TERMS OF REFERENCE OF THE REMUNERATION AND EVALUATION COMMITTEE

In accordance with the code provisions of the Corporate Governance Code issued by the Stock Exchange, a Remuneration and Evaluation Committee shall be established, the terms of reference of which are set out herein and adopted accordingly.

1. ORGANIZATION

To ensure the standardized operations of Jiangsu Xinde Semiconductor Technology Co., Ltd. (hereinafter referred to as the "Company"), establish effective supervisory and incentive mechanisms, and improve the corporate governance structure, the Board of the Company hereby establishes the Remuneration and Evaluation Committee of the Board (hereinafter referred to as the "Committee").

2. OBJECTIVE

The primary objective of the Committee is to assess the overall remuneration policy and structure for Directors and senior management personnel, and to formulate fair, equitable and practical remuneration policies; to formulate assessment standards for the Company's Directors and senior management personnel and to conduct assessments, and it is accountable to the Board. The Committee is accountable to the Board.

3. MEMBERS

3.1 The Committee shall be comprised of a minimum of three Directors, appointed or removed by the Board. If a Committee member ("Member") ceases to be a Director, he/she shall automatically cease to be a Member, and the Board shall appoint a new Member to fill the vacancy.

3.2 Independent non-executive Directors shall constitute not less than one-half of the Members of the Committee.

3.3 The chairman of the Committee shall be appointed by the Board and shall be an independent non-executive Director.

3.4 The term of office of the Committee shall be consistent with that of the Board, and upon expiry of their term, Members shall be eligible for re-election and re-appointment.

3.5 Each Member of the Committee shall disclose to the Committee:

(a) any personal financial interest (other than as a shareholder) in any matter to be decided by the Committee;

(b) any potential conflict of interest arising from his/her concurrent directorships in other companies. If a resolution proposed by the Committee involves the aforesaid interests, the Member concerned shall abstain from voting on the resolution and shall not participate in the discussion of the relevant resolution; and (if so required by the Board) tender his/her resignation to the Committee.

4. SECRETARY

Unless otherwise appointed by the Committee, the company secretary of the Company shall act as the secretary of the Committee. In the absence of a company secretary, the secretary to the Board of the Company shall serve as secretary of the Committee. If there is no secretary to the Board, any other person nominated by a Member and approved by the Committee shall serve as the secretary of the Committee.

5. AUTHORITY AND POWERS

5.1 The Committee is authorized by the Board to perform the duties mentioned in these terms of reference. It has been authorized to request any necessary remuneration information from the relevant personnel of the Company. If necessary, the Committee may seek external independent professional advice from professional institutions (at the Company's expense) and invite external advisers with relevant experience and expertise to attend meetings. The Committee shall be solely responsible for establishing the selection criteria, selection, appointment and relevant policies for any external remuneration consultants who provide advice to the Committee.

5.2 The Committee shall be provided with sufficient resources to perform its duties.

5.3 The Committee is authorized by the Board to review, assess and make recommendations on any matter within its remit.

6. DUTIES

6.1 The duties of the Committee are as follows:

(a) to consult the chairman of the Board regarding remuneration proposals for other executive Directors and to seek independent professional advice where necessary;

(b) to make recommendations to the Board on the remuneration policy and structure for all Directors and senior management personnel, which shall mainly include, but not be limited to, performance evaluation standards, procedures and principal evaluation systems, as well as reward (including equity incentives) and penalty schemes;

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

(d) to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management personnel, which should include non-monetary benefits, pension entitlements and compensation amounts (including compensation for loss or termination of office or appointment);

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

(f) to consider remunerations paid by comparable companies, time commitment and responsibilities, and employment conditions for other positions within the Company and its subsidiaries;

(g) to review and approve compensation payable to executive directors and senior management for any loss or termination of office or appointment to ensure that such compensation is consistent with contractual terms; and if it is not consistent with contractual terms, the compensation must also be fair and reasonable and not excessive;

(h) to review and approve compensation arrangements relating to the dismissal or removal of a director for misconduct to ensure that such arrangements are consistent with contractual terms; and if they are not consistent with contractual terms, the relevant compensation must also be reasonable and appropriate;

(i) to ensure that no director or any of his/her associates (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules")) is involved in deciding his/her own remuneration; and

(j) to comply with the requirements, guidelines and rules contained in the Company's memorandum and articles of association or imposed by the Listing Rules or applicable laws from time to time;

(k) to review the performance of duties by the Company's Directors (non-independent Directors) and senior management personnel and to conduct assessments thereof.

