ZHONGJI INNOLIGHT CO., LTD.
Rules of Procedure for the Remuneration and Appraisal Committee of the Board of Directors

Chapter I General Provisions

Article 1 In order to further establish and improve the appraisal and remuneration management system for directors and senior management personnel of Zhongji InnoLight Co., Ltd. (hereinafter referred to as the "Company") and improve its corporate governance structure, the Company has established the Remuneration and Appraisal Committee of the board of directors (hereinafter referred to as the "Remuneration and Appraisal Committee" or the "Committee") and formulated these Rules of Procedure in accordance with laws and regulations such as the Company Law, the Code of Corporate Governance for Listed Companies and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the appendices thereto (hereinafter referred to as the "Hong Kong Listing Rules"), as well as the provisions of the Articles of Association.

Article 2 The Remuneration and Appraisal Committee is a dedicated working body established under the board of directors, which shall be responsible for formulating the appraisal criteria for and appraising the performance of directors and senior management personnel of the Company, as well as formulating and reviewing the remuneration policies and plans of directors and senior management personnel of the Company. The Committee shall be accountable to the board of directors.

Article 3 Directors mentioned in these Rules of Procedure refer to directors who receive remuneration and allowance from the Company, and senior management personnel refers to the president, vice president, secretary to the board of directors and chief financial officer appointed by the board of directors, as well as other senior management personnel as stipulated by laws, regulations, normative documents and the Articles of Association.

Chapter II Composition

Article 4 The Remuneration and Appraisal Committee shall consist of more than three (inclusive) directors, of whom majority shall be independent directors.

Article 5 The Remuneration and Appraisal Committee shall have one convener, who shall be an independent director and responsible for leading the work of the Committee. The convener shall be elected by more than half of members of the Committee.

The convener of the Remuneration and Appraisal Committee shall be responsible for convening and presiding over the meetings of the Remuneration and Appraisal 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 Remuneration and Appraisal Committee.

Article 6 All members of the Remuneration and Appraisal Committee shall be directors of the Company, whose term of office as members shall be the same as that of the directors of the board of directors of the same session. A member of the Remuneration and Appraisal 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 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 possesses independence as required by relevant laws, regulations, rules, normative documents, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association, he/she shall automatically lose his/her qualification as a member.

Article 7 When the Remuneration and Appraisal Committee has fewer than two-thirds of the required number of members due to the resignation or removal of members or other reasons, 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 Remuneration and Appraisal Committee reaches two-thirds of the required number, the Committee shall suspend the exercise of the duties and authorities stipulated in these Rules of Procedure. If the term of office of a director expires without timely re-election, the original director serving as a member of the Remuneration and Appraisal Committee shall continue to perform his/her duties in accordance with laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, the Articles of Association and these Rules of Procedure until the newly elected director assumes office.

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 Remuneration and Appraisal Committee.

Article 9 The Remuneration and Appraisal Committee shall set up a working group acting as the daily working body responsible for providing materials relating to the Company's operations and materials relating to the personnel being appraised.

Chapter III Duties and Authorities

Article 10 The main duties and authorities of the Remuneration and Appraisal Committee include:

(i) To make recommendations to the board of directors on the following matters:

1. remuneration of directors and senior management personnel;

2. formulation or change of the share incentive schemes and employee stock ownership plans, and the conditions for the incentive targets to be granted with options and exercise of options;

3. remuneration of non-executive directors;

4. the arrangement of shareholding plans of directors and senior management personnel in subsidiaries to be split;

5. other matters as required by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

(ii) To determine the remuneration packages for individual executive directors and senior management personnel as delegated by the board of directors, or to make recommendations to the board of directors on the remuneration packages of individual executive directors and senior management personnel, including non-monetary benefits, pension rights and compensation payments (including compensation for loss or termination of their office or appointment);

(iii) To consider the remuneration paid by comparable companies, time commitment and duties and employment conditions of other positions within the Group;

(iv) To review and approve the compensation payable to executive directors and senior management personnel for any loss or termination of their office or appointment, to ensure that such compensation is consistent with the contractual terms; where it is not consistent with the contractual terms, such compensation shall be fair and reasonable and not excessive;

(v) To review and approve compensation arrangements relating to dismissal or removal of directors for misconduct, to ensure that such arrangements are consistent with the contractual terms; where they are not consistent with the contractual terms, the relevant compensation shall be reasonable and appropriate;

(vi) To ensure that no director or any of his/her associates is involved in determining his/her own remuneration; and

(vii) To review and/or approve the matters relating to the share scheme pursuant to Chapter 17 of the Hong Kong Listing Rules.

Where the board of directors does not adopt or does not fully adopt the recommendations of the Remuneration and Appraisal Committee, it shall record the opinions of the Remuneration and Appraisal Committee and the specific reasons for not adopting the same in the resolution of the board of directors and make disclosure.

