THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Shanghai Fudan Microelectronics Group Company Limited, you should at once hand this circular together with the accompanying form of proxy to the purchaser or transferee, or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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上海復旦微電子集團股份有限公司

Shanghai Fudan Microelectronics Group Company Limited*

(a joint stock limited company incorporated in the People's Republic of China)

(Stock Code: 1385)

(1) PROPOSALS FOR
(a) UTILISATION OF THE SURPLUS FUNDS RAISED FROM THE A SHARE OFFERING AND THE INCOME FROM CASH MANAGEMENT OF FUND RAISING AND RELATED INTEREST INCOME FOR PERMANENT REPLENISHMENT OF WORKING CAPITAL;
(b) ABOLITION OF SUPERVISORY COMMITTEE, PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND ADOPTION OF THE NEW ARTICLES OF ASSOCIATION;
(c) AMENDMENTS TO RELEVANT RULES OF PROCEDURES AND CERTAIN REGULATIONS AND SYSTEMS OF THE COMPANY;
(d) APPOINTMENT OF INDEPENDENT DIRECTOR; AND
(2) NOTICE OF THE 2025 SECOND EGM

A letter from the board of directors of Shanghai Fudan Microelectronics Group Company Limited is set out on pages 3 to 9 of this circular.

The notice of the 2025 second EGM of the Company to be held at Conference Room, Building 4, Fudan National University Science and Technology Park, 127 Guotai Road, Shanghai, the People's Republic of China at 1:30 p.m. on Tuesday, 2 December 2025 is set out on pages EGM-1 to EGM-2 of this circular.

The form of proxy for use at the 2025 second EGM is enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.fmsh.com). Whether or not you are able to attend and/or vote at the 2025 second EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible but in any event not less than 24 hours before the time appointed for convening the 2025 second EGM.

14 November 2025

* *For identification purposes only*

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In this circular, the following expressions have the following meanings, unless the context otherwise requires:

"2025 second EGM"	the extraordinary general meeting of the Company to be convened for the approval of, among others, (i) the utilisation of the surplus funds raised from the A Share Offering and the income from cash management of fund raising and related interest income for permanent replenishment of working capital; (ii) the abolition of Supervisory Committee, proposed amendments to the Articles of Association and adoption of the New Articles of Association; (iii) the amendments to relevant rules of procedures and certain regulations and systems of the Company; and (iv) the appointment of Independent Director
"A Shares"	the ordinary share(s) of the Company of nominal value of RMB0.10 each subscribed and traded in RMB
"A Shareholder(s)"	holder(s) of A Shares
"Articles" or "Articles of Association"	articles of association of the Company, as amended, modified or otherwise supplemented from time to time
"Board"	the board of Directors of the Company
"Company"	Shanghai Fudan Microelectronics Group Company Limited* (上海復旦微電子集團股份有限公司), a joint stock limited company incorporated in the PRC, whose A Shares are listed on the Sci-Tech Innovation Board of the Shanghai Stock Exchange and H Shares are listed on the Main Board of the Stock Exchange
"Company Law"	the Company Law of the People's Republic of China
"CSRC"	the China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries from time to time
"H Share(s)"	overseas listed foreign share(s) of nominal value of RMB0.10 each in the share capital of the Company which are listed on Main Board of the Stock Exchange and subscribed and traded in HK$
"H Shareholder(s)"	holders of H Share(s)
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong

"Independent Director"	the independent non-executive director(s) of the Company
"Latest Practicable Date"	10 November 2025, being the latest practicable date prior to the issuance of this circular for ascertaining certain information contained herein
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"New Articles of Association"	the New Articles of Association, incorporated with all the Proposed Amendments, be adopted in substitution for and to the exclusion of the existing Articles of Association , which is subject to the approval of the Shareholders by way of a special resolution at the 2025 second EGM of the Company
"Nomination Committee"	The nomination committee of the Company
"PRC"	the People's Republic of China which, for the purpose of this circular, excludes Hong Kong, Macau and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"Sci-Tech Innovation Board"	The Shanghai Stock Exchange Science and Technology Innovation Board
"Securities Law"	the Securities Law of the People's Republic of China
"SFO"	Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong)
"Share(s)"	A Share(s) and H Share(s)
"Shareholder(s)"	holders of the Company's Shares including A Share(s) and H Share(s)
"Shanghai Stock Exchange"	Shanghai Stock Exchange of the PRC
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Substantial Shareholder"	has the meaning ascribed to it under the Listing Rules
"Supervisor(s)"	supervisor(s) of the Company
"Supervisory Committee"	the supervisory committee of the Company
"%"	percent.



上海復旦微電子集團股份有限公司

Shanghai Fudan Microelectronics Group Company Limited*

(a joint stock limited company incorporated in the People's Republic of China)

(Stock Code: 1385)

Executive Directors:
Mr. Zhang Wei *(Chairman and Managing Director)*
Mr. Shen Lei *(Deputy Managing Director)*

Non-Executive Directors:
Ms. Yan Na
Mr. Zhuang Qifei
Ms. Zhang Rui
Mr. Song Jiale

Independent Non-Executive Directors:
Ms. Shi Yanling
Ms. Wang Meijuan
Mr. Hu Xue

Registered office:
No. 220 Handan Road
Shanghai
The PRC

Principal Place of Business:
In the PRC:
Building 4, Lane 127, Guotai Road
Shanghai, the PRC

In Hong Kong:
Flat 6, 5/F., East Ocean Centre
98 Granville Road
Tsimshatsui East
Kowloon
Hong Kong

14 November 2025

Dear Sir or Madam:

(1) PROPOSALS FOR
(a) UTILISATION OF THE SURPLUS FUNDS RAISED FROM THE A SHARE OFFERING AND THE INCOME FROM CASH MANAGEMENT OF FUND RAISING AND RELATED INTEREST INCOME FOR PERMANENT REPLENISHMENT OF WORKING CAPITAL;
(b) ABOLITION OF SUPERVISORY COMMITTEE, PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND ADOPTION OF THE NEW ARTICLES OF ASSOCIATION;
(c) AMENDMENTS TO RELEVANT RULES OF PROCEDURES AND CERTAIN REGULATIONS AND SYSTEMS OF THE COMPANY;
(d) APPOINTMENT OF INDEPENDENT DIRECTOR; AND
(2) NOTICE OF THE 2025 SECOND EGM

* *for identification purposes only*

1. INTRODUCTION

Reference is made to the announcements of the Company dated 28 October 2025 and 10 November 2025 concerning, among others, the abolition of Supervisory Committee, proposed amendments to the Articles of Association and adoption of the New Articles of Association; and amendments to relevant rules of procedures and certain regulations and systems of the Company and the proposed appointment of Independent Director, respectively.

In addition, the Company proposed to utilize the remaining surplus funds raised from the A Share Offering and the income from cash management of fund raising and related interest income for permanent replenishment of working capital by way of poll at the 2025 second EGM.

The purpose of this circular is to provide you with the related information and other information relevant to the proposals to be tabled at the 2025 second EGM as required under the Listing Rules, in order to enable you to make an informed decision on whether to vote for or against the proposals at the 2025 second EGM.

2. UTILIZATION OF THE SURPLUS FUNDS RAISED FROM THE A SHARE OFFERING AND THE INCOME FROM CASH MANAGEMENT OF FUND RAISING AND RELATED INTEREST INCOME FOR PERMANENT REPLENISHMENT OF WORKING CAPITAL

The Company intends to utilize RMB8,282,800 of the remaining surplus funds raised from the A Share Offering and RMB11,137,700 of the income from cash management of fund raising and related interest income (the amount represents the balance as at 30 June 2025. The actual amount shall be subject to the balance in the special account for raised funds on the date of transfer) for the permanent replenishment of working capital. Upon the completion of transfer of all surplus funds, the Company shall proceed the closing of the relevant special bank account for raised funds. The corresponding regulatory agreements between the Company, the sponsor institution, and the account-opening bank shall thereby be terminated.

The above resolution was approved at the meeting of the Board on 27 August 2025 and is now presented to the 2025 second EGM for approval by way of a ordinary resolution.

3. ABOLITION OF SUPERVISORY COMMITTEE, PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND ADOPTION OF THE NEW ARTICLES OF ASSOCIATION

Pursuant to the relevant provisions of the Company Law, the Transitional Arrangements for the Implementation of Supporting Rules and Regulations under the New Company Law issued by the CSRC in December 2024, and the Guidelines for Articles of Association of Listed Companies revised in March 2025, the Board of the Company has resolved to abolish the Supervisory Committee. The powers and duties of the Supervisory Committee as stipulated in the Company Law shall be exercised by the Audit Committee of the Board. The Rules of Procedure for the Supervisory Committee and other related regulations for the Supervisory Committee shall be abolished simultaneously. Corresponding amendments shall be made to relevant provisions concerning the Supervisory Committee within related rules and regulations of the Company.

The Board proposes to adopt the New Articles of Association to (1) keep conjunction with the situation such as the change in share capital after the implementation of the A Shares Restricted Share Incentive Scheme of the Company; (2) remove the entire sections on the Supervisory Committee and Supervisors, along with related content, reflect the duties of the Supervisory Committee will be exercised by the Audit Committee of the Board and standardize certain clauses; and (3) bring the Articles of Association in line with other requirements of the Listing Rules and applicable laws of Hong Kong and PRC (collectively the "Proposed Amendments").

In view of the number of Proposed Amendments, the Board proposes that the New Articles of Association, incorporated with all the Proposed Amendments, be adopted in substitution for and to the exclusion of the existing Articles of Association, which is subject to the approval of the Shareholders by way of a special resolution at the 2025 second EGM of the Company.

After approval from Shareholders, the management or authorised representative of the Company shall proceed with the filing registration of the New Articles of Association with the industrial and commercial registration authority, along with the cancellation of the Supervisor and Supervisory Committee and other relevant formalities. During the processing of the relevant approval and filing registration procedures, adjustments may be made to matters such as amendments to the Articles of Association in accordance with the approval opinions or requirements proposed by the market supervision and administration department or other relevant government departments. The specific amended content shall be subject to the final approved version by the market supervision and administration department.

Amendments to Relevant Rules of Procedures and Certain Regulations and Systems of The Company

In accordance with the provisions of the Company Law, Securities Law, Shanghai Stock Exchange STAR Market Listing Rules, Administrative Measures for Independent Directors of Listed Companies, Shanghai Stock Exchange STAR Market Listed Companies Self-Regulatory Guidance No. 1 – Standardized Operations, and other relevant laws, regulations, and normative documents, and in order to further improve the Company's governance structure and enhance standardized operations, the Company intends to revise and formulate certain regulations and systems based on its actual circumstances. The proposed rules of the management of proceeds, the rules of the management of connected/related party transactions, the rules of the management of external investment, the rules of the management of external guarantee, the rules of the procedure for general meetings, the rules of the procedure for the Board of Directors and the working rules of the Independent Directors were reviewed and approved by the Board, and subject to approval of the Shareholders by way of ordinary resolutions at the 2025 second EGM of the Company. Prior to such date, the current Articles of Association and the aforesaid internal governance systems of the Company shall remain in full force and effect.

Details of the proposed amendments to the Articles and adoption of New Articles of Association, the rules of the management of proceeds, the rules of the management of connected/related party transactions, the rules of the management of external investment, the rules of the management of

external guarantee, the rules of the procedure for general meetings, the rules of the procedure for the Board of Directors and the working rules of the Independent Directors are set out in Appendices I to VII of this circular, respectively.

The legal advisors to the Company as to the laws of Hong Kong and the laws of the PRC have respectively confirmed that the proposed New Articles of Association comply with the requirements of the Hong Kong Listing Rules and applicable laws of the PRC. The Company confirms that there is nothing unusual about the proposed New Articles of Association for a company incorporated in the PRC and listed on the Hong Kong Stock Exchange.

Shareholders should be aware that the English version of the New Articles of Association, the rules of the management of proceeds, the rules of the management of connected/related party transactions, the rules of the management of external investment, the rules of the management of external guarantee, the rules of the procedure for general meetings, the rules of the procedure for the Board of Directors and the working rules of the Independent Directors are translation of the Chinese version and are provided for reference only. The Chinese version shall prevail in the event of any discrepancies in the translation and/or inconsistencies between the two versions.

4. PROPOSED APPOINTMENT OF INDEPENDENT DIRECTOR

The Board has nominated Mr. Zhang Yu Ming as an Independent Director of the Company's Tenth session of the Board, with term of office from the date of approval by the 2025 second EGM to the date of expiry of the Tenth session of the Board (tentatively 17 June 2028).

Mr. Zhang Yu Ming, aged 60, Chinese nationality, with no permanent residency outside China. He holds a Doctor of Philosophy degree in Microelectronics and Solid-State Electronics from Xi'an Jiaotong University. He is a Professor and Doctoral Supervisor. Since April 1992, he has been the Lecturer, Associate Professor, Professor and Doctoral Supervisor at Xi'an University of Electronic Science and Technology. From July 2005 to December 2023, he served as Deputy Dean and Dean of the School of Microelectronics at Xi'an University of Electronic Science and Technology. Since July 2022, he has been the Deputy Chairperson, Standing Committee Member and Committee Member of the 13th Provincial Committee of the Revolutionary Committee of the Shaanxi Province. Since January 2023, he has been a member of the Standing Committee of the 14th People's Congress of Shaanxi Province.

Mr. Zhang Yu Ming will be entitled to receive a director's emolument of RMB200,000 (before tax) per annum under the service agreement to be signed between the Company and Mr. Zhang Yu Ming. The emoluments of the Independent Director are determined by the remuneration and evaluation committee of the Company with reference to the time and effort devoted to the Company's affairs, their responsibilities, expertise and also with reference to the current range of fees for independent non-executive directors of listed companies.

If the resolution on the proposed amendments to the Articles and adoption of appointment of Mr. Zhang Yu Ming is passed, the Company will enter into director service contract with Mr. Zhang Yu Ming with terms from the date of the 2025 second EGM to the date of the expiry of the Tenth session

of the Board (tentatively 17 June 2028), thereafter unless terminated by a three months' prior written notice by either party and will be subject to retirement by rotation or re-election in accordance with the Articles of Association.

The Company has received written confirmation from Mr. Zhang Yu Ming of his independence according to Rule 3.13 under the Listing Rules. The Board recognised that Mr. Zhang Yu Ming has met the requirements of independence under the provisions of Rule 3.13 of the Listing Rules. Mr. Zhang Yu Ming did not and does not have any management role in the Group and have the ability to provide an independent view on the Company's affairs during their tenure. Mr. Zhang Yu Ming does not have any relationship with any Director, senior management, substantial or controlling shareholder of the Company. Mr. Zhang Yu Ming also does not have any past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected person of the Company. The Nomination Committee and the Board are not aware of any other factors that may affect the independence of Mr. Zhang Yu Ming as at the Latest Practicable Date and are of the view that Mr. Zhang Yu Ming remains independent and believe that he is able to continue to fulfill his role as Independent Director.

All candidates proposed by the Nomination Committee must meet the standards set out in Rule 3.08 and 3.09 of the Listing Rules. A candidate who is to be appointed as the Independent Director must also meet the independence criteria set out in Rule 3.13 of the Listing Rules. Qualified candidates are recommended to the Board for approval. Based on the Company's policy of diversity on the Board, the Nomination Committee has considered the various factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional skills and experience, knowledge and length of service, and performed review and assessment on the background, professional knowledge and experience on the Director candidates. The Nomination Committee is in the opinion that, as disclosed in the biographies set out above, Mr. Zhang Yu Ming possesses the prerequisite professional knowledge and experience, management, skills and other working experience, and is able to provide good advice on the Company's business and can provide adequacy of time commitment to deal with the Company's affairs, and the Company's policy of diversity on the Board can also be achieved. Therefore, the election of Mr. Zhang Yu Ming as Independent Director is in the best interests of the Company and the Shareholders.

Unless otherwise disclosed in this circular, as at the Latest Practicable Date, Mr. Zhang Yu Ming does not hold any directorship in any listed public company in Hong Kong or overseas in the last three years, and has no relationship with any Directors, senior management, controlling shareholders or substantial shareholders of the Company. He had no personal interest in the Shares or any of the Company's associated corporations (within the meaning of Part XV of the SFO). There is no any other matters that need to be brought to the attention of the Shareholders nor is there any other information regarding the appointment of Mr. Zhang Yu Ming required to be disclosed pursuant to Rules 13.51(2) of the Listing Rules. Mr. Zhang Yu Ming has not been subject to any punishment imposed by the CSRC and other relevant authorities or any penalty from stock exchanges.

It is proposed to elect Mr. Zhang Yu Ming as an Independent Director by an ordinary resolution at the 2025 second EGM.

5. THE 2025 SECOND EGM

The 2025 second EGM will be held at 1:30 p.m. on Tuesday, 2 December 2025 at Conference Room, Building 4, Fudan National University Science and Technology Park, 127 Guotai Road, Shanghai, the People's Republic of China. The notice of convening the 2025 second EGM is set out on pages EGM-1 to EGM-2 of this circular. The respective form of proxy for use at the 2025 second EGM is enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.fmsh.com).

To the best of the knowledge, information and belief of the Directors, no Shareholders have material interests in the proposed transactions, and are hence required to abstain from voting at the 2025 second EGM in respect of relevant resolutions.

6. BOOK CLOSURE PERIOD

For the purpose of 2025 second EGM, the register of members of H Shares will be closed from 27 November 2025 to 2 December 2025 (both days inclusive) and during which no transfer of H Shares will be effected.

For H Shareholders whose names appear on the register of members of the Company as at 2 December 2025 shall be entitled to attend the 2025 second EGM. To be qualified to attend the 2025 second EGM, all transfers of H Shares accompanied by the relevant share certificates must be lodged at the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on 26 November 2025.

7. VOTING BY WAY OF POLL

Pursuant to Rule 13.39 of the Listing Rules, all votes of the Shareholders at the general meetings must be taken by poll. The chairman of the meeting will therefore demand a poll for every resolution put to vote at the 2025 second EGM in accordance with the Articles of Association. An announcement on the poll results will be made by the Company after the 2025 second EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

8. RECOMMENDATION

The Board considers that the resolutions set out in the notice of the 2025 second EGM are in the interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolutions.

9. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The information contained herein with regard to the Company has been provided by the Directors, the Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is

accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any declaration or statement herein or this circular misleading.

Yours faithfully,
By order of the Board
Shanghai Fudan Microelectronics Group Company Limited*
Zhang Wei
Chairman

* *For identification purposes only*

CHAPTER 1 GENERAL PROVISIONS

Article 1: This Company is a joint stock limited company established in accordance with the Company Law ("Company Law") of the People's Republic of China (the "PRC") and other relevant State laws and administrative regulations in effect at the time of its incorporation.

Following approval by the Government of Shanghai City with Approval of Hufutigaizi [1998] 050, the Company was established on 4 June 1998 by means of promotership, was registered with the Shanghai Administration for Industry and Commerce on 10 July 1998, and obtained a company's business license. The number of the Company's business license is 310000400198084. The unified social credit identifier is 91310000631137409B.

The promoters of the Company are: Shanghai Fudan High Tech Company, Shanghai Commerce and Investment Co., Shanghai Pacific Commercial Trust Company, Ningbo Lirong Co., Ltd., Shanghai Gaozhan Business Consultancy Company Limited, the Staff Shareholding Association of the Company, Mr. Jiang Guoxing and Mr. Shi Lei.

On 12 February 2000, the Company obtained the approval from the China Securities Regulatory Commission ("CSRC") to issue overseas listed foreign shares (H Shares) and to list such H Shares on the GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). On 4 August 2000, the Company completed its initial public offering of H Shares and was listed on the GEM of the Stock Exchange. In 2014, the Company transferred its listing from the GEM to the Main Board of the Stock Exchange, issuing 242,330,000 H Shares. On 29 July 2021, the Company was approved by the CSRC to issue 120,000,000 RMB ordinary shares to the public for the first time, which were subsequently listed on the STAR Market of the Shanghai Stock Exchange on 4 August 2021.

The Articles of Association of Shanghai Fudan Microelectronics Group Co. Ltd. ("the Articles of Association" or the "the Articles of Association of the Company") is formulated in accordance with laws and regulations such as Company Law, the Securities Law of the People's Republic of China ("Securities Law"), "Guidelines to Articles of Association of Listed Companies", "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 ("Hong Kong Listing Rules"), the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of Shanghai Stock Exchange ("Science and Technology Innovation Board Listing Rules", together with Hong Kong Listing Rules known as "the listing rules of the place where the Company's shares are listed"), rules of the relevant securities regulatory authority of The State Council, binding documents of the stock exchange where the Company's shares are listed and other related laws and regulations, with an aim to safeguard the legitimate rights and interests of the Company and shareholders, employee and creditors, and to regulate the organization and behavior of the Company.

Article 2: Registered name of the Company: 上海復旦微電子集團股份有限公司

English name of the Company: Shanghai Fudan Microelectronics Group Company Limited

Article 3: The Company's registered address: 220 Handan Road, Shanghai City, the PRC.

Postal code: 200433
Telephone number: 65655050
Facsimile number: 65659115

Article 4: The legal representative of the Company shall be the chairman of its Board of Directors.

Where a director serving as the legal representative resigns, such resignation shall be deemed as a simultaneous resignation from the position of legal representative. The Company shall appoint a new legal representative within 30 days from the date of resignation of the former legal representative.

Article 5: The legal consequences of civil activities conducted by the legal representative in the name of the Company shall be borne by the Company. Any restriction imposed on the powers of the legal representative under the Articles of Association or by the shareholders' general meeting shall not be enforceable against any bona fide third party.

Where a legal representative causes harm to others in the course of performing his or her duties, the Company shall bear civil liability. After bearing such civil liability, the Company may, in accordance with the law or the provisions of the Articles of Association, seek compensation from the legal representative at fault.

Article 6: The Company is a joint stock limited company which has perpetual existence.

The Company is an independent corporate legal person governed and protected by the relevant the People's Republic of China (for the purposes of the Articles of Association, excluding the Macao Special Administrative Region and the Taiwan Region of the People's Republic of China, hereinafter referred to as "PRC") laws and binding documents, which has independent property of a legal person and enjoys the property rights of a legal person.

The capital of the Company is divided into equal shares. The shareholders of the Company shall bear liability for the Company to the extent of the shares they hold, and the Company shall bear liability for the debts of the Company with its entire assets.

Article 7: From the date on which the Articles of Association came into effect, the Articles of Association constitutes a legally binding document regulating the organization and behaviour of the Company, as well as the rights and obligations between the Company and its shareholders and among the shareholders. The Articles of Association of the Company shall be binding upon the Company and its shareholders, directors and other senior management staff. All the above persons may make claims related to Company's matters in accordance with the Articles of Association.

Each of the shareholders may sue the Company in accordance with the Articles of Association. The Company may sue its shareholders, directors and senior executive in accordance with the Articles of Association. Each of the shareholders may sue other shareholders in accordance with the Articles of Association. Each of the shareholders may sue the directors and senior executives in accordance with the Articles of Association.

"Sue" as stipulated hereinabove includes commencement of litigation at a competent or referring a matter for arbitration at an arbitration institution.

Article 8: The Company may invest in other limited liability companies or joint stock limited companies and shall be held responsible for the invested companies within the limitation of the amount of the Company's capital contribution. Unless otherwise specified by laws, the Company shall not be the capital contributor bearing joint liability associated with the debts of the invested enterprises.

Article 9: In accordance with the Constitution of the Communist Party of China, the Company shall establish a Communist Party organisation and carry out Party-related activities. The Company shall provide the Party organisation with the necessary conditions to facilitate its activities.

CHAPTER 2 OBJECTIVES AND SCOPE OF BUSINESS

Article 10: The business objectives of the Company are: consummating business on operation mechanism, raising funds for future developments, optimizing the operating system, cultivating innovative and high technology core capacity for its application to the development of core products, and exploring methods for achieving innovative and high-technology industrialization and industrial development.

Article 11: The business scope of the Company shall be as approved by the Company examination and approval authority and industrial and commercial administration authority which has/have jurisdiction over the Company.

The business scope of the Company is technological development, technology consulting, technical services and technology transfer in the fields of electronics products and information technology; production of microelectronics products, selling self-developed products and offering relevant services; investing and conducting projects on the National New Hi-tech Industry List (Specific projects need other approvals). (The operations of businesses requiring approvals in accordance with the laws may only commence after such approvals have been granted by relevant authorities)

The Company may, with reference to changes in local and overseas market, its own business development and ability, adjust their scope of business and arrange for registration of the relevant change in accordance with the law.

CHAPTER 3 SHARES AND REGISTERED CAPITAL

Section 1 Issuance of Shares

Article 12: The Company shall have ordinary shares at all times. The Company may, as needed, issue shares of a class different from those of ordinary shares in accordance with the provisions of the Articles of Association.

Article 13: The stock of the Company shall take the form of shares. All shares issued by the Company shall have par values, with each share having a par value of RMB0.1. RMB referred to in the preceding paragraph refers to the statutory currency of the PRC.

Article 14: The shares of the Company shall be issued in accordance with the principles of openness, fairness and impartiality. Each share of the same class shall carry the same rights.

All shares of the same category issued at the same time shall be issued under the same conditions and at the same price; subscriber shall pay the same price for each share.

The Company may offer its shares to both domestic and foreign investors with the approval of the relevant securities regulatory authority under the State Council.

Foreign investors referred to in the preceding paragraph shall mean those investors in foreign countries, Hong Kong, Macau or Taiwan who subscribe for shares of the Company. Domestic investors shall mean those investors in the PRC, excluding the aforementioned regions, who subscribe for shares of the Company.

Article 15: The domestic shares that the Company issued and listed in the domestic market shall be called A shares. A shares are shares that approved by CSRC to be issued and listed on the domestic stock exchange, with par value in Renminbi and are subscribed and traded in Renminbi. A shares of the Company is centrally managed in China Securities Depository and Clearing Corporation Limited. H Shares are listed on the Hong Kong Stock Exchange after approval with par value in Renminbi and are subscribed and traded in Hong Kong dollars.

Both A shareholders and H shareholders of foreign shares are ordinary shareholders and shall have the same rights and obligations.

Article 16: The registered capital of the Company is RMB82,142,730. The registered capital of the Company must be approved by the approval department of the Company and registered with the industrial and commercial administration.

The total share capital of the Company is 821,427,300 shares, with a capital structure of 537,097,300 Onshore-Listed Domestic-Invested Shares and 284,330,000 Overseas-Listed Foreign-Invested Shares.

Article 17: Before the Company's initial public offering of domestic listed shares, the Company has issued 694,502,000 ordinary shares and total share capital is Renminbi 69,450,200, and the share capital structure is as follows:

Shanghai Fudan Fukong Technology Enterprise Holdings Limited holds 109,620,000 shares, representing 15.78% of the issued share capital of the Company;

Shanghai Fudan High Tech Company holds 106,730,000 shares, representing 15.37% of the issued share capital of the Company;

Shanghai Zhenghua Corporate Management Consultant Partnership Enterprise (limited partnership) holds 34,650,000 shares representing 4.99% of the issued share capital of the Company;

Shanghai Guonian Corporate Management Consultant Partnership Enterprise (limited partnership) holds 29,941,470 shares representing 4.31% of the issued share capital of the Company;

Shanghai Zhengben Corporate Management Consultant Partnership Enterprise (limited partnership) holds 52,167,270 shares representing 7.51% of the issued share capital of the Company;

Shanghai Nianjin Corporate Management Consultant Partnership Enterprise (limited partnership) holds 14,677,840 shares representing 2.11% of the issued share capital of the Company;

Shanghai Shenghao Corporate Management Consultant Partnership Enterprise (limited partnership) holds 14,741,000 shares representing 2.12% of the issued share capital of the Company;

Shanghai Xuling Corporate Management Consultant Partnership Enterprise (limited partnership) holds 6,243,000 shares representing 0.90% of the issued share capital of the Company;

Shanghai Haoyue Corporate Management Consultant Partnership Enterprise (limited partnership) holds 5,177,000 shares representing 0.75% of the issued share capital of the Company;

Shanghai Yuhao Corporate Management Consultant Partnership Enterprise (limited partnership) holds 9,011,000 shares representing 1.30% of the issued share capital of the Company;

Shenzhen Capital Group Co., Ltd holds 4,793,420 shares, representing 0.69% of the issued share capital of the Company;

Shenzhen Qianhai Wanrong Hongtu Investment Fund (limited partnership) holds 2,000,000 shares, representing 0.29% of the issued share capital of the Company;

Nanjing Hongtu Xinghe Business Investment Fund (limited partnership) holds 3,333,333 shares, representing 0.48% of the issued share capital of the Company;

Wuxi Red Land Silk Road Venture Capital Enterprise (limited partnership) holds 2,666,667 shares, representing 0.38% of the issued share capital of the Company;

Mr. Jiang Guoxing holds 7,210,000 shares, representing 1.04% of the issued share capital of the Company;

Mr. Shi Lei holds 7,210,000 shares, representing 1.04% of the issued share capital of the Company;

and holders of Overseas-Listed Foreign-Invested Shares hold 284,330,000 shares, representing 40.94% of the issued share capital of the Company.

Article 18: Neither the Company nor its subsidiaries (including its affiliated enterprises) shall provide any financial assistance to any person for the purpose of acquiring shares in the Company or its parent company in the form of a gift, advance, guarantee or loan, except in the case of the implementation of an employee share ownership plan.

For the benefit of the Company, and upon a resolution passed at the shareholders' general meeting or a resolution adopted by the Board of Directors pursuant to the authority granted by the Articles of Association or the shareholders' general meeting, the Company may provide financial assistance to others for the purpose of acquiring shares in the Company or its parent company, provided that the aggregate amount of such financial assistance shall not exceed 10% of the Company's issued share capital. Any such Board resolution shall be approved by not less than two-thirds of all directors. The Company shall also comply with the listing rules of the stock exchange on which its shares are listed, as well as the regulatory requirements of the securities regulatory authorities, the stock exchange, and other applicable laws and regulations.

Where any breach of the foregoing provisions results in a loss to the Company, the directors, supervisors (including those serving in the supervisory committees or as supervisors of the Company's subsidiaries, if any) and senior management personnel responsible for such breach shall bear liability for compensation.

Section 2 Increase, Decrease, and Repurchase of Shares

Article 19: The Company may increase capital through the following methods as determined by resolutions of the shareholders' meeting, in accordance with the laws, regulations, listing rules issued by the place where the shares of the Company are listed, based on operational and development needs:

(1) Issuing shares to non-designated investors;

(2) Issuing shares to designated investors;

(3) Offer of bonus shares to existing shareholders;

(4) Conversion of common reserve funds into share capital;

(5) Other means stipulated by laws, administrative regulations, and the securities regulatory authorities where the Company's shares are listed.

Issuance of new shares by the Company shall be subject to approval as specified in the Articles of Association and follow the procedure specified in the relevant laws and administrative regulations of the state and the place where the shares of the Company are listed.

If the Company is approved by the regulatory authority in the place where the shares are listed to issue convertible bonds, it shall strictly follow the relevant regulations on the issuance and management of convertible bonds and the relevant provisions in the issuance terms of the prospectus of the Company's convertible bonds.

Article 20: The Company may decrease its registered capital in accordance with the Articles of Association. The Company shall decrease its registered capital pursuant to the Company Law, other relevant regulations and the Articles of Association.

Article 21: The Company shall not acquire its own shares; however, it may, under the following circumstances, repurchase its own shares in accordance with the procedures set out in its Articles of Association, and with the approval of the relevant governing State authorities, and in accordance with the relevant regulations of the place where the Company's shares are listed:

(1) reduce the Company's capital;

(2) merger with another company that holds shares in the Company;

(3) used for employees share ownership scheme or share incentive scheme;

(4) requisition by any shareholder to purchase his shares because this shareholder raises objections to the Company's resolution on merger or split-up made at a session of the meeting of shareholders;

(5) when using the shares to satisfy the conversion of those corporate bonds convertible into shares issued by the Company;

(6) when safeguarding corporate value and shareholders' equity as the Company deems necessary; or

(7) any other circumstances where laws or administrative regulations so permit.

Article 22: The Company may acquire its own shares through open centralized trading or other ways approved by the laws, administrative regulations, the securities regulatory authorities of the place where the Company's shares are listed, and the stock exchange of the place where the Company's shares are listed.

When the Company buys back its shares, it shall perform the obligation of information disclosure in accordance with the requirements of Securities Law, listing rules of the place where the Company's shares are listed and other relevant laws and regulations. Buyback of the Company's shares under the circumstances as provided in clauses (3), (5) and (6) of Article 21 of the Articles of Association shall be conducted through open centralized trading.

Article 23: Where the Company repurchases its shares in the circumstances set out in clauses (1) and (2) of Article 21 of the Articles of Association, it shall be subject to approval at the shareholders' general meeting. Where the Company repurchases its shares in the circumstances set out in clauses (3), (5) and (6) of Article 21 of the Articles of Association, it may be resolved by more than two-thirds of directors present at a meeting of the Board of Directors in accordance with the provisions of the Articles of Association or the authorization of the shareholders' general meeting.

In the event that the Company has repurchased its shares in accordance with Article 21, such shares shall be cancelled within 10 days in the circumstance set out in clause (1), or shall be transferred or cancelled within 6 months in the circumstances set out in clauses (2) and (4); the aggregate number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and shall be transferred or cancelled within 3 years in the circumstances set out in clauses (3), (5) and (6).

The repurchase of H shares of the Company shall comply with the Hong Kong Listing Rules, the Code on Share Buy-backs issued by the Hong Kong Securities and Futures Commission, and other relevant regulatory requirements of the place where H shares are listed.

Section 3 Transfer of Shares

Article 24: The shares of the Company may be transferred in accordance with the laws, regulations, the listing rules of the place where the Company's shares are listed, and the Articles of Association.

All transfers of H shares shall be effected by instruments of transfer in writing in a general or ordinary form or in any other forms acceptable to the Board of Directors (including the standard transfer format or form of transfer that the Hong Kong Stock Exchange may provide

from time to time); such instruments of transfer may only be signed manually or (where the transferor or transferee is a corporation) by the corporation's valid seal. Where the transferor or transferee is a recognized clearing house as defined by relevant regulations of Hong Kong laws from time to time (the "recognized clearing house"), or any of its agents, the instruments of transfer may be signed manually or in a machine-printed form. All instruments of transfer shall be maintained at the statutory address of the Company or such places as the Board of Directors may designate from time to time.

Article 25: The Company shall not accept any of its own shares as the subject of pledges.

Article 26: Shares issued by the Company prior to the public offering of shares shall not be transferable within one year from the date of listing and trading of the Company's shares on the stock exchange.

Director and senior management of the Company shall report to the Company the shares held by them in the Company and the changes therein, and shall not transfer more than 25% of the total number of shares of the same class held by them in the Company in each year of their employment; their shares in the Company shall not be transferred within one year from the date of listing and trading. No transfer of shares of the Company held by the above-mentioned person shall be allowed within six months after his/her departure from office.

Where laws, administrative regulations or the securities regulatory authorities of the place where the Company's shares are listed have other provisions on the transfer of the Company's shares held by shareholders, such provisions shall prevail.

Article 27: If a shareholder, director or senior management holding more than five percent of the Company's Onshore-Listed Domestic-Invested Shares sells the Onshore-Listed Domestic-Invested Shares or other domestic securities of an equity nature within six months of purchase, or purchases again within six months of sale, the resulting proceeds shall belong to the Company. The Board of Directors of the Company shall recover the proceeds thereof, however, except where the securities company holds more than five per cent. of the shares as a result of the purchase of the remaining shares after the underwriting, and where there are other circumstances as prescribed by the securities regulatory authorities of the place where the Company's shares are listed.

The shares or other securities of an equity nature held by director, senior management or natural shareholder referred to in the preceding paragraph include shares or other securities of an equity nature held by their spouses, parents, children and those held on account of others.

