ZHONGJI INNOLIGHT CO., LTD.
Rules of Procedure for the Audit Committee of the Board of Directors

Chapter I General Provisions

Article 1 In order to strengthen the decision-making effectiveness of the board of directors of Zhongji InnoLight Co., Ltd. (hereinafter referred to as the "Company"), and achieve effective supervision over the Company's financial revenue and expenditure and various business activities, the Company has established an audit committee of the board of directors (hereinafter referred to as the "Audit Committee" or the "Committee") as a dedicated body responsible for the Company's internal and external audits, supervision and verification.

Article 2 In order to ensure that the Audit Committee carries out its work in a standardized and efficient manner, the board of directors of the Company has formulated these Rules of Procedure in accordance with relevant laws, regulations and normative documents such as the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), the Rules Governing the Listing of Stocks on the ChiNext of the Shenzhen Stock Exchange, the Self-regulatory Guidelines for the Listed Companies on the Shenzhen Stock Exchange No. 2 – Standardized Operation of the Listed Companies on the ChiNext, the Code of Corporate Governance for Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Administrative Measures for Independent Directors of Listed Companies, as well as the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Article 3 The Audit Committee shall perform its duties within the terms of reference stipulated in the Articles of Association and these Rules of Procedure, and shall work independently without interference from other departments of the Company.

Chapter II Composition

Article 4 The Audit Committee shall consist of more than three (inclusive) non-executive directors who do not hold any senior management position in the Company, of whom more than half shall be independent directors. Employee representative as a member of the board of directors of the Company may become a member of the Audit Committee. At least one independent director shall be an accounting professional with professional qualifications as required by the securities regulatory rules of the place where the Company's shares are listed.

Article 5 The members of the Audit Committee shall be elected by the board of directors. The Audit Committee shall have one convener, who shall be an accounting professional among independent directors.

The convener of the Audit Committee shall be responsible for convening and presiding over the meetings of the Audit Committee. In case of failure or inability to perform his/her duties, the convener of the Committee shall designate another member to act on his/her behalf. Where the convener of the Committee neither performs his/her duties nor designates another member to act on his/her behalf, any member may report the relevant situation to the board of directors of the Company, and the board of directors of the Company shall designate a member to perform the duties of the convener of the Audit Committee.

Article 6 The term of office of the members of the Audit Committee shall be the same as that of the directors of the board of directors of the same session. A member of the Audit Committee shall not be removed from office without cause before the expiry of his/her term of office unless he/she is prohibited from holding office under laws, administrative regulations, the operational rules of the stock exchange, the Company Law, the Articles of Association or these Rules of Procedure. If any member of the Audit Committee ceases to serve as a director of the Company during his/her term of office, or if a member who is required to be an independent director no longer meets the independence requirements for independent directors stipulated by the securities regulatory rules of the place where the Company's shares are listed, he/she shall automatically lose his/her qualification as a member of the Audit Committee.

A former partner of the external audit firm currently responsible for auditing the Company's accounts shall not serve as a member of the Audit Committee of the Company within two years from the later of: (1) the date on which he/she ceased to be a partner of the external audit firm; or (2) the date on which he/she no longer held any financial interest in the external audit firm.

Article 7 When the Audit Committee has fewer than two-thirds of the required number of members due to the resignation or removal of members or other reasons or has a vacancy of accounting professional, the board of directors of the Company shall fill in the vacancy within 60 days from the occurrence of such circumstances.

Before the number of members of the Audit Committee reaches two-thirds of the required number, the Audit Committee shall suspend the exercise of the duties and authorities stipulated in these Rules of Procedure.

Article 8 The provisions on the obligations of directors stipulated in the Company Law and the Articles of Association shall apply to the members of the Audit Committee.

Article 9 The Audit Committee shall set up an office of the Audit Committee at the Company's audit department, with the head of the audit department serving as the office director. The office of the Audit Committee shall be responsible for providing materials to the Committee and preparing meetings of the Committee.

