener), who shall be an independent non-executive director and be responsible for presiding over the work of the Committee. The chairman of the Committee shall be elected within the Audit Committee and appointed upon approval by the Board.

Article 7 The term of office of members of the Audit Committee shall be the same as that of the directors. Members may be re-elected for consecutive terms upon the expiration of their terms. If, during the term, a member ceases to serve as a director of the Company, or a member who is required to be an independent non-executive director no longer satisfies the independence requirements stipulated in the Articles of Association, he/she shall automatically cease to be a Committee member, and the Board shall fill the vacancy in accordance with Articles 4 to 6 above.

Article 8 The Audit Committee shall establish a working group to be responsible for liaison work, organization of meetings, preparation of materials, and archive management, among other daily tasks of the Audit Committee. Members of the working group are not required to be members of the Audit Committee.

When the Audit Committee performs its duties, the Company's management and relevant departments shall provide cooperation.

Article 9 The provisions of the Company Law and the Articles of Association regarding the directors' obligations are applicable to members of the Audit Committee.

CHAPTER 3 DUTIES AND POWERS

Article 10 The duties and powers of the Audit Committee are as follows:

(I) to review the Company's financial position;

(II) to supervise the acts of the directors and senior management personnel in performing their duties and propose the removal of those directors and senior management personnel who violate the laws, administrative regulations, the Articles of Association or resolutions of shareholders' meetings;

(III) to demand that any directors or senior management personnel who act in a manner that is harmful to the Company's interests rectify such act.

Article 11 In addition to the duties stipulated in Article 10, the main duties of the Audit Committee also include the following:

(I) making recommendations to the Board on the appointment, reappointment, replacement and removal of external audit institutions, approving the remuneration and terms of engagement of external audit institutions, and handling any matters relating to the resignation or dismissal of such external audit institutions;

(II) reviewing and monitoring the external audit institution's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards; the Audit Committee shall, prior to the commencement of the audit work, discuss with the audit institution the nature, scope, and methodology of the audit and related reporting responsibilities;

(III) developing and implementing a policy on engaging an external audit institution to supply non-audit services. For this purpose, "external audit institution" includes any entity that is under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the audit firm nationally or internationally. The Audit Committee shall report to the Board, identifying and making recommendations on any matters where action or improvement is needed;

(IV) reviewing and overseeing the truthfulness, completeness and accuracy of the Company's financial statements (including their disclosures), the annual report and accounts, and the half-year report, and reviewing significant financial reporting judgements contained in the statements and reports. The Audit Committee shall particularly review the following matters before submitting the relevant statements and reports to the Board: any changes in the Company's accounting policies, practices and estimates during the reporting period; major judgmental areas; significant adjustments resulting from audit; the going concern assumptions and any qualifications; compliance with accounting standards; and compliance with the legal requirements and the Hong Kong Listing Rules in relation to financial reporting;

With respect to the key review matters as set forth above, members of the Audit Committee shall communicate promptly with the Board, senior management personnel and the internal and external audit institutions, shall promptly review any letters from the external audit institution to management or any significant questions raised to management regarding accounting records, financial statements, etc., as well as management's responses thereto, and shall resolve any disputes and disagreements among management, the internal audit department and the external audit institution concerning the relevant statements and reports. Members of the Audit Committee shall hold at least two meetings each year with the external audit institution of the Company. Members of the Audit Committee shall study any significant or unusual matters reflected or required to be reflected in the Company's reports and accounts, and shall give due consideration to matters raised by the Company's subordinate accounting and finance departments, regulatory authorities or audit institutions;

(V) discussing the issues raised by the external audit institution following its review of the Company's interim accounts and its audit of the Company's annual accounts;

(VI) reviewing the Company's financial policies, financial controls, internal audit systems, risk management and internal control systems, and providing opinions and recommendations for improvement;

(VII) discussing the risk management and internal control systems with management to ensure that management has performed its duty to have effective systems. This discussion should include the adequacy of resources, staff qualifications and experience, training programmes and budget of the issuer's accounting and financial reporting function;

(VIII) considering major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and management's response to these findings;

(IX) the Audit Committee shall establish relevant procedures to ensure fair and independent investigation and resolution of the following matters:

1. to receive and deal with the complaints received regarding accounting, internal control or audit of the Company, and ensure their confidentiality;

2. to receive and deal with the complaints or anonymous reports made by employees concerning possible improprieties in accounting, audit, internal control or other aspects, and ensure their confidentiality;

(X) acting as the key representative body for overseeing the Company's relations with the external audit institution;

(XI) ensuring coordination between the internal and external audit institutions, and ensuring that the internal audit function is adequately resourced and has appropriate standing within the Company, and reviewing and monitoring its effectiveness;

(XII) reviewing the Company's financial and accounting policies and practices;

(XIII) reviewing the external audit institution's management letter, any material queries raised by the external audit institution to management about accounting records, financial accounts or systems of risk management or control and management's response;

(XIV) ensuring that the Board will provide a timely response to the issues raised in the external audit institution's management letter;

(XV) such matters as may be prescribed by applicable laws and regulations, the Articles of Association and the Hong Kong Listing Rules, and such other matters as may be delegated by the Board.