If the Board of Directors of the Company does not enforce the provisions of the first paragraph of this Article, the shareholders shall have the right to request the Board of Directors to do so within thirty days. If the Board of Directors of the Company fails to enforce the same within the said period, the shareholder shall have the right to bring a lawsuit directly to the competent court in his own name for the benefit of the Company.

If the Board of Directors of the Company does not act in accordance with the provisions of the first paragraph of this Article, the directors responsible shall be jointly and severally liable in accordance with law.

CHAPTER 4 SHAREHOLDERS AND SHAREHOLDERS' GENERAL MEETINGS

Section 1 General Provisions for Shareholders

Article 28: The Company shall establish a register of shareholders based on the requirements as stipulated by the laws, administrative regulations or the listing rules of the place where the Company's shares are listed in accordance with evidentiary documents provided by the securities registration authorities of the place where the Company's shares are listed. The register of shareholders shall be sufficient evidence of the shareholders' shareholding in the Company. Shareholders shall enjoy rights and assume obligations according to the class of shares they hold. Shareholders holding shares of the same class shall enjoy the same rights and assume the same obligations.

The original of the register of members for H shares listed in Hong Kong is kept in Hong Kong and is available for inspection by shareholders, but the Company may suspend the registration of shareholders in accordance with applicable laws and regulations and the listing rules of the places where the Company's shares are listed (including equivalent provisions in the Companies Ordinance of Hong Kong). Should any shareholder whose name is recorded on the register of members or any person whose name is entitled to be recorded on the register of members has lost his/her share certificate(s), he/she may apply to the Company for the issuance of new share certificate(s) in respect of such share(s). If a holder of H share(s) has lost his/her share certificate(s) and applies for reissuance, it shall be processed in accordance with the law, the rules of the stock exchange or other relevant regulations of the place where the original register of members of H shares is kept.

Article 29: When the Company is to convene a shareholders' general meeting, distribute dividends, be liquidated or to carry out other acts requiring confirmation of equity interest, the Board of Directors or the convenor of the shareholders' general meeting shall decide a date for determination of equity interest. Shareholders whose names appear on the register at the close of such determination date shall be the shareholders entitled to relevant interests.

Article 30: The shareholders of the Company shall enjoy the following rights:

(1) receive dividends and other profit distributions on the basis of the number of shares held by them;

(2) request, call, preside over, participate or appoint proxies to participate in shareholders' general meetings and exercise the corresponding voting rights in accordance with law;

(3) supervise the Company's business activities, and raise suggestions or inquiries;

(4) transfer, gift or pledge shares held by them in accordance with laws, administrative regulations and the Articles of Association;

(5) inspect and copy the Articles of Association, register of shareholders, minutes of the shareholders' general meeting, resolutions of the Board of Directors' meeting, and financial and accounting reports. Shareholders who have individually or collectively held more than 3% of the Company's shares for more than 180 consecutive days may request to inspect the Company's accounting books and vouchers;

(6) in the event of termination or liquidation of the Company, participate in the distribution of the remaining assets of the Company as per their shares;

(7) for shareholders objecting to resolutions of the shareholders' general meeting concerning merger or division of the Company, require the Company to buy their shares;

(8) exercise other rights specified by laws, administrative regulations, departmental rules, listing rules at the place where the Company's shares are listed and the Articles of Association.

Article 31: Shareholders requesting to inspect or copy relevant materials of the Company, or shareholders who individually or collectively hold more than 3% of the Company's shares for more than 180 consecutive days and request to inspect the Company's accounting books or vouchers, shall submit a written request to the Company, state the purpose, provide the Company with written documentation proving the type and quantity of shares of the Company they hold, and continue to meet the corresponding shareholder eligibility requirements during the exercise of their rights. After verifying the shareholder's identity, the Company shall provide the requested materials within 15 working days. When exercising the rights under this Article, shareholders shall comply with the Company Law, the Securities Law and other relevant laws and administrative regulations, and sign a commitment document pledging to abide by laws and administrative regulations regarding the protection of state secrets, trade secrets, personal privacy and personal information, and to refrain from infringing upon the legitimate interests of the Company and other shareholders. If a shareholder violates laws or administrative regulations when exercising their rights and refuses to sign the commitment document, or if the Company has reasonable grounds to believe that the shareholder's inspection of accounting books or vouchers is for an improper purpose and may harm the Company's legitimate interests, the Company may refuse to provide access or copies and shall provide a written response to the shareholder with reasons stated within 15 days from the date of the shareholder's written request.

Article 32: If the contents of a shareholders' general meeting's resolution or a Board resolution is in violation of the laws and administrative regulations, shareholders shall have the right to request the competent court to declare the resolution invalid.

If the meeting convening procedures and voting methods adopted at a shareholders' general meeting or Board meeting are in violation of the laws and administrative regulations or the Articles of Association, or if the contents of the resolution are in breach of the Articles of Association, shareholders shall have the right to request the competent court to revoke the resolution within 60 days from the date of that resolution. However, this shall not apply if the defect in the meeting convening procedures or voting methods adopted at a shareholders'

general meeting or Board meeting is only minor and has no substantial impact on the resolution.

If there is a dispute among the Board of Directors, shareholders or other relevant parties regarding the validity of a resolution of the shareholders' general meeting, a lawsuit shall be promptly filed with the competent court. Before the competent court renders a judgment or ruling to revoke the resolution, the relevant parties shall execute the resolution of the shareholders' general meeting.

The Company, directors and senior management shall diligently perform their duties to ensure the normal operation of the Company. If the competent court issues a judgment or ruling on relevant matters, the Company shall fulfill its information disclosure obligations in accordance with laws, administrative regulations, and the rules of the securities regulatory authorities and stock exchanges of the place where the Company's shares are listed, fully explain the impact, and actively cooperate with the execution after the judgment or ruling takes effect. If correction of prior matters is involved, the Company shall handle it promptly and fulfill the corresponding information disclosure obligations.

Article 33: A resolution of the shareholders' general meeting or the Board of Directors of the Company shall be deemed invalid in any of the following circumstances:

(1) The resolution was made without convening a shareholders' general meeting or board meeting;

(2) No vote was taken on the matter of the resolution during the shareholders' general meeting or board meeting;

(3) The number of attendees or the voting rights held did not meet the thresholds required by the Company Law or the Articles of Association;

(4) The number of persons or the voting rights held in favor of the resolution did not meet the thresholds required by the Company Law or the Articles of Association.

Article 34: If a director, other than a member of the Audit Committee, or senior management violates laws, administrative regulations or the Articles of Association in the performance of their duties, causing losses to the Company, shareholders who individually or jointly hold more than 1% of the Company's shares for more than 180 consecutive days shall have the right to make a written request to the Audit Committee to file a lawsuit with the competent court. If a member of the Audit Committee violates laws, administrative regulations or the Articles of Association in the performance of their duties, causing losses to the Company, the aforementioned shareholders may make a written request to the Board of Directors to file a lawsuit with the competent court.

If the Audit Committee or the Board of Directors refuses to file a lawsuit after receiving the written request from shareholders as specified in the preceding paragraph, or fails to file a lawsuit within 30 days from the date of receiving the request, or if the situation is urgent and failure to file a lawsuit immediately would cause irreparable harm to the Company's interests, the shareholders mentioned in the preceding paragraph shall have the right to file a lawsuit directly in their own name with the competent court for the benefit of the Company.

If any person intervenes with the legal interests of the Company, resulting in losses suffered by the Company, a shareholder under the first paragraph of this Article can initiate litigation at a competent court in accordance with the two preceding paragraphs.

Where the directors, supervisors or senior management of a wholly-owned subsidiary of the Company violate laws, administrative regulations, or the Articles of Association when performing their duties, causing losses to the Company, or where others infringe upon the lawful rights and interests of the wholly-owned subsidiary causing losses, shareholders who individually or collectively hold 1% or more of the shares of the Company for 180 consecutive days or more may, in accordance with the first three paragraphs of Article 189 of the Company Law, request in writing the supervisory committee or the Board of Directors of the wholly-owned subsidiary to initiate litigation at a competent court, or initiate litigation directly with the competent court in their own names.

If a wholly-owned subsidiary of the Company does not have a supervisory committee or supervisor, but has an Audit Committee, the provisions of the first and second paragraphs of this Article shall apply.

Article 35: If a director or senior executive breaches the law, administrative regulation, or the Articles of Association and damages shareholders' interests, the shareholders can initiate litigation at a competent court.

Article 36: The shareholders of the Company shall have the following obligations:

(1) To observe the laws, administrative regulations and the Articles of Association;

(2) To pay subscription funds as per the shares subscribed and the method of subscription;

(3) Not to withdraw its share capital unless in the circumstances stipulated by laws and regulations;

(4) Not to abuse the shareholders' rights to damage the interests of the Company or other shareholders or the independent legal person status of the Company or shareholders' limited liability to damage the interests of the creditors of the Company;

(5) To fulfil other obligations stipulated by laws, administrative regulations, the listing rules of the place where the Company's shares are listed and the Articles of Association.

Article 37: If any shareholder of the Company abuses his shareholder's right, thereby incurring any loss of the Company or other shareholders, the said shareholder shall be liable for compensation according to law. If any shareholder of the Company evades the payment of debts by misusing the independent legal person status of the Company or shareholders' limited liability, thereby seriously harming the interests of the creditors of the Company, the said shareholder shall bear joint liability for such debts of the Company.

Section 2 Controlling Shareholders and De Facto Controllers

Article 38: The controlling shareholders and de facto controllers of the Company shall exercise their rights and fulfill their obligations in accordance with laws, administrative regulations, provisions of the securities regulatory authority of the place where the Company's shares are listed and the stock exchange of the place where the Company's shares are listed, to safeguard the interests of the Company.

Article 39: The controlling shareholders and de facto controllers of the Company shall abide by the following provisions:

(1) exercise shareholder rights in accordance with the law, not to abuse controlling interest, or exploit connected relationships to harm the legitimate rights and interests of the Company or other shareholders;

(2) strictly fulfill public statements and commitments made, without unauthorized changes or waivers;

(3) strictly fulfill information disclosure obligations in accordance with relevant regulations, actively cooperate with the Company in information disclosure work, and promptly inform the Company of significant events that have occurred or are planned to occur;

(4) shall not misappropriate the Company's funds in any way;

(5) shall not coerce, instruct, or require the Company and related personnel to illegally provide guarantees;

(6) shall not seek benefits using the Company's undisclosed significant information, shall not disclose any undisclosed significant information about the Company in any way, shall not engage in insider trading, short term trading, market manipulation, or other illegal activities;

(7) shall not damage the legitimate rights and interests of the Company and other shareholders through unfair related party transactions (referred to as "connected transactions" under the Hong Kong Listing Rules, the same applies hereinafter), profit distribution, asset reorganization, external investments, or any other means;

(8) ensure the integrity of the Company's assets, personnel independence, financial independence, institutional independence, and business independence, and shall not in any way affect the Company's independence;

(9) comply with laws, administrative regulations, provisions of the securities regulatory authority of the place where the Company's shares are listed, business rules of the stock exchange of the place where the Company's shares are listed and other provisions of the Articles of Association.

The controlling shareholders and de facto controllers of the Company who do not serve as directors of the Company but actually carry out the Company's affairs shall be subject to the provisions of the Articles of Association regarding the fiduciary duty and diligence duty of directors.

If the controlling shareholders and de facto controllers of the Company instruct directors or senior management to engage in actions that harm the interests of the Company or shareholders, they shall be jointly liable with the director or senior management concerned.

Article 40: If the controlling shareholders and de facto controllers pledge the Company's shares they hold or actually control, they should maintain the Company's control rights and ensure stable production and operation.

Article 41: If the controlling shareholders and de facto controllers transfer their holdings of the Company's shares, they shall comply with the restrictive provisions on share transfer in laws, administrative regulations, provisions of the securities regulatory authority of the place where the Company's shares are listed and the stock exchange of the place where the Company's shares are listed, as well as the commitments they have made regarding restricted share transfers.

Section 3 General Provisions on Shareholders' General Meeting

Article 42: The shareholders' general meeting is composed of all shareholders. The shareholders' general meeting is the Company's governing body and shall, in accordance with the law, exercise the following powers:

(1) To elect and change directors (excluding directors who are employee representatives) and to decide on matters concerning the remuneration of directors;

(2) To consider and approve reports of the Board of Directors;

(3) To consider and approve the Company's profit distribution plan and loss recovery plan;

(4) To make resolutions on the Company's increase or decrease of registered capital;

(5) To make resolutions on the issuance of corporate bonds;

(6) To make resolutions on the Company's merger, division, dissolution, liquidation, or change of corporate form;

(7) To amend the Articles of Association;

(8) To make resolutions on the appointment and dismissal of accounting firms undertaking the Company's audit work;

(9) To consider and approve the external guarantee matters stipulated in Article 43 of the Articles of Association;

(10) To consider matters related to the Company's purchase or sale of major assets exceeding 30% of the Company's most recent audited total assets within one year;

(11) To consider related-party transactions and other transactions which, according to the listing rules at the place where the Company's shares are listed, have to be resolved at the shareholders' general meeting;

(12) To consider and approve changes in the use of proceeds;

(13) To consider and approve share incentive plans and employee share ownership scheme;

(14) To consider other matters that should be decided by the shareholders' general meeting as stipulated by laws, administrative regulations, departmental rules, the listing rules of the place where the Company's shares are listed or the Articles of Association.

The shareholders' general meeting may authorize the Board of Directors to make resolutions on the issuance of corporate bonds. Save for those above-mentioned, other functions and powers of the shareholders' general meeting shall not be exercised by the Board of Directors, other organizations or individuals through authorization.

Article 43: Any external guarantees provided by the Company must be considered and approved by the Board of Directors or the shareholders' general meeting.

(1) The following external guarantees of the Company must be considered and approved at the shareholders' general meeting:

1. any guarantee provided after the total external guarantees of the Company and its controlled subsidiaries exceed 50% of the Company's most recent audited net assets;

2. any guarantee provided after the total external guarantees of the Company exceed 30% of the Company's most recent audited total assets;

3. any guarantee provided within one year with a guarantee amount exceeding 30% of the Company's most recent audited total assets;

4. any guarantee provided to a guarantee object with a debt-to-asset ratio exceeding 70%;

5. any single guarantee with an amount exceeding 10% of the Company's most recent audited net assets;

6. any guarantee provided to shareholders, de facto controllers, and their related parties;

7. other guarantees which are required to be considered and approved by the shareholders' general meetings under the listing rules of the place where the Company's shares are listed or the Articles of Association.

(2) The Board of Directors of the Company shall have the authority to approve the following external guarantee matters:

except as otherwise provided by the listing rules of the place where the Company's shares are listed, the Board of Directors shall approve all other external guarantees not required under (1) above to be approved by the shareholders' general meeting of the Company.

(3) External guarantees provided by the Company's controlled subsidiaries must be considered and approved by the board of directors or shareholders' general meeting of the subsidiary, and further reviewed by the Company's Board of Directors or shareholders' general meeting. Before convening the subsidiary's shareholders' general meeting, the subsidiary shall submit the guarantee proposal to the Company's Board of Directors or shareholders' general meeting for consideration. The approval authority for external guarantees of the Company's controlled subsidiaries shall follow the provisions set forth in (1) and (2) above.

(4) If any external guarantee is provided in violation of the above approval authority or deliberation procedures, the Company shall hold the relevant directors or senior management members accountable. If the guarantee causes significant losses to the Company, legal liability or compensation liability shall be pursued.

Article 44: The shareholders' general meeting is divided into annual shareholders' general meetings and extraordinary shareholders' general meetings. The annual shareholders' general meeting shall be held once a year and shall be held within six months after the end of the previous fiscal year.

Article 45: Under any of the following circumstances, the Company shall hold an extraordinary shareholders' general meeting within two months from the date of occurrence:

(1) When the number of directors is less than the number stipulated by the Company Law or two-thirds of the number stipulated by the Articles of Association;

(2) When the Company's unrecovered losses reach one-third of the total share capital;

(3) When shareholders who individually or jointly hold more than 10% of the Company's shares (excluding treasury shares) request it;

(4) When the Board of Directors deems it necessary;

(5) When the Audit Committee proposes to convene;

(6) Other circumstances stipulated by laws, administrative regulations, departmental rules, the listing rules of the place where the Company's shares are listed or the Articles of Association.

Article 46: The Company's shareholders' general meeting shall be held at the Company's registered address or at a location specified in the notice of the shareholders' general meeting.

The shareholders' general meeting shall be conducted on-site. The Company shall also provide facilities such as online access to enable shareholders to participate in the meeting. If the shareholders' general meeting of the Company adopts the Internet or other means, the voting time and procedures for the Internet or other means shall be clearly stated in the notice of the shareholders' general meeting.

Article 47: When convening a shareholders' general meeting, the Company shall engage a lawyer to issue and disclose legal opinions on the following matters:

(1) Whether the convening and holding procedures of the meeting comply with laws, administrative regulations, and the Articles of Association;

(2) Whether the qualifications of the attendees and the convener are legal and valid;

(3) Whether the voting procedures and results of the meeting are legal and valid;

(4) Any other legal opinions requested by the Company.

Section 4 Convening of Shareholders' General Meetings

Article 48: The Board of Directors shall convene shareholders' general meetings on time within the stipulated period.

Upon the consent of exceeding half of all independent directors, independent directors are entitled to propose to the Board of Directors to convene extraordinary shareholders' general meetings.

Concerning the above request, the Board of Directors shall, in accordance with the requirements of laws, administrative regulations and the Articles of Association, response in writing as to whether or not it agrees to convene an extraordinary shareholders' general meeting within 10 days upon receipt of such proposal.

If the Board of Directors agrees to convene an extraordinary shareholders' general meeting, a notice of such meeting shall be dispatched within 5 days after the resolution has been adopted by the Board of Directors. If the Board of Directors refuses to hold an extraordinary shareholders' general meeting, it shall publicly announce the reasons.

Article 49: The Audit Committee is entitled to propose to the Board of Directors to convene an extraordinary shareholders' general meeting in writing. The Board of Directors shall, in accordance with laws, administrative regulations and the Articles of Association, response in writing as to whether or not it agrees to convene an extraordinary shareholders' general meeting within 10 days upon receipt of such proposal.

If the Board of Directors agrees to convene an extraordinary shareholders' general meeting, a notice of such meeting shall be dispatched within 5 days after the resolution has been adopted by the Board of Directors, and any changes to the original proposal in the notice shall be agreed upon by the Audit Committee. If the Board of Directors refuses to hold an extraordinary shareholders' general meeting, or gives no response within 10 days upon receipt of such proposal, the Board of Directors shall be deemed to be unable or to have failed to perform its duties and responsibilities of convening the shareholders' general meeting, and the Audit Committee may hold and preside over such meeting by itself.

Article 50: Shareholders who individually or jointly hold more than 10% of the Company's shares have the right to request the Board of Directors to convene an extraordinary shareholders' general meeting and shall submit the request in writing to the Board of Directors. The Board of Directors shall, in accordance with laws, administrative regulations and the Articles of Association, response in writing as to whether or not it agrees to convene an extraordinary shareholders' general meeting within 10 days upon receipt of such request.

If the Board of Directors agrees to convene an extraordinary shareholders' general meeting, a notice of such meeting shall be dispatched within 5 days after the resolution has been adopted by the Board of Directors, and any changes to the original request in the notice shall be agreed upon by the relevant shareholders.

If the Board of Directors does not agree to convene an extraordinary shareholders' general meeting or fails to provide feedback within 10 days of receiving the request, shareholders who individually or jointly hold more than 10% of the Company's shares have the right to propose to the Audit Committee to convene an extraordinary shareholders' general meeting and shall submit the request in writing to the Audit Committee.

If the Audit Committee agrees to convene an extraordinary shareholders' general meeting, a notice of such meeting shall be dispatched within 5 days of receiving the request, and any changes to the original request in the notice shall be agreed upon by the relevant shareholders.

If the Audit Committee fails to issue the notice of the shareholders' general meeting within the prescribed time limit, it shall be deemed that the Audit Committee is unable or unwilling to convene and preside over the shareholders' general meeting, and shareholders individually or jointly holding more than 10% of the Company's shares for more than 90 consecutive days may convene and preside over the meeting on their own.

Article 51: In the event that the Audit Committee or shareholders convenes a shareholders' general meeting by themselves, they shall notify the Board of Directors in writing and lodge a filing with the stock exchange where the shares of the Company are listed.

The Audit Committee or convening shareholders shall submit the relevant evidentiary materials to the stock exchange where the shares of the Company are listed when the notice of shareholders' general meeting and the announcement of the resolutions passed at the shareholders' general meeting are issued.

Before the announcement of the shareholders' general meeting resolution, the shareholding ratio of the convening shareholders shall not be less than 10%.

Article 52: The Board of Directors and the Secretary to the Board should cooperate with the Audit Committee or shareholders to convene shareholders' general meetings on their own. The Board of Directors shall provide the register of shareholders on the record date of equity interests.

Article 53: The expenses necessary for the shareholders' general meeting convened by the Audit Committee or the shareholders themselves shall be borne by the Company.

Section 5 Proposals and Notices of Shareholders' General Meetings

Article 54: The content of a proposal shall fall within the scope of the shareholders' general meeting's authority, have definite topics and specific issues for resolution, and shall comply with the provisions of laws, administrative regulations and the Articles of Association.

Article 55: When the Company convenes a shareholders' general meeting, the Board of Directors, the Audit Committee, and shareholders individually or jointly holding more than 1% of the Company's shares shall have the right to submit proposals to the Company.

Shareholders individually or jointly holding more than 1% of the Company's shares may submit temporary proposals in writing to the convener 10 days before the shareholders' general meeting. The convener shall issue a supplementary notice of the shareholders' general meeting within 2 days of receiving the proposal, announce the content of the temporary proposal, and submit the temporary proposal to the shareholders' general meeting for review. However, temporary proposals that violate laws, administrative regulations, or the Articles of Association, or do not fall within the scope of the shareholders' general meeting's authority, shall be excluded. If the shareholders' general meeting needs to be postponed due to the issuance of a supplementary notice of the shareholders' general meeting in accordance with the listing rules of the place where the Company's shares are listed, the shareholders' general meeting shall be postponed in accordance with the listing rules of the place where the Company's shares are listed.

Except for the circumstances stipulated in the preceding paragraph, the convener shall not modify the proposals already listed in the notice of the shareholders' general meeting or add new proposals after issuing the notice of the shareholders' general meeting. Proposals not set out in the notice of shareholders' general meeting or not complying with the provisions herein shall not be voted on or resolved at the shareholders' general meeting.

Article 56: The convener shall notify all shareholders by way of an announcement 21 days before the annual shareholders' general meeting (excluding the date of the meeting) and 15 days before the extraordinary shareholders' general meeting (excluding the date of the meeting).

If the listing rules of the place where the Company's shares are listed have provisions for a longer time limit, such provisions shall prevail provided that they do not violate the provisions of the CSRC.

Article 57: The notice of a shareholders' general meeting shall include the following:

(1) the time, place and duration of the meeting;

(2) matters and proposals that shall be submitted to the meeting for consideration;

(3) in clear statement that all shareholders are entitled to participate in the shareholders' general meeting, and they may appoint proxies in writing to attend and vote at such meeting and such proxies need not be shareholders of the Company;

(4) the record date for shareholders who are entitled to attend the shareholders' general meeting;

(5) the name and telephone number of the regular contact person for the meeting;

(6) the time and procedure for voting online or by other means.

All specific details of all proposals shall be disclosed on a full and complete basis in the notice and supplementary notice of the shareholders' general meeting.

The notice and supplementary notice of the shareholders' general meeting for H shareholders of the Company shall comply with the Hong Kong Listing Rules and other regulatory rules of the place where the H shares are listed.

Article 58: The online voting or other means of voting of the shareholders' general meeting shall commence no earlier than 15:00 p.m. on the day prior to an on-site shareholders' general meeting, and no later than 9:30 a.m. on the day of the on-site shareholders' general meeting, and shall terminate no earlier than 15:00 p.m. on the day of conclusion of the on-site shareholders' general meeting.

The interval between the date of registration of A shares ownership and the date of the meeting shall not exceed 7 working days. Once the date of registration of A shares ownership is confirmed, no change is allowed.

The date of registration of H shares ownership and the closure of register of members period shall comply with the Hong Kong Listing Rules and other regulatory rules of the place where the H shares are listed.

Article 59: If the election of directors is proposed to be discussed at a shareholders' general meeting, the notice of the shareholders' general meeting must contain the details of the candidates for the director. It must at least include the following information:

(1) biographies such as educational background, work experiences and other simultaneous appointments;

(2) whether he/she has any relationship with the Company, the controlling shareholder or the de facto controller of the Company;

(3) the number of shares he/she holds in the Company;

(4) whether he/she is subject to any punishment by the securities regulatory authorities at the place where the shares of the Company are listed or any other relevant government department or any sanction by any securities exchange;

(5) other information as stipulated by the stock exchange where the shares of the Company are listed and the related listing rules.

Unless the election of directors is to be conducted by way of cumulative voting, each candidate for the director shall be proposed in separate resolutions.

Article 60: After a notice of shareholders' general meeting is given, the shareholders' general meeting shall not be postponed or cancelled, and the proposals set out in the notice of shareholders' general meeting shall not be cancelled without a valid reason. Once the meeting is postponed or cancelled, the convenor shall make an announcement and explain the reasons at least 2 working days prior to the scheduled meeting date. In case the period between the issuance date of the supplementary circular or announcement and the original convening date is less than 10 working days, the Company shall postpone the shareholders' general meeting to a date that is at least 10 working days after the date of publishing the supplementary circular or announcement in accordance with the Hong Kong Listing Rules.

Where the listing rules of the place where the Company's shares are listed have special provisions on the procedures for postponing or cancelling a shareholders' general meeting, such provisions shall prevail, provided that they do not violate domestic and foreign regulatory requirements.

Section 6 Convening of the Shareholders' General Meeting

Article 61: The Company's Board of Directors and other conveners shall take necessary measures to ensure the proper order of the shareholders' general meeting. For acts that disrupt the shareholders' general meeting, cause trouble, or infringe upon the legitimate rights and interests of shareholders, measures shall be taken to stop them and report to the relevant authorities for investigation and handling in a timely manner.

Article 62: According to the listing rules of the place where the Company's shares are listed, shareholders legally registered on the record date or their proxies are entitled to attend and speak in the shareholders' general meeting and, in accordance with relevant laws, regulations, the listing rules of the place where the Company's shares are listed and the Articles of Association, to exercise voting rights at the shareholders' general meeting (unless a particular shareholder is required under the listing rules of the place where the Company's shares are listed to abstain from voting on a particular matter).

A shareholder may attend the shareholders' general meeting in person or entrust a proxy to attend and vote on his/her behalf.

Any shareholder shall have the right to appoint a person (whether such person is a shareholder of the Company or not) as his proxy. If a shareholder is a corporation, it may appoint a representative to attend and vote at any shareholders' general meeting of the Company, and if such corporate shareholder has appointed a representative to attend any meeting, it shall be deemed to be attending in person. A corporate shareholder may execute the form for appointing a representative by its duly authorized personnel.

In the event that a shareholder is a recognized clearing house (or proxy thereof) within the meaning of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), it may, as it sees fit, appoint one or more persons as its proxy to attend and vote at any shareholders' general meeting or class shareholders' general meeting. However, in the event that more than one person is so appointed, the power of attorney shall specify the number and class of the shares relating to each such proxy. The power of attorney shall be subject to the signature of the appointer of the recognized clearing house. The persons thus appointed may attend meetings (without certifying their due authorization by show of shareholding certificate, notarized power of attorney and/or further evidence) and exercise rights on behalf of the recognised clearing house (or proxy thereof) as if the said persons were the individual shareholders of the Company.

Article 63: Individual shareholders attending a meeting in person shall present their identification cards or other valid documentation certifying their identity. Those attending on behalf of another shareholder shall present their own valid identification along with a power of attorney authorizing their representation.

Legal person shareholders shall be represented by their legal representative or a proxy appointed by the legal representative. If the legal representative attends the meeting, they shall present their identification card and valid proof of their status as legal representative. If a proxy attends, they shall present their own identification card and a written power of attorney issued by the legal representative of the legal person shareholder entity.

Shareholders that are non-legal person organizations shall be represented by the person in charge of the organization or a proxy appointed by such person. If the person in charge attends the meeting, they shall present their identification card and valid proof of their position. If a proxy attends, they shall present their own identification card and a written power of attorney issued by the person in charge of the organization.

Article 64: A power of attorney issued by a shareholder for authorizing another person to attend a shareholders' general meeting shall specify the following contents:

(1) The name of the principal and the class and quantity of shares held;

(2) The name of the proxy;

(3) Specific instructions from the shareholder, including directions to vote for, against, or abstain on each proposed item included in the meeting agenda;

(4) The date of issuance and the validity period of the power of attorney;

(5) The signature (or seal) of the principal; if the principal is a legal person shareholder, the seal of the legal person entity shall be affixed.

If the power of attorney does not specify the shareholder's specific instructions, it shall be deemed that the shareholder's proxy may vote according to their own discretion.

Article 65: A voting proxy form must be deposited at the Company's registered office or at any other location specified in the notice convening the meeting at least forty-eight hours before the start of the meeting for which the proxy is authorized to vote, or at least forty-eight hours before the designated voting time. If a proxy form is signed by a person authorized by the principal, the authorization document or other empowering instrument must be notarized. Both the notarized authorization document and the voting proxy form shall be deposited at the Company's registered office or at any other location specified in the notice convening the meeting.

Article 66: The meeting attendance register shall be prepared by the Company. The register shall contain the following, among others, details of attendees, namely name (or entity name), identification number, residential address, quantity of voting shares held or represented, and the name (or entity name) of the principal.

Article 67: The convenor and the legal advisor retained by the Company shall jointly verify the legitimacy of shareholder qualifications based on the register of shareholders provided by the securities registration and clearing institution of the stock exchange where the Company's shares are listed. They shall also record the names (or designations) of shareholders and the number of voting shares held by them. The registration process for meeting attendance shall cease once the presiding officer announces the number of shareholders and proxies present at the venue, along with the total number of voting shares they represent.

Article 68: If the shareholders' general meeting requires directors or senior management personnel to attend, such directors and senior management personnel shall be present and respond to shareholders' inquiries.

Directors and senior management shall provide explanations and clarifications regarding shareholders' questions and suggestions during the shareholders' general meeting.

Article 69: The shareholders' general meeting shall be presided over by the chairman of the Board of Directors. If the chairman is unable or fails to perform such duties, a director nominated by a majority of the directors shall preside.

For a shareholders' general meeting convened by the Audit Committee on its own initiative, the meeting shall be presided over by the convenor of the Audit Committee. If the convenor of the Audit Committee is unable or fails to perform such duties, an Audit Committee member nominated by a majority of the Audit Committee members shall preside.

For a shareholders' general meeting convened by shareholders on their own initiative, the meeting shall be presided over by the convenor or a representative nominated by the convenor.

If, during a shareholders' general meeting, the presiding officer violates the rules of procedure to the extent that the meeting cannot continue, the shareholders' general meeting may, with the consent of shareholders holding a majority of the voting rights present at the meeting, elect a person to act as the presiding officer and continue the meeting.

Article 70: The Company shall establish Rules of Procedure for shareholders' general meetings, which shall specify in detail the procedures for convening and conducting votes at shareholders' general meetings. These rules shall include, but not be limited to, notice requirements, registration procedures, review of proposals, voting procedures, vote counting, announcement of voting results, adoption of meeting resolutions, meeting minutes and their signing, public announcements, as well as the principles for the shareholders' general meeting's authorization to the Board of Directors, with such authorization content being clear and specific. The Rules of Procedure for shareholders' general meetings shall serve as an appendix to the Articles of Association, be drafted by the Board of Directors, and approved by the shareholders' general meeting.

Article 71: At the annual shareholders' general meeting, the Board of Directors shall present a report on its work over the past year to the shareholders' general meeting. Each independent director shall also deliver a work report.

Article 72: The presiding officer shall announce, before voting commences, the number of shareholders and proxies present at the meeting venue and the total number of voting shares they represent. The number of shareholders and proxies present at the meeting venue and the total number of voting shares they represent shall be determined based on the meeting registration.

Article 73: The shareholders' general meeting shall have meeting minutes, which shall be the responsibility of the Secretary to the Board. The meeting minutes shall record the following contents:

(1) The date, venue, agenda, and the name of the convenor of the meeting;

(2) The name of the presiding officer and the names of the directors and senior management present at the meeting;

(3) The number of shareholders and proxies present, the total number of voting shares they represent, and the proportion this represents to the Company's total share capital, including the number of voting shares held by A-share and H-share shareholders present at the shareholders' general meeting and their respective proportions to the Company's total share capital;

(4) The voting results of A-share and H-share shareholders on each resolution;

(5) The deliberation process, key points of discussion, and voting results for each proposal;

(6) Shareholders' inquiries or suggestions and the corresponding responses or explanations;

(7) The names of the legal advisor, vote counters, and scrutineers;

(8) Other contents that should be included in the meeting minutes as stipulated by the Company's Articles of Association.

Article 74: The convenor shall ensure that the content of the meeting minutes is true, accurate, and complete. The directors, Secretary to the Board, convenor or their representative, and the presiding officer attending or present at the meeting shall sign the meeting minutes. The meeting minutes shall be kept together with the attendance signature sheets of shareholders present at the venue, proxies for appointed representatives, and valid records of voting conducted via online or other methods. The retention period for these documents shall not be less than 10 years.

Article 75: The convenor shall ensure the continuous conduct of the shareholders' general meeting until final resolutions are adopted. Should the meeting be suspended or become unable to pass resolutions due to force majeure or other exceptional circumstances, necessary measures shall be taken to either resume the meeting as soon as possible or directly terminate the current shareholders' general meeting, with prompt public disclosure. Simultaneously, the convenor shall report to the local CSRC representative office and the stock exchange in the Company's jurisdiction.

Section 7 Voting and Resolution of the Shareholders' General Meeting

Article 76: Resolutions of the shareholders' general meeting shall be ordinary resolutions or special resolutions.

Ordinary resolutions of the shareholders' general meeting shall be passed by votes representing and exceeding one-half of the voting rights held by the shareholders present at the meeting.

Special resolutions of the shareholders' general meeting shall be passed by votes representing more than two-thirds of the voting rights held by the shareholders present at the meeting.

Article 77: The following matters shall be resolved by way of an ordinary resolution of the shareholders' general meeting:

(1) work reports of the Board of Directors;

(2) plans for the distribution of profits and making up of losses drafted by the Board of Directors;

(3) appointment and removal of a member of the Board of Directors and their remuneration and method of payment of their remuneration;

(4) matters other than those required by laws, administrative regulations, the listing rules of the place where the Company's shares are listed or the Company's Articles of Association to be passed by way of a special resolution.

Article 78: The following matters shall be resolved by way of a special resolution of the shareholders' general meeting:

(1) increase or reduction of the registered capital of the Company;

(2) division, spin off, merger, dissolution and liquidation of the Company;

(3) amendment to the Articles of Association;

(4) where the Company purchases or sells major assets or provides guarantees to others with an amount exceeding 30% of the Company's total assets as per the latest audited financial statements within one year;

(5) share options incentive schemes;

(6) other issues requiring adoption by special resolution pursuant to the Articles of Association and the listing rules of the place where the Company's shares are listed or that are identified by the shareholders' general meeting (by ordinary resolution) as having a material impact on the Company and require adoption by special resolution.

Article 79: Shareholders exercise voting rights based on the number of voting shares they represent, with each share entitling the holder to one vote.

Where the shareholders' general meeting deliberates on material matters affecting the interests of medium and small investors, separate counting of votes cast by medium and small investors shall be conducted. The results of the separate vote counting shall be publicly disclosed in a timely manner.