Chapter III Duties

Article 10 The Audit Committee of the board of directors shall be responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating internal and external auditing work and internal control, whose main duties are:

(i) To supervise and evaluate the external audit work, propose the appointment, re-appointment or replacement of the external audit firm, approve the remuneration and terms of engagement of the external audit firm, handle any issues related to the resignation or dismissal of the external audit firm, and supervise the practice of the external audit firm;

(ii) To review and monitor the external audit firm's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards; the Audit Committee shall discuss with the external audit firm the nature and scope of the audit and reporting obligations before the audit commences;

(iii) To formulate and implement the policy on engaging an external audit firm to provide non-audit services. For the purpose of this Article, an external audit firm includes any firm under the common control, ownership or management of the company responsible for auditing, or any firm that a third party reasonably knowing all relevant information would reasonably conclude to be part of the external audit firm nationally or internationally. The Audit Committee shall report to the board of directors on any matter where action or improvement is needed and provide recommendations;

(iv) To supervise and evaluate the internal audit work, and supervise the Company's internal audit system and accounting policies as well as their implementation;

(v) To act as the representative between the Company and the external audit firm, be responsible for the communication between the internal audit function and external audit firm and monitor their relationship, ensure the coordination between the internal audit function and the external audit firm, ensure that the internal audit function is adequately resourced to operate and has appropriate standing within the Company, and review and monitor its effectiveness;

(vi) To monitor the integrity of the financial statements, annual reports and accounts, interim reports and (if intended for publication) quarterly reports of the Company, and review the significant opinions on financial reporting specified on the statements and reports. Prior to the submission of such statements and reports to the board of directors, the Committee shall conduct a review with a particular focus on the following issues:

1. any changes in the accounting policies and practices;

2. areas involving significant judgements;

3. significant adjustments resulting from audit;

4. the going concern assumptions and any qualifications;

5. compliance with accounting standards; and

6. compliance with the listing rules of the stock exchange and the legal requirements of the place where the Company's shares are listed in relation to financial reporting;

(vii) Regarding item (vi) above:

1. members of the Committee shall communicate with the board of directors and the senior management personnel. The Committee shall meet at least twice a year with the external audit firm of the Company; and

2. the Committee shall consider any significant or unusual items that are, or may need to be, reflected in such reports and accounts, and shall give due consideration to any matters that have been raised by the accounting and financial reporting staff, compliance officers or external audit firm of the Company;

(viii) To review the Company's financial information and the disclosures thereof, as well as financial and accounting policies and practices;

(ix) To review and evaluate the Company's financial control, risk management and internal control systems;

(x) To discuss risk management and internal control systems with the management to ensure that the management has performed its duty to have effective internal control system. This discussion should include the adequacy of resources for the Company's accounting and financial reporting functions, staff qualifications and experience, training programs for staff and relevant budget;

(xi) To study, on its own initiative or as delegated by the board of directors, the major investigation findings regarding risk management and internal control matters and the responses of the management to such investigation findings;

(xii) To review any audit explanation letter issued by the external audit firm to the management, as well as any material queries raised by the auditor to the management regarding accounting records, financial accounts or control systems and the management's responses;

(xiii) To ensure that the board of directors will provide a timely response to any issues raised in any audit explanation letter issued by the external audit firm to the management;

(xiv) To review the internal systems of the Company and organize audit on major related (connected) transactions;

(xv) To review the following arrangements made by the Company that its employees may, in confidence, raise concerns about potential improprieties in financial reporting, internal control or other matters. The Audit Committee shall ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action;

(xvi) To develop and review the corporate governance policy and practice of the Company and make recommendations to the board of directors;

(xvii) To review and monitor the training and continuous professional development of directors and senior management personnel;

(xviii) To review and monitor the policies and practices of the Company on compliance with legal and regulatory requirements;