The remuneration and appraisal scheme or plan for directors proposed by the Remuneration and Appraisal Committee shall be, after being approved by the board of directors, submitted to the shareholders' meeting for consideration and approval before implementation. The remuneration and appraisal scheme or plan for senior management personnel of the Company shall be submitted to the board of directors for approval.

Article 11 The Remuneration and Appraisal Committee shall have the right to veto any remuneration scheme or plan that is detrimental to the interests of shareholders.

Article 12 The remuneration scheme for directors of the Company proposed by the Remuneration and Appraisal Committee shall be, after being approved by the board of directors, submitted to the shareholders' meeting for consideration and approval before implementation. The remuneration distribution plan for senior management personnel of the Company shall be submitted to the board of directors for approval. Share incentive schemes shall be considered and approved by the shareholders' meeting. The Remuneration and Appraisal Committee shall provide the board of directors with all research and discussion, materials and information in the form of report, recommendation or conclusion for deliberation and decision-making by the board of directors.

Article 13 The board of directors shall fully respect the recommendations of the Remuneration and Appraisal Committee on the remuneration distribution plan for senior management personnel of the Company, and shall not set aside the recommendations of the Remuneration and Appraisal Committee on the remuneration distribution plan for senior management personnel of the Company without sufficient reasons or reliable evidence.

Article 14 When the Remuneration and Appraisal Committee performs its duties, the relevant departments of the Company shall provide cooperation. The expenses incurred during the daily operation of the Remuneration and Appraisal Committee shall be borne by the Company. The Remuneration and Appraisal Committee shall consult the chairman of the board of directors and/or the president about the recommendations on remuneration of other executive directors. Where necessary, the Remuneration and Appraisal Committee may engage intermediaries for professional advice for its decision-making at the Company's expense.

Chapter IV Convening of Meetings and Notices

Article 15 The Remuneration and Appraisal Committee shall convene at least one meeting annually, which shall be held with five-day notice prior to the meeting (excluding the day of the meeting). Meetings of the Remuneration and Appraisal Committee may be convened at request by the convener of the Remuneration and Appraisal Committee or jointly by more than two (inclusive of two) members. The prescribed notice period may be exempted with unanimous consent of the attending members.

Article 16 The notice of a meeting of the Remuneration and Appraisal Committee may be given by fax, email, telephone or other methods. Meetings may be held either as a physical meeting or with voting by way of correspondence.

Article 17 The notice of a meeting of the Remuneration and Appraisal Committee shall include the following content:

(i) Time and venue of the meeting;

(ii) Duration of the meeting;

(iii) Matters to be discussed at the meeting;

(iv) Contact persons of the meeting and their contact details;

(v) Date of notice of the meeting.

Article 18 The Remuneration and Appraisal Committee may appraise the performance indicators of senior management personnel in the past year, and provide the board of directors of the Company with its opinions or recommendations based on the appraisal results.

Chapter V Procedures for Deliberation and Voting

Article 19 Meetings of the Remuneration and Appraisal 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 Remuneration and Appraisal 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 Remuneration and Appraisal 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 Remuneration and Appraisal 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 Remuneration and Appraisal 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 Remuneration and Appraisal Committee shall be passed by more than half of all members (including absent members).

Each member of the Remuneration and Appraisal Committee shall have one vote.

Article 24 Members of the working group of the Remuneration and Appraisal Committee may attend the meeting of the Remuneration and Appraisal Committee as non-voting persons. If the Remuneration and Appraisal Committee deems necessary, directors and senior management personnel of the Company may be invited to attend the meeting as non-voting persons, introduce the situation or express opinions, but persons who are not members of the Remuneration and Appraisal Committee shall have no voting rights over the proposals.

Article 25 When matters relating to a member of the Committee are discussed at the meeting of the Remuneration and Appraisal Committee, such member shall abstain.

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

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

Article 28 The board of directors of the Company shall disclose the work carried out by the Remuneration and Appraisal Committee in the past year in its annual work report, including, among others, information on convening of meetings and resolutions.

Article 29 The Remuneration and Appraisal Committee shall keep written minutes of its meetings, and the members 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 resolutions and the minutes of meetings 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 Where necessary, the Remuneration and Appraisal Committee may engage intermediaries for professional advice for its decision-making, and the reasonable expenses incurred shall be borne by the Company.

Article 31 Persons informed of matters being considered at the meeting, including those attending the meeting or present at the meeting as non-voting persons and minutes takers, shall be obliged to maintain confidentiality until such information is made public.

Article 32 The convening procedures and voting methods of the meetings of the Remuneration and Appraisal Committee as well as the remuneration policy and distribution plan passed at the meetings must be in compliance with the requirements of relevant laws, regulations, the securities regulatory rules of the place where the Company's shares are listed, the Articles of Association and these Rules of Procedure.

Chapter VI Supplementary Provisions

Article 33 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.

Article 34 These Rules of Procedure shall be interpreted by the board of directors of the Company.

Article 35 Upon consideration and approval by the board of directors, 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.