Article 12 The following matters shall be submitted to the Board for consideration after being approved by a majority of members of the Audit Committee:

(I) disclosing financial information and internal control evaluation reports in financial accounting reports and periodic reports;

(II) hiring or dismissing accounting firms conducting the Company's audit engagements;

(III) appointing or dismissing the chief financial officer of the Company;

(IV) making changes to accounting policies or accounting estimates, or correction of material accounting errors, for reasons other than changes in accounting standards;

(V) other matters stipulated by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Article 13 The primary duties and powers of the chairman of the Audit Committee are as follows:

(I) to convene and preside over meetings of the Audit Committee;

(II) to urge and examine the implementation of the resolutions and recommendations of the Audit Committee;

(III) to sign important documents of the Audit Committee;

(IV) to report regularly to the Board on the work of the Audit Committee on its behalf;

(V) other duties and powers granted by the Board.

Article 14 The Audit Committee shall report to the Board, identifying and making recommendations on any matters where action or improvement is needed.

Article 15 When necessary for the performance of its duties, the Audit Committee shall have the authority to engage independent consultants, legal counsel and other advisors. The Company must provide such financial and funding guarantees as the Audit Committee considers appropriate to pay the remuneration of the accounting firm for the provision of financial audit services and related services such as audit, review and verification, as well as the remuneration of advisors engaged by the Audit Committee.

CHAPTER 4 WORKING PROCEDURES

Article 16 The Audit Committee shall, in the course of preparing and disclosing the Company's annual report, effectively perform its responsibilities and obligations, and carry out its work diligently and with due care.

Article 17 Within 90 days after the end of each fiscal year, the Company's management shall report to the Audit Committee on the Company's production and operating conditions for that fiscal year and the progress of major matters such as investment and financing activities; the Company's chief financial officer shall report to the Audit Committee on the financial position and operating results for that fiscal year. The Audit Committee shall conduct on-site inspections of major issues as necessary.

Article 18 The finance department shall be responsible for making adequate preliminary preparations for the decision-making of the Audit Committee, and shall provide written data concerning the relevant aspects of the Company:

(I) the relevant financial reports of the Company;

(II) the work reports of internal and external audit institutions;

(III) external audit contracts and related work reports;

(IV) information disclosed by the Company to the public;

(V) major related party (connected) transactions of the Company;

(VI) other relevant materials necessary for the Audit Committee to discharge its responsibilities.

Article 19 The Audit Committee shall review and evaluate the reports provided by the finance department at its meetings and submit the relevant written resolution materials to the Board:

(I) evaluation of the work of the external audit institution, and the appointment and replacement of the external audit institution;

(II) whether the Company's internal audit system has been effectively implemented and whether the Company's financial reports are comprehensive and truthful;

(III) whether the financial reports and other information disclosed by the Company are objective and truthful, and whether the Company's major related party (connected) transactions comply with relevant laws and regulations;

(IV) evaluation of the work of the Company's finance department, audit department, and their respective heads.

With respect to the written resolution matters submitted to the Board, if such matters are required to be considered by the Board under laws, regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, they shall be discussed and resolved by the Board; if such matters are not required to be considered by the Board under laws, regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, such written resolutions shall be submitted to the Board for recordation only.

Article 20 In the process of auditing the annual financial report of the Company, the Audit Committee shall perform the following duties:

(I) coordinating the work schedule of the accounting firm for the audit;

(II) reviewing the Company's annual financial information and accounting statements;

(III) supervising the accounting firm's implementation of the annual audit of the Company;

(IV) evaluating and summarizing the audit work performed by the accounting firm;

(V) proposing the engagement or replacement of the external audit institution;

(VI) other duties required by relevant laws and regulations.

Article 21 The Audit Committee shall, based on the time schedule for the disclosure of the Company's annual report and actual circumstances, consult with the accounting firm to determine the timing of the audit of the annual financial report. The on-site audit shall commence no later than 20 business days prior to the disclosure date of the Company's annual report.

Article 22 During the preparation and review of the annual report, members of the Audit Committee are obliged to maintain confidentiality. Prior to the disclosure of the annual report, there should be strict prevention against the leakage of inside information, insider dealing and other acts in violation of laws and regulations.