Shares of the Company held by the Company itself shall have no voting rights, and such shares shall not be included in the total number of voting shares represented at the shareholders' general meeting.

Where a shareholder purchases voting shares of the Company in violation of the provisions of Paragraphs 1 and 2 of Article 63 of the Securities Law, the portion of shares exceeding the prescribed ratio shall not be entitled to voting rights within 36 months from the date of purchase, and shall not be included in the total number of voting shares represented at the shareholders' general meeting.

The Company's Board of Directors, independent directors, shareholders holding 1% or more of the voting shares, or investor protection institutions established in accordance with the provisions of laws, administrative regulations or the CSRC may publicly solicit shareholder voting rights. When soliciting shareholder voting rights, sufficient disclosure of information such as specific voting intentions shall be made to the solicited parties. Solicitation of shareholder voting rights by means of remuneration or disguised remuneration is prohibited. Except under statutory conditions, the Company shall not impose a minimum shareholding ratio restriction on the solicitation of voting rights.

Article 80: Where the shareholders' general meeting deliberates on matters relating to related party/connected transactions, connected shareholders/connected persons shall not participate in the voting, and the number of voting shares they represent shall not be included in the total number of valid votes; the announcement of the resolution of the shareholders' general meeting shall fully disclose the voting results of non-connected shareholders/non-connected persons. Furthermore, if the listing rules of the place where the Company's shares are listed stipulate that any shareholder must abstain from voting on a resolution matter, or restrict any shareholder to voting in favor of (or against) a resolution matter, any votes cast by such shareholders or their representatives in violation of the relevant provisions or restrictions shall not be counted.

The scope of connected shareholders/connected persons, as well as the review and information disclosure procedures for connected transactions, shall be implemented in accordance with the relevant provisions of the CSRC, the stock exchange of the place where the Company's shares are listed, the listing rules of the place where the Company's shares are listed, and the specific systems for connected transactions formulated by the Company's Board of Directors.

Article 81: Except in special circumstances such as the Company being in crisis, the Company shall not enter into any contract with a person other than directors or senior management personnel entrusting the management of all or important businesses of the Company to such person, unless approved by a special resolution of the shareholders' general meeting.

Article 82: The list of director candidates (excluding directors elected by employee representatives) shall be submitted to the shareholders' general meeting for voting by way of a proposal. The nomination and appointment procedures for directors (excluding directors elected by employee representatives) are as follows:

(1) The Board of Directors, or shareholders holding or jointly holding 1% or more of the total number of outstanding voting shares of the Company, shall have the right to nominate director candidates to the Company.

(2) The proposal for nominating director candidates and their resumes shall be specified in the notice of the shareholders' general meeting, so as to ensure that shareholders have sufficient understanding of the candidates when casting votes.

(3) Prior to the convening of the shareholders' general meeting, each director candidate shall issue a written commitment agreeing to accept the nomination, undertaking that the information about the candidate disclosed by the nominator is true and complete, and ensuring that they will perform the duties of a director in accordance with the law.

(4) Where the shareholders' general meeting deliberates on the proposal for the election of directors, voting shall be conducted individually for each director candidate.

(5) Under the cumulative voting system, if the number of proposed director candidates exceeds the number of directors to be elected, the election of directors may be conducted by way of competitive election (differential election).

The cumulative voting system shall be adopted if a single shareholder of the Company and its concert parties hold equity interests accounting for 30% or more of the Company's shares, or if the shareholders' general meeting elects more than two independent directors.

Article 83: Except for the cumulative voting system, the shareholders' general meeting will vote the resolutions one by one. If there are different resolutions for the same matter, voting shall be conducted in accordance with the time sequence of the resolutions. Except for cases where the shareholders' general meeting is suspended or decisions cannot be made due to special reasons such as force majeure, the meeting shall not be set aside or make no votes for such resolution.

Article 84: When considering the proposed resolutions, the shareholders' general meeting shall not make any modifications. If there are any changes, they shall be regarded as a new resolution, which cannot be subject to voting at the present meeting.

Article 87: For the same right to vote, it is only allowed to choose one of the on-site, internet or other voting modes. In case of repeated votes of the same vote right, the first vote shall prevail.

Article 88: Shareholders' general meetings shall be voted by registered ballot.

Before shareholders vote on the proposed resolution at the shareholders' general meeting, two shareholder representatives shall be elected to participate in counting and scrutiny of votes. If the matters under consideration are related to the shareholders, the relevant shareholders and their proxies are not allowed to participate in counting and scrutiny of votes.

When shareholders vote on a proposed resolution at the shareholders' general meeting, lawyers and shareholder representatives shall jointly be responsible for counting and scrutiny of votes. Also, the Company shall, in accordance with the listing rules of the place where the Company's shares are listed, appoint auditors, share registrars or external accountants who are qualified to act as auditors to act as a scrutineer for the counting of votes at shareholders' general meetings, and announce the voting results on the spot, and the voting results for resolutions shall be recorded in the minutes of the meeting.

Shareholders or their proxies who vote through the Internet or other means have the right to check their voting results through the corresponding voting system.

Article 89: The on-site shareholders' general meeting shall not end before the meeting being conducted online or via other means. The chairman of the meeting shall announce the voting and poll result of each resolution, and declare whether a resolution has been passed pursuant to the voting results.

Before the voting results are officially announced, the companies, vote counters, scrutineers, shareholders and internet service providers involved at the on-site shareholders' general meeting, the online meeting or any other voting means shall be obliged to keep the voting results confidential.

Article 90: Shareholders attending a shareholders' general meeting shall cast one of the following votes on a proposal submitted for voting: for, against, or abstention, save where a securities registration and clearing institution, acting as the nominee holder of shares under the Stock Connect scheme between the Mainland and Hong Kong stock markets, declares votes in accordance with the intentions of the beneficial owners.

Any ballot paper that is not completed, incorrectly completed, illegible, or not cast shall be deemed a waiver of voting rights by the voter, and the votes for the shares held by such voter shall be counted as "abstention".

The voting means for holders of H Shares shall be implemented in accordance with the rules of the Hong Kong market.

Article 91: If the presider has any doubt as to the result of a resolution which has been put to vote at the shareholders' general meeting, he may have the ballots counted. If the presider has not counted the ballots, any shareholder who is present in person or by proxy and who objects to the result announced by the presider may, immediately after the declaration of the voting result, demand that the ballots be counted and the presider shall have the ballots counted immediately.

Article 92: Resolutions of a shareholders' general meeting shall be announced in a timely manner, the announcement shall set out the number of shareholders and proxies attending the meeting, the total number of shares held with voting rights and the percentage in the total number of shares of the Company with voting rights, voting means, voting result of each proposal and the details of each resolution which has been passed.

Article 93: Where the resolutions are not passed or the shareholders' general meeting has revised a resolution passed at the previous shareholders' general meeting, it should be specifically noted in the voting results announcement of the shareholders' general meeting.

Article 94: If the shareholders' general meeting approves a proposal for the election of directors, the newly elected directors shall assume office immediately after the meeting.

Article 95: Where the shareholders' general meeting passes a proposal regarding the distribution of cash dividends, share granting or conversion of common reserve fund into share capital, the Company shall implement the detailed plan for such proposals within two months from the end of the shareholders' general meeting.

If it cannot be implemented within two months due to provisions of the laws, regulations, or the listing rules of the place where the Company's shares are listed, the implementation date may be adjusted according to such regulations and the actual circumstances.

Section 8: Special Procedures for Voting by Different Classes of Shareholders

Article 96: Holders of different classes of shares are class shareholders.

Class shareholders shall enjoy rights and fulfil obligations pursuant to the laws, administrative regulations and the Articles of Association. In appropriate circumstances, the Company shall ensure enough voting rights for preferred shareholders.

If the share capital of the Company includes shares without voting rights, then the said shares shall be specified as "Without Voting Right". If the share capital includes shares with different voting rights, then each class of shares (except those with most preferential voting right) shall be specified as "Restricted Voting Right" or "Limited Voting Right".

Article 97: If the Company intends to change or abrogate the rights of class shareholders, it may do so only after such change or abrogation has been approved by a special resolution of the shareholders' general meeting and by a separate shareholders' general meeting convened by the shareholders of that class in accordance with Articles 99 to 103.

Article 98: The rights attaching to a particular class of shares shall be deemed to have been changed or abrogated in the following circumstances:

(1) increase or decrease in the number of shares of such class, or an increase or decrease in the number of shares of a class having voting rights, distribution rights or other privileges equal or superior to those of the shares of such class;

(2) change of all or part of the shares of such class into shares of another class, conversion of all or part of the shares of another class into share of such class or the grant of the right to such change;

(3) removal or reduction of rights to accrued dividends or cumulative dividends attached to shares of such class;

(4) reduction or removal of preferential rights attached to shares of that class to receive a dividends or to asset distribution during liquidation of the Company;

(5) addition, removal or reduction of share conversion rights, options, voting rights, transfer rights, preemptive rights or rights to acquire securities of the Company attached to shares of such class;

(6) removal or reduction of rights to receive amounts payable by the Company in a particular currency attached to shares of such class;

(7) a creation of a new class of shares with voting rights, distribution rights or other privileges equal or superior to those of the shares of that class;

(8) imposition of restrictions or additional restrictions on the transfer or ownership of shares of such class;

(9) issuance of rights to subscribe for, or convert into, shares of such class or another class;

(10) increase in the rights and privileges of shares of another class;

(11) restructuring of the Company causes disproportion distribution of obligations between shareholders of various classes during the restructuring; and

(12) amendment to or cancellation of the provisions of this Article.

Article 99: In relation to class shareholders who are affected, irrespective of whether they have the right to vote at shareholders' general meetings, they shall have the right to vote at class meetings in respect of matters referred to in items (2) to (8) or (11) to (12) of Article 98, except that interested shareholders shall not have the right to vote at such class meetings.

For the purposes of the preceding paragraph, the term "interested shareholders" shall have the following meanings:

(1) in case of a repurchase of shares by way of public dealing on a securities exchange in accordance with Article 22 hereof, the controlling shareholders as defined in Article 207 hereof shall be "interested shareholders";

(2) in case of a repurchase of shares by way of an off-market agreement in accordance with Article 22 hereof, holders of shares in relation to such agreement shall be "interested shareholders";

(3) under a restructuring proposal of the Company, shareholders who will bear liability in a smaller proportion than that of the liability borne by other shareholders of the same class, or shareholders who have an interest in a restructuring proposal of the Company that is different from the interest in such restructuring proposal of other shareholders of the same class shall be "interested shareholders".

Article 100: Resolutions of a class meeting shall be approved by votes representing more than two-thirds of the voting rights of shareholders of that class present at the meeting who, in accordance with Article 99, are entitled to vote at the meeting.

If any shareholder is required to abstract from voting or his voting right is required to be limited just to vote for or against a specific resolution in a class meeting according to the Hong Kong Listing Rules, any vote from them or their proxies that contravenes the regulation or limitation shall not be counted as a vote which has a voting right.

Article 101: When the Company is to hold a class meeting, it shall by way of public announcement and issue a written notice within the time limit set out in Article 56 of the Articles of Association informing all the registered shareholders of that class of the matters to be examined at the meeting as well as the date and place of the meeting. For holders of H Shares, the Company may also give notice by sending an electronic communication to the electronic address of the holders of H Shares or by posting such notice or document on the Company's website and the website of the Hong Kong Stock Exchange.

Article 102: Notice of a class meeting need only be delivered to the shareholders entitled to vote thereat.

The procedures according to which a class meeting is held shall, be as similar as possible, follow the procedures according to which a shareholders' general meeting is held. Provisions of the Articles of Association of the Company relating to procedures for the holding of a shareholders' general meeting shall be applicable to class meetings.

Article 103: Apart from the holders of other classes of shares, holders of Onshore-Listed Domestic-Invested Shares and Overseas-Listed Foreign-Invested Shares shall be deemed to be holders of different classes of shares.

The special procedures for approval by class shareholders shall not apply in the following circumstances:

(1) where, upon the approval by a special resolution of the shareholders' general meeting, the Company issues, either separately or concurrently, Onshore-Listed Domestic-Invested Shares and Overseas-Listed Foreign-Invested Shares once every 12 months, not more than 20 percent of the existing issued shares of the respective classes;

(2) where the plan for issuance of Onshore-Listed Domestic-Invested Shares and Overseas-Listed Foreign-Invested Shares upon the establishment of the Company is completed within 15 months from the date of approval by the State Council Securities Commission;

(3) where, upon the approval by a special resolution of the shareholders' general meeting, the Company repurchases, either separately or concurrently, Onshore-Listed Domestic-Invested Shares and/or Overseas-Listed Foreign-Invested Shares once every 12 months with own funds, with total number not more than 10 percent of the existing issued shares of the respective classes;

(4) Shares (including domestic and foreign shares) already issued but not listed of the Company, after approval from the securities regulatory authority under the State Council, are converted to overseas listed shares.

CHAPTER 5 DIRECTORS AND BOARD OF DIRECTORS

Section 1 General Provision of Directors

Article 104: A director of the Company shall be a natural person and shall not serve as a director of the Company under any of the following circumstances:

(1) He/she has no or limited capacity for civil conduct;

(2) He/she is sentenced to a criminal penalty for corruption, bribery, embezzlement, misappropriation of property, or disrupting the order of the socialist market economy, or is deprived of political rights for a crime, and the execution period has not expired for more than 5 years, or, in the case of suspension of execution, the probationary period has not expired for more than 2 years;

(3) He/she serves as a director, a factory manager or manager of a company or enterprise in bankruptcy or liquidation and is personally liable for the bankruptcy of that company or enterprise, and it has not been more than 3 years since the date of completion of the bankruptcy or liquidation of that company or enterprise;

(4) He/she is the legal representative of a company or enterprise whose business license has been revoked and which has been ordered to close down due to the violation of laws, and he/she is personally liable therefor, and it has not been more than 3 years since the date when the business license of that company or enterprise was revoked or when it was ordered to close down;

(5) The individual is listed as dishonest person subject to execution by the People's Court due to his/her failure to settle a relatively large amount of debts before the due date;

(6) He/she has been imposed measures by the CSRC to prohibit entry into the securities market and the prohibition period has not expired;

(7) He/she is recognised as unsuitable to serve as a director or senior management member of listed companies publicly determined by the stock exchange of the place where the Company's shares are listed for a period which has not yet expired;

(8) Other circumstances as specified in laws, administrative regulations, departmental rules or the listing rules of the place where the Company's shares are listed.

If the election or appointment of directors violates the provisions of this Article, such election, appointment or engagement shall be null and void. If a director falls under any of the circumstances described in this Article during his/her term of office, the Company shall remove him/her from his/her position and cease his/her performance of duties.

Article 105 Directors who are not employee representatives shall be elected by the shareholders' general meeting and may be removed before the expiry of their term of office by an ordinary resolution of the shareholders' general meeting. The term of office for directors is three years, and they may be re-elected upon expiry of their term.

If a director is removed by the shareholders' general meeting, the removal shall take effect from the date on which the resolution is passed.

Employee representatives on the Board of Directors shall be directly appointed to the Board of Directors after being elected through democratic procedures by the Company's employees via the employee representative meeting, employee meeting, or other forms. Their term of office is three years, and they may be re-elected upon expiry of their term. The removal of an employee representative before the expiry of their term may be effected through a resolution adopted by the employee representative meeting, employee meeting, or other forms of democratic procedures.

A director may demand compensation from the Company if dismissed without just cause before the expiration of his/her term.

The chairman shall be elected and removed by a majority vote of all directors. The chairman's term shall be three years, and he/she may be re-elected and re-appointed.

The term of office of a director shall commence from the date on which he/she assumes office until the expiration of the term of the current Board of Directors. If a director's term expires but a new director has not been elected in a timely manner, or if a director resigns during the term resulting in the board falling below the statutory quorum, the outgoing director shall continue to perform his/her duties in accordance with laws, administrative regulations and the Articles of Association, until the newly elected director assumes office.

Senior management may concurrently serve as a director, provided that the total number of directors concurrently serving as senior management and employee representative directors shall not exceed a half of the total number of the Company's directors.

Article 106: A director shall assume duty of loyalty to the Company in compliance with laws, administrative regulations and the Articles of Association. He/she shall take actions to avoid conflict between his/her own interests and those of the Company and shall not seek any improper interests by taking advantage of his/her powers.

A director shall have the following duty of loyalty to the Company:

(1) not to embezzle the Company's property or misappropriate the Company's funds;

(2) not to deposit Company's funds into accounts held in his/her own name or in the name of any other individual;

(3) not to abuse his/her authority to offer bribes or accept other illegal income;

(4) not to, directly or indirectly, enter into contracts or transactions with the Company without reporting to the Board of Directors or the shareholders' general meeting and being approved by the Board of Directors or the shareholders' general meeting in accordance with the Articles of Association;

(5) not to take advantage of his/her position to seek business opportunities that should belong to the Company either for his/her own account or for the account of any other person, except for those that have been reported to the Board of Directors or the shareholders' general meeting and approved by a resolution at the shareholders' general meeting, or those the Company cannot make use of according to laws, administrative regulations and the Articles of Association;

(6) not to engage in the same type of business as that of the Company either for his/her own account or for the account of any other person without reporting to the Board of Directors or the shareholders' general meeting and being approved by a resolution at the shareholders' general meeting;

(7) not to accept commissions on transactions between other persons and the Company for his/her own benefit;

(8) not to disclose the Company's secrets without authorization;

(9) not to abuse his/her related party relationship to damage the Company's interests;

(10) other duties of loyalty stipulated in laws, administrative regulations, departmental rules, the listing rules of the place where the Company's shares are listed, and the Articles of Association.

The income obtained by a director in violation of this Article shall belong to the Company. If losses are caused to the Company, he/she shall be liable for compensation.

When an immediate family member of a director or senior management, an enterprise directly or indirectly controlled by a director, senior management or his/her immediate family member, and a related party having other related party relationships with a director or senior management, enters into contracts or transactions with the Company, the requirements under item (4), paragraph 2 of this Article shall apply.

Article 107: A director shall assume duty of diligence to the Company in compliance with laws, administrative regulations and the Articles of Association. He/she shall exercise the reasonable care that a manager would normally be expected to exercise for the best interests of the Company.

A director shall have the following duty of diligence to the Company:

(1) to prudently, earnestly and diligently exercise the rights granted by the Company to ensure that the Company conducts its commercial activities in a manner that complies with the requirements of national laws, administrative regulations, and various state economic policies, and that the Company's commercial activities do not go beyond the scope of the business activities stipulated in the Company's business license;

(2) to treat all shareholders fairly;

(3) to keep himself/herself promptly informed of the operation and management of the Company;

(4) to sign written statements confirming the regular reports of the Company, and ensure that the information disclosed by the Company is true, accurate and complete;

(5) to provide relevant information and materials to the Audit Committee truthfully, and not interfere with the exercise of the powers of Audit Committee;

(6) other duties of diligence stipulated in laws, administrative regulations, departmental rules, the listing rules of the place where the Company's shares are listed, and the Articles of Association.

Article 108: If a director fails to attend meetings of the Board of Directors in person for two consecutive times without prior approval from the Board of Directors and also fails to appoint another director to attend such meetings on his/her behalf, he/she shall be deemed unable to perform his/her duties, and the Board of Directors shall recommend to the shareholders' general meeting that such director be replaced.

Article 109: A director may resign prior to the expiration of his/her term of office. A resigning director shall submit a written resignation letter to the Board of Directors, and the resignation shall take effect on the date when the Company receives such letter. The Company shall disclose the relevant circumstances within 2 trading days or within the timeframe required by the listing rules of the place where the Company's shares are listed.

Article 110: The Company shall establish a system for managing the resignation of directors, specifying the safeguards for the recovery of liability and compensation for unfulfilled public commitments and other outstanding matters. When a director's resignation takes effect or when his/her term of service expires, the director shall complete all handover procedures with the Board of Directors. His/her duty of loyalty towards the Company and the shareholders shall continue to be effective for three years following the effective date of resignation or expiration of term. The obligations of a director arising from the performance of his/her duties during his/her term of office shall not be relieved or terminated by his/her departure from office.

Article 111: No director shall act on behalf of the Company or the Board of Directors in his personal capacity, unless specified under the Articles of Association or legally authorized by the Board of Directors. In the event that a director is acting in his personal capacity, but may be reasonably deemed to be acting on the behalf of the Company or the Board of Directors by a third party, such director shall state his stance and capacity in advance.

Article 112: If a director causes damage to others while performing duties of the Company, the Company shall bear liability for compensation. If the director acts with intent or gross negligence, they shall also bear liability for compensation.

If a director violates laws, administrative regulations, departmental rules, the listing rules of the stock exchange where the Company's shares are listed, or the Articles of Association while performing duties of the Company, thereby causing losses to the Company, the director shall bear liability for compensation.

Section 2 Board of Directors

Article 113: The Company shall establish a Board of Directors. The Board of Directors consists of 11 directors, of which 1 shall be employee director and 4 shall be independent directors. The Company shall have a chairman, who shall be elected by the Board of Directors with a majority vote of all directors.

Article 114: The Board of Directors shall exercise the following functions and powers:

(1) to convene shareholders' general meetings and to report on its work to the shareholders' general meeting;

(2) to implement the resolutions of shareholders' general meetings;

(3) to decide on the business plans and investment plans of the Company;

(4) to formulate the plans for profit distribution and making up losses of the Company;

(5) to formulate plans for the increase or reduction in the registered capital of the Company and for the issue of corporate bonds or other securities or Company's shares will be listed;

(6) to prepare plans on the Company's substantial acquisition or acquisition of the Company's shares or the Company's merger, division or dissolution or change of corporate form of the Company;

(7) within the scope of authorization from the shareholders' general meeting, to resolve on external investment, acquisition or disposal of assets, pledge of assets, external guarantee, entrusted wealth management, connected transactions or external donations of the Company etc.;

(8) to decide on the internal management structure of the Company;

(9) to appoint or renew the general manager of Company, the Secretary to the Board and others senior management staff, and to decide on their remunerations, rewards and punishments; and on the nomination of the general manager, to appoint or dismiss the deputy general manager, chief financial officer and other senior management staff, and to decide on their remunerations, rewards and punishments;

(10) to work out the basic management system of the Company;

(11) to formulate the plan for any amendment to the Articles of Association;

(12) to manage information disclosure of the Company;

(13) to manage the internal report of material information of the Company;

(14) to propose to the shareholders' general meeting to appoint or replace the accounting firm which conduct auditing for the Company;

(15) to listen to the work report of the general manager and inspect the tasks managed by the general manager;

(16) to exercise other functions and powers as stipulated by laws, administrative regulations, departmental regulation and the listing rules of the place where the Company's shares are listed or conferred by the shareholders' general meetings or the Articles of Association.

Matters that exceed the scope authorized by the shareholders' general meeting to the Board of Directors shall be submitted to the shareholders' general meeting for consideration.

Article 115: The Board of Directors of the Company shall make an explanation at the shareholders' general meeting regarding the non-standard audit opinions issued by certified public accountants on the financial reports of the Company.

Article 116: The Board of Directors shall establish procedure rules for the Board of Directors to ensure that it implements the resolutions of the shareholders' general meeting, improves the working efficiency and ensures scientific decision-making.

Article 117: Except as otherwise provided by the listing rules of the place where the Company's shares are listed, the Board of Directors of the Company shall determine its decision-making authority and procedures for external investment, acquisition or disposal of assets, pledge of assets, external guarantee, entrusted wealth management, connected transactions or external donations of the Company etc.; major investment projects shall be reviewed by relevant experts and professionals, and reported to the shareholders' general meeting for approval.

The Company shall prepare corresponding management systems for external investment, external guarantee, related party/connected transactions and others in accordance with the preceding provision, which shall be attached as appendices to the Articles of Association.

Article 118: The chairman of the Board of Directors shall exercise the following functions and powers:

(1) to preside over shareholders' general meetings and to convene and preside over meetings of the Board of Directors;

(2) to supervise and examine the implementation of the resolutions of the Board of Directors;

(3) to exercise other functions and powers conferred by the Board of Directors or the Articles of Association and the listing rules of the place where the Company's shares are listed.

Article 119: In the event that the chairman is unable or fails to perform his duties, more than half of the directors may elect a director to perform duties.

Article 120: Board meetings include regular meetings and provisional meetings. Board meetings shall be held at least four times a year and shall be convened by the chairman. Notice of the regular meeting of the Board of Directors shall be given at least 14 days in advance and that of a provisional meeting shall be given at least 5 days in advance. Notice deadlines of the said meetings may be exempted upon the consent of directors of the Company. Where a provisional board meeting needs to be convened in emergency, the notice of meeting may be sent by telephone or by other verbal means, but the convener shall make explanations at the meeting.

Article 121: Chairman, general manager, shareholders holding more than one-tenth of the shares carrying voting rights, more than one-third of the directors or the Audit Committee may propose to convene a provisional board meeting. Chairman shall convene and preside over the provisional board meeting within 10 days upon receipt of the request.

Article 122: Notice of a board meeting shall contain:

(1) the date and venue of the meeting;

(2) duration of the meeting;

(3) the subject matters and topics;

(4) the date of the notice.

Article 123: A board meeting shall not be held unless more than half of the directors are present. Resolutions made by the Board of Directors in Article 114, except for items (5), (6), (11) and (16), shall be approved by more than two-thirds of the directors, the rest must be approved by more than half of all directors. Each director shall have one vote in voting on resolutions of the meeting of the Board of Directors.

Article 124: If a director has a connected relationship with an enterprise or individual involved in a matter under consideration by the Board of Directors, that director shall promptly provide a written report to the Board of Directors. A director with such a connected relationship shall not vote on the relevant resolution nor appoint a proxy to vote on their behalf for that resolution. A board meeting to consider such a matter may be held if attended by a majority of the directors without any connected relationship. Resolutions made at such a board meeting are subject to approval by a majority of the directors without any connected relationship. If the number of directors without any connected relationship attending the meeting of the Board of Directors is less than 3, the matter shall be submitted to the shareholders' general meeting for consideration.

Article 125: Any regular or provisional meeting of the Board of Directors may be held by on-site meeting, telephone conference, video conference or similar communication tools so long as all directors present at the meeting can exchange their views and decisions with each other. All directors who have attended the meeting in such ways shall be deemed to be personally present at the meeting.

Save otherwise specified by laws and regulations or the listing rules of the place where the Company's shares are listed, the Board of Directors may pass written resolution(s) in lieu of board meeting. A written motion shall be deemed as having been adopted upon affixing of signature by directors reaching the quorum of the properly constituted and convened Board as stipulated by laws, regulations and the Articles of Association. Such written motions shall be filed together with meeting minutes of the Board and other archives of the Company and shall have the same binding effect and validity as the resolutions made by directors attending board meetings in person.

Article 126: Directors shall attend meeting of the meeting of the Board of Directors in person. If a director is unable to attend for any reason, they may appoint another director in writing to attend the meeting of the Board of Directors on their behalf. The power of attorney shall clearly specify the name of the proxy, the subject and scope of authorization and the period of the validity of the power of attorney, which shall be signed or officially sealed by the authorizing party.

The director attending the meeting as proxy shall exercise rights within the scope of authorization. Where a director is not present at a board meeting and fails to authorize a proxy to act on his behalf, the said director shall be deemed to have waived his rights to vote at the meeting.

Article 127: The Board of Directors shall file resolutions of meetings as minutes and minutes shall be signed by all attending directors.

The meeting minutes of the Board of Directors shall be kept as archives of the Company and shall be kept for at least 10 years.

Article 128: The minutes of the meeting of the Board of Directors shall include the following particulars:

(1) the date, venue and the name of the convenor of the meeting;

(2) the name of the director present and name of director (attorney) being appointed to attend on the other director's behalf;

(3) the agenda;

(4) the main points of directors' speeches;

(5) the voting method and the result of each proposal (with the numbers of votes casting for and against a proposal as well as abstention votes specified).

Section 3 Independent Director

Article 129: The independent directors shall perform their duties by participating in decision-making, supervision and balance, and professional consultation in the Board of Directors in accordance with the laws, administrative regulations, the CSRC regulations, the stock exchange where the shares of the Company are listed and the Articles of Association, and shall protect the interests of the Company and safeguard the rights and interests of minority shareholders.

Article 130: Independent directors shall maintain their independence. The following personnel shall not serve as independent directors:

(1) Personnel employed by the Company or its affiliated enterprises, as well as their spouses, parents, children and major social relations therewith;

(2) Natural person shareholders who directly or indirectly hold more than 1% of the shares issued by the Company or are among the top ten shareholders of the Company, as well as their spouses, parents and children;

(3) Personnel hold positions among in the shareholders who directly or indirectly hold more than 5% of the shares issued by the Company, or the top five shareholders of the Company, as well as their spouses, parents and children;

(4) Personnel employed in the affiliated enterprises of the Company's controlling shareholder or de facto controller, as well as their spouses, parents and children;

(5) Personnel who have significant business transactions with the Company and its controlling shareholder, actual controller or their respective affiliated enterprises, or who hold positions in entities with significant business transactions and their controlling shareholder or actual controller;

(6) Personnel providing financial, legal, consulting, sponsorship and other services to the Company and its controlling shareholders, actual controllers or their respective affiliated enterprises, including but not limited to all members of the project team of the intermediary institutions providing services, review personnel at all levels, personnel affixing signatures to the reports, partners, directors, senior executives and main responsible persons;

(7) Personnel who fall under any of the circumstances listed in subparagraphs (1) to (6) within the most recent twelve months;

(8) Other personnel who do not have independence as stipulated by laws, administrative regulations, requirements of the securities regulatory authorities at the place where the shares of the Company are listed and listing rules of the place where the shares of the Company are listed and the Articles of Association.

The affiliated enterprises of the Company's controlling shareholder or de facto controller as mentioned in subparagraphs (4) to (6) of the preceding paragraph do not include enterprises that are controlled by the same state-owned asset management institution as the Company and have not formed an affiliated relationship with the Company in accordance with the relevant regulations.

Independent directors shall conduct self-examination of their independence every year and submit the self-examination results to the Board of Directors. The Board of Directors shall assess the independence of incumbent independent directors every year and issue special opinions, which shall be disclosed concurrently with the annual report.

Article 131: Anyone who serves as an independent director of the Company shall meet the following conditions:

(1) In accordance with laws, administrative regulations and other relevant provisions, he/she is qualified to serve as a director of a listed company;

(2) He/she complies with the requirements for independence as stipulated in the Articles of Association;

(3) He/she possesses basic knowledge on operation of listed companies and is familiar with relevant laws, regulations and rules;

(4) He/she has more than five years of working experience in law, accounting or economics, etc. necessary to perform the duties of an independent director;

(5) He/she has sound personal character and no major records of bad faith or other bad records;

(6) Other conditions as stipulated by laws, administrative regulations, requirements of the securities regulatory authorities at the place where the shares of the Company are listed and listing rules of the place where the shares of the Company are listed and the Articles of Association.

Article 132: As members of the Board of Directors, independent directors shall be loyal and diligent to the Company and all shareholders, and shall perform the following duties prudently:

(1) Participating in the decision-making of the Board of Directors and expressing clear opinions on the matters deliberated;

(2) Supervising potential major conflicts of interest between the Company and its controlling shareholder, actual controller, directors and senior executives, and protecting the lawful rights and interests of minority shareholders;

(3) Providing professional and objective suggestions for the Company's operation and development to promote the improvement of the decision-making level of the Board of Directors;

(4) Other duties as stipulated by laws, administrative regulations, requirements of the securities regulatory authorities at the place where the shares of the Company are listed and the Articles of Association.

Article 133: Independent directors shall exercise the following special powers:

(1) Independently engaging intermediary institutions to audit, consult or verify specific matters of the Company;

(2) Putting forward a proposal to the Board of Directors to convene an extraordinary shareholders' general meeting;

(3) Putting forward a proposal to convene a meeting of the Board of Directors;

(4) Publicly soliciting shareholders' rights from shareholders in accordance with the law;

(5) Expressing independent opinions on matters that may harm the rights and interests of the Company or minority shareholders;

(6) Other powers as prescribed by laws, administrative regulations, requirements of the securities regulatory authorities at the place where the shares of the Company are listed, rules of the stock exchange at the place where the shares of the Company are listed and the Articles of Association.

Independent directors exercising the powers listed in subparagraphs (1) to (3) of the preceding paragraph shall obtain the consent of more than half of all independent directors.

If an independent director exercises the powers listed in subparagraph (1), the Company shall disclose it in a timely manner. If the aforesaid powers cannot be exercised normally, the Company shall disclose the specific circumstances and reasons.

Article 134: The following matters shall be submitted to the Board of Directors for deliberation after being approved by more than half of all independent directors of the Company:

(1) Related party transactions that shall be disclosed;

(2) Plans for the Company and related parties to change or waive their commitments;

(3) The decisions made and measures adopted by the Board of Directors of the Company regarding the acquisition when the Company is faced with a potential acquisition;

(4) Other matters as stipulated by laws, administrative regulations, requirements of the securities regulatory authorities at the place where the shares of the Company are listed and listing rules of the place where the shares of the Company are listed and the Articles of Association.

Article 135: The Company shall establish a special meeting mechanism consisting entirely of independent directors. Prior approval by the special meeting of independent directors is required for the consideration of related party transactions and other matters by the Board of Directors.

The Company shall convene a special meeting of independent directors regularly or irregularly. Matters set out in (1) to (3) of paragraph 1 of Article 133 and Article 134 of the Articles of Association shall be considered by the special meeting of independent directors.

The special meeting of independent directors may study and discuss other matters of the Company as required.

The special meeting of independent directors shall be convened and presided over by one independent director jointly elected by more than half of the independent directors; where the convener fails to perform duties or is unable to perform duties, two or more independent directors may convene the meeting themselves and elect a representative to preside.

The special meeting of independent directors shall prepare meeting minutes as prescribed, and the opinions of independent directors shall be recorded in the meeting minutes. Independent directors shall sign and confirm the meeting minutes.

The Company shall facilitate and support the convening of special meetings of independent directors.

Section 4 Special Committees of the Board of Directors

Article 136: The Board of Directors of the Company shall establish an Audit Committee to exercise the powers of the Supervisory Committee as stipulated in the Company Law.

Article 137: The Audit Committee shall comprise at least three directors, all of which shall be the non-executive directors and do not hold senior officer positions in the Company, of whom more than half shall be independent directors, with accounting professionals among the independent directors serving as the convener. An employee representative director who is also a non-executive director, may serve as a member of the Audit Committee.

Article 138: The Audit Committee shall be responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating the internal and external audit, and internal controls. The following matters shall be submitted to the Board of Directors for consideration after obtaining the approval of more than half of all Audit Committee members:

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

(2) Appointment or dismissal of accounting firms that handle the audit business of the Company;

(3) Appointment or dismissal of the chief financial officer of the Company;

(4) Changes in accounting policies, accounting estimates or corrections of major accounting errors due to reasons other than changes in accounting standards;

(5) Other matters stipulated by laws, administrative regulations, the listing rules of the place where the Company's shares are listed and the Articles of Association.

Article 139: The Audit Committee shall convene at least one meeting every quarter. When proposed by two or more members or when the convener deems it necessary, interim meetings may be convened. Audit committee meetings require the attendance of two-thirds or more of the members to be held.

Resolutions of the Audit committee shall be passed by more than half of the Audit Committee members.

Each person shall have one vote for a resolution of the Audit Committee.

The Audit Committee shall prepare the minutes of the meeting with respect to resolutions in accordance with the regulations, and the minutes shall be signed by the members of the Audit Committee attending the meeting.

The working rules of the Audit Committee shall be formulated by the Board of Directors.

Article 140: The Board of Directors of the Company shall establish the Strategy and Investment Committee, Nomination Committee, Remuneration and Evaluation Committee, and Environment, Social and Governance Committee which shall perform their duties in accordance with the Articles of Association and board authorization. Proposals from special committees shall be submitted to the Board of Directors for consideration and approval. The working rules of special committees shall be formulated by the Board of Directors.