(xix) To develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors;

(xx) To review the Company's compliance with the Corporate Governance Code set out in Appendix C1 of the Hong Kong Listing Rules and disclosure in the corporate governance report set out in the annual reports;

(xxi) To report to the board of directors on the matters related to provisions of the Corporate Governance Code set out in Appendix C1 of the Hong Kong Listing Rules;

(xxii) To inspect the Company's compliance with laws and regulations, including supervising and governing business ethics and corruption;

(xxiii) Other matters as required by laws, regulations, the Articles of Association and the listing rules of the stock exchange of the place where the Company's shares are listed and as authorized by the board of directors of the Company.

The following matters shall be submitted to the board of directors for consideration after being approved by the majority of all members of the Audit Committee:

(i) Disclosure of financial information in financial and accounting reports and periodic reports and internal control evaluation reports;

(ii) Engagement or dismissal of the accounting firm engaged in the listed company's audit business;

(iii) Appointment or dismissal of the chief financial officer of the listed company;

(iv) Changes in accounting policies and accounting estimates made for reasons other than changes in accounting standards, or corrections of material accounting errors;

(v) Other matters as required by laws, administrative regulations, the CSRC, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

Article 11 The Audit Committee shall be accountable to the board of directors, and the proposals of the Committee shall be submitted to the board of directors for review and decision.

Article 12 The Audit Committee shall supervise the internal audit function to conduct inspections on the following matters at least once half a year, issue inspection reports, and submit them to the Audit Committee:

(i) The implementation status of significant events of the Company such as the use of raised funds, provision of guarantees, related party transactions, securities investment, derivatives trading, provision of financial assistance, purchase or sale of assets, and external investments;

(ii) Large-scale fund transactions of the Company, as well as the fund transactions between the Company and its directors, senior management personnel, controlling shareholders, actual controllers, and their affiliates. If the inspections as stipulated in the preceding paragraph reveal that the Company has engaged in illegal or irregular operations, the Audit Committee shall promptly report to the stock exchange.

The Audit Committee shall issue a written assessment on the effectiveness of the Company's internal control based on the internal audit report and relevant materials submitted by the internal audit function, and report to the board of directors. If the board of directors or the Audit Committee considers that there are material deficiencies or significant risks in the internal control of the Company, or if the sponsor, independent financial advisor or accounting firm points out that there are material deficiencies in the effectiveness of the Company's internal control, the board of directors shall report and disclose such deficiencies to the stock exchange in a timely manner. The Company shall disclose the material deficiencies or significant risks in internal control, the consequences that have been or may be caused, and the measures taken or intended to be taken in an announcement.

Article 13 The board of directors shall fully respect the recommendations of the Audit Committee on the engagement or replacement of external audit firm, and shall not set aside the recommendations of the Audit Committee without sufficient reasons or reliable evidence.

Article 14 When the Audit Committee performs its duties, the relevant departments of the Company shall provide cooperation. Where necessary, the Audit Committee may engage intermediaries for professional advice at the Company's expense.

Chapter IV Convening of Meetings and Notices

Article 15 Meetings of the Audit Committee comprise regular meetings and extraordinary meetings.

The Audit Committee shall convene at least one meeting quarterly. Extraordinary meetings may be convened as proposed by two or more members or when the convener deems necessary. Meetings of the Audit Committee shall be held only when more than two-thirds of the members are present.

Article 16 Meetings of the Audit Committee may be held either as a physical meeting or with voting by way of correspondence.

Article 17 Regular meetings of the Audit Committee shall be held with five-day notice prior to the meeting (excluding the day of the meeting), while extraordinary meetings shall be held with three-day notice prior to the meeting (excluding the day of the meeting), provided that the prescribed notice period may be exempted with unanimous consent of the attending members.

Article 18 The notice of a meeting of the Audit Committee may be given by fax, email, telephone, or by personal or postal delivery.