6.2 When performing its duties under these Terms of reference, the Committee shall:

(a) consult the chairman of the Board on the remuneration packages for other executive directors and senior management, and seek independent professional advice where necessary;

(b) provide competitive packages in accordance with market practice to attract, retain and motivate high-calibre executive directors and senior management;

(c) determine the positioning of the Company relative to other companies in the industry in which it operates. The Committee should be aware of the remuneration levels of comparable companies and consider their relative performance;

(d) pay close attention to market practices, including salaries and employment conditions within the Company and in the industry in which the Company operates, especially when determining annual salary increases;

(e) ensure that performance-linked remuneration forms a significant part of the overall remuneration package for executive directors and senior management, aligning their interests with those of the shareholders, thereby motivating directors and senior management to strive for optimal performance;

(f) ensure that any equity incentives granted by the Company to its directors or senior management (if any) comply with the Listing Rules or that employee incentive schemes comply with applicable laws and regulations (if applicable).

6.3 Without prejudice to the generality of the Committee's Terms of reference set out above, the Committee shall:

(a) where applicable, implement the Company's Incentive Equity Interest Plan or other incentive schemes, and recommend to the shareholders' meeting the grant of Incentive Equity Interests to Directors and senior management. It shall recommend to the Board the total amount to be granted to employees (the Board may, at its discretion, determine the specific amount to be granted to individuals) and amend the terms of such plans (subject to the provisions of the plans regarding amendments);

(b) liaise with the trustees of any employee share award scheme established by the Company for the benefit of employees, senior management or Directors;

(c) review the terms of the letters of appointment of executive Directors and senior management from time to time;

(d) advise the Board on the preparation of the Board's remuneration report to shareholders (if any).

7. COMMITTEE MEETINGS

7.1 Frequency of meetings

The Committee shall convene at least one meeting each year, which may be held in person, by telephone or by video conference. Extraordinary meetings may be convened when necessary.

7.2 Notice of meeting

Unless all Members unanimously agree to waive notice, the secretary of the Committee shall give seven days' prior notice to all Members for any meeting to be convened and circulate the meeting agenda to the Members.

7.3 A meeting of the Committee shall be valid only if more than half of the Members are present.

7.4 Means of holding meetings

Meetings may be held in person, by telephone or by video conference. Members may attend meetings by telephone or similar means of communication that allow all Members to communicate with each other. With the unanimous consent of all Members, the Committee may also pass resolutions by way of a written resolution.

The chairman of the Committee shall be responsible for convening and presiding over Committee meetings. When the chairman of the Committee is unable or refuses to perform his/her duties, an independent non-executive Director jointly elected by a majority of the Members shall preside.

Members shall attend the Committee meetings in person and express clear opinions on the matters under deliberation. If a Member is unable to attend a meeting in person for any reason, he/she shall review the meeting materials in advance, form a clear opinion, record such opinion in a proxy form, and appoint another Member in writing to attend on his/her behalf.

Each Member may act as a proxy for no more than one other Member, and the proxy form must specify the scope and duration of the authorization. If an independent non-executive Director is unable to attend a meeting for any reason, he/she shall appoint another independent non-executive Director on the Committee as his/her proxy.

7.5 Resolutions

Each Member shall have one vote, and a resolution of the Committee shall be valid only if passed by a majority of votes of the Members. A resolution signed in writing by all Members of the Committee, whether or not a meeting is held, shall be valid and legally effective. Any such resolution may be contained in a single document or may consist of several documents in like form.

7.6 Attendees

The Committee may invite any executive Directors, external advisers or other individuals to attend the meetings but such executive Directors, external advisers or other individuals are not entitled to vote at the meetings.

7.7 Minutes of the meetings

The secretary of the Committee shall keep complete minutes of all Committee meetings. The minutes shall record in detail the matters considered and decisions reached by the Members at the meeting, including the names of the Members present and any concerns raised or dissenting opinions expressed by the Members. Members present at the meeting and the person taking the minutes shall sign the minutes of the meeting.

8. REPORT

8.1 The chairman of the Committee or other Member who is authorized by the chairman of the Committee to chair the meetings of the Committee shall report to the Board after each meeting of the Committee.

8.2 Without prejudice to the generality of the Committee's responsibilities set out in these terms of reference, the Committee shall report to the Board to keep it fully informed of its decisions and recommendations, save for special provisions of laws and regulations or regulatory restrictions.

9. AMENDMENT TO THE TERMS OF REFERENCE

The Committee shall review these terms of reference annually and may consider and submit to the Board any proposed amendments that the Committee deems appropriate or feasible.

10. AVAILABILITY AND UPDATING OF TERMS OF REFERENCE

These terms of reference shall be updated and amended as necessary in light of circumstances and changes in Hong Kong's regulatory requirements (such as the Listing Rules). Information regarding these terms of reference shall be made available to the public by publication on the websites of the Company and the Stock Exchange.

11. INTERPRETATION

11.1 Matters not covered in these terms of reference shall be governed by relevant laws, regulations, rules, regulatory requirements and the Articles of Association.

11.2 The right to interpret these terms of reference rests with the Board.