Article 141: The Nomination Committee of the Company shall comprise at least three directors, of whom more than half shall be independent directors, and one of the independent directors shall serve as the convener.

The Nomination Committee shall be responsible for formulating selection criteria and procedures for directors and senior management, screening and reviewing candidates for directors and senior management and their qualifications, and making recommendations to the Board of Directors on the following matters:

(1) Nomination, appointment or removal of directors;

(2) Appointment or dismissal of senior management personnel;

(3) Other matters stipulated by laws, administrative regulations, the listing rules of the place where the Company's shares are listed and the Articles of Association.

Where the Board of Directors does not adopt or does not fully adopt the recommendations of the Nomination Committee, the Nomination Committee's opinions and specific reasons for non-adoption shall be recorded in the resolution of the Board of Directors and disclosed.

Article 142: The Remuneration and Evaluation Committee of the Company shall comprise at least three directors, of whom more than half shall be independent directors, and one of the independent directors shall serve as the convener.

The Remuneration and Evaluation Committee shall be responsible for formulating assessment criteria for directors and senior management and conducting assessments, formulating and reviewing remuneration decision mechanisms, decision-making processes, payment and clawback arrangements and other remuneration policies and plans for directors and senior management, and making recommendations to the Board of Directors on the following matters:

(1) Remuneration for directors and senior management;

(2) Formulation or modification of share incentive plans and employee stock ownership plans, and achievement of conditions for incentive recipients to obtain and exercise rights;

(3) Arrangements for directors and senior management to hold equity in subsidiaries proposed for spin-off;

(4) Other matters stipulated by laws, administrative regulations, the listing rules of the place where the Company's shares are listed and the Articles of Association.

Where the Board of Directors does not adopt or does not fully adopt the recommendations of the Remuneration and Evaluation Committee, the Remuneration and Evaluation Committee's opinions and specific reasons for non-adoption shall be recorded in the resolution of the Board of Directors and disclosed.

Article 143: The Strategy and Investment Committee shall comprise of not less than three directors.

The Strategy and Investment Committee of the Company shall be responsible for:

(1) studying and making proposal on the long-term development strategic plan and significant investment decisions of the Company;

(2) studying and making proposal on significant investment and financing plans that are subject to the approval by the Board of Directors according to the Articles of Association;

(3) studying and making proposal on significant capital operations and asset operating projects that are subject to the approval by the Board of Directors according to the Articles of Association;

(4) formulating and guiding the implementation of the overall market capitalization management plan of the Company;

(5) studying and making proposal on other significant matters that affect the development of the Company;

(6) organizing the expert review meeting(s) for the above matters;

(7) inspecting the implementation of the above matters;

(8) handling such other matters as authorised by the Board of Directors.

Article 144: The environment, social and governance committee of the Company shall comprise of not less than three directors.

The environment, social and governance committee of the Company shall be responsible for:

(1) formulating the environment, social and governance vision, objectives, strategies and structure

1. to develop and approve the Company's environment, social and governance vision, objectives, strategies and structure, and make recommendations to the Board of Directors on relevant environment, social and governance work; and

2. to identify environment, social and governance-related issues that have a significant impact on the Company's operations and/or the interests of other key stakeholders.

(2) reviewing the implementation of the environment, social and governance vision, strategies and structure

1. to review the actions taken and achievements made by the Company in respect of environment, social and governance based on appropriate standards, formulate assessment targets and advise on the actions to be taken to improve performance;

2. to monitor the channels and means of communication with the Company's stakeholders and ensure that relevant policies are in place to effectively promote the relationship between the Company and its stakeholders and protect the Company's reputation; and

3. to review key environment, social and governance trends and related risks and opportunities, and assess the adequacy and effectiveness of the Company's environment, social and governance structure accordingly, and, where necessary, adopt and update the Company's environment, social and governance policies to ensure such policies are up to date and in compliance with applicable laws and regulations, regulatory requirements and international standards.

(3) others

1. to review the annual report on the environment, social and governance and recommend specific actions or decisions for the consideration of the Board of Directors in order to maintain the integrity of the environment, social and governance report; and

2. to ensure that an environment, social and governance report prepared by the Board of Directors in accordance with the listing rules of the place where the Company's shares are listed is included in the Company's annual report or published separately.

CHAPTER 6 SENIOR EXECUTIVES

Article 145: "Senior executives" as defined in this Article include general manager, deputy general manager, Secretary to the Board, personnel in charge of financial affairs and other staff appointed by the Board of Directors as senior management staff.

The Company shall have one general manager, who shall be appointed and dismissed by the Board of Directors, several deputy general managers and one chief financial officer, who shall be appointed or dismissed by the Board of Directors as nominated by the general manager.

Upon approval of the Board of Directors of the Company, a director may serve concurrently as senior executives.

Senior executives shall serve a term of three years and may be reappointed for consecutive terms if re-elected.

Article 146: The circumstances under which a person may not serve as a director and the provisions concerning the management system for resignations as mentioned in the Articles of Association shall also apply to senior executives.

The directors' duty of loyalty and duties of diligence as mentioned in the Articles of Association shall also apply to senior executives.

Article 147: Any person who takes administrative position other than a director or supervisor in the controlling shareholder of the Company shall not act as a senior executive of the Company.

The Company's senior executives are only paid by the Company and are not paid by the controlling shareholder on behalf of the Company.

Article 148: The general manager shall serve a term of three years and may be reappointed for consecutive terms if re-elected.

Article 149: The general manager shall be accountable to the Board of Directors and shall exercise the following functions and powers:

(1) To be in charge of the production, operation and management of the Company, to organize the implementation of the resolutions of the Board of Directors and to report it to the Board of Directors;

(2) to organize the implementation of the Company's annual business plans and investment plans;

(3) to prepare the plan for the internal management setup of the Company;

(4) to draft the Company's basic management system;

(5) to formulate specific rules and regulations of the Company;

(6) to propose to the Board of Directors to appoint or dismiss the deputy general manager, chief financial officer and other senior executives of the Company;

(7) to appoint or dismiss executives other than those appointed or dismissed by the Board of Directors;

(8) other functions and powers conferred by the Company's Articles of Association and the Board of Directors.

The general manager shall attend the meetings of the Board of Directors.

Article 150: The Company shall formulate the work rules of the general manager and report them to the Board of Directors for approval and implementation.

Article 151: The work rules of the general manager include the following:

(1) conditions, procedures and participants of the general manager's meeting;

(2) specific responsibilities of the general manager and other senior executives and their segregation of duties;

(3) the use of the Company's funds and assets, the authority to enter into major contracts, and the reporting system to the Board of Directors;

(4) such other matters as the Board of Directors may deem necessary.

Article 152: The general manager can submit his resignation before the expiry of his term of service. The actual procedure and method concerning the general manager's resignation shall be regulated by the employment contract between the general manager and the Company.

Any resignation of a senior management member shall be submitted in writing to the Board of Directors, and such resignation shall take effect upon delivery of the written resignation to the Board of Directors.

Article 153: The deputy general manager and other senior management members shall assist the general manager in carrying out the various duties of the Company, work under the direction of the general manager and be responsible to the general manager.

Article 154: The Company has a Secretary to the Board who is responsible for the preparation of the Company's shareholders' general meeting and Board meeting, the safekeeping of documents, the management of the Company's shareholder information, and the handling of information disclosure matters.

The Secretary to the Board shall abide by the relevant provisions of laws, administrative regulations, departmental regulations, the listing rules of the place where the Company's shares are listed, and the Articles of Association.

Article 155: If a senior management member causes damage to others when carrying out his or her duties, the Company shall be liable for compensation; if a senior management member acts with willful or material default, he or she shall also be liable for compensation.

If a senior management member breaches the laws, administrative regulations, departmental regulations, the listing rules of the place where the Company's shares are listed or the Articles of Association when performing his or her duties and causes loss to the Company, he or she shall be liable for compensation.

Article 156: The senior management members of the Company shall faithfully perform their duties and safeguard the best interests of the Company and shareholders as a whole.

If the senior management members of the Company fail to faithfully perform their duties or violates the duty of good faith, causing damage to the interests of the Company and the shareholders of the public shares, they shall be liable for damages in accordance with the laws.

CHAPTER 7 FINANCIAL AND ACCOUNTING SYSTEMS, DISTRIBUTION OF PROFITS AND AUDIT

Section 1 Financial and Accounting Systems

Article 157: The Company shall develop its financial and accounting systems pursuant to the laws, administrative regulations and the requirements of the competent authorities in China.

Article 158: Within four months after the end of each fiscal year, the Company shall submit and disclose its annual report to the local offices of the CSRC and the stock exchange where the Company's shares are listed. Within two months (for the A share) or three months (for the H share) after the end of the first half of each fiscal year, the Company shall submit and disclose its interim report to the local offices of the CSRC and the stock exchanges where the Company's shares are listed.

The aforementioned annual report and interim report shall be prepared in accordance with relevant laws, administrative regulations, regulations of the CSRC and the stock exchanges where the Company's shares are listed.

Article 159: The Company shall not establish separate accounting books in addition to the statutory accounting books. The Company's funds shall not be deposited in accounts opened in the name of any individual.

Article 160: When distributing the after-tax profits of the current year, the Company shall allocate 10% of the profits to the Company's statutory reserve fund. If the cumulative amount of the Company's statutory reserve fund exceeds 50% of the Company's registered capital, the Company may cease to make further allocations.

If the Company's statutory reserve fund is insufficient to cover the losses of previous years, the Company shall use the current year's profits to cover the losses before allocating the statutory reserve fund as stipulated above.

After allocating the statutory reserve fund from the after-tax profits, the Company may also allocate a discretionary reserve fund from the after-tax profits upon a resolution of the shareholders' general meeting.

After covering losses and allocating reserve funds, the remaining after-tax profits shall be distributed according to the proportion of shares held by shareholders, unless otherwise stipulated in the Articles of Association.

If the shareholders' general meeting distributes profits to shareholders in violation of the Company Law, the shareholders shall return the improperly distributed profits to the Company; shareholders, as well as the responsible directors and senior management members, shall bear liability for any resulting losses caused to the Company.

Shares of the Company held by the Company itself shall not participate in profit distribution.

Article 161: The Board of Directors and the shareholders' general meeting of the Company shall consider the opinions of the independent directors and minority shareholders when determining and evaluating the Company's profit distribution policy. The Company's cash dividend policy aims to achieve stable dividend growth.

If the Company's most recent annual audit report is qualified, or contains an unqualified opinion with a material uncertainty related to going concern, or if the debt-to-asset ratio exceeds a specific threshold/operating cash flow falls below a specific level, the Company may refrain from distributing profits.

The Company shall implement continuous, stable, scientific and proactive profit distribution policies, and attach importance to the provision of reasonable return to shareholders and ensure the continuity and stability of profit distribution policy.

(i) The Company's profit distribution policy

1. The Company may use cash, shares, combination of cash and shares or other forms as permitted by the laws and regulations in making profit distribution, and give priority to the provision of cash dividends. Profit distribution shall not exceed the cumulative distributable profit or damage the Company's continuous operation capability;

2. Subject to the prevailing laws and regulations as well as any regulatory rules, the profit distributed by the Company in the form of cash every year shall be not less than 10% of the distributable profit realized in that year;

3. While ensuring its normal business development, the Company adheres to the principle of giving priority to the provision of cash dividends when making profit distribution; no share dividends may be distributed if no cash dividends were made during the year. The Board of Directors is obliged to put forward a cash dividend proposal and it should explain the proposed use or the principles for using the distributable profit realized but not distributed in the current year;

4. In the event that the Board of Directors fails to put forward a cash dividend proposal due to major investment plans or major cash expenditures or other reasons, it must explain the reasons and the specific use of the retained profits in the profit distribution proposals;

5. If the Board of Directors believes that the Company has relatively good future growth potential, relatively high net asset value per share, and that the Company's share price does not match its share capital or that distributing share dividends conforms to the overall interests of all shareholders, it may draw up share dividend distribution proposals subject to compliance with its cash dividend policies;

6. The Company generally distributes profits annually; the Board of Directors may also put forward interim profit distribution proposals in accordance with the Company's profit conditions and funding needs.

(ii) The Company's differentiated cash dividend policy

The Board of Directors shall distinguish the following situations and put forward differentiated cash dividend policies in accordance with the procedures specified by the Articles of Association, by comprehensively considering the Company's industry features, development stage, mode of operation, profit level and any arrangement on major capital expenditure:

1. In the case where the Company is at a mature stage of development and there is no major capital expenditure arrangement, cash dividends shall account for at least 80% of the current profit distribution;

2. In the case where the Company is at a mature stage of development and there is major capital expenditure arrangement, cash dividends shall account for at least 40% of the current profit distribution;

3. If the Company is at the growth stage and there is major capital expenditure arrangement, cash dividends shall account for at least 20% of the current profit distribution. In the case where the Board of Directors believes that it is not easy to distinguish the Company's development stages but there is major capital expenditure arrangement, the provisions of this paragraph shall apply.

(iii) The Company's review procedures on profit distribution

1. The Board of Directors shall formulate a profit distribution plan;

2. The profit distribution plan approved by the Board of Directors shall not be implemented until it is approved at the shareholders' general meeting;

3. In the case where the Board of Directors fails to make a cash dividend plan or its cash dividend distribution plan does not comply with the Articles of Association, the Board of Directors must explain the reasons and the use of retained profits in its periodic report, the independent directors shall provide their independent opinions in this regard;

4. The Audit Committee shall supervise the profit distribution plans formulated by the Board of Directors. The Audit Committee has the right to require the Board of Directors to make rectifications if the Board of Directors fails to make cash dividend distribution plans in accordance with the Articles of Association or the cash dividend distribution plans made by the Board of Directors do not comply with the Articles of Association;

5. If it is necessary to adjust profit distribution policies due to any major change to the business environment or the Company's internal operating conditions, the Board of Directors shall formulate new profit distribution policies and the independent directors shall give their opinions in this regard. The new profit distribution policies formulated by the Board of Directors shall be submitted to the shareholders' general meeting for review and shall not be implemented until it is approved by more than 2/3 of the voting rights held by the shareholders who attend the shareholders' general meeting. Voting at the shareholders' general meeting shall be conducted in the form of on-site vote and online vote to facilitate the minority shareholders' participation in the formulation or modification of the profit distribution policies.

The Company shall calculate, declare and pay dividends and other amounts which are payable to holders of Onshore-Listed Domestic-Invested Shares in Renminbi. The Company shall calculate and declare dividends and other amounts which are payable to holders of Overseas-Listed Foreign-Invested Shares in Renminbi, and shall pay such amounts in currency of the place where these Overseas-Listed Foreign-Invested Shares are listed (or, if there is more than one such place, of the place where the Overseas-Listed Foreign-Invested Shares maintain a primary listing as determined by the Board of Directors).

The payment of dividends and other payments to holders of Overseas-Listed Foreign-Invested Shares shall be made in accordance with the PRC laws and regulations on foreign exchange control, and may be settled electronically. If there is no applicable regulation, the exchange rate shall be the average closing rate for the relevant foreign currency as announced by the People's Bank of China 5 working days before the announcement of payment of dividends and other payments.

Where power is taken to retrieve unclaimed dividends, that power shall only be exercised after the expiration of the applicable limitation period.

Article 162: The reserves of the Company are used to offset the losses of the Company, expand business scale or bolster registered capital.

The discretionary reserve fund and statutory reserve fund shall be used first to offset the losses of the Company; if the losses cannot be covered, the capital reserve fund can be used in accordance with the regulations.

When the statutory reserve fund is converted into bolster registered capital, the remaining amount of such reserve shall not be less than 25% of the registered capital of the Company before the conversion.

Article 163: The Company shall have the right to stop sending dividend coupons by post to a holder of overseas listed foreign shares when the dividend coupons are not cashed for two consecutive times. However, the Company may also exercise such a right when the dividend coupons are returned after they are sent to the addressee for the first time.

Regarding exercise of right to issue warrants to anonymous holders, the Company shall not issue any new warrant to replace the lost one, unless it is sure beyond reasonable doubt that the original warrant has been destroyed.

The Company shall have the right to sell the shares of the holders of overseas listed foreign shares who cannot be reached in a manner deemed as appropriate by the Board of Directors, but it shall comply with the following conditions:

(1) Dividends have been distributed for the said shares for at least three times in 12 years, but are not claimed in the said period; and

(2) Upon expiry of the 12-year period, the Company shall announce its intent to sell the shares in one or more newspapers at the place where the Company's shares are listed, and notify the stock exchange on which the said shares are listed.

Provided that the relevant PRC laws and regulations are observed, the Company may exercise the right to seize dividends not collected, but the said right shall not be exercised before expiry of the applicable validity period.

Holders of shares that have been paid up before payment calls by the Company are entitled to interest, but holders of prepaid shares are not entitled to dividends declared thereafter.

Section 2 Internal Audit System

Article 164: The Company shall implement the internal audit system to clarify the leadership system, responsibilities and authorities, personnel allocation, financial guarantee, application of audit results and accountability for internal audit work.

The Company's internal audit system shall be implemented upon the approval of the Board of Directors and disclosed to the public.

Article 165: The Company shall establish an internal audit department and equip such with full-time auditors. The internal audit department shall maintain independence from the finance department, supervise and inspect the Company's business activities, risk management, internal controls, financial information, and other matters.

Article 166: The internal audit department shall be accountable to the Board of Directors.

During the supervision and inspection of the Company's business activities, risk management, internal controls, and financial information, the internal audit department shall accept the supervision and guidance of the Audit Committee. If the internal audit department discovers relevant major issues or clues, it shall immediately report directly to the Audit Committee.

Article 167: The specific organization and implementation of the Company's internal control evaluation shall be the responsibility of the internal audit department. The Company shall issue an annual internal control evaluation report based on the evaluation report and relevant materials issued by the internal audit department and reviewed by the Audit Committee.

Article 168: When the Audit Committee communicates with external audit units such as accounting firms and national audit institutions, the internal audit department shall actively cooperate and provide necessary support and collaboration.

Article 169: The Audit Committee shall participate in the evaluation of the person in charge of internal audit.

Section 3 Appointment of an Accounting Firm

Article 170: The Company shall appoint an accounting firm that complies with the regulations of the Securities Law and the listing rules of the place where the Company's shares are listed to audit financial statements, verify the net assets, and offer other relevant consulting services. The term of appointment of an accounting firm shall be one year, which is renewable.

Article 171: The appointment or dismissal of an accounting firm for the Company shall be decided upon by the shareholders' general meeting, prior to which the Board of Directors shall not appoint any accounting firm.

Article 172: The Company guarantees to provide true and complete accounting vouchers, accounting books, financial accounting reports and other accounting materials to the employed accounting firm, and shall not refuse, conceal or make false reports.

Article 173: The audit fees of an accounting firm shall be decided by the shareholders' general meeting.

Article 174: When the Company removes or does not reappoint an accounting firm, it shall give a 30-day prior notice to the accounting firm, and the accounting firm shall be allowed to present its views at the shareholders' general meeting where a voting process concerning the dismissal of such accounting firm is carried out. Where an accounting firm tenders its resignation, it shall inform the shareholders' general meeting of whether there is any irregularity in the Company.

CHAPTER 8 NOTICES AND ANNOUNCEMENTS

Article 175: The notice of the Company may be served as follows:

(1) By personal delivery;

(2) By post;

(3) By fax or email;

(4) By publication on the website designated by the Company, the securities regulatory authorities and the stock exchange where the Company's shares are listed in accordance with the laws, administrative regulations and listing rules of the place there;

(5) By public announcement;

(6) By other means specified beforehand by the Company or the recipient or approved by the recipient after receiving the notice;

(7) By other means approved by the relevant regulatory authority at the place where the Company's shares are listed or stipulated in the Articles of Association.

The Company issues announcements and makes disclosures to A Shares shareholders in media and websites that meet the requirements set by the CSRC. Unless otherwise provided, any notice or report required by the Articles of Association to be given on the Stock Exchange of Hong Kong Limited in accordance with the Hong Kong Listing Rules shall at the same time be disclosed by the Company on the domestic market. The Company shall give notice and make announcement to the shareholders of Overseas-Listed Foreign-Invested Shares in the manner and on the website as provided in the Articles of Association and according to the Hong Kong Listing Rules.

Save as otherwise specified in the Articles of Association, if the Company sends the notice to the holders of H shares by announcement, it shall, according to the requirements of the Hong Kong Listing Rules, submit an electronic version that can be immediately published to the Hong Kong Stock Exchange via the electronic publication system of the Hong Kong Stock Exchange on the same day, so that it can be published on the website of the Hong Kong Stock Exchange, or publish the announcement in the newspapers and periodicals according to the requirements of the Hong Kong Listing Rules (including publishing ads in newspapers and periodicals). The announcement shall also be published on the Company's website.

The holders of overseas listed foreign shares of the Company may choose in written form to obtain (by email or by post) the information of the Company that the Company shall send to the shareholders, and may choose to receive either or both of the Chinese and English versions. They may also change the method for receiving the aforesaid information and the language version to be received as per appropriate procedures by sending a written notice to the Company in advance within a reasonable period.

The Company may provide an electronic communication address to holders of H Shares, enabling the Company to receive "meeting instructions" and "non-meeting instructions" (as defined in the Hong Kong Listing Rules) via electronic communication.

If any shareholder or director wants to prove he/she has sent any notice, document, information or written statement to the Company, he/she shall provide evidence proving that the relevant notice, document, information or written statement has been served in a usual way or by prepaid mail or via electronic communication to the correct address within the specified time.

Although the preceding paragraph specifies that the Company shall provide and/or send the information of the Company to the shareholders in written form, regarding the method used by the Company to provide and/or send information of the Company to the shareholders according to the requirements of the listing rules of the place where the Company's shares are listed, if the Company has obtained the shareholders' prior written consent or implied consent according to the relevant laws and regulations and the listing rules of the place

where the Company's shares are listed, the Company may send or provide the information of the Company to its shareholders in an electronic way or by announcement on its website. Information of the Company includes but is not limited to: circular, annual report, interim report, notice of a shareholders' general meeting and other information set out in the listing rules of the place where the Company's shares are listed.

Article 176: Any notices of the Company which are made in the form of a public announcement shall be deemed to have been received by all relevant persons once it is published.

Unless the context otherwise requires, the term "announcement" as mentioned herein, in respect of an announcement issued to the holders of A Shares or issued within the PRC as required under relevant regulations and the Articles of Association, it refers to the information published on the website of the Shanghai Stock Exchange and media that meets the conditions stipulated by the CSRC; in respect of an announcement issued to the holders of H shares or issued in Hong Kong as required under the relevant regulations and the Articles of Association, the announcement shall be published on the Company's website, the website of the Hong Kong Stock Exchange, and other websites as stipulated by the Hong Kong Listing Rules from time to time in accordance with the relevant requirements of the Hong Kong Listing Rules.

Under the premise of the Company's compliance with the relevant listing rules of the place(s) in which the shares of the Company are listed, regarding the provision and/or distribution of corporate communications by the Company to holders of H Shares in accordance with requirements of such listing rules, the Company may also provide or distribute corporate communications to holders of H Shares by electronic means or by publishing on the Company's website or the website of the stock exchange(s) of the place(s) in which the shares of the Company are listed, in lieu of delivery by personal delivery or prepaid mail.

Article 177: Notices of the shareholders' general meetings of the Company shall be made by public announcement.

Article 178: Notice of a board meeting of the Company shall be served by personal delivery, post or email.

Article 179: (1) If the notice of the Company is served by personal delivery, the recipient shall affix their signature (or seal) to the Return on Service and the signing date shall be the date of service;

(2) If the notice is sent by post, it is only required to specify the address and prepaid postage and put the notice in the envelope, and putting the envelope enclosing the said notice into the mailbox shall be deemed as sending out the notice, and the notice shall be deemed as served 48 hours after it is sent out;

(3) If the notice is sent by electronic communication, it shall be deemed to be given on the day on which the notice or document is transmitted from the server of the Company or its agent;

(4) If the notice, document or publication is placed on the Company's or the designated Stock Exchange's website is deemed given or served by the Company on the day on which it is first placed on the relevant website (unless a different date is specified in the listing rules of the place where the Company's shares are listed).

Article 180: A meeting and the resolutions adopted thereat shall not be invalidated only as a result of the accidental omission to give notice of the meeting to, or the failure of receiving such notice by, a person entitled to receive such notice.

Article 181: The Company designates the media that meets the conditions stipulated by the CSRC as the media to publish the announcements and other information of the Company that required to be disclosed.

CHAPTER 9 MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION

Section 1 Merger, Division, Capital Increase and Capital Reduction

Article 182: Merger of the Company may take the form of merger by absorption and merger by establishment of a new company.

A company that absorbs other company is known as merger by absorption whereby the company being absorbed shall be dissolved. The merger of two or more companies by the establishment of a new company is known as merger by the establishment of a new company whereby the companies being merged shall be dissolved.

Article 183: If the price paid for the Company's merger does not exceed 10% of the Company's net assets or comply with the listing rules of the place where the shares of the Company are listed, approval by resolution of its shareholders' general meetings may not be required unless otherwise provided by the Articles of Association.

Where the Company's merger is exempted from approval by resolution of the shareholders' general meetings in the preceding paragraph, it shall be subject to approval by resolution of the Board of Directors.

Article 184: In the event of a merger, the parties to the merger shall enter into a merger agreement and prepare a balance sheet and a property list. The Company shall notify its creditors within a period of 10 days from the date on which the merger resolution is passed and publish an announcement on the media designated by the Company or on the National Enterprise Credit Information Publicity System within 30 days from that date.

The creditor may, within 30 days from the date of receipt of the notice, or within 45 days from the date of publication if no notice has been received, demand that the Company settle the debt or provide a corresponding guarantee.

Article 185: Upon completion of the merger, the company that survives or the newly established company shall assume the rights in relation to debtors and indebtedness of the parties to the merger.

Article 186: If the Company is to be divided, its property shall be divided accordingly.

In the event of a division of the Company, the parties to the division shall prepare a balance sheet and a property list. The Company shall notify its creditors within a period of 10 days from the date on which the division resolution is passed and publish an announcement on the media designated by the Company or on the National Enterprise Credit Information Publicity System within 30 days from that date.

Article 187: Debts owed by the Company prior to the division are the joint and several liability of the companies in existence after the division, unless otherwise agreed in writing between the Company and its creditors prior to the division in respect of the settlement of debts.

Article 188: The Company shall prepare a balance sheet and an inventory of assets when it reduces its registered capital.

The Company shall notify its creditors within 10 days from the date of the Company's resolution on reduction of registered capital and shall publish an announcement on the media designated by the Company or on the National Enterprise Credit Information Publicity System within 30 days from the date of such resolution. A creditor has the right, within 30 days of receiving the notice from the Company or, in the case of a creditor who does not receive the notice, within 45 days from the date of the announcement, to require the Company to repay its debt or provide a corresponding guarantee for such debt.

Upon the reduction of registered capital, the Company shall reduce its capital contribution or shares in proportion to the proportion of shares held by shareholders, except as otherwise provided by law or the Articles of Association.

Article 189: If the Company still incurs losses after making up for the losses in accordance with the provisions of the second paragraph of Article 162 of the Articles of Association, it may reduce its registered capital to make up for the losses. When reducing registered capital to make up for losses, the Company shall not distribute to shareholders, nor shall it exempt shareholders from their obligations to contribute capital or pay for shares.

The provisions of the second paragraph of Article 188 of the Articles of Association shall not apply to the reduction of registered capital in accordance with the preceding paragraph. However, the Company shall, within 30 days from the date of the resolution of the shareholders' general meetings to reduce the registered capital, announce the reduction on the media designated by the Company or on the National Enterprise Credit Information Publicity System.

After the Company reduces its registered capital in accordance with the provisions of the preceding two paragraphs, it shall not distribute profits until the cumulative amount of the statutory reserve fund and the discretionary reserve fund reaches 50% of the Company's registered capital.

Article 190: If the registered capital is reduced in violation of the Company Law and other regulations, the shareholders shall return the funds they have received, and the shareholders shall restore the capital contributions to the original state if their capital contribution are reduced or exempted; if losses are caused to the Company, the shareholders and responsible Directors and senior management members shall be liable for compensation.

Article 191: Where an increase in registered capital of the Company is made by means of issue of new shares, the shareholders do not have any pre-emptive right unless the Articles of Association provide otherwise or the shareholders' general meetings resolves that the shareholders shall have pre-emptive right.

Article 192: When the merger or division of the Company involves changes in registered particulars, such changes shall be registered with the company registration authority in accordance with the laws. When the Company dissolves, the Company shall be deregistered in accordance with the laws. When a new company is established, its establishment shall be registered in accordance with the laws.

In respect of the increase or decrease of the registered capital, the Company shall register the change in its registered capital with company registration authority.

Section 2 Dissolution and Liquidation

Article 193: The Company shall be dissolved for the following reasons:

(1) The expiration of the period of business provided for in the Articles of Association or the occurrence of any other cause of dissolution provided for in the Articles of Association;

(2) Dissolution by special resolution passed at a shareholders' general meeting;

(3) Merger or division of the Company entails dissolution;

(4) The business license is revoked according to law, or the Company is ordered to close or is cancelled;

(5) If the Company gets into serious trouble in operations and management and continuation may incur material losses of the interests of the shareholders, and no solution can be found through any other channel, the shareholders holding more than 10% of the total voting rights of the Company may request a court with jurisdiction to dissolve the Company.

If the Company encounters any of the circumstances specified in the preceding paragraph, it shall announce the circumstances of its dissolution through the National Enterprise Credit Information Publicity System within 10 days.

Article 194: If the Company falls under the circumstances specified in Paragraphs (1) and (2) of Article 193 of the Articles of Association and has not yet distributed its assets to shareholders, it may continue to exist by amending the Articles of Association or by a resolution of the shareholders' general meeting.

Amendments to the Articles of Association in accordance with the preceding paragraph or by resolution of the shareholders' general meeting shall be approved by more than two-thirds of the voting rights held by the shareholders attending the shareholders' general meeting.

Article 195: If the Company is dissolved due to (1), (2), (4), (5) under Article 193 of the Articles of Association, it shall be liquidated, and the Directors, being the liquidation obligors, shall form a liquidation team for liquidation within 15 days from the date of occurrence of the cause for dissolution.

The liquidation team shall be composed of the directors, unless the Articles of Association provide otherwise or it is resolved at the shareholders' general meeting to elect another person(s).

If the liquidation obligors fails to perform his liquidation obligations in a timely manner and causes losses to the Company or creditors, the person shall bear the liability for compensation.

Article 196: The liquidation team shall exercise the following functions and powers during liquidation:

(1) thoroughly examine the property of the Company and prepare a balance sheet and property list respectively;

(2) notify creditors by a notice or public announcement;

(3) dispose of and liquidate relevant unfinished business of the Company;

(4) pay all outstanding taxes in full and taxes existence during the liquidation progress;

(5) clear up claims and debts;

(6) handle surplus assets remaining after the discharge of its liabilities;

(7) participate in civil litigation on behalf of the Company.

Article 197: The liquidation team shall notify all creditors within 10 days after its establishment and shall make announcements through the information disclosure media designated by the CSRC and the Hong Kong Stock Exchange or on the National Enterprise Credit Information Publicity System within 60 days. The creditors shall declare their creditor's rights to the liquidation team within 30 days after receipt of the notice, or within 45 days after announcement if the creditors have not received the notice.

To declare their creditor's rights, the creditors shall explain matters relating to their rights and provide relevant evidential documents. The liquidation team shall register the creditor's rights.

During the reporting period, the liquidation team is not allowed to pay off creditors.

Article 198: After the liquidation team has thoroughly examined the Company's property and prepared a balance sheet and property list, it shall formulate a liquidation plan and submit such plan to the shareholders' general meeting or a competent court for confirmation.

The remaining assets of the Company after paying liquidation expenses, employee wages, social insurance expenses, statutory compensation, taxes owed, and settling the Company's debts shall be distributed by the Company in proportion to the shares held by the shareholders.

During the liquidation period, the Company shall continue to exist but shall not engage in business activities not related to the liquidation.

Before liquidation as specified in the preceding paragraphs under this Article, the assets of the Company shall not be distributed to shareholders.

Article 199: If the liquidation team, having thoroughly examined the Company's property and prepared a balance sheet and property list, discovers that the Company's property is insufficient to pay its debts in full, it shall immediately apply to a competent court for a declaration of insolvency.

After the competent court accepts a bankruptcy petition, the liquidation team shall transfer the liquidation affairs to the bankruptcy administrator appointed by the people's court.

Article 200: After the liquidation of the Company, the liquidation team shall prepare a liquidation report, submit it to the shareholders' general meeting or the people's court for confirmation, and submit it to the company registration authority to apply for cancellation of the Company's registration.

Article 201: Members of the liquidation team shall perform their liquidation duties and shall be bound by the duties of loyalty and diligence.

If a member of the liquidation team fails to perform the liquidation duties and causes losses to the Company, the member shall bear liability for compensation. If the Company or creditors suffer losses due to intentional or gross negligence, the member shall bear liability for compensation.

Article 202: If the Company is declared bankrupt in accordance with the law, it shall be liquidated in accordance with the relevant laws on enterprise bankruptcy.

CHAPTER 10 AMENDMENT OF THE ARTICLES OF ASSOCIATION

Article 203: The Company may amend its Articles of Association under any of the following circumstances:

(1) After the Company Law or listing rules of the place where the Company's shares are listed, relevant laws, administrative regulations have been amended, the matters provided for in the Articles of Association contravene the provisions of the amended provisions of laws, administrative regulations;

(2) Changes in the Company's circumstances are inconsistent with the matters included in the Articles of Association;

(3) The shareholders' general meeting passed a special resolution to amend the Articles of Association.

Article 204: Where the amendments to the Articles of Association approved by the shareholders' general meetings are subject to examination and approval by the competent authorities, such amendments shall be submitted to the competent authorities for approval. Where the amendments involve registration of the Company, the Company shall register relevant changes according to the laws.

Article 205: The Board of Directors shall revise the Articles of Association according to the resolution of the shareholders' general meeting to revise the Articles of Association as well as the review suggestions given by the relevant competent authorities.

Article 206: In the event that any item in the Articles of Association to be revised involves information which shall be disclosed as required by laws and regulations, proper announcement shall be made accordingly.

CHAPTER 11 SUPPLEMENTARY

Article 207: The definition:

(1) A controlling shareholder means a shareholder who holds 30% or more of the total share capital of the Company or a shareholder who holds less than 30% of the total shares but holds voting rights sufficient to have a significant influence on resolutions of the shareholders' general meetings.

(2) A de facto controller means a natural person, legal entity, or other organization that through investment relationships, agreement or other arrangements, is able to effectively direct the activities of the Company.

(3) Related relationship means the relationship between the Company's controlling shareholders, de facto controllers, Directors, senior management officers and enterprises directly or indirectly controlled by them, as well as other relationships which may lead to the transfer of the Company's interests. However, enterprises controlled by the State shall not be regarded as having related relationships only because they are under common control by the State.

Article 208: The Board of Directors may formulate by-laws in accordance with the provisions of the Articles of Association, provided that such by-laws shall not be in violation of the Articles of Association.

Article 209: The Articles of Association shall be executed in Chinese. In the event of any conflict between the Articles of Association and any other language version or different version of the Articles of Association, the Chinese version of the Articles of Association as last approved and registered by the Shanghai Administration for Market Regulation shall prevail.

Article 210: The phrases "more than" and "within" as mentioned in the Articles of Association are inclusive while "exceeding", "beyond", "under" and "over" are exclusive.

Article 211: In the Articles of Association, the term "accounting firm" used herein shall have the same meaning as ascribed to the term "auditor" in the Hong Kong Listing Rules, and the term "independent director(s)" used herein shall have the same meaning as ascribed to the term "independent non-executive director(s)" in the Hong Kong Listing Rules, and the "non-independent directors" refer to directors on the Board of Directors other than independent directors (independent non-executive directors).

Article 212: If the provisions of the Articles of Association are inconsistent with relevant laws, regulations, binding document and the listing rules of the place where the Company's shares are listed, the latter shall prevail.

Any matters not covered herein shall be handled in accordance with the relevant laws, regulations, binding documents, the listing rules of the place where Company's shares are listed.

Article 213: The power of interpretation of the Articles of Association is vested in the Board of the Company. The Articles of Association shall be effective after it has been considered and approved in the shareholders' general meeting of the Company.

CHAPTER 1 GENERAL PROVISIONS

Article 1 To strengthen and standardize the management of raised funds, enhance the efficiency and effectiveness of fund utilization, in accordance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Administrative Measures for the Registration of Initial Public Offerings of Shares, the Rules for the Supervision of Raised Funds of Listed Companies, the Shanghai Stock Exchange STAR Market Listed Companies Self-Regulatory Guidance No. 1—Standardized Operations, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Listing Rules"), the Shanghai Stock Exchange STAR Market Listing Rules, and other relevant listing rules of the Shanghai Stock Exchange, as well as applicable laws, regulations, normative documents, and the Articles of Association of Shanghai Fudan Microelectronics Group Company Limited (hereinafter referred to as the 'Company'), and in light of the actual circumstances of the Company, this Rules of the Management of Proceeds of Shanghai Fudan Microelectronics Group Company Limited (hereinafter referred to as the "Rules" or "Regulations") is hereby established.

Article 2 Funds raised refer to funds obtained through the issuance of securities to unspecified parties (including initial public offerings, rights offerings, additional issuances, issuance of convertible corporate bonds, issuance of convertible corporate bonds with separate trading rights, etc.) and through the issuance of securities to specified parties, but exclude funds raised by the Company for the implementation of equity incentive plans.

Article 3 The Board of Directors shall be responsible for establishing, improving, and effectively implementing this system. It shall continuously monitor the deposit, management, and utilization of raised funds, effectively prevent investment risks, and enhance the efficiency of fund utilization. Prior to a public offering, the Board shall conduct thorough feasibility studies on proposed investment projects for raised funds based on factors including the Company's development strategy, core business, market conditions, and national industrial policies. It shall specify the amount of funds to be raised, investment projects, progress schedules, and expected returns, and submit these for approval by the Company's shareholders' meeting.

Article 4 The directors and senior management of the Company shall exercise due diligence, supervise the Company's standardized use of raised funds, ensure the security of such funds, and shall not manipulate the Company to arbitrarily or disguisedly alter the designated use of raised funds.

Article 5 The Company shall deposit, utilize, alter, supervise, and manage raised funds in accordance with the provisions of this system. It shall clearly define the hierarchical approval authority, decision-making procedures, risk control measures, and information disclosure requirements for the use of raised funds, ensuring standardized, open, and transparent fund utilization.

CHAPTER 2 SPECIAL ACCOUNT FOR RAISED FUNDS

Article 6 The Company shall prudently select a commercial bank and open a special account for raised funds (hereinafter referred to as the "Special Account"). Raised funds shall be deposited in a timely and complete manner into the Special Account designated by the Board of Directors for centralized management. The Special Account shall not hold non-raised funds or be used for other purposes.

Article 7 Within one month after the raised funds are received, the company shall enter into a tripartite supervision agreement (hereinafter referred to as the "Agreement") with the sponsor and the commercial bank where the raised funds are deposited (hereinafter referred to as the "Commercial Bank"). The Agreement shall include at least the following provisions:

(1) The Company shall deposit raised funds centrally in a Special Account;

(2) Commercial bank shall issue monthly bank statements for the Special Account to the Company and provide copies to the sponsor;

(3) The sponsor may access the Special Account information at Commercial Bank at any time;

(4) Liability for Breach of Contract by the Company, Commercial Bank, and Sponsor.

The Company, the sponsor, and the Commercial Bank may stipulate stricter regulatory requirements in their agreement than those outlined above.

Where the Company implements fundraising investment projects through a controlling subsidiary or other entity, a tripartite supervision agreement shall be jointly executed by the Company, the company implementing the fundraising investment project, the Commercial Bank, and the sponsor. The Company and the company implementing the fundraising investment project shall be deemed as one party.

Should the aforementioned agreement be terminated prematurely prior to its expiration date due to reasons such as changes in the Commercial Bank or the sponsor, the Company shall enter into a new agreement with the relevant parties within one month from the date of termination.

CHAPTER 3 USE OF PROCEEDS

Article 8 The Company shall use the raised funds for the purposes specified in the prospectus or offering circular. Should any circumstances arise that significantly impact the planned use of the raised funds, the Company shall promptly issue an announcement.

Article 9 The Company shall use raised funds for designated purposes only. The use of raised funds shall comply with national industrial policies and relevant laws and regulations, practice sustainable development concepts, fulfill social responsibilities, and in principle be used for the Company's main business operations to enhance its competitiveness and innovation capabilities. Raised funds shall be invested in scientific and technological innovation fields to promote the development of new productive forces.

The Company shall not use the raised funds for the following activities:

(1) Proceeds shall be used for financial investments such as entrusted asset management (excluding cash management) and entrusted loans; high-risk investments including securities and derivatives; and direct or indirect investments in companies primarily engaged in trading securities;

(2) Disguised alteration of the use of raised funds through pledges, entrusted loans, or other means;

(3) Directly or indirectly providing raised funds to controlling shareholders, actual controllers, or other related parties for their use, thereby facilitating the acquisition of improper benefits by such related parties through the use of raised funds for investment projects;

(4) Other violations of regulations governing the management of raised funds.

Article 10 Where a fundraising investment project is expected to be unable to be completed within the original timeframe and the company intends to extend its implementation, the matter shall be promptly reviewed and approved by the board of directors, and the sponsor shall issue a clear opinion. The company shall promptly disclose the specific reasons for the failure to complete on schedule, explain the current deposit and book status of the raised funds, whether there are circumstances affecting the normal progress of the raised funds usage plan, the expected completion time and phased investment plan, as well as measures to ensure timely completion after the extension.

Article 11 Where any of the following circumstances arise in a fundraising investment project, the Company shall re-evaluate the project's feasibility and projected returns to determine whether to continue its implementation. The Company shall disclose the specific details of the re-evaluation conducted during the reporting period in its most recent periodic report:

(1) Significant changes occur in the market environment related to the fundraising investment project;

(2) Where the investment project funded by the raised capital remains suspended for over one year after the funds are received;

(3) Where the completion deadline for the fundraising investment plan has passed and the amount of raised funds invested has not reached 50% of the relevant planned amount;

(4) Other situations where abnormalities arise in fundraising investment projects.

Where the Company falls under the circumstances specified in the preceding paragraph, it shall promptly disclose such information. Where adjustments to the raised funds investment plan are required, the adjusted raised funds investment plan shall be disclosed simultaneously. Where such adjustments involve changes to raised funds investment projects, the relevant review procedures for altering the use of raised funds shall apply.

Article 12 Where the Company uses self-raised funds to make advance investments in fundraising projects and subsequently replaces such self-raised funds with raised funds upon their receipt, such replacement shall be completed within six months after the raised funds are transferred into the designated special account. During the implementation of fundraising investment projects, payments should in principle be made directly from the raised funds. Where direct payment from raised funds is genuinely impractical for matters such as personnel compensation or purchasing overseas products and equipment, replacement may be made within six months after payment from self-raised funds. Fund replacement matters must be reviewed and approved by the Company's board of directors, with the sponsoring institution issuing a clear opinion. The Company shall report to the Shanghai Stock Exchange and make an announcement within two trading days after the board meeting.

Article 13 The Company may conduct cash management for temporarily idle raised funds. Such cash management shall be implemented through the Special Account for raised funds or the publicly disclosed dedicated settlement account for the product. Where cash management is conducted through the dedicated settlement account for the product, such account shall not hold non-raised funds or be used for other purposes. The implementation of cash management shall not affect the normal progress of the raised funds investment plan.

Cash management products shall meet the following conditions:

(1) Products with high safety levels, such as structured deposits and large-denomination certificates of deposit, shall not be non-principal-protected;

(2) High liquidity, with a product term not exceeding twelve months;

(3) Cash management products shall not be pledged.

When the Company uses temporarily idle raised funds for cash management, it shall be approved by the Company's board of directors, and the sponsor shall issue a clear opinion. The Company shall submit the following information to the Shanghai Stock Exchange for announcement within two trading days after the board meeting:

(1) Basic information regarding this fundraising, including the fundraising period, total amount raised, net proceeds, and investment plan;

(2) Use of Raised Funds;

(3) The amount and duration of cash management, whether there are any disguised changes in the use of raised funds, and measures to ensure that the normal progress of the raised-fund projects is not affected;

(4) The distribution method, investment scope, and safety of cash management products;

(5) Opinion issued by the sponsor.

Article 14 Where the Company uses temporarily idle raised funds for cash management and such use may harm the interests of the company and its investors, it shall promptly disclose the relevant circumstances and the proposed countermeasures.

Article 15 The Company may temporarily use idle raised funds to supplement working capital. The maximum duration for any single temporary working capital supplement shall not exceed twelve months. Such temporary working capital supplements shall be implemented through the special raised funds account and shall be limited to production and business activities related to the Company's principal business operations.

Where the Company temporarily uses idle raised funds to supplement working capital, matters such as the amount and duration shall be reviewed and approved by the Company's board of directors. The sponsor shall issue a clear opinion, and the Company shall report to the Shanghai Stock Exchange and make an announcement within two trading days after the board meeting.

Article 16 The Company shall properly arrange the utilization plan for the portion of the actual net proceeds raised that exceeds the planned fundraising amount (hereinafter referred to as the "surplus raised funds") in accordance with its development plans and actual production and operational needs. The surplus raised funds shall be used for ongoing projects, new projects, and the repurchase and cancellation of the Company's shares in accordance with the law. The Company shall specify the detailed usage plan for the surplus raised funds no later than the overall completion of the investment projects within the same fundraising batch and shall deploy the funds according to the plan. The use of surplus raised funds shall be subject to a resolution passed by the board of directors in accordance with the law, accompanied by a clear opinion from the sponsor, and submitted to the shareholders' meeting for deliberation. The Company shall promptly and fully disclose relevant information regarding the necessity and rationality of using surplus raised funds. Where the Company uses surplus raised funds to invest in ongoing projects or new projects, it shall also fully disclose information such as the construction plan, investment cycle, and rate of return for the relevant projects.

Where it is truly necessary to use temporarily idle surplus raised funds for cash management or temporary working capital supplementation, the necessity and reasonableness thereof shall be explained. When a Company uses temporarily idle surplus raised funds for cash management or temporary working capital supplementation, matters such as the amount and duration shall be reviewed and approved by the board of directors. The sponsor shall issue a clear opinion, and the Company shall promptly disclose relevant information.

Article 17 Upon completion of a single or all fundraising investment projects, if the Company intends to use the surplus raised funds (including interest income) from such projects for other fundraising investment projects, such use shall be subject to approval by the Board of Directors and the issuance of an explicit consent opinion by the sponsor. The Company shall report to the Shanghai Stock Exchange and make an announcement within two trading days after the Board meeting.

If the surplus raised funds (including interest income) are less than RMB10 million, the procedures specified in the preceding paragraph may be waived, and the usage of such funds shall be disclosed in the annual report.

CHAPTER 4 CHANGE IN USE OF PROCEEDS

Article 18 The following circumstances shall be deemed as changes in the use of raised funds:

(1) Canceling or terminating the original fundraising investment project to implement a new project or supplement working capital;

(2) Change the implementing entity for the fundraising investment project;

(3) Change the implementation method of the fundraising investment project;

(4) Other circumstances deemed by the China Securities Regulatory Commission or the Shanghai Stock Exchange to constitute a change in the use of raised funds.

Article 19 Where the Company falls under the circumstances specified in Article 18(1), the sponsor shall, in conjunction with previously disclosed documents related to the raised funds, specifically explain the primary reasons for changes in the raised funds investment projects and the reasonableness of its prior sponsorship opinions.

A change in the implementing entity of a fundraising investment project between the company and its wholly-owned subsidiaries, or a change solely involving the project's implementation location, shall not be deemed a change in the use of raised funds. Such changes shall be resolved by the board of directors without requiring shareholder meeting approval. The sponsor shall issue a clear opinion, and the company shall promptly disclose relevant information.

Where the Company uses raised funds in violation of the provisions of Articles 13, 15, and 16(2) of these Rules, exceeding the amount, timeframe, or other matters determined through the board of directors' deliberation process, and where the circumstances are serious, such actions shall be deemed an unauthorized alteration of the purpose of the raised funds.

Article 20 The Company's board of directors shall prudently conduct feasibility analyses of proposed new fundraising investment projects following any changes, ensuring that such projects possess favorable market prospects and profitability, can effectively mitigate investment risks, and enhance the efficiency of raised funds utilization. Revised fundraising investment projects shall be directed toward the Company's principal business operations.

Article 21 Where the Company intends to alter a fundraising investment project, it shall report to the Shanghai Stock Exchange and announce the following information within two trading days after submission to the board of directors for deliberation:

(1) Basic details of the original project and specific reasons for the change;

(2) Basic Information and Risk Disclosure for the New Project;

(3) Investment plans for new projects;

(4) A statement indicating whether the new project has obtained or is awaiting approval from relevant authorities (if applicable);

(5) The sponsor's opinion on the change to the fundraising investment project;

(6) Explanation that changes to the use of raised funds still require submission to the shareholders' meeting for deliberation;

(7) Other information required by the Shanghai Stock Exchange.

Newly raised investment projects involving related-party transactions, asset acquisitions, or external investments shall also be disclosed in accordance with the relevant rules.

Article 22 Where the Company intends to transfer or replace its fundraising investment projects externally (except where such projects have been fully transferred or replaced during the company's implementation of a major asset restructuring), it shall report to the Shanghai Stock Exchange and announce the following information within two trading days after the board of directors approves the matter:

(1) Specific reasons for the external transfer or replacement of the fundraising investment project;

(2) Amount of raised funds already invested in the project;

(3) The project's completion status and realized benefits;

(4) Basic information and risk warnings (if applicable) regarding the replacement items;

(5) Pricing basis for transfers or exchanges and related proceeds;

(6) The sponsor's opinion on the transfer or substitution of the raised funds investment project;

(7) Explanation of the need to submit the transfer or replacement of the fundraising investment project to the shareholders' meeting for review;

(8) Other information required by the Shanghai Stock Exchange.

The Company shall pay close attention to the collection and utilization of the transfer consideration, the change in ownership of the acquired assets, and the ongoing operation of the acquired assets, and shall fulfill its necessary information disclosure obligations.

CHAPTER 5 MANAGEMENT AND SUPERVISION OF RAISED FUNDS

Article 23 The Company shall disclose the actual use of raised funds in a truthful, accurate, and complete manner. The Board of Directors shall conduct a comprehensive review of the progress of raised funds investment projects every six months and prepare the Special Report on the Storage, Management, and Actual Use of Raised Funds (hereinafter referred to as the "Special Report on Raised Funds").

The Special Report on Raised Funds shall be reviewed and approved by the Board of Directors and shall be reported to the Shanghai Stock Exchange and announced within two trading days after submission to the Board for review. During the annual audit, the Company shall engage an accounting firm to issue an attestation report on the deposit and use of raised funds, which shall be disclosed when the annual report is released.

Where the actual investment progress of raised funds projects differs from the investment plan, the Company shall explain the specific reasons in the Special Report on Raised Funds. If idle raised funds were invested in products during the current period, the company shall disclose in the Special Report on Raised Funds the returns for the reporting period, as well as the end-of-period investment shares, contracting parties, product names, and terms.

Article 24 Sponsoring institutions shall conduct ongoing supervision over the deposit, management, and use of the Company's raised funds in accordance with the "Administrative Measures for Securities Issuance and Listing Sponsorship Business." Should any irregularities be discovered during such supervision, on-site verification shall be promptly conducted. The sponsor shall conduct on-site verification of the Company's deposit, management, and use of raised funds at least once every six months. Should the sponsor discover any irregularities during ongoing supervision or on-site verification, it shall promptly report such findings to the local offices of the China Securities Regulatory Commission and the Shanghai Stock Exchange. At the end of each fiscal year, the sponsor shall issue a special verification report on the Company's annual fundraising deposits, management, and usage, and submit it to the securities exchange where the Company is listed when the Company discloses its annual report. The verification report shall include the following contents:

(1) The deposit, utilization, and special account balances of raised funds;

(2) Progress of the fundraising projects, including any deviations from the planned investment schedule;

(3) Replacement of self-raised funds previously invested in fundraising projects with raised funds (if applicable);

(4) The use and effectiveness of idle raised funds to supplement working capital (if applicable);

(5) Use of oversubscribed funds (if applicable);

(6) Changes in the use of raised funds (if applicable);

(7) Conclusive opinion on whether the company's fundraising deposits and usage comply with regulations;

(8) Other information required by the Shanghai Stock Exchange.

When conducting annual audits, accounting firms shall issue attestation reports on the deposit, management, and utilization of funds raised by listed companies.

The Company shall cooperate with the sponsor's ongoing supervision and on-site verification, as well as the audit work of the accounting firm, and shall promptly provide or apply to the bank for the provision of necessary materials related to the deposit, management, and use of raised funds.

At the end of each fiscal year, the Company's board of directors shall disclose the concluding opinions of the sponsor's special verification report and the accounting firm's attestation report in the Special Report on Raised Funds.

CHAPTER 6 ADDENDUM

Article 25 Where fundraising projects are implemented through subsidiaries of the Company or other enterprises controlled by the Company, the relevant provisions of this system shall apply.

Article 26 Matters not covered by these regulations shall be governed by relevant national laws, regulations, normative documents, and the Company's articles of association. In case of inconsistency between these regulations and relevant laws, regulations, normative documents, or the Company's Articles of Association, the provisions of the relevant laws, regulations, normative documents, and Articles of Association shall prevail. Should these Regulations conflict with any laws, regulations, normative documents subsequently promulgated by the state, or with the Articles of Association of the Company as amended through lawful procedures, the provisions of the relevant laws, regulations, normative documents, and the Articles of Association shall prevail, and these Regulations shall be revised accordingly.

Article 27 These regulations shall take effect and be implemented upon approval by the Company's shareholders' meeting.

Article 28 This system shall not apply to the management of funds raised through the issuance of foreign-invested shares (H-shares) listed overseas. The management of funds raised through H-share offerings shall be governed by the relevant provisions of the Securities and Futures Commission of Hong Kong, The Stock Exchange of Hong Kong Limited, and the Hong Kong Listing Rules.

Article 29 The Board of Directors shall be responsible for revising and interpreting these regulations.

Shanghai Fudan Microelectronics Group Company Limited

November 2025

CHAPTER 1 GENERAL PROVISIONS

Article 1 To regulate the related party transactions (referred to as 'connected transactions' under the Hong Kong Listing Rules, hereinafter the same) of Shanghai Fudan Microelectronics Group Co., Ltd. (hereinafter referred to as the 'Company'), ensure the fairness and reasonableness of such transactions, and safeguard the interests of the Company and its shareholders, in accordance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, Shanghai Stock Exchange Listing Rules No. 5 – Transactions and Connected Transactions The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the 'Hong Kong Listing Rules'), the Shanghai Stock Exchange STAR Market Listing Rules (hereinafter referred to as the 'STAR Market Listing Rules') and other laws, regulations, normative documents, and the Articles of Association of Shanghai Fudan Microelectronics Group Co., Ltd. (hereinafter referred to as the 'Articles of Association'), this Rules of the Management of connected/related party transactions of Shanghai Fudan Microelectronics Group Company Limited (hereinafter referred to as the "Rules" or "Regulations") is hereby established.

Article 2 The Company implements a classification management system for related party transactions. It determines the scope of related parties in accordance with the Hong Kong Listing Rules, STAR Market Listing Rules, and other relevant laws and regulations, and complies with the corresponding requirements for related party transaction approvals, information disclosure, and other procedures.

When conducting transactions, the company shall consider the circumstances separately under the Hong Kong Listing Rules and the STAR Market Listing Rules, and shall apply the stricter of the two sets of rules to determine whether the parties involved in the transaction are connected persons of the Company, whether the transaction constitutes a connected transaction, and the applicable decision-making procedures and disclosure requirements.

Article 3 The Company's related-party transactions shall adhere to the following fundamental principles:

(1) Related-party transactions between the Company and its related parties shall be governed by written agreements. Such agreements shall be entered into in accordance with the principles of equality, voluntariness, equivalence, and compensation, and shall comply with the general commercial terms applicable in the company's ordinary course of business;

(2) Principles of fairness, impartiality, and transparency: The pricing or fees for related-party transactions shall, in principle, not deviate from the standards applicable to independent third parties in the market. For related-party transactions where market prices are difficult to compare or pricing is restricted, the relevant cost and profit standards shall be clearly stipulated in the contract;

(3) Related shareholders shall abstain from voting at shareholder meetings where related-party transactions involving them are deliberated;

(4) Any director with a material interest in a matter shall recuse themselves from voting on that matter during the board meeting;

(5) The Company's board of directors shall determine whether the related-party transaction is beneficial to the Company based on objective criteria. When necessary, it shall engage professional appraisers and/or independent financial advisors to provide opinions.

Article 4 The Company's shareholders' meeting and board of directors shall supervise, manage, and approve related-party transactions in accordance with the relevant provisions of the Hong Kong Listing Rules, STAR Market Listing Rules, and the Articles of Association. The Finance Department is responsible for the daily management of related-party transactions, establishing pricing principles for such transactions, calculating transaction amounts, assisting the Board Secretary in disclosing related-party transactions, and monitoring compliance with annual caps for ongoing related-party transactions. The Board Secretary is responsible for the disclosure of related-party transaction information.

CHAPTER 2 RELATED PARTIES

Article 5 The Company's related parties/connected person include related legal entities and related natural persons, whose definitions shall be governed by the Hong Kong Listing Rules, the STAR Market Listing Rules, and relevant laws and regulations.

Article 6 Pursuant to the STAR Market Listing Rules and relevant laws and regulations, a legal person shall be deemed an affiliate of the Company if it falls under any of the following circumstances:

(1) Natural persons, legal entities, or other organizations that directly or indirectly control the company;

(2) Natural persons who directly or indirectly hold 5% or more of the Company's shares;

(3) Directors and senior management of the Company;

(4) Family members closely related to the natural persons referred to in subparagraphs (1), (2), and (3) of this paragraph, including spouses; children aged 18 or older and their spouses; parents and parents-in-law; siblings and their spouses; siblings-in-law; and parents of children's spouses.

(5) Legal persons or other organizations holding more than 5% of the Company's shares directly, and their concerted parties;

(6) Directors, supervisors, senior management personnel, or other principal officers of legal persons or other organizations that directly or indirectly control the Company;

(7) Any legal entity or other organization directly or indirectly controlled by the affiliated legal entities or affiliated natural persons listed in subparagraphs (1) through (6) of this paragraph, or any legal entity or other organization where the aforementioned affiliated natural persons (excluding independent directors) serve as directors or senior management personnel, except for the company and its wholly-owned subsidiaries;

(8) Legal entities or other organizations holding more than 5% of the Company's shares indirectly, and their concerted parties;

(9) Any natural person, legal entity, or other organization that the China Securities Regulatory Commission (hereinafter referred to as "CSRC"), the Shanghai Stock Exchange (hereinafter referred to as "SSE"), or the Company deems to have a special relationship with the Company based on the principle of substance over form, which may result in the Company's interests being tilted in their favor.

Where the Company and a legal person or other organization listed in subparagraph (1) of this Article are controlled by the same state-owned asset management institution, thereby forming the circumstances described in this Article, such control shall not constitute an affiliated relationship, except where the legal representative, chairman, general manager, responsible person, or more than half of the directors of such legal person concurrently serve as directors or senior management personnel of the Company.

Article 7 Pursuant to the STAR Market Listing Rules, any legal person, other organization, or natural person that meets any of the circumstances listed in Article 6 within 12 months prior to the transaction date, or within 12 months after the relevant transaction agreement takes effect or the arrangement is implemented, shall be deemed an affiliate of the Company.

Article 8 An affiliated relationship primarily refers to the means or channels through which a party has the ability to directly or indirectly control or exert significant influence over the Company in its financial and operational decision-making. This primarily includes equity relationships, personnel relationships, management relationships, and commercial interest relationships existing between the affiliated party and the Company.

Article 9 The determination of related party relationships shall be based on a substantive assessment of the specific methods, channels, and extent by which related parties exercise control or influence over the Company.

Article 10 Pursuant to the Hong Kong Listing Rules, except for the exceptions specified therein, connected persons of the Company and its subsidiaries generally include the following parties:

(1) A director, chief executive, or substantial shareholder (meaning a person who is entitled to exercise or control the exercise of 10% or more of the voting rights at a general meeting of the Company) of the Company or any of its subsidiaries (as defined in the Hong Kong Listing Rules);

(2) any person who has served as a director of the company or any of its subsidiaries within the past 12 months;

(3) A supervisor of the Company or any of its subsidiaries (collectively with the persons referred to in subparagraphs (i), (ii), or (iii) of this paragraph, referred to as "Key Connected Persons");

(4) any non-wholly owned subsidiary of the Company, where any connected person at the corporate level is individually or collectively entitled to exercise or control the exercise of 10% or more of the voting rights at the shareholders' meeting of such non-wholly owned subsidiary, and any subsidiary of such non-wholly owned subsidiary;

(5) Associates for any Key Connected Persons, including:

1. Where the Key Connected Person is an individual:

(1) The individual's spouse, and the individual's or spouse's children or stepchildren under the age of 18 (whether biological or adopted) ("immediate family members");

(2) A trustee acting in the capacity of trustee for any trust where that trust has as its beneficiary such individual or any of his or her lineal relatives, or in the case of a discretionary trust, the subject of the discretionary trust (to the best of his or her knowledge);

(3) A 30% Controlled Company (as defined in the Hong Kong Listing Rules) held directly or indirectly by a Key Connected Person, their immediate family members, and/or their trustees (individually or collectively), or any subsidiary of such company;

(4) Any person living with him/her as a spouse, child, stepchild, parent, stepparent, sibling, or stepsibling ("family member"); or

(5) Any company in which any family member (individually or collectively) directly or indirectly holds, or which is held by a family member together with himself, his immediate family members, and/or his trustees, a majority controlling interest; or any subsidiary of such company; and

(6) If a Key Connected Person, his immediate family members, and/or his trustees collectively hold, directly or indirectly, 30% or more of the paid-up capital or assets of any cooperative or contractual joint venture (regardless of whether such joint venture has independent legal personality), or hold 30% or more of the profits or other benefits of the joint venture under the contract (or any other percentage applicable under China law that triggers a mandatory public offer or establishes legal or management control over the enterprise), the partners of such joint venture shall be deemed associates of the Key Connected Person;

Except as otherwise provided in the Hong Kong Listing Rules, the persons referred to in items (1), (2), and (3) above are "close associates" of the Key Connected Person.

2. Where the Key Connected Person is a company (i.e., the significant corporate shareholder):

(1) A subsidiary of the significant corporate shareholder, the holding company, or a subsidiary within the same group as such holding company ("Affiliated Company");

(2) A trustee acting in the capacity of trustee for any trust whose beneficiary is the principal corporate shareholder, or in the case of a discretionary trust, the subject of discretionary management (to the knowledge of the principal corporate shareholder);

(3) Any company in which such Key Connected Person, its Affiliated Company, and/or trustees (individually or collectively) directly or indirectly hold 30% or more of the controlled companies, or any subsidiary of such company; and

(4) If the Key Connected Person, its Affiliated Company, and/or trustee collectively hold, directly or indirectly, 30% or more of the paid-up capital or assets of any cooperative or contractual joint venture (regardless of whether such joint venture has independent legal personality) or are contractually entitled to 30% or more of the profits or other benefits of such joint venture (or such other percentage applicable under China law to trigger a mandatory tender offer or establish legal or management control over the enterprise), the partner in such joint venture shall be a contact person of such Key Connected Person.

Except as otherwise provided in the Hong Kong Listing Rules, the persons referred to in items (1), (2), and (3) above are "close associates" of the Key Connected Person.

Article 11 The Company's related-party transaction management department shall be responsible for collecting and updating information on related parties.

CHAPTER 3 RELATED PARTY TRANSACTION

Article 12 Related party transactions refer to transactions between the Company or its subsidiaries within the scope of its consolidated financial statements and other entities, and transactions with third parties involving specific categories that may benefit related parties through their interests in the entities involved in the transactions. Related party transactions may be one-time or ongoing. Related party transactions between the Company's subsidiaries (as defined under the Hong Kong Listing Rules), controlled subsidiaries, and related parties shall be deemed acts of the Company and shall undergo the approval procedures stipulated in this rule.

Article 13 Transactions include both capital-related and income-related transactions, regardless of whether such transactions are conducted in the ordinary course of the Company's business. Except as otherwise provided in the Hong Kong Listing Rules, the STAR Market Listing Rules, and relevant laws and regulations, this includes the following categories of transactions:

(1) the purchase or sale of assets, including deemed disposals as set out in the Hong Kong Listing Rules;

(2) The grant, acceptance, transfer, exercise, non-exercise, or termination of an option to purchase or sell assets or subscribe for securities; provided that the termination of an option in accordance with the terms of the original agreement, where no penalty, indemnity, or other compensation is payable by the Group, does not constitute a transaction;

(3) Entering into or terminating finance leases, operating leases, or subleases (including leasing or subleasing properties);

(4) Providing indemnities, or offering or accepting financial assistance. "Financial assistance" includes granting credit, lending funds, or providing indemnities, guarantees, or collateral for loans;

(5) Enter into agreements or arrangements to establish any form of joint venture (whether as a partnership or incorporated entity) or to undertake any other form of joint venture arrangement;

(6) The issuance of new securities by a listed company or its subsidiary, or the sale or transfer of treasury shares, including the underwriting or sub-underwriting of securities issuances or the sale or transfer of treasury shares;

(7) Providing or receiving services;

(8) Foreign investments (including entrusted asset management, entrusted loans, investments in subsidiaries, etc., excluding purchases of low-risk bank wealth management products);

(9) Providing guarantees (including guarantees for subsidiaries);

(10) Lease assets;

(11) Entering into management contracts (including entrusting or accepting entrusted management of assets and business operations, etc.);

(12) Assets given or received as gifts;

(13) Debt or creditor restructuring;

(14) Enter into a license agreement;

(15) Transfer or acquire research and development projects;

(16) Purchase or sale of raw materials, fuel, and power;

(17) Purchase or sale of semi-finished products, products, or goods;

(18) Commissioned or entrusted purchase or sale;

(19) Depositing funds or taking out loans with a related-party finance company;

(20) Joint investment with related parties;

(21) Providing, receiving, or sharing services;

(22) Providing financial assistance (including interest-bearing or interest-free loans, entrusted loans, etc.);

(23) Other matters that may result in the transfer of resources or obligations through agreement;

(24) Waiver of rights (including waiver of preemptive rights, priority subscription rights, etc.); or

(25) Other matters that the listed stock exchange deems to constitute related-party transactions.

Article 14 Except as otherwise provided in the STAR Market Listing Rules, the Hong Kong Listing Rules, and relevant laws and regulations, the Company shall classify related party/connected transactions according to the test methods set forth in the Hong Kong Listing Rules and shall comply with or be exempted from the reporting, announcement, and independent shareholders' approval requirements accordingly when entering into agreements. In general, any related party/connected transaction not expressly exempted under the Hong Kong Listing Rules shall be subject to the reporting, announcement, and independent shareholders' approval requirements; among which

(1) Disclosure refers to the disclosure of relevant details in the annual reports and financial statements following the Company's listing;

(2) The announcement includes notifying The Stock Exchange of Hong Kong Limited and publishing a public notice on the exchange's website and the Company's website;

(3) If approval from independent shareholders is required, the Company must establish an independent directors' committee and appoint an independent financial adviser. The Company shall prepare a circular for distribution to shareholders and send it to shareholders prior to the shareholders' meeting in accordance with the timeframe stipulated by the Hong Kong Listing Rules. All connected persons with a material interest in the transaction must abstain from voting at the shareholders' meeting.

Article 15 Unless otherwise specified in the STAR Market Listing Rules, the Hong Kong Listing Rules, or relevant laws and regulations, a continuing related party transaction refers to a related party transaction that is expected to be ongoing or recurring over a period of time and involves the provision of financial assistance, services, or goods. In addition to determining whether relevant transactions require reporting, disclosure, and shareholder approval at the time of agreement execution, ongoing monitoring is required to ensure compliance with the Hong Kong Listing Rules regarding the implementation of such agreements and whether transaction amounts exceed annual caps. Should any material changes occur to the agreement terms, transaction amounts exceed the annual cap, or the agreement is renewed, the relevant provisions of the Hong Kong Listing Rules must be re-complied with.

Article 16 Except as otherwise provided in the STAR Market Listing Rules, the Hong Kong Listing Rules, and relevant laws and regulations, the Company shall, in accordance with applicable provisions, enter into written agreements with related parties for each related-party transaction (including exempted related-party transactions), setting forth the calculation standards for payments. The term of the agreement must be fixed and reflect standard commercial terms. Except as permitted under the Hong Kong Listing Rules, the term of a continuing connected transaction agreement shall not exceed three years. Each continuing related party transaction shall be subject to an annual maximum amount ("cap"), and the Company must disclose the basis for its calculation. The annual cap must be expressed in monetary terms rather than as a percentage of the Company's annual revenue. When establishing the cap, the Company must refer to historical transactions and data identified in its published materials. If the Company has no prior transactions of this nature, the cap must be set based on reasonable assumptions, with details of the assumptions disclosed.

Where related party transactions exceed the prescribed limits during implementation, require amendments to agreements, or necessitate renewal upon expiration, they shall be subject to re-approval in accordance with the procedures stipulated in the Hong Kong Listing Rules and this rule, and must again comply with the relevant requirements of the Hong Kong Listing Rules.

Article 17 Transactions between the Company and its related parties (excluding the provision of guarantees or financial assistance) shall be disclosed promptly if they meet any of the following criteria:

(1) Transactions with related natural persons involving amounts exceeding RMB300,000;

(2) Transactions with related entities where the transaction amount exceeds 0.1% of the Company's latest audited total assets or market value, and exceeds RMB3 million.

If the data involved in the above indicators is negative, calculate using its absolute value.

The transaction amount referred to in this rule denotes the amount received or paid for the transaction, along with any liabilities, expenses, and rights to be enjoyed. Where a transaction arrangement involves potential future payments or receipts of consideration, and no specific amount is specified or the amount is determined based on predetermined conditions, the estimated maximum amount shall be deemed the transaction amount.

In addition, the company shall fulfill its relevant information disclosure obligations on The Stock Exchange of Hong Kong Limited in accordance with the relevant provisions of The Stock Exchange of Hong Kong Limited and the Hong Kong Listing Rules.

Article 18 The Company's related-party transactions shall comply with the following pricing principles and methods:

(1) The pricing sequence for related-party transactions shall follow the principles of state-set pricing, market pricing, and negotiated pricing. Where neither state-set pricing nor market pricing exists, the price shall be determined using the cost-plus-reasonable-profit method. If the price cannot be determined by the aforementioned methods, it shall be mutually agreed upon by both parties.

(2) The pricing method shall be determined by the parties to the transaction based on the specific circumstances of the related matter and shall be clearly specified in the relevant related-party transaction agreement.

(3) Market price: The price and rate determined by an independent third party under normal commercial terms for identical or similar assets, goods, or services, without deviation from market conditions.

(4) Cost-plus pricing: Determining transaction prices and rates by adding a reasonable profit margin to the cost of the traded assets, goods, or services.

(5) Agreed Price: Prices and rates determined through negotiation based on principles of fairness and impartiality.

For pricing policies on continuing related party transactions, reference may be made to the Hong Kong Exchanges and Clearing Limited Guidance Letter (HKEx-GL73-14) (issued in March 2014) (updated in July 2014) (Guidance on Pricing Policies for Continuing Connected Transactions and Related Information Disclosure).

Article 19 Management of Related-Party Transaction Pricing:

(1) The parties to the transaction shall calculate the transaction price based on the price and actual transaction volume specified in the related-party transaction agreement, and settle the payment in accordance with the payment method and schedule stipulated therein.

(2) The Company's financial management department shall monitor market price and cost fluctuations in related-party transactions and report such changes to the board of directors for record.

CHAPTER 4 DECISION-MAKING PROCEDURES FOR RELATED-PARTY TRANSACTIONS

Article 20 When the Board of Directors deliberates on related-party transactions, directors who have a related-party relationship with the counterparty shall abstain from voting and shall not exercise voting rights on behalf of other directors. Their voting rights shall not be counted in the total number of votes cast. Board meetings shall be attended by a majority of non-related directors, and resolutions must be approved by a majority of directors without any relation. If fewer than three non-related directors attend the board meeting, the matter shall be submitted to the shareholders' meeting for deliberation.

The term "related director" as referred to in the preceding paragraph includes directors who fall under any of the following categories or circumstances:

(1) as the counterparty to the transaction;

(2) as the direct or indirect controller of the counterparty to the transaction;

(3) Serving in a position with the counterparty, or serving in a position with a legal person or other organization that directly or indirectly controls the counterparty, or with a legal person or other organization directly or indirectly controlled by the counterparty;

(4) Family members closely related to the natural persons listed in paragraphs (1) and (2) of this Article;

(5) Family members who have a close relationship with directors, supervisors, or senior management personnel of the legal persons or organizations listed in paragraphs (1) and (2) of this Article;

(6) Directors whose independent business judgment may be impaired, as determined by the China Securities Regulatory Commission, the Shanghai Stock Exchange, or the company based on the principle of substance over form;

(7) Other circumstances where the individual or any of their associates has a material interest in the transaction under the Hong Kong Listing Rules.

Article 21 When the shareholders' meeting of the Company deliberates on related-party transaction matters, any shareholder with a material interest in the transaction pursuant to the STAR Market Listing Rules and the Hong Kong Listing Rules (hereinafter referred to as the "related shareholders") shall abstain from voting and shall not exercise voting rights on behalf of other shareholders.

Article 22 Related shareholders include shareholders who fall under any of the following circumstances:

(1) Counterparty;

(2) Directly or indirectly controls the counterparty;

(3) Directly or indirectly controlled by the counterparty;

(4) Where the counterparty is under the direct or indirect control of the same legal person, other organization, or natural person;

(5) Serving in a position with the counterparty, or serving in a position with a legal person or other organization that directly or indirectly controls the counterparty, or with a legal person or other organization directly or indirectly controlled by the counterparty;

(6) A close family member of the counterparty or its direct or indirect controller;

(7) Where voting rights are restricted or affected due to outstanding share transfer agreements or other agreements with the counterparty or its affiliates;

(8) Shareholders deemed by the China Securities Regulatory Commission, the Shanghai Stock Exchange, or the company itself to potentially cause the Company to favor their interests;

(9) Other circumstances where the individual or any of their associates have a material interest in the transaction pursuant to the STAR Market Listing Rules and the Hong Kong Listing Rules.

Article 23 The recusal and voting procedures for related directors shall be as follows:

(1) Related directors shall proactively submit recusal requests; otherwise, other directors have the right to request their recusal;

(2) In the event of a dispute regarding whether a director is considered related, the Board shall request confirmation of the related party status from the relevant regulatory authorities or the Company's legal counsel, and shall determine whether recusal is required based on the response from such authorities or counsel;

(3) Related directors may attend meetings to discuss matters concerning related-party transactions;

(4) When the Board of Directors votes on matters related to related-party transactions, directors with a related interest shall not exercise their voting rights nor act as proxies for other directors to exercise their voting rights.

Article 24 The recusal and voting procedures for related shareholders shall be as follows:

(1) Related shareholders shall proactively submit recusal requests. Otherwise, other shareholders have the right to submit recusal requests for related shareholders to the shareholders' meeting.

(2) In the event of a dispute over whether a shareholder is a related shareholder, the meeting chairperson shall conduct a review, and the attending legal counsel shall determine whether the relevant shareholder qualifies as a related shareholder in accordance with applicable regulations.

(3) When the shareholders' meeting votes on matters related to related-party transactions, related shareholders shall abstain from voting and shall not be counted toward the quorum. They may not exercise voting rights on behalf of other shareholders. After deducting the number of voting shares represented by related shareholders, non-related shareholders present at the meeting shall vote in accordance with the provisions of the Articles of Association and the Rules of Procedure for Shareholders' Meetings of Shanghai Fudan Microelectronics Group Co., Ltd.

Article 25 Where the following related party transactions are entered into by the Company with related parties, provided that the requirements of the Hong Kong Listing Rules and the STAR Market Listing Rules are satisfied, the Company may be exempted from fulfilling the relevant deliberation and disclosure obligations under this system:

(1) One party subscribes in cash for shares, convertible corporate bonds, or other derivative instruments issued by the other party to unspecified parties, as well as publicly issued corporate bonds (including enterprise bonds);

(2) One party acts as a member of an underwriting syndicate to underwrite shares, convertible corporate bonds, or other derivative instruments issued by another party to unspecified investors;

(3) One party receives dividends, bonuses, or remuneration based on the resolution of the other party's shareholders' meeting;

(4) Except where one party participates in the other party's public tender or auction, but the tender or auction is unlikely to result in a fair price;

(5) Transactions in which the Company unilaterally receives benefits, including receiving cash assets as gifts, obtaining debt relief, accepting guarantees, and receiving financial assistance;

(6) Pricing for related-party transactions is determined by national regulations;

(7) Related parties provide funds to the company at interest rates not exceeding the Loan Market Quotation Rate stipulated by the People's Bank of China, and the Company has no corresponding guarantees for such financial assistance;

(8) The Company provides products and services to directors and senior management under the same transaction terms as those offered to non-related parties;

(9) Other transactions as determined by the jurisdiction where the company's shares are listed.

Article 26 Decision-making for related party/connected transactions:

Pursuant to the Hong Kong Listing Rules, the Company shall conduct ratio tests in accordance with the requirements of the Hong Kong Listing Rules for proposed connected transactions, including: 1. Asset Ratio, being the percentage of the total value of assets involved in the transaction relative to the total value of the Company's assets; 2. Revenue Ratio, being the percentage of revenue of the target involved in the transaction relative to the Company's total revenue; 3. Consideration Ratio, being the percentage of the consideration involved in the transaction over the Company's total market capitalisation; and 4. (Applicable only where the company issues consideration shares in an acquisition) Equity Ratio, being the number of shares issued by the Company as consideration divided by the total number of shares in issue prior to the transaction (excluding the profit ratio). The data used for the aforementioned ratio tests may require adjustments in specific circumstances in accordance with the Hong Kong Listing Rules, with the precise calculation methods following the provisions of the Hong Kong Listing Rules.

(1) Related party transactions authorised by the General Manager:

Related party transactions granted de minimis exemption under the Hong Kong Listing Rules, as amended from time to time, shall be authorised by the General Manager for approval.

Pursuant to the STAR Market Listing Rules and relevant laws and regulations, Related party transactions (meaning matters involving the transfer of resources or obligations between the Company or its subsidiaries and related parties of the Company, hereinafter the same) where the transaction amount between the Company and a related natural person is below RMB300,000 (excluding the provision of guarantees), and related party transactions where the transaction amount between the Company and a related legal person does not exceed RMB3,000,000 or is below 0.1% of the Company's most recent audited total assets or market capitalisation, shall be reviewed and approved by the Company's General Manager. Related party transactions requiring the approval of the General Manager shall be reported in writing to the General Manager by the relevant functional department first to become aware of the matter. The necessity, reasonableness, and fairness of pricing for such related party transactions shall be reviewed by the General Manager or the General Manager's Office Meeting. Where related-party transactions are unavoidable, they shall be implemented following review and approval by the General Manager or the General Manager's Office Meeting. The General Manager shall fully report to the Board of Directors any information and materials pertaining to related-party transactions arising from daily production and operational activities that may require Board deliberation.

(2) Related party transactions requiring board deliberation procedures to be carried out only upon approval by a majority of all independent directors:

Exempted from compliance with the relevant circular (including independent financial advice) and shareholders' approval for connected transactions pursuant to the Hong Kong Listing Rules, as amended from time to time.

Pursuant to the STAR Market Listing Rules and relevant laws and regulations, (1) related party transactions involving natural persons where the transaction amount (excluding guarantees provided) exceeds RMB300,000; (2) related party transactions involving legal persons where the transaction amount exceeds RMB3 million and represents 0.1% or more of the Company's latest audited total assets or market capitalisation; (3) Related party transactions falling within the authority of the General Manager to determine and implement, but which the Board of Directors, independent directors, or the Audit Committee deem should be submitted to the Board for review; (4) Related party transactions authorised by the Shareholders' Meeting for determination and implementation by the Board of Directors shall be reviewed and approved by the Board.

Related party transactions approved by the Board of Directors shall be reported to the Board by the General Manager or Director who first comes into contact with the matter. The Board shall, in accordance with its convening procedures, make a reasonable determination as to whether the transaction constitutes a related party transaction and pass a resolution accordingly.

(3) Related party/connected transactions requiring approval by the Company's shareholders' meeting: Related party/connected transactions not exempted under the Hong Kong Listing Rules, as amended from time to time (subject to reporting, announcement and independent shareholders' approval requirements), shall be submitted to the shareholders' meeting for consideration and approval following deliberation and approval by the Board of Directors.

Pursuant to the STAR Market Listing Rules, related party transactions meeting the following criteria shall be submitted to the shareholders' meeting for deliberation: (1) transactions with related parties exceeding RMB30 million in value, and representing 1% or more of the company's latest audited total assets or market capitalisation (excluding guarantees provided by the company); (2) guarantees provided to related parties; (3) Related party transactions that fall within the authority of the general manager or board of directors to determine and implement, but which independent directors or the audit committee deem should be submitted to the shareholders' meeting for review, shall be approved by the shareholders' meeting.

Where the company establishes a joint venture with related parties and its capital contribution meets the aforementioned threshold, if all contributing parties provide capital exclusively in cash and their respective equity stakes in the established company are determined proportionally based on their capital contributions, submission for shareholders' meeting approval may be exempted. Should the Hong Kong Listing Rules stipulate otherwise, the relevant provisions of the Hong Kong Listing Rules shall prevail.

Where the Board of Directors determines that a related party transaction should be submitted to the shareholders' meeting for approval, the Board shall adopt a resolution to submit the matter to the shareholders' meeting for consideration and issue a circular convening the shareholders' meeting. The circular shall specify the date, venue, and agenda items of the shareholders' meeting, and clearly state the content, nature, and circumstances of the related parties involved in the transaction. Where the Company intends to enter into a related party transaction requiring submission to the shareholders' meeting for consideration, it shall obtain the prior written approval of the independent directors before submitting the matter to the board of directors for deliberation. Independent directors shall disclose their views on the fairness of related party transactions, whether such transactions serve the interests of the company and its shareholders, the fairness and reasonableness of annual transaction limits (where transactions are continuing), and their voting recommendations. Concurrently,

the circular shall disclose the opinion issued to the independent directors by the independent financial adviser engaged by the independent board committee regarding the fairness of the relevant connected transactions, whether they are in the interests of the company and its shareholders, the fairness and reasonableness of the annual cap on connected transactions (where such transactions are ongoing), and recommendations on voting.

Article 27 Related party transactions meeting the Board deliberation criteria stipulated in these regulations shall be submitted to the Board for discussion only after receiving the approval of more than half of all independent directors. Prior to making their determination, independent directors may engage intermediaries to issue independent financial advisory reports as the basis for their judgement.

Article 28 Transactions between the Company and its related parties involving amounts exceeding RMB30 million and constituting 1% or more of the Company's latest audited total assets or market capitalisation (excluding guarantees provided by the Company) shall be supported by an audit report or valuation report. The audit opinion issued by the accounting firm shall be a standard unqualified opinion. The date of the audited financial statements shall not exceed six months prior to the date of use of the audit report, and the valuation date of the valuation report shall not exceed one year prior to the date of use of the valuation report. Related party transactions related to daily operations may be exempted from audit or valuation.

Where the Company provides guarantees for its controlling shareholder, actual controller and their affiliated parties, the controlling shareholder, actual controller and their affiliated parties shall provide counter-guarantees.

Article 29 When the Company engages in routine related party transactions with related parties, it shall disclose and fulfil the deliberation procedures in accordance with the following provisions:

(1) The company may reasonably estimate the annual amount of routine related-party transactions by category, subject to the fulfilment of deliberation procedures and disclosure. Should the actual amount executed exceed the estimated amount, the deliberation procedures shall be re-executed and disclosed in respect of the excess amount;

(2) The Company shall disclose routine related party transactions in their annual and half-yearly reports by categorising and summarising them;

(3) Where the term of a routine related-party transaction agreement entered into by the company with a related party exceeds three years, the relevant approval procedures and disclosure obligations shall be re-executed every three years.

Article 30 Where the Company engages in related party transactions with connected persons in connection with its daily operations, it shall comply with the following provisions regarding the corresponding approval procedures:

(1) For routine related party transactions occurring for the first time, the company shall enter into a written agreement with the related party. Depending on the transaction amount involved in the agreement, the provisions of Article 26 shall apply, requiring submission to the board of directors or shareholders' meeting for deliberation (where required).

(2) Where a routine related party transaction agreement has been approved by the Company's board of directors or shareholders' meeting and is currently being implemented, and where significant changes occur to its principal terms during implementation or renewal is required upon expiry, the Company shall submit the newly amended or renewed routine related party transaction agreement to the board of directors or shareholders' meeting for deliberation (if required) in accordance with the provisions of Article 26, based on the transaction amount involved in the agreement.

(3) Where numerous routine continuing connected transactions occur annually and frequent execution of agreements renders it impracticable to submit each agreement for consideration by the board of directors or shareholders' meeting, the Company shall enter into a connected transaction framework agreement with each counterparty in accordance with the relevant provisions of the Hong Kong Listing Rules and this framework, stipulating an annual transaction amount cap. Such framework agreements and annual caps shall be submitted to the board of directors or shareholders' meeting for consideration in accordance with the provisions of Article 26 of these Rules. Should the actual amount of daily connected transactions exceed the projected annual cap during implementation, the Company shall comply with the reporting, announcement or independent shareholders' approval requirements under the Hong Kong Listing Rules as stipulated in Article 26 for the excess amount.

(4) The Company's independent non-executive directors shall annually review such continuing connected transactions and report thereon in the annual report. Furthermore, the Company must annually engage its auditors to report on the continuing connected transactions.

Article 31 The daily related-party transaction agreement shall at least include the following principal terms: transaction price, pricing principles and basis, total transaction volume or its determination method, payment schedule and method. Where the term of a routine connected transaction agreement entered into by the Company with a connected person exceeds three years, provided that the Hong Kong Listing Rules and STAR Market Listing Rules are satisfied, the relevant approval procedures and disclosure obligations shall be re-performed every three years.

Article 32 Where the Company enters into transactions relating to the subject matter of the same category of transaction with different related parties within a continuous period of 12 months, or where the Company enters into related party transactions with the same related party, the transaction amount shall be calculated on an aggregate basis. Such transactions shall be submitted to the board of directors or the shareholders' meeting for deliberation in accordance with the provisions of Article 26 and disclosed in accordance with the provisions of this system. The term 'same related party' includes other related parties that are controlled by the same entity as such related party or that have mutual shareholding control relationships with such related party.

Article 33 Where the Company provides guarantees for related parties, such guarantees shall be underpinned by sound commercial rationale. Regardless of the amount involved, in addition to being approved by a majority of all non-related directors, they shall also be subject to deliberation and resolution by at least two-thirds of the non-related directors present at the board meeting, and shall be submitted to the shareholders' meeting for consideration. Where the Company provides guarantees for shareholders holding less than 5% of its shares, the provisions of the preceding paragraph shall apply mutatis mutandis, and the relevant shareholders shall abstain from voting at the shareholders' meeting.

Where the Company provides guarantees for the controlling shareholder, actual controller and their affiliated parties, the controlling shareholder, actual controller and their affiliated parties shall provide counter-guarantees.

Where the Company becomes an associate of the guaranteed party as a result of a transaction or related-party transaction, it shall, concurrently with the implementation of such transaction or related-party transaction, fulfil the corresponding deliberation procedures and information disclosure obligations pertaining to the existing associated guarantee.

Where the board of directors or shareholders' meeting fails to deliberate and approve the related party guarantee matters specified in the preceding paragraph, the parties to the transaction shall take effective measures such as the early termination of the guarantee.

Article 34 The Company shall not provide financial assistance to related parties, except where such assistance is provided to a related equity-participated company not controlled by the controlling shareholder or actual controller of the listed company, and where the other shareholders of such equity-participated company provide financial assistance on equal terms in proportion to their respective capital contributions.

Where the Company provides financial assistance to an associated equity-participated company as stipulated in the preceding paragraph, such assistance shall be approved not only by a majority vote of all non-related directors but also by a vote of not less than two-thirds of the non-related directors present at the board meeting, and shall be submitted to the shareholders' meeting for deliberation.

Article 35 The Company shall adopt effective measures to prevent shareholders and their related parties from appropriating or transferring the Company's funds, assets, or other resources in any form. The Company shall not provide funds directly or indirectly to controlling shareholders or other related parties for their use in the following ways:

(1) Lending the Company's funds to the controlling shareholder and other related parties, whether for consideration or free of charge;

(2) Providing entrusted loans to related parties through banks or non-bank financial institutions;

(3) Entrusting the controlling shareholder and other related parties to conduct investment activities;

(4) Issuing commercial acceptance bills without genuine transaction backing for the controlling shareholder and other related parties;

(5) Repaying debts on behalf of controlling shareholders and other related parties;

(6) Any other method recognised by the regulatory authority of the place where the Company's shares are listed.

CHAPTER 5 ADDENDUM

Article 36 Matters not covered by these regulations shall be governed by relevant national laws, regulations, normative documents, Hong Kong Listing Rules and the Company's articles of association. In case of inconsistency between these regulations and relevant laws, regulations, normative documents, or the Company's Articles of Association, the provisions of the relevant laws, regulations, normative documents, Hong Kong Listing Rules and Articles of Association shall prevail. Should these Regulations conflict with any laws, regulations, normative documents subsequently promulgated by the state, or with the Articles of Association of the Company as amended through lawful procedures, the provisions of the relevant laws, regulations, normative documents, Hong Kong Listing Rules and the Articles of Association shall prevail, and these Regulations shall be revised accordingly.

Article 37 The market capitalisation referred to in these regulations denotes the arithmetic mean of the closing market capitalisation over the preceding ten trading days.

Article 38 The Company Manager, Deputy Manager, Financial Officer, and Board Secretary shall constitute the Company's senior management personnel. For the purposes of these Regulations, the term 'Manager' shall refer to the Company General Manager; the term 'Deputy Manager' shall refer to the Company Deputy General Manager; and the term 'Financial Officer' shall refer to the Company Chief Financial Officer.

Article 39 Documents pertaining to decisions on related party transactions, resolutions and other matters shall be retained by the Board Secretary for a period of not less than ten years.

Article 40 Where the terms 'or above' and 'or below' are used in these rules, they shall be deemed to include the number specified. Where the terms "below" and 'exceed' are used, they shall be deemed to exclude the number specified.

Article 41 These rules shall take effect and be implemented upon approval by the Company's shareholders' meeting.

Article 42 The Board of Directors shall be responsible for revising and interpreting these rules.

Shanghai Fudan Microelectronics Group Company Limited
November 2025

CHAPTER 1 GENERAL PROVISIONS

Article 1 To strengthen the management of external investments by Shanghai Fudan Microelectronics Group Co., Ltd. (hereinafter referred to as the 'Company'), standardise the Company's external investment activities, mitigate investment risks, and enhance the efficiency of external investments, this Regulation is formulated in accordance with the relevant provisions of the Company Law of the People's Republic of China (hereinafter referred to as the 'Company Law'), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the 'Hong Kong Listing Rules'), the Shanghai Stock Exchange STAR Market Listing Rules, and other relevant listing rules of the Shanghai Stock Exchange, as well as other laws, regulations, normative documents, and the relevant provisions of the Articles of Association of Shanghai Fudan Microelectronics Group Co., Ltd. (hereinafter referred to as the 'Articles of Association'), and taking into account the specific circumstances of the Company, the rules of the management of external investment (hereinafter referred to as the 'System' or "Rules" or "Regulations") is hereby established.

Article 2 For the purposes of these Rules, 'external investment' refers to the following investment activities undertaken by the Company and its wholly-owned subsidiaries and controlled subsidiaries (hereinafter referred to as 'Subsidiaries') outside the territory of China (which, for the purposes of these Regulations, excludes the Hong Kong Special Administrative Region, the Macao Special Administrative Region and the Taiwan region of China), with the objective of generating profit or preserving and increasing value:

(1) Enterprises independently established by the Company or independently funded business projects;

(2) The Company establishes joint ventures, cooperative enterprises or development projects with other independent legal entities or natural persons within or outside China;

(3) Making additional investments in or acquiring equity interests in holding or equity-participated enterprises;

(4) Holding, acquiring stakes in, merging with, or transferring other independent legal entities within or outside China;

(5) Investment in financial products such as shares, funds, bonds, entrusted asset management, and provision of entrusted loans;

(6) Investments in financial derivatives such as hedging instruments, forwards, options, futures, or combinations thereof, where the underlying assets include interest rates, exchange rates, currencies, etc.;

(7) Other investment activities undertaken with the objective of securing future returns;

(8) Other investments permitted by laws and regulations as required for the development of the Company's business.

Article 3 The Company's external investment activities must comply with the relevant laws, regulations and industrial policies of both the place where its shares are listed and the destination of the external investment. Such activities shall be consistent with the Company's development strategy, conducive to enhancing its competitive strength, conducive to the rational allocation of corporate resources, conducive to generating favourable economic benefits, and conducive to promoting the sustainable development of the Company.

Article 4 These regulations shall be binding upon the Company, its shareholders, directors, senior management personnel, and all other individuals involved in external investment activities. Investment conduct shall adhere to the principles of scientific decision-making, proceduralised operations, institutionalised management, and standardised implementation. Investment projects must undergo thorough feasibility studies, scientific evaluation, and standardised decision-making processes to mitigate investment risks and strive for reasonable levels of investment returns.

CHAPTER 2 DECISION-MAKING FOR EXTERNAL INVESTMENT

Article 5 The Company's Board of Directors Office (Securities Department) or other department designated by the Company's General Manager's Office shall serve as the functional department responsible for managing major operational and investment decisions. It shall undertake specialised research and evaluation of matters pertaining to the feasibility, investment risks, and investment returns of the Company's major operational and investment projects. It shall monitor the progress of major investment projects and promptly report to the Company's Board of Directors should any irregularities arise in such projects.

Article 6 Prior to making decisions on major external investment projects, the Company must conduct feasibility studies on the proposed projects. These studies shall analyse the return on investment, internal rate of return, payback period, investment risks, and other relevant analyses that assist in investment decision-making. The investment feasibility analysis report shall be submitted to the competent authority or personnel with the power to approve investments, serving as a reference for external investment decisions.

Article 7 The investment decision-making and procedures of the Company's shareholders' meeting, board of directors, and general manager shall be exercised in accordance with the provisions of the Company Law, the Hong Kong Listing Rules, the relevant listing rules of the Shanghai Stock Exchange, the Articles of Association, and the Company's relevant management systems.

Transactions undertaken by the Company (excluding the provision of guarantees or financial assistance) shall be submitted to the board of directors for deliberation if they meet any of the following criteria:

(1) The aggregate value of assets involved in the transaction (where both book value and appraised value exist, the higher of the two shall prevail) exceeds 10% of the Company's most recent audited total assets;

(2) The transaction amount (including assumed liabilities and expenses) represents more than 10% of the company's latest audited net assets, and the absolute amount exceeds RMB10 million; or the net asset value of the transaction subject (e.g. equity) accounts for more than 10% of the company's market capitalization;

(3) The profit generated from the transaction represents more than 10% of the Company's audited net profit for the most recent financial year, and the absolute amount exceeds RMB1 million;

(4) Where the transaction subject (e.g. equity interests) generated revenue in the most recent financial year that accounted for more than 10% of the Company's audited revenue for that financial year, and the absolute amount exceeded RMB10 million;

(5) Where the net profit attributable to the transaction subject (e.g. equity interests) in the most recent financial year represents over 50% of the Company's audited net profit for the most recent financial year, and the absolute amount exceeds RMB1 million;

(6) Under the Hong Kong Listing Rules, a external investment may constitute a transaction under Chapter 14 'Transactions Requiring Disclosure', where any applicable percentage ratio for such transaction is 5% or above but below 25%, or where any applicable percentage ratio for such transaction exceeds 25%;

(7) Other external investment activities that require deliberation and approval by the Company's Board of Directors pursuant to relevant laws and regulations within the People's Republic of China, relevant laws and regulations of the Hong Kong Special Administrative Region, the Hong Kong Listing Rules, relevant listing rules of the Shanghai Stock Exchange, the Articles of Association, and the Company's relevant management systems.

Where the data pertaining to the aforementioned indicators is negative, the absolute value shall be used for calculation.

Transactions undertaken by the Company (excluding the provision of guarantees or financial assistance) shall be submitted to the shareholders' meeting for deliberation if they meet any of the following criteria:

(1) The aggregate value of assets involved in the transaction (where both book value and appraised value exist, the higher of the two shall prevail) exceeds 50% of the Company's most recent audited total assets;

(2) The transaction amount represents over 50% of the Company's market capitalization;

(3) The profit generated from the transaction represents more than 50% of the Company's audited net profit for the most recent financial year, and the absolute amount exceeds RMB5 million;

(4) Where the transaction subject (e.g. equity interests) generated revenue in the most recent financial year that accounted for more than 50% of the Company's audited revenue for that financial year, and the absolute amount exceeded RMB50 million;

(5) Where the net profit attributable to the transaction subject (e.g. equity interests) in the most recent financial year represents over 50% of the Company's audited net profit for the most recent financial year, and the absolute amount exceeds RMB5 million;

(6) The net assets of the transaction subject (e.g. equity interests) for the most recent financial year represent over 50% of the Company's market capitalization;

(7) Under the Hong Kong Listing Rules, a external investment may constitute a transaction under Chapter 14 'Transactions Requiring Disclosure', where any applicable percentage ratio for such transaction is 25% or higher; and

(8) Other external investment activities that must be reviewed and approved by the Company's shareholders' meeting in accordance with relevant laws and regulations within China, relevant laws and regulations of the Hong Kong Special Administrative Region, the Hong Kong Listing Rules, relevant listing rules of the Shanghai Stock Exchange, the Articles of Association, and the Company's relevant management systems.

Where the data pertaining to the aforementioned indicators is negative, the absolute value shall be used for calculation.

Transactions undertaken by the company that do not meet the aforementioned criteria for deliberation by the shareholders' meeting or board of directors (excluding the provision of guarantees or financial assistance) shall be decided by the Company's general manager.

Article 8 The transaction amount specified in these rules refers to the sum paid for the transaction, as well as any liabilities and expenses incurred.

Where a transaction arrangement involves potential future payments or receipts of consideration, either without specifying an exact amount or with the amount determined based on predetermined conditions, the maximum anticipated amount shall be the transaction value.

Article 9 The market capitalisation referred to in these rules denotes the arithmetic mean of the closing market capitalisation over the preceding ten trading days.

Article 10 Where the Company implements a transaction in instalments, it shall determine whether submission to the shareholders' meeting for deliberation or disclosure is required based on the aggregate transaction amount.

The Company shall promptly disclose the actual occurrence of instalment transactions.

Article 11 Where the Company enters into transactions of the same category but in opposite directions with the same counterparty under these Rules, it shall apply either Article 7 or Article 41 based on the single-direction transaction amount.

Article 12 Where the Company's asset purchase or sale transactions involve total assets or transaction values exceeding 30% of the Company's most recent audited total assets when calculated cumulatively over a consecutive 12-month period, such transactions shall, in addition to being disclosed and subject to audit or valuation in accordance with the aforementioned provisions, be submitted to the shareholders' meeting for deliberation and approved by a majority of two-thirds or more of the voting rights held by shareholders present at the meeting.

Article 13 Where the Company engages in transactions such as 'entrusting asset management' or 'providing entrusted loans', the transaction amount shall serve as the basis for calculation, with cumulative totals determined by transaction category over a consecutive twelve-month period. Should the cumulative transaction amount reach the thresholds specified in Article 7 or Article 37 of these rules, the provisions of Article 7 or Article 37 shall apply respectively. Transactions for which relevant obligations have already been fulfilled in accordance with Article 7 or Article 37 of these Regulations shall not be included within the scope of the relevant cumulative calculations.

When the Company engages in transactions other than 'providing guarantees', 'providing entrusted loans', 'entrusted asset management', or 'providing financial assistance', it shall apply the provisions of Article 7 or Article 41 of these rules to each transaction under the relevant transaction category, calculated cumulatively over a continuous twelve-month period. Transactions for which relevant obligations have already been fulfilled in accordance with Article 7 or Article 41 of these rules shall not be included in the relevant cumulative calculation scope.

Where transactions conducted by the Company meet the disclosure threshold stipulated in these rules when calculated cumulatively over a continuous 12-month period in accordance with the preceding paragraph, disclosure may be made solely for that transaction in accordance with the relevant requirements of the Shanghai Stock Exchange, with the announcement stating that prior cumulative transactions did not meet the disclosure threshold. Where such transactions meet the threshold stipulated in these rules for submission to the shareholders' meeting for deliberation, deliberation may be sought solely for that transaction at the shareholders' meeting, with the announcement stating that prior transactions did not undergo the shareholders' meeting deliberation procedure.

Notwithstanding the foregoing provisions, where the Company engages in transactions involving the purchase or sale of assets, irrespective of whether the subject matter of the transaction is related, if the aggregate value of the assets involved or the transaction amount, calculated cumulatively over a period of twelve consecutive months, exceeds 30% of the Company's most recent audited total assets, such transactions shall, in addition to being submitted to the Board of Directors for deliberation in accordance with Article 7 of these Rules, also be submitted to the Shareholders' Meeting for deliberation and shall be approved by a majority of not less than two-thirds of the voting rights held by the shareholders present at the meeting.

Article 14 Where the subject matter of the transaction constitutes equity interests and meets the criteria for submission to the shareholders' meeting for deliberation, the Company shall provide the audit report on the most recent annual and interim financial statements of the subject matter. Where the subject matter of the transaction constitutes non-cash assets other than equity interests, a valuation report shall be provided. The audit opinion issued by the accounting firm shall be a standard unqualified opinion. The date of the audited financial statements shall not exceed six months prior to the date of use of the audit report. The valuation date of the valuation report shall not exceed one year prior to the date of use of the valuation report.

The aforementioned audit report and valuation report shall be issued by a securities service institution that complies with the Securities Law.

The China Securities Regulatory Commission and the Shanghai Stock Exchange require, in accordance with the principle of prudence, that transactions submitted by the Company for consideration by the shareholders' meeting pursuant to its articles of association or other laws and regulations, or voluntarily submitted by the Company, shall be subject to the provisions of the preceding two paragraphs.

Where a transaction undertaken by the Company meets the criteria stipulated in Article 7 of these regulations, and the counterparty to the transaction provides non-cash assets as consideration or to settle the Company's debts, the Company shall disclose the audit report or valuation report pertaining to the assets in accordance with the provisions of the first paragraph of this Article.

Article 15 Where an equity transaction occurs that results in a change to the scope of the Company's consolidated financial statements, the relevant financial indicators of the Company to which such equity interest relates shall serve as the basis for determining whether approval by the shareholders' meeting or disclosure is required.

Where the aforementioned equity transaction does not result in a change to the scope of the consolidated financial statements, the relevant financial indicators shall be calculated based on the proportion of the Company's interest change to determine whether approval by the shareholders' meeting or disclosure is required.

Article 16 Transactions from which the Company unilaterally derives benefits, including the receipt of cash assets as gifts, obtaining debt relief, accepting guarantees and subsidies, etc., may be exempted from the requirement to undergo deliberation by the shareholders' meeting in accordance with the provisions of these regulations.

Article 17 Notwithstanding the provisions of Articles 7 and 41, external investments made by the Company may constitute connected transactions (referred to as 'connected transactions' under the Hong Kong Listing Rules, and shall be understood as such hereinafter) and/or discloseable transactions under the relevant listing rules of the Hong Kong Stock Exchange and the Shanghai Stock Exchange. In such circumstances, the Company shall comply with the Hong Kong Listing Rules, the relevant listing rules of the Shanghai Stock Exchange, as well as its own 'Shanghai Fudan Microelectronics Group Co., Ltd. Related Party Transaction Management System' and 'Shanghai Fudan Microelectronics Group Co., Ltd. Information Disclosure Management System'. It shall satisfy the relevant requirements of the Hong Kong Listing Rules and the relevant listing rules of the Shanghai Stock Exchange (including requirements concerning the authority to approve transactions, abstention of related parties from voting, information disclosure, and whether an audit and/or asset valuation is required).

Article 18 Except for external investment matters requiring approval by the Board of Directors and the Shareholders' Meeting as stipulated in these regulations, other external investment matters shall be approved by the General Manager or the Chief Financial Officer authorised by the General Manager, depending on the category of investment.

CHAPTER 3 CONTINUING MANAGEMENT OF EXTERNAL INVESTMENT

Article 19 The General Manager may formulate the Company's annual investment plan at the beginning of each year, incorporate it into budgetary management, and submit it for deliberation by the Strategy and Investment Committee, the Board of Directors, and the Shareholders' Meeting in accordance with decision-making authority.

Article 20 In accordance with the Company's development requirements, the General Manager may select investment projects outside the annual investment plan and formulate investment proposals. These shall be submitted for review and approval to the Company's Strategy and Investment Committee, Board of Directors, or Shareholders' Meeting in accordance with decision-making authority, and shall be implemented by the General Manager.

Article 21 Should adjustments be required to the annual investment plan, or to individual investment projects or investment budgets, the General Manager shall organise relevant departments to conduct a feasibility study before proceeding with the relevant approval procedures.

Article 22 The Board of Directors Office (Securities Department) shall be responsible for conducting specialised research and assessment of the feasibility of investment projects.

Article 23 The Securities Department shall be responsible for monitoring the implementation of investment projects and for evaluating such projects.

Article 24 The Company's Finance Department shall maintain comprehensive and complete financial records of the Company's external investment activities, conduct detailed accounting calculations, establish separate ledgers for each investment project, and meticulously record all relevant data.

Article 25 The internal audit department of the Company shall be responsible for conducting audit supervision over investment projects. No person shall refuse or evade such supervision in any form or under any pretext.

Article 26 The General Manager shall report to the Board of Directors on the progress of major investment projects at regular or irregular intervals.

Article 27 Should an investment project fail to proceed according to plan, fall short of projected returns, incur losses, or reveal other issues identified through internal audit, the General Manager shall be responsible for ascertaining the causes, holding relevant personnel accountable, and reporting to the Board of Directors.

Article 28 The Company shall, in principle, refrain from using its own funds for securities investments, entrusted asset management, or investments in derivative products such as futures, options, and warrants based on equities, interest rates, exchange rates, and commodities. Where the Company, after careful consideration, nevertheless decides to proceed with the aforementioned investment, it shall do so in accordance with rigorous decision-making procedures, reporting systems and monitoring measures. Furthermore, the scale of the Company's entrusted asset management or derivative product investments shall be limited in accordance with the Company's risk tolerance.

Article 29 Where the Company entrusts its assets for management, it shall select qualified professional asset management institutions with sound credit standing and financial condition, no adverse integrity records, and strong profitability as trustees. The company shall enter into a written contract with the trustee, clearly stipulating the amount of assets entrusted, the term, investment categories, the rights and obligations of both parties, and their respective legal liabilities. The Company's board of directors shall designate a specific individual to monitor the progress of entrusted investments and the security of investment assets. Should any irregularities arise, the designated individual shall be required to report them promptly, enabling the Board to take immediate and effective measures to recover funds and thereby prevent or minimise losses to the Company.

Article 30 The Company shall, upon the securities investment plan being approved by the board of directors or the shareholders' meeting, promptly report the relevant securities investment account and fund account information to the stock exchange where the Company's shares are listed.

Article 31 When deliberating and deciding on major operational and investment matters under these rules, the following factors shall be fully considered and decisions shall be made accordingly:

(1) Whether the relevant laws, regulations and policy provisions pertaining to the investment project impose explicit or implicit restrictions on the investment;

(2) Investment projects shall be consistent with national and regional industrial policies, as well as the Company's medium-to-long-term development strategy and annual investment plan;

(3) The investment project has been demonstrated to possess sound development prospects and economic benefits;

(4) Whether the Company possesses the necessary conditions for the smooth implementation of the relevant investment project (including whether it possesses the required funds, technology, personnel, and guarantees for the supply of raw materials for project implementation);

(5) Whether the investment project been subject to a financial evaluation opinion issued by the Company's chief financial officer and a legal opinion or advice issued by the legal counsel;

(6) Other relevant materials required for making decisions on investment projects.

Article 32 When undertaking significant operational and investment matters, the Company shall adhere to principles conducive to its sustainable development and the interests of all shareholders. It shall ensure no competitive overlap exists with its actual controllers or related parties, and guarantee the independence of its personnel, the integrity of its assets, and financial autonomy. The Company shall possess independent operational capabilities, maintaining autonomy in procurement, production, sales, intellectual property rights, and other relevant aspects.

Article 33 For investment projects requiring approval by the Company's Board of Directors, the Board Office shall submit the compiled project feasibility analysis materials to the Board's Strategy and Investment Committee. The Strategy and Investment Committee shall discuss and deliberate on the materials in accordance with its rules of procedure, and subsequently submit them to the Board of Directors for consideration in the form of a resolution.

Article 34 Where the Company implements decisions in stages over a period of 12 months concerning the same or related significant operational and investment matters, the cumulative amount shall be calculated to determine the investment sum, and the relevant approval procedures shall be followed.

Article 35 Where relevant investment matters have been duly approved in accordance with the provisions of these regulations, such matters shall not be counted towards the cumulative amount.

CHAPTER 4 WITHDRAWAL AND TRANSFER OF EXTERNAL INVESTMENTS

Article 36 The Company may withdraw its external investments where any of the following circumstances arise or occur:

(1) The investment project has reached the end of its operational period as stipulated in the articles of association of the investee company;

(2) Where an investment project is unable to repay its debts upon maturity due to poor management, bankruptcy proceedings shall be initiated in accordance with the law;

(3) Where, in accordance with the Company's business strategy and plans, the investee company no longer requires continued existence and must be liquidated and deregistered;

(4) The project cannot continue to operate due to the occurrence of force majeure;

(5) Where other circumstances specified in the joint venture or cooperative contract for the termination of investment arise or occur.

Article 37 The Company may transfer its external investments where any of the following circumstances arise or occur:

(1) The investment project has demonstrably deviated from the Company's operational direction;

(2) Investment projects that have incurred consecutive losses with no prospect of recovery and lack market viability;

(3) When urgently requiring additional funds due to insufficient operating capital;

(4) Other circumstances deemed necessary by the Company.

Article 38 The transfer of investments shall be strictly conducted in accordance with the relevant national laws, regulations, and the Company's internal policies.

Article 39 The procedures and authority for approving the disposal of investments shall be identical to those for approving the implementation of investments.

CHAPTER 5 REPORTING OF SIGNIFICANT MATTERS AND DISCLOSURE OF INFORMATION

Article 40 The Company shall strictly comply with its disclosure obligations in relation to external investments, including those stipulated under the Hong Kong Listing Rules, the relevant listing rules of the Shanghai Stock Exchange, and other disclosure obligations prescribed by the securities regulatory authorities in the jurisdictions where the Company's securities are listed. This shall also encompass the disclosure obligations under relevant laws and regulations concerning inside information that may have a material impact on the price of the Company's securities.

Article 41 Transactions entered into by the Company (excluding the provision of guarantees or financial assistance) shall be disclosed promptly where they meet any one of the following criteria:

(1) The total value of assets involved in the transaction (where both book value and appraised value exist, the higher of the two shall prevail) exceeds 10% of the Company's most recent audited total assets;

(2) The transaction amount represents more than 10% of the Company's market capitalisation;

(3) The net assets of the transaction subject (e.g. equity interests) for the most recent financial year represent more than 10% of the Company's market capitalisation;

(4) The revenue generated by the transaction subject (e.g., equity interests) during the most recent financial year accounts for more than 10% of the Company's audited revenue for the most recent financial year and exceeds RMB10 million;

(5) The profit generated from the transaction represents more than 10 per cent of the Company's audited net profit for the most recent financial year and exceeds RMB1 million;

(6) The net profit attributable to the transaction subject (e.g. equity interests) for the most recent financial year represents more than 10% of the Company's audited net profit for the most recent financial year, and exceeds RMB1 million;

(7) Other transactions required to be disclosed pursuant to the relevant laws and regulations of the People's Republic of China, the relevant laws and regulations of the Hong Kong Special Administrative Region, the Hong Kong Listing Rules, the relevant listing rules of the Shanghai Stock Exchange, the Articles of Association, and the Company's relevant management rules.

Article 42 Where the Company engages in transactions within its ordinary course of business that meet any of the following criteria, it shall promptly disclose such transactions:

(1) The transaction amount represents more than 50% of the Company's most recent audited total assets, and the absolute amount exceeds RMB100 million;

(2) The transaction amount represents more than 50% of the Company's audited revenue or cost of sales for the most recent financial year, and exceeds RMB100 million;

(3) The total profit expected to be generated from the transaction shall exceed 50% of the Company's audited net profit for the most recent financial year and shall exceed RMB5 million;

(4) Other transactions that may have a material impact on the Company's assets, liabilities, equity and operating results.

Article 43 Subsidiaries shall comply with the Company's information disclosure management system, and the Company shall have the corresponding right to know information concerning other investee enterprises.

Article 44 Information provided by subsidiaries and other investee companies shall be truthful, accurate and complete, and shall be submitted to the Company without delay to enable the Board Secretary to make timely external disclosures.

Article 45 Prior to the disclosure of any external investment matters, all persons with knowledge thereof shall bear a duty of confidentiality. No such person shall engage in insider trading using information thus acquired, nor shall they disclose or suggest to others that insider trading be conducted.

CHAPTER 6 LEGAL LIABILITY

Article 46 The Board of Directors shall regularly monitor the implementation progress and investment returns of major projects. Should any of the following occur—failure to invest according to plan, failure to achieve projected returns, or incurring investment losses—the Board shall ascertain the causes and hold the relevant personnel accountable.

Article 47 Where significant economic losses are incurred by the Company and its shareholders as a result of errors in major operational decisions or investment decisions concerning fixed assets, stocks, bonds, equity interests, joint ventures, project investments, or similar matters, directors who cast affirmative votes or abstained during the relevant vote, or senior management personnel bearing direct responsibility, shall bear corresponding liability for compensation in accordance with the relevant laws, regulations, and the provisions of the Articles of Association.

Article 48 Where senior management personnel of the Company commit errors in the execution of decisions or contravene relevant resolutions of the shareholders' meeting, board of directors, chairman, or general manager, thereby causing substantial economic losses to the Company and its shareholders, the board of directors may, in accordance with relevant laws, regulations, and the provisions of the Articles of Association, impose penalties upon such personnel based on the specific circumstances and require them to compensate the Company for the losses incurred.

Article 49 Where the business department proposing an investment recommendation issues a false feasibility study (or argumentation) report for an investment project, or where the chief financial officer issues a false financial evaluation opinion for an investment project, resulting in the failure of the external investment project and causing economic losses to the Company, the Board of Directors may, in accordance with relevant laws, regulations, and the provisions of the Articles of Association, impose penalties upon such individuals based on the specific circumstances and require them to compensate the Company for the losses incurred.

Article 50 Where a legal adviser knowingly issues a false legal opinion in relation to an external investment project, thereby causing the Company's external investment to contravene the law and resulting in losses to the Company, the service contract with the legal adviser shall be terminated and the adviser may be required to bear liability for compensation for losses.

Article 51 Where the project manager (or responsible person) of an investment project, during the course of project implementation, commits malpractice for personal gain, accepts bribes, prepares false project documentation, or engages in other unlawful acts resulting in losses to the Company, the Management Office Meeting may impose penalties in accordance with relevant laws and regulations and, based on the specific circumstances, require such person to compensate the Company for the losses incurred.

Article 52 Where a project manager (or responsible person) refuses to accept internal audits by the Company or external audits by intermediaries engaged by the Company during the implementation of an investment project or after its completion, the Management Office Meeting may, in accordance with relevant laws and regulations and based on the specific circumstances, take appropriate action against such person.

CHAPTER 7 ADDENDUM

Article 53 Matters not covered herein shall be governed by relevant laws and regulations, the Hong Kong Listing Rules, the relevant listing rules of the Shanghai Stock Exchange, other provisions of securities regulatory authorities, and the relevant provisions of the Articles of Association. Should any provisions of this system conflict with any subsequently promulgated or amended relevant laws and regulations, the Hong Kong Listing Rules, the relevant listing rules of the Shanghai Stock Exchange, other requirements of securities regulatory authorities, or the Articles of Association, they shall be implemented in accordance with the relevant laws and regulations, the Hong Kong Listing Rules, the relevant listing rules of the Shanghai Stock Exchange, other requirements of the securities regulatory authority where the Company is listed, and the provisions of the current Articles of Association or the amended Articles of Association.

Article 54 Where the terms 'or above' and 'or below' are used in these rules, they shall be deemed to include the number specified. Where the terms 'below', "above" or 'exceeding' are used, they shall be deemed to exclude the number specified.

Article 55 The Company's General Manager, Deputy General Managers, Chief Financial Officer, and Board Secretary shall constitute the senior management personnel of the Company. The term 'Manager' as used herein refers to the Company's General Manager; the term 'Deputy Manager' refers to the Company's Deputy General Managers; and the term 'Chief Financial Officer or Finance Officer' refers to the Company's Chief Financial Officer.

Article 56 These Regulations shall take effect upon approval by the Company's Shareholders' Meeting. Any amendments shall be subject to the same procedure. The Board of Directors shall be responsible for interpreting these Regulations.

Article 57 External investments by the Company's subsidiaries shall be implemented in accordance with these regulations.

Shanghai Fudan Microelectronics Group Company Limited

November 2025

CHAPTER 1 GENERAL PROVISIONS

Article 1 To safeguard the interests of shareholders and investors of Shanghai Fudan Microelectronics Group Co., Ltd. (hereinafter referred to as the 'Company'), regulate the Company's external guarantee activities, control risks in the operation of the Company's assets, and promote the Company's healthy and stable development, in accordance with the Company Law of the People's Republic of China, the Civil Code of the People's Republic of China, the 'Guidance No. 8 on the Supervision of Listed Companies – Regulatory Requirements for Fund Transfers and External Guarantees by Listed 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'), the Shanghai Stock Exchange STAR Market Listing Rules, and other relevant listing rules of the Shanghai Stock Exchange, as well as other laws, regulations, normative documents, and the relevant provisions of the Articles of Association of Shanghai Fudan Microelectronics Group Co., Ltd. (hereinafter referred to as the 'Articles of Association'), and in light of the Company's actual circumstances, the Shanghai Fudan Microelectronics Group Co., Ltd. External Guarantee Management System (hereinafter referred to as the 'System', "Rules", "Regulations") is hereby established.

Article 2 For the purposes of these regulations, external guarantees refer to the undertaking by the Company, acting as a third party, to provide security for debts owed by a debtor to a creditor. Should the debtor fail to fulfil their obligations, the Company shall either discharge the debt as agreed or bear the corresponding liability. This includes guarantees provided by the Company to its wholly-owned subsidiaries. External guarantees issued by subsidiaries in which the Company holds a controlling interest or exercises effective control shall be deemed acts of the Company and shall comply with these regulations. Forms of guarantee include suretyship, mortgages, and pledges.

Article 3 External guarantees provided by the Company shall be subject to centralised management. Any guarantee undertaken by the Company must be approved or authorised by the Board of Directors or the Shareholders' Meeting. Without prior deliberation and approval by the Board of Directors or the Shareholders' Meeting, no individual shall have the authority to sign any guarantee contract, agreement, or similar legal document on behalf of the Company.

Article 4 Directors and senior management of the Company shall exercise due diligence and exercise strict control over the debt risks arising from guarantees, and shall bear joint and several liability in accordance with the law for losses incurred from unauthorised or improper external guarantees.

Article 5 The Company shall provide external guarantees in accordance with the principles of legality, prudence, mutual benefit and security, and shall strictly control risks.

Article 6 Where the Company provides guarantees for others, it shall, in principle, adopt necessary risk mitigation measures such as counter-guarantees. The Company shall require the guaranteed party to provide counter-guarantees of equivalent value and execute written counter-guarantee agreements, or shall require a third party recommended by the guaranteed party and approved by the Company to provide counter-guarantees to the Company by means such as guarantees. The provider of counter-guarantees shall possess the actual capacity to fulfil obligations. Where the property pledged by the applicant guarantor for the counter-guarantee is prohibited from circulation or deemed non-transferable under laws or regulations, the guarantee shall be refused. Where the Company requires counter-guarantees from the guaranteed party during external guarantee processes, the Finance Department shall be responsible for the specific operations of counter-guarantees (including but not limited to review, monitoring and supervision, and ongoing risk management). The Company shall exercise due diligence in assessing the actual guarantee capacity of the counter-guarantee provider and the enforceability of the counter-guarantee.

Article 7 External guarantees provided by the Company's subsidiaries shall be governed by these regulations. Subsidiaries shall promptly notify the Company to fulfil its information disclosure obligations in accordance with regulations after resolutions have been passed by their respective boards of directors or shareholders' meetings.

Article 8 Branches of the Company shall not provide external guarantees without the Company's approval and authorisation; internal functional departments of the Company shall not provide external guarantees.

CHAPTER 2 PRINCIPLES FOR PROVIDING EXTERNAL GUARANTEES

Article 9 The Company shall provide external guarantees in accordance with the principles of legality, prudence, mutual benefit and security, and shall strictly control guarantee risks.

Article 10 Scope of External Guarantees Provided by the Company: Subject to review and approval by the authorised bodies of the Company as stipulated herein, the Company may provide guarantees for eligible third parties in relation to loan applications, bill discounting, financial leasing and other fundraising or financing matters with financial institutions. The Company shall not, as a matter of principle, proactively provide guarantees to external parties (except for mutual guarantees). Where it is indeed necessary to provide a guarantee externally, the party requiring the guarantee must first submit an application.

Article 11 The provision of guarantees by the Company to external parties shall be subject to deliberation and approval by the Board of Directors or the Shareholders' Meeting in accordance with statutory procedures. Without a resolution passed by the Shareholders' Meeting or the Board of Directors, directors, senior management personnel, and the Company's branches shall not enter into guarantee contracts on behalf of the Company without authorisation.

Article 12 The Company shall truthfully disclose all external guarantee matters to the auditing institution responsible for the Company's audit in accordance with regulations.

Article 13 The sponsor institution shall issue an independent opinion when the board of directors deliberates on external guarantee matters, and shall disclose such opinion concurrently with the relevant Company announcements.

Article 14 The independent directors of the Company shall issue independent opinions when the board of directors deliberates on external guarantee matters. They shall also provide a special statement in the annual report regarding the Company's cumulative and current external guarantees, as well as the implementation of this system.

Article 15 All directors and senior management personnel of the Company shall exercise due diligence and exercise strict control over the debt risks arising from external guarantees. They shall bear joint and several liability for compensation in accordance with the law for any losses incurred due to non-compliant or improper external guarantees.

Article 16 The highest decision-making body for external guarantees provided by the Company shall be the Company's Shareholders' Meeting. The Board of Directors shall exercise decision-making authority over external guarantees in accordance with the provisions of the Articles of Association concerning the Board's approval authority for such guarantees. Where stipulated by laws, regulations, or the listing rules of the exchange where the Company's shares are listed, or where the matter exceeds the Board's approval authority as set out in the Articles of Association, the Board shall propose a draft resolution and submit it to the shareholders' meeting for approval. The Board shall organise the management and implementation of external guarantees approved by the shareholders' meeting. Where such guarantees constitute connected transactions under the listing rules of the exchange where the Company's shares are listed (referred to as 'connected transactions' under the Hong Kong Listing Rules, and shall be understood as such hereinafter) and/or transactions subject to disclosure requirements. In such circumstances, the Company shall comply with the Hong Kong Listing Rules, the relevant listing rules of the Shanghai Stock Exchange, and the Company's 'Shanghai Fudan Microelectronics Group Co., Ltd. Related Party Transaction Management Rules'. It shall satisfy the relevant requirements of the Hong Kong Listing Rules and the relevant listing rules of the Shanghai Stock Exchange (including requirements concerning the authority to approve transactions, abstention from voting by related parties, and disclosure of information).

Article 17 Where necessary, the Company may engage external professional institutions to assess the risks associated with providing external guarantees, to serve as a basis for decision-making by the Board of Directors or the Shareholders' Meeting. Any expenses incurred thereby shall be borne by the Company.

CHAPTER 3 PROCEDURES FOR PROVIDING EXTERNAL GUARANTEES

Article 18 The functional departments responsible for day-to-day external guarantee matters within the Company shall include: the Finance Department, the Legal Department, or the Legal Adviser.

Article 19 Upon receipt of a guarantee application from the proposed guarantor, the Company shall commence an assessment of the proposed guarantor's creditworthiness. The Company shall request the following documents from the proposed guarantor and require the proposed guarantor to guarantee the authenticity of the information provided: Business licence and identity proof of the legal representative of the guaranteed enterprise; relevant resolutions passed by the board of directors of the guaranteed enterprise; audited balance sheets, profit and loss statements, and cash flow statements for the preceding three years, audited by an accounting firm with securities practice qualifications; financial projections for the forthcoming year; detailed loan repayment schedules (including interest payments) and relevant contracts; profiles of senior management personnel; bank credit references; detailed schedules of external guarantees, asset pledges/pledge details, project approval documents issued by relevant government authorities (where applicable), contracts pertaining to the investment project, feasibility analysis reports, and any other documentation deemed necessary by the Company.

Article 20 Upon receipt of the application and supporting documentation from the proposed guarantor, the Company's Finance Department shall conduct a thorough analysis of the guarantor's creditworthiness, the benefits and risks associated with the proposed guarantee, and undertake preliminary due diligence including background checks, credit analysis, and risk forecasting. The Company shall conduct on-site inspections of the guaranteed party's production and operational status, financial condition, investment project progress, and personnel situation. Evaluate the guaranteed party's profitability, debt-servicing capacity, and growth potential through various assessment metrics, with detailed disclosure in relevant board announcements.

Article 21 The Finance Department shall, based on the credit assessment results of the guaranteed party, propose recommendations regarding whether to provide guarantees, the specific methods of counter-guarantees, and the guarantee amounts. These recommendations shall be submitted to the General Manager, who shall in turn submit them to the Board of Directors.

Article 22 The Board of Directors shall diligently deliberate and analyse the financial position, operational status, industry outlook and credit standing of the party to be guaranteed, exercising due diligence in making decisions in accordance with the law. Where necessary, external professional institutions may be engaged to assess the risks associated with providing external guarantees, serving as the basis for decision-making by the Board of Directors or the Shareholders' Meeting. The independent directors of the Company shall issue independent opinions when the board of directors deliberates on external guarantee matters. Where necessary, they may engage an accounting firm to verify the company's cumulative and current external guarantee status.

Article 23 External guarantees requiring approval by the shareholders' meeting must be reviewed and approved by the board of directors before submission to the shareholders' meeting for approval, and shall be disclosed promptly. External guarantees requiring approval by the shareholders' meeting include, but are not limited to, the following circumstances:

(1) Guarantees exceeding 10% of the Company's most recent audited net assets per individual guarantee;

(2) Any guarantee provided by the Company and its controlled subsidiaries after the aggregate amount of external guarantees exceeds 50% of the latest audited net assets;

(3) Guarantees provided to guarantee subjects with a debt-to-asset ratio exceeding 70%;

(4) Any guarantee provided by the Company after the aggregate amount of its external guarantees exceeds 30% of the Company's most recent audited total assets;

(5) Guarantees provided by the Company to third parties within a year that exceed 30% of the Company's most recent audited total assets;

(6) Guarantees provided to shareholders, actual controllers and their associates;

(7) Guarantees that require approval by the shareholders' meeting as stipulated in the listing rules of the exchange where the Company's shares are listed (including but not limited to Chapter 14 and Chapter 14A of the Hong Kong Listing Rules) or in the Company's articles of association.

Except for the external guarantee activities specified in the preceding paragraph, all other external guarantee activities undertaken by the Company shall be subject to approval by the Board of Directors.

Article 24 External guarantees requiring approval by the Board of Directors must be deliberated upon and approved by a resolution passed by more than two-thirds of the directors present at the Board meeting. Where a director has an interest in the matter under consideration, that director shall abstain from voting. The board meeting may proceed with the attendance of a majority of directors who have no such interest. Resolutions passed at the board meeting shall require the approval of not less than two-thirds of all directors without such interest. Should less than three directors without such interest be present at the board meeting, the guarantee matter shall be submitted to the shareholders' meeting for deliberation.

Article 25 Matters concerning external guarantees that are subject to deliberation by the shareholders' meeting must be approved by a majority of the voting rights held by shareholders present at the meeting.

Article 26 Where a shareholder meeting deliberates on a proposal submitted by a shareholder, the actual controller, or their affiliated parties, the shareholder concerned or any shareholder controlled by such actual controller shall abstain from participating in the vote on that matter. Such vote shall be passed by a majority of the voting rights held by the other shareholders present at the meeting.

Article 27 Where the aggregate amount of guarantees provided by the Company within any consecutive twelve-month period exceeds 30% of the Company's most recent audited total assets, such guarantees shall be approved by a resolution passed by shareholders holding not less than two-thirds of the total voting rights present at the shareholders' meeting.

Article 28 Where the Company provides a guarantee for a wholly-owned subsidiary, or provides a guarantee for a subsidiary in which it holds a controlling interest and the other shareholders of such subsidiary provide guarantees in proportion to their respective equity interests, and such guarantees do not prejudice the interests of the company, the provisions of Article 23(1) to (3) may be exempted, unless otherwise stipulated in the Company's articles of association. The Company shall disclose a summary of the aforementioned guarantees in its annual and half-yearly reports.

Article 29 Following the resolution of the Company's shareholders' meeting or board of directors to provide a guarantee, the legal department or legal advisor shall review the relevant legal documents including the principal creditor agreement, guarantee agreement, and counter-guarantee agreement. The finance department shall then execute a written guarantee agreement with the principal creditor on behalf of the Company, and a written counter-guarantee agreement with the counter-guarantee provider.

Article 30 The Finance Department shall, within two working days of the signing of the guarantee agreement and counter-guarantee agreement, forward such agreements to the Legal Department or legal advisor for filing.

CHAPTER 4 GUARANTEE RISK CONTROL

Article 31 The process of providing guarantees by the Company shall adhere to the principle of risk control. While conducting risk assessments of the guaranteed enterprises, strict control shall be exercised over the guarantee liability limits for such enterprises.

Article 32 Where the Company provides external guarantees, it shall enter into written contracts. Such guarantee contracts shall comply with relevant laws and regulations, and their principal terms shall be unambiguous and clearly defined.

Article 33 The Company shall strengthen the management of guarantee contracts. It shall properly manage guarantee contracts and related original documentation, conduct timely reviews and inspections, and periodically reconcile records with relevant institutions such as banks to ensure the completeness, accuracy and validity of archived materials, paying particular attention to the time limits of guarantees.

Article 34 During the course of contract management, should any irregular contract be identified that has not been approved through the deliberation procedures of the Board of Directors or the Shareholders' Meeting, it shall be promptly reported to the Board of Directors and the Audit Committee and disclosed to the public.

Article 35 For project loans extended to guaranteed enterprises, the Company shall require the establishment of a joint account with the guaranteed enterprise to ensure that funds are used for their intended purpose.

Article 36 The Company shall require the guaranteed enterprise to provide valid assets, including fixed assets, equipment, machinery, real estate, and the personal property of the legal representative, for mortgage or pledge, thereby effectively implementing counter-guarantee measures.

Article 37 The Company's Finance Department shall designate a dedicated individual to continuously monitor the circumstances of the guaranteed party. This individual shall collect the most recent financial statements and audit reports of the guaranteed party, regularly analyse its financial condition and debt-servicing capacity, and monitor developments concerning its production and operations, assets and liabilities, external guarantees, as well as any corporate restructuring, mergers, or changes in its legal representative. Relevant financial records shall be maintained, and regular reports shall be submitted to the Board of Directors.

Article 38 Should any guarantor's business operations deteriorate significantly or should any material events such as company dissolution or division occur, the responsible personnel shall promptly report to the Board of Directors. The Board shall be obliged to implement effective measures to minimise losses.

Article 39 Where the guaranteed party fails to discharge its repayment obligations upon maturity of the debt, the Company shall, within ten working days of such maturity, instruct the Finance Department to implement counter-guarantee measures in conjunction with the Legal Department or legal counsel. During the guarantee period, should the guaranteed party undergo organisational restructuring, dissolution, bankruptcy, liquidation or similar circumstances, the Company shall exercise its right of recourse in accordance with relevant legal provisions.

Article 40 Where a debt guaranteed by the Company requires extension upon maturity and the Company continues to provide the guarantee, this shall be treated as a new external guarantee. The guarantee approval procedures and information disclosure obligations shall be re-executed.

Article 41 The Finance Department shall transmit the recovery status to the Legal Department or legal advisor for record-keeping within five working days of commencing the debt recovery process and within two working days of concluding the recovery.

CHAPTER 5 DISCLOSURE OF INFORMATION REGARDING EXTERNAL GUARANTEE

Article 42 The Company shall strictly comply with the relevant listing rules of the stock exchange where its shares are listed and the provisions of the Articles of Association, conscientiously fulfilling its disclosure obligations regarding external guarantees. Resolutions passed by the Board of Directors or the Shareholders' Meeting concerning external guarantees shall be promptly announced, and the Company shall truthfully provide all external guarantee matters to the certified public accountant as required.

Article 43 Where the guaranteed party fails to fulfil its repayment obligations within fifteen working days of the debt falling due, or where the guaranteed party becomes subject to bankruptcy, liquidation, or other circumstances significantly impairing its repayment capacity, the Company shall promptly ascertain the status of the guaranteed party's debt repayment and disclose relevant information without delay upon becoming aware thereof.

Article 44 Prior to the disclosure of external guarantee matters, all persons with knowledge thereof shall bear a duty of confidentiality. No such person shall utilise the information known to them for insider trading, nor shall they disclose or suggest to others that insider trading be conducted.

CHAPTER 6 LEGAL LIABILITY

Article 45 All shareholders and directors of the Company shall rigorously review external guarantee matters in strict compliance with this system and relevant laws, regulations, and normative documents. Shareholders and directors participating in resolutions shall bear legal liability for severe losses arising from non-compliant or improper external guarantees, except where it is proven that the director expressed dissent during the vote and such dissent was duly recorded in the meeting minutes, in which case liability may be exempted.

Article 46 Where relevant auditing departments and personnel of the Company, or other senior management personnel involved in these regulations, have signed external guarantee contracts beyond their authority without following prescribed procedures, or have been negligent in performing their duties, thereby causing actual losses to the Company, the Company shall pursue the responsibility of the relevant personnel.

CHAPTER 7 ADDENDUM

Article 47 Where the term 'or above' is used in these regulations, it shall be deemed to include the specified number; where the term 'exceed or exceeding' is used, it shall be deemed to exclude the specified number.

Article 48 Matters not covered by these regulations shall be governed by relevant national laws, regulations, normative documents, Hong Kong Listing Rules, and the Company's articles of association. In case of inconsistency between these regulations and relevant laws, regulations, normative documents, or the Company's Articles of Association, the provisions of the relevant laws, regulations, normative documents, Hong Kong Listing Rules, and Articles of Association shall prevail. Should these Regulations conflict with any laws, regulations, normative documents, Hong Kong Listing Rules, subsequently promulgated by the state, or with the Articles of Association of the Company as amended through lawful procedures, the provisions of the relevant laws, regulations, normative documents, Hong Kong Listing Rules, and the Articles of Association shall prevail, and these Regulations shall be revised accordingly.

Article 49 The Company's General Manager, Deputy General Managers, Chief Financial Officer and Board Secretary shall constitute the senior management personnel of the Company. The term 'Manager' as used herein shall refer to the Company's General Manager, and the term 'Deputy Manager' shall refer to the Company's Deputy General Managers.

Article 50 These Regulations shall take effect and be implemented upon approval by the Company's Shareholders' Meeting.

Article 51 The Board of Directors shall be responsible for revising and interpreting these regulations.

Shanghai Fudan Microelectronics Group Company Limited

November 2025

CHAPTER 1 GENERAL PROVISIONS

Article 1 To further regulate the conduct of Shanghai Fudan Microelectronics Group Co., Ltd. (hereinafter referred to as the 'Company') and ensure that the Company's shareholders' meeting can lawfully exercise its powers, in accordance with the Company Law of the People's Republic of China (hereinafter referred to as the 'Company Law'), the Securities Law of the People's Republic of China (hereinafter referred to as the 'Securities Law'), the Corporate Governance Guidelines for Listed 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'), the Shanghai Stock Exchange STAR Market Listing Rules, and other relevant listing rules of the Shanghai Stock Exchange, as well as other laws, regulations, normative documents, and the Articles of Association of Shanghai Fudan Microelectronics Group Co., Ltd. (hereinafter referred to as the 'Articles of Association'), these Rules of Procedure for Shareholders' General Meetings of Shanghai Fudan Microelectronics Group Co., Ltd. (hereinafter referred to as these 'Rules', 'Regulations', 'System') are hereby established.

Article 2 These Rules of Procedure shall apply to the Company's shareholders' meetings and shall be binding upon the Company, all shareholders, shareholder proxies, directors, the general manager and other senior management personnel, and any other relevant persons attending the shareholders' meeting.

Article 3 The Board of Directors shall strictly comply with all relevant laws and regulations, the Articles of Association, the relevant listing rules of the Shanghai Stock Exchange, and the Hong Kong Listing Rules concerning the convening of shareholders' meetings, and shall conscientiously organise shareholders' meetings in a timely manner. All directors bear a fiduciary duty to ensure the proper convening of shareholders' meetings. The Board of Directors shall diligently perform its duties, conscientiously organising shareholders' meetings in a timely manner. All directors shall act with due diligence to ensure the proper convening of shareholders' meetings and the lawful exercise of their powers.

Shareholders who hold shares in the Company lawfully and validly shall be entitled to attend shareholders' meetings in person or by proxy, and shall enjoy all shareholder rights including the right to information, the right to speak, the right to question, and the right to vote in accordance with the law. Shareholders and shareholder proxies attending shareholders' meetings shall comply with relevant laws and regulations, the Articles of Association, and these Rules of Procedure, conscientiously maintain order during the meeting, and shall not infringe upon the lawful rights and interests of other shareholders.

Article 4 Shareholders' meetings shall be conducted in accordance with the principle of simplicity and shall not confer any additional benefits upon attending shareholders or their proxies.

Article 5 The Company's Board Secretary shall be responsible for implementing all preparatory and organisational work for convening the shareholders' meeting.

CHAPTER 2 COMPOSITION AND POWERS OF THE SHAREHOLDERS' GENERAL MEETING

Article 6 The shareholders' meeting shall comprise all shareholders of the Company and shall constitute the Company's governing body. Shareholders shall enjoy rights and discharge obligations in accordance with laws, regulations, and the Articles of Association.

The articles of association, resolutions of the shareholders' meeting, or resolutions of the board of directors shall be in compliance with the law and regulations, and shall not deprive or restrict the statutory rights of shareholders.

In corporate governance, shareholder rights should be safeguarded in accordance with the law, with particular emphasis on protecting the legitimate rights and interests of minority shareholders.

The Company shall establish open and effective communication channels with shareholders to safeguard their rights to be informed about, participate in decision-making on, and supervise the Company's major matters.

The shareholders' meeting shall exercise its powers within the scope prescribed by the Company Law and other relevant laws, regulations, and normative documents, and shall not interfere with shareholders' disposal of their own rights. Matters discussed and decided by the shareholders' meeting shall be determined in accordance with the provisions of the Company Law and other relevant laws, regulations, normative documents, and the Company's articles of association.

Article 7 The shareholders' meeting shall exercise its powers within the scope prescribed by the Companies Act and the Company's articles of association.

CHAPTER 3 AUTHORISATION BY THE SHAREHOLDERS' MEETING

Article 8 Matters stipulated by relevant laws and regulations, the Articles of Association, and these Rules of Procedure as requiring resolution by the shareholders' meeting must be deliberated upon by the shareholders' meeting to safeguard the decision-making rights of the Company's shareholders in respect of such matters.

Article 9 Where necessary, reasonable and in compliance with relevant legal provisions, the shareholders' meeting may authorise the board of directors to determine specific matters related to the resolution that cannot or need not be decided at the shareholders' meeting itself, within the scope of such authorisation. The shareholders' meeting shall not delegate to the board of directors any powers that are statutorily vested in the shareholders' meeting.

CHAPTER 4 SHAREHOLDERS' MEETING PROCEDURE

Article 10 Shareholders' meetings shall be divided into annual general meetings and extraordinary general meetings. Unless otherwise required by the listing rules of the stock exchange where the Company's shares are listed, the annual general meeting shall be convened once annually and shall be held within six months following the close of the preceding financial year.

Article 11 Where any of the following circumstances arise, the Company shall convene an extraordinary general meeting within two months of the occurrence of such circumstances:

(1) Where the number of directors falls below two-thirds of the number prescribed by the Companies Act or the Company's articles of association;

(2) When the Company's accumulated losses reach one-third of the total share capital;

(3) Where shareholders holding individually or collectively 10% or more of the Company's shares (including 10%) (excluding treasury shares) request in writing the convening of an extraordinary general meeting; the number of shares held by such shareholders shall be calculated based on the shareholding quantity at the close of trading on the day the written request is made or the preceding trading day (if the day the written request is made is a non-trading day);

(4) When deemed necessary by the Board of Directors;

(5) When proposed by the Audit Committee;

(6) Other circumstances stipulated by laws, administrative regulations, departmental rules, the listing rules of the place where the Company's shares are listed, or the Company's articles of association.

Where any of the circumstances described in subparagraphs (1), (2), (3) or (5) above arise, and the Board of Directors fails to convene an extraordinary general meeting within the prescribed time limit, shareholders meeting the relevant requirements and the Audit Committee may convene such meeting themselves in accordance with the provisions of the Articles of Association and these Rules of Procedure.

Article 12 Where the Company is unable to convene a shareholders' meeting within the time limits specified in Articles 10 and 11 above, it shall report to the relevant securities regulatory authority in the place where its shares are listed, explain the reasons, and make an announcement.

Article 13 The venue for convening shareholders' meetings shall be the registered office of the Company, or such other venue as may be expressly stated in the notice of meeting.