Article 23 The Company's chief financial officer shall, before the auditor of annual audit commences the on-site audit, submit to the Audit Committee in writing the arrangement of audit work for the current year and other relevant data, including the financial accounting statements prepared by the Company. The Audit Committee shall review the financial accounting statements prepared by the Company and form written opinions on the review results for submission to the auditor of annual audit.

Article 24 The Audit Committee shall strengthen communication with the auditor of annual audit after such auditor commences the on-site audit.

Article 25 After the auditor of annual audit has issued the preliminary audit opinion and before the Board meeting is convened to review the annual report, the Company shall arrange a meeting between the Audit Committee and the auditor of annual audit to discuss the problems discovered during the auditing process. The meeting should have written records signed by the parties involved.

Article 26 The Audit Committee shall urge the auditor of annual audit to submit the audit report within the agreed time limit, and record the manner, frequency and results of the urging in a written note, which shall be signed by the relevant responsible person for confirmation.

Article 27 Before the Company convenes the Board meeting to review the annual report, the Audit Committee shall vote on the Company's annual financial accounting statements and submit the adopted resolutions to the Board for review.

Article 28 The Audit Committee shall submit to the Board a summary report on the audit work conducted by the accounting firm for the current year, as well as a resolution on the reappointment or replacement of the accounting firm for the following year. The above documents produced by the Audit Committee shall be disclosed in the annual report.

Article 29 The Audit Committee must focus attention on the circumstances in which the Company changes its engagement with an accounting firm during the audit period of its annual report. In principle, the Company shall not change the engagement with an accounting firm for annual audit during the audit period of the annual report. If any change of engagement is necessary, the Audit Committee shall conduct a meeting with the existing accounting firm and the proposed accounting firm to be engaged to conduct a reasonable evaluation of their quality of practice, and shall express its opinion based on its judgment on the adequacy of the reasons for the change of engagement by the Company. After a resolution is passed by the Board, a shareholders' meeting shall be convened to approve the resolution, and the accounting firm to be replaced will be notified to attend the meeting to state its opinions at such meeting. The Company shall fully disclose the resolutions of the shareholders' meeting and the opinions of the replaced accounting firm.

CHAPTER 5 RULES OF PROCEDURE

Article 30 Meetings of the Audit Committee shall consist of regular meetings and interim meetings. Regular meetings shall be held at least twice each year, and notice thereof shall be given to all Committee members five days prior to the holding of such meetings. Interim meetings may be convened upon the proposal of a majority of the Committee members or the convener, and notice thereof shall be given to all Committee members three days prior to the holding of such meetings. Interim meetings shall be convened upon the proposal of members of the Audit Committee. The aforementioned notice periods may be waived with the written consent of a majority of all Committee members.

Notice may be given by hand delivery, facsimile, letter, email, telephone, or other means.

Article 31 Meetings of the Audit Committee shall be convened and presided over by the chairman of the Committee. If the chairman is unable or refuses to perform his/her duties, he/she shall designate or appoint another independent non-executive director who is a member of the Committee to perform such duties on his/her behalf.

Article 32 The notice of meeting shall at least include the following:

(I) time, venue and form of the meeting;

(II) duration of the meeting;

(III) agenda items to be discussed at the meeting;

(IV) contact person of the meeting and the way of contact;

(V) date of notice of the meeting.

For notifications made by telephone, the notice shall at least include items (I) and (II) above, written records shall be maintained, and meeting documents shall be distributed to all Committee members before the meeting.

Article 33 Meetings of the Audit Committee should be held only with the presence of more than two-thirds of Committee members. Each Committee member should be entitled to one vote. The resolutions made at the meeting should be approved by more than half of all Committee members.

Article 34 Members of the Audit Committee should attend meetings in person and express clear opinions on the matters under consideration. If a Committee member is unable to attend a meeting in person for any reason, they should review the meeting materials in advance, form a clear opinion, and appoint another Committee member in writing to attend and express opinions on their behalf. Independent non-executive director members may only authorize another independent non-executive director member to attend the meeting on their behalf. Each Committee member may be authorized by no more than one other member. Committee members shall not provide or accept authorizations that do not specify a voting intention, that grant full power of attorney, or that have an unclear scope of authorization.

Article 35 A Committee member who authorizes another member to attend the meeting and exercise the voting right on their behalf shall submit to the presider of the meeting a power of attorney, which shall be submitted to the presider of the meeting no later than the commencement of the voting.

Article 36 The power of attorney shall be signed by both the principal and the attorney and shall include at least the following:

(I) name of the principal;

(II) name of the attorney;

(III) the matters to be authorized;

(IV) instructions on how to exercise voting rights on the agenda items (in favor, against, abstain);

(V) the duration of the proxy authorization;

(VI) the date of signing of the power of attorney.

Article 37 Any member of the Audit Committee who does not attend the meeting in person or by proxy shall be deemed to be absent from the relevant meeting. Any Committee member who does not attend the meeting for two consecutive times shall be deemed as unable to perform their duties appropriately, and the Board may revoke their position as a member.

Article 38 Voting at meetings of the Audit Committee shall be by show of hands or ballot.

Article 39 Meetings of the Audit Committee may be held in person or by means of communication. Communication methods include, but are not limited to, teleconferencing, videoconferencing, and written resolution.

Article 40 When a meeting of the Audit Committee is convened by way of written resolution, the written resolution shall be delivered to all Committee members by means of fax, email, express courier, or personal delivery. Committee members shall vote on the resolution and return the original to the Company for record-keeping. If the number of Committee members who sign in agreement meets the requirements stipulated in these Terms of Reference, the resolution shall become a resolution of the Committee.

Article 41 When necessary, other directors and senior management personnel of the Company may also be invited to attend the meetings of the Audit Committee as non-voting representatives. When necessary, the Audit Committee may appoint intermediaries to provide professional advice for its decision-making, with the costs borne by the Company.

Article 42 There should be minutes for meetings of the Audit Committee. The draft and final versions of the minutes should be circulated to all Committee members present within a reasonable time after the meeting. The draft is for comments, while the final version serves as a record. After the meeting, a meeting summary and meeting resolutions shall be prepared and reported to the Board (unless such reporting is prohibited by legal or regulatory restrictions). All Committee members in attendance should sign the meeting summary and resolutions. If any Committee member in attendance has objections to the resolutions, such objections should be noted in the meeting minutes or meeting summary. The meeting minutes shall be kept by the secretary of the Board and shall be preserved for a period of not less than 10 years during the continuance of the Company.

Article 43 The meeting minutes shall include at least the following:

(I) the date, venue, form of the meeting, and the name of the convener;

(II) the names of the persons in attendance at the meeting, and those attending on behalf of others shall be particularly noted;

(III) the agenda of the meeting;

(IV) the voting method for each resolution or proposal, and the voting results stating the number of votes in favor, against, or abstained;

(V) other matters that should be described and recorded in the meeting minutes.

Article 44 Resolutions and voting results adopted at a meeting of the Audit Committee shall be reported by the Committee members or the secretary of the Board to the Board no later than the day following the effective date of such resolutions (unless such reporting is prohibited by legal or regulatory restrictions).

Article 45 If any member of the Audit Committee has an interest in the matters discussed at the meeting, such member shall recuse themselves from the deliberation and voting.

Article 46 All Committee members attending the meeting and those present as non-voting representatives are obliged to keep confidential all matters discussed at the meeting and must not disclose any related information without authorization.

Article 47 The Audit Committee shall report to the Board any actions or improvements it considers necessary to be taken, and shall make recommendations on the steps that may be taken.

CHAPTER 6 ANNUAL SHAREHOLDERS' MEETING

Article 48 The chairman of the Audit Committee must attend the Company's annual shareholders' meeting and be prepared to answer any questions raised by shareholders regarding the responsibilities of the Audit Committee.

Article 49 If the chairman of the Committee is unable to attend the Company's annual shareholders' meeting, he/she must arrange for another member of the Audit Committee to attend the meeting. The person shall be prepared to answer shareholders' questions regarding the Audit Committee's work at the annual shareholders' meeting.

CHAPTER 7 SUPPLEMENTARY PROVISIONS

Article 50 Unless otherwise specified, the terms used in these Terms of Reference shall have the same meanings as those in the Articles of Association.

Article 51 The phrases "more than" and "within" as mentioned in these Terms of Reference are inclusive, while "exceeding", "beyond", "less than" and "more than" are exclusive.

Article 52 For matters not covered by these Terms of Reference, the Company shall comply with the relevant laws, administrative regulations, and the securities regulatory rules of the place where the Company's shares are listed, as well as the Articles of Association, resolutions of the shareholders' meetings, Board resolutions, or other relevant rules and regulations. If these Terms of Reference conflict with the relevant laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association, the provisions of the relevant laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association shall prevail.

Article 53 These Terms of Reference shall be formulated, amended and interpreted by the Board.

Article 54 These Terms of Reference, upon consideration and approval at the shareholders' meeting, will come into effect on the date when the overseas listed shares in the initial public offering of the Company are listed and traded on the Stock Exchange of Hong Kong Limited. The original Implementation Rules for the Audit Committee under the Board of the Company shall become null and void automatically on the date when these Terms of Reference come into effect.

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