When the notice is given by telephone, email or other prompt means of communication, the person being notified shall be deemed to have received the notice of the meeting if no written objection is received within two days from the date of giving the notice.

Chapter V Procedures for Deliberation and Voting

Article 19 Meetings of the Audit Committee shall be held only when more than two-thirds (inclusive of two-thirds) of the members are present.

Article 20 A member of the Audit Committee may attend a meeting in person or authorize another member to attend the meeting and exercise voting rights on his/her behalf.

Article 21 If a member of the Audit Committee authorizes another member to attend the meeting and exercise voting rights on his/her behalf, he/she shall submit a power of attorney to the chairperson of the meeting. The power of attorney shall be submitted to the chairperson of the meeting no later than the voting at the meeting.

Article 22 If a member of the Audit Committee neither attends the meeting in person nor authorizes another member to attend on his/her behalf, he/she shall be regarded as absent from the meeting.

If a member of the Audit Committee fails to attend the meeting for two consecutive times, he/she shall be regarded as being unable to properly perform his/her duties, and the board of directors may remove him/her from his/her position.

Article 23 Resolutions made by the Audit Committee shall be passed by more than half of all members (including absent members).

Each member of the Audit Committee shall have one vote.

Where the board of directors does not agree on the opinions of the Audit Committee on the selection, appointment, resignation or removal of external audit firm, it shall include a statement on the Audit Committee's recommendations and the reasons for disagreement from the board of directors in the corporate governance report.

Article 24 Personnels of the Company's audit department may attend the meeting of the Audit Committee as non-voting persons. If necessary, the Audit Committee may gather other persons related to the meeting proposals to attend the meeting as non-voting persons, introduce the situation or express opinions, but persons who are not members of the Audit Committee shall have no voting rights over the proposals.

Article 25 Members present at the meeting shall, in a serious and responsible manner, deliberate the proposals and fully express their personal opinions. Members shall be responsible for their own votes.

Article 26 The voting methods of the meetings of the Audit Committee shall be voting by show of hands or by poll.

Article 27 The proposals passed at the meetings of the Audit Committee and the voting results shall be submitted to the board of directors of the Company in writing.

Article 28 The Company shall disclose the annual performance information of the Audit Committee in its annual report, mainly including the details of its performance of duties and the convening of meetings of the Audit Committee.

Where the board of directors does not adopt the deliberation opinions put forward by the Audit Committee to the board of directors on matters within its terms of reference, the Company shall disclose the same and adequately explain the reasons thereof.

Article 29 The Audit Committee shall prepare minutes of meetings on its resolutions as required. Minutes of meetings of the Audit Committee shall be true, accurate and complete, fully reflecting the opinions of attendees on the matters being considered. The members of the Audit Committee present at the meeting and the person taking the minutes shall sign the minutes. Members present at the meeting shall have the right to request explanatory remarks on their speeches at the meeting to be recorded in the minutes.

The minutes of meetings of the Audit Committee shall be kept by the secretary to the board of directors as archives of the Company for ten years during the existence of the Company.

Article 30 The members of the Audit Committee shall be obliged to maintain the confidentiality of relevant information they have learnt about the Company until such information is made public.

Chapter VI Supplementary Provisions

Article 31 Matters not covered in these Rules of Procedure shall be dealt with in accordance with the requirements of then effective laws, regulations, normative documents, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association. In case of any conflict between these Rules of Procedure and the requirements of then effective laws, regulations, normative documents, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association, the requirements of then effective laws, regulations, normative documents, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association shall prevail, and amendments to these Rules of Procedure shall be immediately submitted to the board of directors for consideration and approval.

Article 32 These Rules of Procedure shall be interpreted by the board of directors of the Company.

Article 33 Upon consideration and approval by the board of directors of the Company, these Rules of Procedure shall become effective and be implemented from the date on which the overseas listed foreign-invested shares (H shares) under the initial public offering of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited.