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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 Remuneration and Appraisal Committee under the Board of Directors

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CHAPTER 1 GENERAL PROVISIONS

Article 1 To further establish and improve the assessment and remuneration management system for directors and senior management personnel of Star Sports Medicine Co., Ltd. (hereinafter referred to as the "Company"), and improve the corporate governance structure, 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, 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 Remuneration and Appraisal Committee is accountable to the Board and reports its work to the Board.

Article 3 The Remuneration and Appraisal Committee is primarily responsible for formulating the assessment standards for directors and senior management personnel, conducting relevant assessments, as well as developing and reviewing the remuneration policies and plans for directors and senior management personnel.

Article 4 For the purposes of these Terms of Reference, "directors" refer to the directors who receive remuneration from the Company; "senior management personnel" refer to the general manager, deputy general manager, chief financial officer, the secretary of the Board and other senior management personnel determined by the Board.

CHAPTER 2 COMPOSITION OF THE REMUNERATION AND APPRAISAL COMMITTEE

Article 5 The Remuneration and Appraisal Committee shall consist of three directors of the Company, with independent non-executive directors accounting for the majority.

Article 6 Members of the Remuneration and Appraisal 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 and approved by a majority of all directors.

Article 7 The Remuneration and Appraisal Committee shall have one chairman (convener), who shall be an independent non-executive director and be responsible for presiding over the work of the Remuneration and Appraisal Committee. The chairman of the Committee shall be elected within the Remuneration and Appraisal Committee and appointed upon approval by the Board.

Article 8 The term of office of members of the Remuneration and Appraisal 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 5 to 7 above.

Article 9 The Remuneration and Appraisal Committee shall set up a working group as its daily administrative body, which is specifically responsible for providing information concerning the Company's operation and relevant materials of assessed persons, arranging meetings of the Remuneration and Appraisal Committee, and implementing relevant resolutions of the Remuneration and Appraisal Committee. Members of the working group are not required to be members of the Remuneration and Appraisal Committee.

CHAPTER 3 DUTIES AND POWERS

Article 10 The main duties of the Remuneration and Appraisal Committee are as follows:

(I) to formulate remuneration plans or proposals based on the main duties, scope, importance and time commitment of the positions of directors and senior management personnel, as well as the remuneration levels of relevant social positions and other necessary factors. The remuneration plans or proposals shall mainly include, without limitation, performance evaluation criteria, procedures and major evaluation systems, major reward and punishment schemes and systems, and shall also cover non-monetary benefits, pension rights and compensation amounts (including compensation for loss or termination of office or appointment);

(II) to review and approve the remuneration proposals for the management in light of the corporate policies and objectives formulated by the Board;

(III) to make recommendations to the Board on the remuneration of individual executive directors and senior management personnel;

(IV) to make recommendations to the Board on the remuneration of non-executive directors;

(V) to consider the requirements of relevant laws and regulations, remuneration paid by peer companies, time commitment and duties required, employment terms of other positions within the Company, and whether remuneration should be performance-based;

(VI) to study the assessment criteria for directors and senior management personnel and put forward proposals to the Board, review the performance of duties by the Company's directors (excluding independent non-executive directors) and senior management personnel, and conduct annual performance evaluations thereon;

(VII) to review and approve compensation payable to executive directors and senior management personnel for the loss or termination of their office or appointment, so as to ensure that such compensation is consistent with contractual terms; in case of inconsistency with contractual terms, such compensation shall be fair, reasonable and not excessive;

(VIII) to review and approve compensation arrangements arising from the dismissal or removal of relevant directors due to their misconduct, so as to ensure that such arrangements are consistent with contractual terms; in case of inconsistency with contractual terms, the relevant compensation shall be reasonable and appropriate;

(IX) to ensure that no director or any of their associates (as defined under the Hong Kong Listing Rules) shall participate in determining their own remuneration;

(X) to supervise the implementation of the Company's detailed remuneration rules and conduct regular reviews on relevant remuneration policies;

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

(XII) to handle matters as prescribed by applicable laws, regulations, the Hong Kong Listing Rules and the Articles of Association, and exercise other powers granted by the Board of the Company.

Article 11 Proposals of the Remuneration and Appraisal Committee shall be submitted to the Board for consideration and decision.

Article 12 The remuneration plans for the Company's directors proposed by the Remuneration and Appraisal Committee shall be submitted to the Board for approval and then to the shareholders' meeting for approval before implementation; the remuneration distribution plans for senior management personnel of the Company shall be submitted to the Board for approval before implementation.

Article 13 The Board shall have the right to veto any remuneration plan or proposal that harms the interests of shareholders.

CHAPTER 4 DECISION-MAKING PROCEDURES

Article 14 The working group under the Remuneration and Appraisal Committee shall be responsible for the preliminary preparation for the decision-making of the Committee and provide the following information relating to the Company:

(I) the completion status of the Company's major financial and operational indicators;

(II) the scope of work and major responsibilities undertaken by the Company's senior management personnel;

(III) the completion status of indicators involved in the performance evaluation system for the positions of directors and senior management personnel;

(IV) the operating performance of directors and senior management personnel in terms of business innovation capability and profit-creation capability;

(V) the basis for relevant calculations for formulating the Company's remuneration distribution plans and distribution methods based on the Company's performance.

Article 15 The assessment procedures of the Remuneration and Appraisal Committee for directors and senior management personnel shall be implemented in accordance with the following provisions:

(I) the directors and senior management personnel of the Company shall present reports on the performance of their duties and conduct self-evaluations to the Remuneration and Appraisal Committee;

(II) the Remuneration and Appraisal Committee shall conduct performance evaluations of the directors and senior management personnel in accordance with performance evaluation standards and procedures;

(III) based on the results of the position performance evaluation and the remuneration distribution policy, proposals regarding the remuneration amounts and reward methods for the directors and senior management personnel shall be put forward and, after being approved by vote, submitted to the Board of the Company.

Article 16 If necessary, the Remuneration and Appraisal Committee may engage intermediary institutions to provide professional opinions for its decision-making, and the relevant reasonable expenses shall be borne by the Company.

CHAPTER 5 RULES OF PROCEDURE

Article 17 Meetings of the Remuneration and Appraisal Committee shall include regular meetings and extraordinary meetings. Regular meetings of the Remuneration and Appraisal Committee shall be held at least once a year and all Committee members shall be notified at least five days prior to the meeting. Extraordinary meetings of the Remuneration and Appraisal Committee shall be notified to all Committee members at least three days prior to the meeting. With the unanimous consent of all Committee members, the above notice periods may be waived.

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

Article 18 Meetings of the Remuneration and Appraisal Committee shall be convened and presided over by the chairman. Where the chairman is unable or fails to perform his/her duties, he/she shall designate another Committee member to perform such duties on his/her behalf. Where the chairman (convener) fails to perform his/her duties and does not designate another Committee member to act on his/her behalf, the remaining two Committee members may, through consultation, elect one among them to perform the duties of the chairman (convener) of the Remuneration and Appraisal Committee.

Article 19 The notice of a 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 20 Meetings of the Remuneration and Appraisal 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 21 Meetings of the Remuneration and Appraisal 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. If any member of the Remuneration and Appraisal Committee has an interest in the matters discussed at the meeting, such member shall abstain from deliberation and voting. If, as a result, the number of voting members is less than two, the Remuneration and Appraisal Committee shall submit the matter to the Board for consideration.

Article 22 Members of the Remuneration and Appraisal 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. 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 23 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 24 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 25 Any member of the Remuneration and Appraisal Committee who does not attend the meeting in person or by proxy shall be deemed as having not attended 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 26 Voting at meetings of the Remuneration and Appraisal Committee shall be by show of hands or ballot.

Article 27 When a meeting of the Remuneration and Appraisal 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 28 When necessary, other directors and senior management personnel of the Company may also be invited to attend the meetings of the Remuneration and Appraisal Committee as non-voting representatives.

Article 29 The procedures for convening meetings of the Remuneration and Appraisal Committee, the voting methods and the remuneration policies and distribution plans approved at the meetings shall comply with the relevant laws, administrative regulations, other normative documents, the Hong Kong Listing Rules, the Articles of Association, and these Terms of Reference.

Article 30 There should be minutes for meetings of the Remuneration and Appraisal 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. All Committee members present shall sign the minutes. If any Committee member in attendance has objections to the resolutions, such objections should be noted in the meeting minutes. 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 31 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 voting method for each resolution or proposal, and the voting results stating the number of votes in favor, against, or abstained;

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

Article 32 Resolutions and voting results adopted at a meeting of the Remuneration and Appraisal 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 33 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.

CHAPTER 6 ANNUAL SHAREHOLDERS' MEETING

Article 34 The chairman of the Remuneration and Appraisal Committee must attend the Company's annual shareholders' meeting and be prepared to answer any questions raised by shareholders regarding the responsibilities of the Remuneration and Appraisal Committee.

Article 35 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 Remuneration and Appraisal Committee to attend the meeting. The person shall be prepared to answer shareholders' questions regarding the Remuneration and Appraisal Committee's work at the annual shareholders' meeting.

CHAPTER 7 SUPPLEMENTARY PROVISIONS

Article 36 Unless otherwise specified, the terms used in these Terms of Reference shall have the same meanings as those in the Articles of Association.

Article 37 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 38 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 39 These Terms of Reference shall be formulated, amended and interpreted by the Board.

Article 40 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 Remuneration and Appraisal 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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