Shareholders' meetings shall be convened at designated venues, combining in-person attendance with online voting. The timing and location of in-person meetings shall be selected to facilitate shareholder participation. Once notice of the meeting has been issued, the venue for the in-person meeting shall not be altered without justifiable cause. Should alteration prove necessary, the convener shall announce the change and provide reasons at least ten trading days prior to the meeting date. The Company shall provide online voting facilities to facilitate shareholder attendance. Shareholders participating via these methods shall be deemed present.

Shareholders may attend shareholders' meetings in person and exercise their voting rights, or may authorise another person to attend on their behalf and exercise voting rights within the scope of the authorisation.

Article 14 Where the Company's shareholders' meeting is conducted via online or other means, the notice of the meeting shall clearly specify the voting time and procedures for such online or other means.

Article 15 When convening a shareholders' meeting, the Company shall provide online voting facilities to shareholders registered on the record date of the shareholders' meeting who are entitled to attend and exercise voting rights, in accordance with relevant regulations. It shall fulfil its obligations regarding notification and announcement of the shareholders' meeting, and shall undertake the necessary organisational and preparatory work for online voting at the shareholders' meeting.

The Shanghai Stock Exchange's online voting system comprises the Trading System Voting Platform and the Internet Voting Platform (website: vote.sseinfo.com). Shareholders may log in via their shareholder accounts to the trading terminal of their designated securities firm to access the Trading System Voting Platform, participating in online voting during the Shanghai Stock Exchange's trading hours on the day of the shareholders' meeting. Alternatively, shareholders may log in to the Shanghai Stock Exchange's Internet Voting Platform and, after completing shareholder identity verification, participate in online voting between 9:15 and 15:00 on the day of the shareholders' meeting.

Article 16 The Company shall provide the information company with all shareholder data registered on the record date for the shareholders' meeting at least two trading days prior to the convening of the meeting. Such data shall include the shareholder's name or designation, shareholder account number, and number of shares held. There shall be a minimum interval of two trading days between the record date for the shareholders' meeting and the commencement date for online voting.

The Company shall, on the trading day preceding the commencement date of the shareholders' meeting voting, log in to the Shanghai Stock Exchange Listed Company Information Service Platform (website: list.sseinfo.com) to verify and confirm the accuracy and completeness of the online voting information.

Article 17 Upon conclusion of the online voting for the shareholders' meeting, the information company, acting on behalf of the Company, shall obtain the online voting data through the Shanghai Stock Exchange's online voting system and subsequently send the Company the statistical results of the online voting along with the relevant breakdown. Where the Company has commissioned the information company to provide combined statistical services for both on-site and online voting results, it shall promptly send the on-site voting data to the information company. After completing the combined statistical process, the information company shall send the Company the statistical data for online voting, the statistical data for on-site voting, the combined statistical data, and the relevant breakdown.

Where shareholders participating in online voting wish to abstain from voting or undertake to waive their voting rights, where the shareholders' meeting contains multiple proposals on the same matter, or where preference shareholders participate in online voting, the information company shall provide the Company with the complete voting records for all relevant proposals. The Company shall then tally the voting results in accordance with applicable regulations, the Articles of Association, and the vote-counting rules disclosed in the relevant shareholders' meeting announcements.

On the day following the conclusion of in-person voting at the shareholders' meeting, shareholders may access their valid voting results via the information company's website (URL: www.sseinfo.com) and in accordance with the procedures specified on that site.

Article 18 The notice of the shareholders' meeting shall specify the type and session number of the meeting, the times for in-person and online voting, the categories of shareholders entitled to attend, the record date or last trading date, the proposed resolutions for deliberation, and relevant information concerning online voting procedures. Shareholders shall be categorised as holders of A shares, B shares, preferred shares with restored voting rights, or preferred shares. Where the Company has issued multiple classes of preferred shares, distinctions shall also be made between different preferred share classes. In-person shareholders' meetings shall be convened on trading days of the Shanghai Stock Exchange.

In the event of a postponement or cancellation of a shareholders' meeting, the addition of an extraordinary proposal, the withdrawal of a proposal listed in the notice of the shareholders' meeting, or the supplementation or correction of online voting information, the convener of the shareholders' meeting shall promptly disclose such information.

CHAPTER 5 CONVENING OF SHAREHOLDERS' MEETINGS

Article 19 Shareholders' meetings shall be convened by the Board of Directors, which shall convene such meetings in a timely manner in accordance with the Articles of Association and the listing rules of the stock exchange where the Company's shares are listed. Where the Board of Directors is unable or fails to perform its duty to convene a shareholders' meeting, the Audit Committee shall promptly convene and preside over the meeting. Where the Audit Committee fails to convene and preside over the meeting, shareholders holding, individually or collectively, more than 10% of the Company's shares for a continuous period of ninety days or more may themselves convene and preside over the meeting.

Article 20 Upon the consent of a majority of all independent directors, independent directors shall have the right to propose to the Board of Directors the convening of an extraordinary general meeting. Where independent directors request the convening of an extraordinary general meeting, the Board of Directors shall, in accordance with the provisions of laws, administrative regulations, the Articles of Association and these Rules of Procedure, provide written feedback within ten days of receiving the proposal, indicating whether it agrees or disagrees to convene the extraordinary general meeting.

Where the board of directors agrees to convene an extraordinary general meeting, notice thereof shall be issued within five days of the board resolution being passed; where the board of directors does not agree to convene an extraordinary general meeting, it shall state the reasons and make an announcement.

Article 21 The Audit Committee shall have the right to propose to the Board of Directors the convening of an extraordinary general meeting of shareholders, and shall submit such proposal to the Board of Directors in writing. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, provide written feedback within ten days of receiving the proposal, indicating whether it agrees or disagrees to convene the extraordinary general meeting of shareholders.

Where the Board of Directors resolves to convene an extraordinary general meeting, notice thereof shall be issued within five days of the Board resolution. Any amendments to the original proposals contained in the notice shall be subject to the approval of the Audit Committee.

Where the board of directors declines to convene an extraordinary general meeting, or fails to respond within 10 days of receiving a proposal, it shall be deemed that the board is unable or unwilling to fulfil its duty to convene the meeting. In such circumstances, the audit committee may convene and preside over the meeting itself.

Article 22 Shareholders holding individually or collectively more than 10% of the Company's shares (excluding treasury shares) shall have the right to request the Board of Directors to convene an extraordinary general meeting. Such request shall be made in writing to the Board of Directors. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, provide written feedback within 10 days of receiving the request, indicating whether it agrees or disagrees to convene the extraordinary general meeting.

Where the board of directors resolves to convene an extraordinary general meeting, notice thereof shall be issued within 5 days of the board resolution. Any amendment to the original request contained in the notice shall require the consent of the relevant shareholders.

Where the Board of Directors declines to convene an extraordinary general meeting, or fails to respond within 10 days of receiving a request, shareholders holding individually or collectively more than 10 per cent of the Company's shares (excluding treasury shares) shall have the right to propose to the Audit Committee the convening of an extraordinary general meeting. Such proposal shall be submitted to the Audit Committee in writing.

Where the Audit Committee agrees to convene an extraordinary general meeting, it shall issue notice of the meeting within 5 days of receiving the request. Any amendments to the original request contained in the notice shall be subject to the consent of the relevant shareholders.

Should the Audit Committee fail to issue notice of a shareholders' meeting within the stipulated timeframe, it shall be deemed that the Audit Committee has not convened or presided over the meeting. Shareholders holding, individually or collectively, more than 10% of the company's shares (excluding treasury shares) for a continuous period exceeding 90 days may convene and preside over the meeting themselves.

Article 23 Where the Audit Committee or shareholders decide to convene a shareholders' meeting on their own initiative, they shall notify the Board of Directors in writing and simultaneously file such notice with the stock exchange where the Company is listed.

Prior to the announcement of the shareholders' meeting resolution, the convening shareholders must collectively hold no less than 10% of the shares (excluding treasury shares).

The Audit Committee or the convening shareholder shall submit relevant supporting documentation to the stock exchange where the company is listed upon issuing the notice of the shareholders' meeting and publishing the announcement of the shareholders' meeting resolution.

Article 24 The Board of Directors and the Board Secretary shall cooperate with shareholders' meetings convened by the Audit Committee or by shareholders themselves. The Board of Directors shall provide the register of shareholders as of the record date. Should the Board of Directors fail to provide the register, the convener may apply to the securities registration and settlement institution to obtain it by presenting the relevant notice announcing the convening of the shareholders' meeting. The register of shareholders obtained by the convener shall not be used for any purpose other than convening the shareholders' meeting.

Article 25 The costs necessary for meetings convened by the Audit Committee or by shareholders themselves shall be borne by the Company.

CHAPTER 6 PROPOSALS AND NOTICES FOR SHAREHOLDERS' MEETINGS

Article 26 The content of a proposal shall fall within the scope of the powers of the shareholders' meeting, have a clearly defined subject matter and specific resolution items, and comply with the relevant provisions of laws, administrative regulations, the Articles of Association, the relevant listing rules of the Shanghai Stock Exchange, the Hong Kong Listing Rules, and these Rules of Procedure.

Article 27 Where the Company convenes a shareholders' meeting, the Board of Directors, the Audit Committee, and shareholders holding individually or collectively more than 1% of the Company's shares shall have the right to submit proposals to the Company.

Shareholders holding individually or collectively more than 1% of the Company's shares may submit a supplementary proposal in writing to the convener no later than ten days prior to the shareholders' meeting. The convener shall issue a supplementary notice within 2 days of receiving the proposal, announcing its contents and submitting it for consideration at the meeting. This shall not apply where the proposal contravenes laws, administrative regulations, or the Company's articles of association, or falls outside the scope of the shareholders' meeting's authority. The Company shall not impose a higher shareholding threshold on shareholders submitting supplementary proposals.

Except as provided in the preceding paragraph, the convener shall not amend any proposal already listed in the notice of the shareholders' meeting or add new proposals after the notice has been issued.

Proposals not listed in the notice of the shareholders' meeting or not complying with the provisions of Rule 26 of these Rules shall not be voted upon or resolved at the shareholders' meeting.

Article 28 The Company shall convene its Annual General Meeting by giving notice to all shareholders at least 21 days prior to the meeting (excluding the day of the meeting) by way of public announcement or written notice, informing all registered shareholders of the matters to be considered at the meeting, as well as the date and venue thereof. For H Share shareholders, the Company may also give notice by electronic means to the electronic address of the H Share shareholder, or by publishing such notice or documents on the Company's website and the website of the Hong Kong Stock Exchange.

The Company shall convene an extraordinary general meeting by giving notice to all shareholders at least 15 days prior to the meeting (excluding the day of the meeting) through public announcement and written notice, informing all registered shareholders of the proposed agenda items, as well as the date and venue of the meeting. For H Share shareholders, the Company may also issue such notice by electronic means to the shareholders' electronic addresses, or by publishing the notice or relevant documents on the Company's website and the Hong Kong Stock Exchange website.

Article 29 Notice of a shareholders' meeting shall include the following particulars:

(1) The time, place and duration of the meeting;

(2) Matters and proposals submitted for consideration at the meeting;

(3) Clearly state in writing that all holders of ordinary shares, holders of shares with special voting rights, and other shareholders are entitled to attend the shareholders' meeting and may appoint a proxy in writing to attend the meeting and participate in voting. Such shareholder proxies need not be shareholders of the Company;

(4) The record date for shareholders entitled to attend the shareholders' meeting (once confirmed, the record date for A Shares shall not be altered; save where matters covered by Article 31 arise, the interval between the record date for A Shares and the meeting date shall not exceed 7 working days);

(5) Name and telephone number of the permanent contact person for conference affairs;

(6) The time and procedure for voting via the internet or other means;

(7) Where any director, general manager or other senior executive has a material interest in the matter to be discussed, the nature and extent of such interest shall be disclosed; if the matter to be discussed affects such director, general manager or other senior executive as a shareholder differently from other shareholders of the same class, the nature of such difference shall be stated;

(8) Other matters stipulated in relevant laws, regulations, rules, normative documents, the listing rules of the stock exchange where the Company's shares are listed, and the Company's Articles of Association.

The notice and supplementary notice of the shareholders' meeting shall fully and comprehensively disclose the specific content of all proposals, along with all information or explanations required for shareholders to make a reasonable judgement on the matters to be discussed.

Article 30 Where the shareholders' meeting intends to deliberate on the election of directors, the notice of the shareholders' meeting shall, in accordance with the requirements of the listing rules of the place where the Company's shares are listed, fully disclose the detailed information of the director candidates, including at least the following:

(1) Educational background, work experience, part-time employment and other personal circumstances;

(2) Whether there exists any relationship of affiliation with the Company or its controlling shareholders and actual controllers;

(3) Disclose the number of shares held in the Company;

(4) Whether the Company has been subject to penalties by the securities regulatory authority in the jurisdiction where its shares are listed, other relevant government departments, or disciplinary action by the stock exchange;

(5) Whether there are circumstances under laws, regulations, rules, or normative documents that would disqualify an individual from serving as a director.

In addition to adopting cumulative voting for the election of directors, each director candidate shall be proposed as a separate individual proposal.

Article 31 Once notice of a shareholders' meeting has been issued, the meeting shall not be postponed or cancelled without justifiable cause, nor shall any proposal specified in the notice be withdrawn. Should postponement or cancellation occur, the convenor shall announce the reason at least 2 working days prior to the original meeting date. Where the date of publication of a supplementary circular or announcement is less than 10 working days before the original meeting date, the Company shall, in accordance with the Hong Kong Listing Rules, postpone the shareholders' meeting to a date 10 working days after the date of publication of the supplementary circular or announcement.

CHAPTER 7 CONVENING OF SHAREHOLDERS' MEETINGS

Article 32 The Board of Directors and other conveners shall take necessary measures to ensure the orderly conduct of the shareholders' meeting. Any acts of disrupting the meeting, causing disturbances, or infringing upon the lawful rights and interests of shareholders shall be promptly addressed and reported to the relevant authorities for investigation and handling.

Article 33 All shareholders registered on the record date or their proxies shall be entitled to attend the shareholders' meeting, and neither the Company nor the convener may refuse them entry on any grounds whatsoever.

Shareholders attending the shareholders' meeting shall have one vote for each share held, except for holders of class shares. Shares held by the Company in its own name shall not carry voting rights.

Where matters arising under Article 116(3) of the Company Law and as prescribed by the China Securities Regulatory Commission may affect the rights of shareholders of class shares, such matters shall, in addition to requiring a special resolution of the shareholders' meeting, be approved by a majority of not less than two-thirds of the voting rights held by shareholders present at the meeting of class shareholders.

Resolutions concerning category shareholders and their voting rights shall comply with the provisions of laws, administrative regulations, the China Securities Regulatory Commission, and the Company's articles of association.

Article 34 Shareholders may attend shareholders' meetings in person or appoint proxies to attend and vote on their behalf.

Individual shareholders attending meetings in person shall present their identity card or other valid identification documents or proof of identity, along with their share account card. Where attendance is by proxy, the proxy shall present their own valid identification documents and a letter of authorisation from the shareholder.

Corporate shareholders shall be represented at meetings by their legal representative or an agent authorised by the legal representative. Where the legal representative attends in person, they shall present their identity card and valid documentation evidencing their capacity as legal representative. Where an authorised agent attends, the agent shall present their identity card and a written letter of authorisation duly issued by the legal representative of the corporate shareholder.

Article 35 A shareholder shall authorise an agent in writing, with the authorisation signed by the principal or by an agent formally authorised in writing by the principal. Where the principal is a legal person, the authorisation shall bear the legal person's official seal or be signed by an agent formally authorised by the legal person.

Article 36 A power of attorney issued by a shareholder authorising another person to attend a shareholders' meeting shall contain the following particulars:

(1) Name or designation of the principal, and the class and quantity of shares held in the Company;

(2) the name or designation of the agent;

(3) Specific instructions from shareholders, including instructions to vote in favour of, against, or abstain on each item of business on the agenda of the shareholders' meeting;

(4) Date of issue and period of validity of the power of attorney;

(5) Signature (or seal) of the principal. Where the principal is a corporate shareholder, the corporate seal shall be affixed.

Article 37 The proxy form shall specify whether the shareholder's representative may vote according to their own judgement in the absence of specific instructions from the shareholder.

Article 38 Where a proxy voting authorisation letter is signed by a person authorised by the principal, the authorisation letter or other authorisation document shall be notarised. Both the notarised authorisation letter or other authorisation document and the proxy voting authorisation letter shall be kept at the Company's registered office or at such other place as may be specified in the notice convening the meeting.

Where the principal is a legal person, its statutory representative or a person authorised by resolution of the board of directors or other decision-making body shall attend the Company's shareholders' meeting as its representative.

Article 39 Where a proxy holder's authorisation is unclear, or where the documents submitted by their agent to prove the principal's lawful identity, the agency relationship, or other relevant matters fail to comply with laws, regulations, or the Company's articles of association, resulting in the invalidation of their attendance at the meeting, the principal or their agent shall bear the corresponding legal consequences.

Article 40 The Company shall be responsible for preparing the attendance register for the meeting. The attendance register shall contain the following particulars: the name (or name of the organisation) of the attendee, their identity card number, residential address, the number of shares held or represented with voting rights, and the name (or name of the organisation) of the principal.

Article 41 The convener and the solicitors engaged by the Company shall jointly verify the legitimacy of shareholder status based on the shareholder register provided by the securities registration and settlement institution, and shall record the names (or designations) of shareholders and the number of shares with voting rights held by them. Registration for the meeting shall cease before the chairperson announces the number of shareholders and proxies present in person and the total number of shares with voting rights held by them.

Article 42 Where the shareholders' meeting requires directors and senior management personnel to attend, such directors and senior management personnel shall attend and be subject to questioning by shareholders.

Article 43 Shareholders' meetings shall be chaired by the Chairman. Where the Chairman is unable to perform his duties or fails to perform them, the Vice-Chairman (if any) shall preside. Where the Vice-Chairman is unable to perform his duties or fails to perform them, a director jointly nominated by a majority of the directors shall preside.

Shareholders' meetings convened by the Audit Committee shall be chaired by the convening member of the Audit Committee. Where the convening member is unable or fails to perform their duties, the meeting shall be chaired by a member of the Audit Committee jointly nominated by a majority of its members.

Shareholders' meetings convened by shareholders themselves shall be chaired by the convener or a representative nominated by the convener.

Where the chairperson of a shareholders' meeting violates these rules of procedure such that the meeting cannot continue, the meeting may, with the consent of shareholders present and entitled to vote representing a majority, appoint another person to chair the meeting and continue proceedings.

Article 44 At the Annual General Meeting, the Board of Directors shall report to the shareholders on its work over the preceding year. Each independent director shall also deliver a performance report.

Article 45 Directors and senior management shall provide explanations and clarifications at shareholders' meetings in response to shareholders' enquiries and proposals.

Article 46 The chairman shall convene the meeting at the scheduled time, proceeding with the agenda items and motions in the order listed. Matters on the agenda shall be addressed through the sequence of hearing reports, collective deliberation, and collective voting. The chairman may, based on actual circumstances, decide to adopt a method of reporting, deliberating, and voting on each item individually.

Article 47 Prior to voting, the chairperson of the meeting shall announce the number of shareholders and proxies present in person and the aggregate number of shares represented by their voting rights. The number of shareholders and proxies present in person and the aggregate number of shares represented by their voting rights shall be determined by the meeting register.

Article 48 Shareholders wishing to speak shall register with the meeting secretariat. The order of speaking shall be determined by the registration results, with priority given to shareholders holding the largest number of shares. Where shareholders hold an equal number of shares, the order of speaking shall be determined by the sequence in which they registered. Shareholders shall speak at the designated speaking podium after being called upon by the chairperson of the meeting, and their remarks shall focus on the main agenda items of the meeting.

Article 49 The chairperson shall determine the speaking time and number of interventions per person according to the circumstances. During the allotted speaking period, shareholders shall not be interrupted. Shareholders shall likewise not interrupt the board's report to request the floor.

Where a shareholder contravenes the foregoing provisions, the chairperson of the meeting may refuse or prevent such conduct.

Article 50 The chairperson of the meeting shall have the authority to announce a temporary adjournment in accordance with the proceedings and schedule of the meeting. The chairperson may also adjourn the meeting when deemed necessary.

Article 51 When deliberating on proposals at a shareholders' meeting, no amendments may be made thereto. Should any alterations be introduced, such changes shall be deemed to constitute a new proposal and shall not be put to the vote at that meeting.

Article 52 The convener shall ensure the shareholders' meeting continues until a final resolution is reached. Should the meeting be suspended or unable to pass resolutions due to force majeure or other exceptional circumstances, necessary measures shall be taken to reconvene the meeting as soon as practicable or to terminate the meeting outright, with prompt public announcement. Concurrently, the convener shall report to the local branch of the China Securities Regulatory Commission and the relevant stock exchange.

Article 53 When convening a shareholders' meeting, the Company shall engage solicitors to issue legal opinions on the following matters and make public announcements:

(1) Whether the convening and conduct of the meeting comply with laws, administrative regulations, and the Articles of Association;

(2) Whether the qualifications of attendees and the convener are lawful and valid;

(3) Whether the voting procedures and results of the meeting are lawful and valid;

(4) Legal opinions issued on other relevant matters at the request of the Company.

CHAPTER 8 VOTING AND RESOLUTIONS AT SHAREHOLDERS' MEETINGS

Article 54 Resolutions of the shareholders' meeting shall be classified as ordinary resolutions and special resolutions.

An ordinary resolution of the shareholders' meeting shall be passed by a majority of the voting rights held by the shareholders (including proxies) present at the meeting.

A special resolution of the shareholders' meeting shall be passed by a majority of not less than two-thirds of the voting rights held by the shareholders (including proxies) present at the meeting.

Article 55 The following matters shall be approved by an ordinary resolution of the shareholders' meeting:

(1) The Board of Directors' Work Report;

(2) The profit distribution plan and loss compensation plan proposed by the Board of Directors;

(3) The appointment and removal of directors (excluding directors serving as employee representatives), along with their remuneration and method of payment;

(4) Matters other than those required to be passed by special resolution under laws, administrative regulations, the listing rules of the stock exchange where the Company's shares are listed, or the Company's articles of association.

Article 56 The following matters shall be approved by a special resolution of the shareholders' meeting:

(1) increasing or reducing the Company's share capital and issuing shares of any class, warrants and other similar securities;

(2) the division, demerger, merger, dissolution and liquidation of the company, or any change in the Company's form;

(3) Amendments to the Articles of Association;

(4) Where the amount of any major asset purchased or sold by the company within one year, or any guarantee provided to another party, exceeds 30% of the company's most recent audited total assets;

(5) Share incentive schemes, employee share ownership schemes; and

(6) Other matters required to be passed by special resolution under laws, administrative regulations, the listing rules of the stock exchange where the Company's shares are listed, or the Company's Articles of Association.

Article 57 Shareholders (including shareholder proxies) shall exercise voting rights in proportion to the number of shares with voting rights they represent, with each share carrying one vote, save for holders of class shares.

When shareholders' meetings deliberate on significant matters affecting the interests of minority shareholders, separate voting tallies shall be conducted for minority shareholders. The results of such separate tallies shall be promptly disclosed.

The shares held by the Company in its own capital do not carry voting rights, and such shares shall not be counted towards the total number of shares entitled to vote at shareholders' meetings.

Where a shareholder acquires voting shares in the Company in contravention of the provisions of Article 63, Paragraphs 1 and 2 of the Securities Law, the voting rights attached to the shares exceeding the prescribed proportion shall not be exercised for a period of 36 months following such acquisition. Furthermore, such shares shall not be counted towards the total number of voting shares present at shareholders' meetings.

The board of directors, independent directors, shareholders holding more than 1% of the voting shares, or investor protection organisations established in accordance with laws, administrative regulations, or the provisions of the China Securities Regulatory Commission may publicly solicit shareholders' voting rights. When soliciting shareholders' voting rights, the solicitor shall fully disclose information such as the specific voting intentions to the solicited party. Soliciting shareholders' voting rights through remuneration or disguised remuneration is prohibited. Except under statutory conditions, the Company shall not impose minimum shareholding ratio restrictions on the solicitation of voting rights.

Article 58 When the shareholders' meeting deliberates on matters concerning related party transactions, related shareholders shall not participate in the voting, and the number of shares with voting rights represented by them shall not be counted towards the total valid votes cast. The resolution of the shareholders' meeting shall state the voting results of non-related shareholders.

The scope of related party transactions and the deliberation of such transactions shall be conducted in accordance with the Articles of Association and the Company's specific related party transaction policies.

Article 59 The Company shall, whilst ensuring the lawful and valid conduct of the shareholders' meeting, prioritise the provision of modern information technology means such as online voting platforms through various methods and channels to facilitate shareholders' participation in the shareholders' meeting. Shareholders may vote in person or by proxy in accordance with the law, both of which shall have equal legal effect.

Article 60 Except in special circumstances such as the Company being in a state of crisis, the Company shall not enter into any contract with any person other than a Director, the Managing Director or other senior management personnel whereby the management of all or any material part of the Company's business is entrusted to that person, unless approved by a special resolution of the shareholders' meeting.

Article 61 The list of director candidates (excluding directors serving as employee representatives) shall be submitted to the shareholders' meeting for voting by way of a proposal.

The Company's board of directors and shareholders holding more than one per cent of the total voting shares of the Company shall have the right to nominate candidates for directors (excluding directors serving as employee representatives).

Proposals for the nomination of director candidates shall include detailed information and curricula vitae of the candidates, ensuring shareholders possess sufficient understanding of the candidates when casting their votes. Prior to the convening of the shareholders' meeting, director candidates shall provide a written undertaking agreeing to accept the nomination, confirming that the information disclosed by the nominator is true, accurate and complete, and pledging to fulfil statutory duties upon election. The nominator shall agree to provide a written undertaking confirming that the information provided regarding the director candidate is true, accurate and complete.

Article 62 The election of directors (excluding directors serving as employee representatives) shall fully reflect the views of minority shareholders. The shareholders' meeting shall actively implement cumulative voting in the election of directors (excluding directors serving as employee representatives). Cumulative voting shall be adopted where a single shareholder and its concerted parties hold an aggregate shareholding interest of 30% or more, or where the shareholders' meeting elects two or more independent directors. The Company shall stipulate detailed implementation rules in its articles of association.

The cumulative voting system referred to in the preceding paragraph means that, when electing directors at a shareholders' meeting, each share shall carry a number of votes equal to the number of directors to be elected, and shareholders may concentrate their voting rights.

Where the number of nominated candidates for directorship exceeds the number of director positions to be filled, a contested election shall be conducted.

The procedure for removing directors (excluding directors who are employee representatives) shall be carried out in accordance with the aforementioned provisions.

Any resolution concerning the election, replacement or removal of directors passed in contravention of this provision shall be null and void.

Article 63 Except where cumulative voting applies, the shareholders' meeting shall vote on each proposal individually. Where multiple proposals concern the same matter, voting shall proceed in chronological order of submission. Save where the meeting is adjourned or unable to pass resolutions due to force majeure or other exceptional circumstances, the shareholders' meeting shall not defer proposals or abstain from voting.

When deliberating on the issuance of preference shares, the shareholders' meeting shall vote on each of the following matters individually:

(1) The class and number of preference shares to be issued in this offering;

(2) The method of issue, the target recipients, and the arrangements for the placement to existing shareholders;

(3) The face value, issue price or pricing range, and the principles for their determination;

(4) The manner in which preference shareholders participate in profit distribution, including: the dividend rate and its determination principles, conditions for dividend distribution, dividend payment methods, whether dividends are cumulative, and whether they may participate in residual profit distribution;

(5) Repurchase provisions, including the conditions, period, price and principles for determining the price of repurchase, and the party authorised to exercise the repurchase option (if any);

(6) Use of raised funds;

(7) Share subscription agreements subject to conditional effectiveness entered into by the Company with the respective issuing parties;

(8) The period of validity of the resolution;

(9) Proposed amendments to the provisions concerning profit distribution policy in the Articles of Association;

(10) authorisation to the Board of Directors to handle the specific matters relating to this issue; and

(11) Other matters

Article 64 Each voting right may only be exercised through one of the following methods: in person, online, or by other means. Where duplicate votes are cast for the same voting right, the result of the first vote shall prevail.

Article 65 Shareholders attending the shareholders' meeting shall express one of the following opinions on proposals submitted for voting: in favour, against, or abstain. This shall not apply to the securities registration and settlement institution acting as the nominee holder for shares under the Mainland and Hong Kong Stock Connect mechanism, which shall report in accordance with the actual holder's instructions.

Voting cards that are blank, incorrectly completed, illegible, or not cast shall be deemed as the voter having waived their voting rights. The voting results for the number of shares held shall be counted as 'abstentions'.

Article 66 Shareholders' meetings shall adopt a registered voting system.

Article 67 Prior to voting on a proposal at a shareholders' meeting, two shareholder representatives shall be elected to participate in counting and supervising the votes. Where a matter under consideration involves a related party relationship with a shareholder, the relevant shareholder and their proxy shall not participate in counting or supervising the votes.

When the shareholders' meeting votes on a proposal, the counting and supervision of votes shall be jointly undertaken by a solicitor and shareholder representatives, with the voting results announced on the spot. The voting outcome of the resolution shall be recorded in the minutes of the meeting.

Shareholders of the Company or their proxies who cast votes via the internet or other means shall have the right to verify their voting results through the corresponding voting system.

Article 68 The conclusion of the physical shareholders' meeting shall not precede the conclusion of the online or other means of participation. The chairperson shall announce the voting details and results for each proposal at the physical meeting venue and declare whether the proposal has been passed based on the voting outcome.

Prior to the formal announcement of voting results, all relevant parties involved in the voting process—including the Company, vote counters, vote supervisors, shareholders, and online service providers—whether present at the shareholders' meeting venue, participating via online platforms, or utilising other voting methods, shall maintain confidentiality regarding the voting details.

Article 69 The chairperson of the meeting shall announce the voting details and results for each proposal and, based on the voting outcome, declare whether the proposal has been adopted.

Prior to the formal announcement of the voting results, all relevant parties involved in the shareholders' meeting venue and other voting methods—including the Company, the vote counters, the vote supervisors, and major shareholders—shall maintain confidentiality regarding the voting circumstances.

Article 70 Shareholders attending the shareholders' meeting shall expressly state their approval, opposition or abstention in respect of proposals put to the vote.

Article 71 Shareholders shall cast votes within the limits of their voting rights for each group of proposals. Where a shareholder casts votes in excess of their voting rights, or votes for more candidates than the number to be elected in an election with multiple candidates, such votes cast on that proposal shall be deemed invalid.

Where a shareholder casts votes online only for certain resolutions at a shareholders' meeting, such shareholder shall be deemed to have attended the meeting, and the number of votes held by that shareholder shall be included in the calculation of the total votes held by shareholders present at the meeting. For any resolution on which such shareholder has not voted or has not complied with the voting requirements under these Rules of Procedure, the number of votes held by that shareholder shall be counted as abstentions.

Shareholders holding multiple shareholder accounts may participate in online voting through any one of their accounts. The number of votes they are entitled to shall be calculated based on the aggregate number of shares of the same class held across all their shareholder accounts.

The Company and its legal counsel shall verify the compliance of the voting data and ultimately determine the voting results of the shareholders' meeting. Any objections to the voting data shall be promptly raised with the Shanghai Stock Exchange and the information service provider.

Article 72 Should the chairperson of the meeting have any doubt regarding the outcome of a resolution put to the vote, they may organise a recount of the votes cast. If the chairperson fails to conduct a recount, any shareholder or shareholder's proxy present at the meeting who objects to the result announced by the chairperson shall have the right to demand a recount immediately after the announcement of the voting result. The chairperson shall promptly organise such a recount.

Article 73 Where the shareholders' meeting passes a resolution concerning the election of directors, the newly elected directors shall assume office on the date of the shareholders' meeting at which the resolution concerning their election was passed.

Article 74 Resolutions of the shareholders' meeting shall be promptly announced in accordance with the relevant listing rules of the Shanghai Stock Exchange, the Hong Kong Listing Rules, and other laws, regulations, and normative documents. The announcement shall specify the number of shareholders and proxies present at the meeting, the total number of shares with voting rights held and their proportion of the total voting shares of the company, the voting method, the voting results for each proposal, and the detailed content of each resolution passed. Companies issuing domestic-listed foreign shares or class shares shall separately tally and announce the attendance and voting records of domestic-shareholders and foreign-shareholders, as well as ordinary-shareholders and class-shareholders.

Article 75 Where a proposal is not adopted, or where this shareholders' meeting amends the resolution of the preceding shareholders' meeting, a special note shall be made in the announcement of the shareholders' meeting resolution.

Article 76 Where the shareholders' meeting passes a proposal concerning the distribution of cash dividends, bonus shares, or the conversion of capital reserves into share capital, the company shall implement the specific plan within 2 months following the conclusion of the shareholders' meeting.

Article 77 Resolutions adopted by the shareholders' meeting shall be implemented by the board of directors, with the chairman of the Company organising relevant personnel to carry out the specific implementation in accordance with the content of the resolution. Matters requiring the audit committee to handle as stipulated in the shareholders' meeting resolution shall be directly organised and implemented by the audit committee.

Article 78 Where the Company repurchases ordinary shares for the purpose of reducing its registered capital by issuing preference shares to unspecified persons, or repurchases ordinary shares from specific shareholders by issuing preference shares to such shareholders as consideration, the resolution of the shareholders' meeting concerning the repurchase of ordinary shares shall be passed by a majority of not less than two-thirds of the voting rights held by shareholders present at the meeting. The Company shall announce such resolution on the day following the passing of the resolution by the shareholders' meeting.

Article 79 Resolutions of a Company's shareholders' meeting shall be invalid if their content contravenes laws or administrative regulations. Controlling shareholders and actual controllers of the company shall not restrict or obstruct minority investors in lawfully exercising their voting rights, nor shall they prejudice the lawful rights and interests of the Company and minority investors. Where the procedures for convening a shareholders' meeting or the voting methods contravene laws, administrative regulations, or the Company's articles of association, or where the content of the resolution violates the articles of association, shareholders may, within sixty days from the date of the resolution, petition the People's Court to revoke it; provided that this shall not apply where the procedures for convening the meeting or the voting methods contain only minor defects that did not materially affect the resolution.

Where disputes arise among the board of directors, shareholders or other relevant parties concerning the convener's qualifications, the convening procedures, the legality of the proposed resolutions, or the validity of the shareholders' meeting resolutions, such disputes shall be promptly brought before the People's Court. Prior to the People's Court issuing a judgment or ruling to revoke the resolution, the relevant parties shall implement the shareholders' meeting resolution. The company, directors and senior management shall diligently perform their duties, promptly implement the shareholders' meeting resolution, and ensure the Company's normal operations.

Where a People's Court renders a judgment or ruling on relevant matters, the Company shall fulfil its information disclosure obligations in accordance with laws, administrative regulations, and the provisions of the China Securities Regulatory Commission and the stock exchange, fully explaining the implications. It shall actively cooperate with enforcement after the judgment or ruling takes effect. Where such matters involve rectifying prior issues, the Company shall promptly address them and fulfil the corresponding information disclosure obligations.

CHAPTER 9 SPECIAL VOTING PROCEDURES FOR CLASS SHAREHOLDER

Article 80 A shareholder holding shares of different classes shall be a class shareholder.

Shareholders of each class shall enjoy rights and discharge obligations in accordance with the provisions of laws, administrative regulations and the Articles of Association. Where appropriate, the Company shall ensure that holders of preference shares are accorded sufficient voting rights.

Where the share capital of the Company comprises shares without voting rights, the description of such shares shall include the words 'without voting rights'. Where the share capital comprises shares with different voting rights, the description of each class of shares (other than those carrying the most favourable voting rights) shall include the words 'restricted voting rights' or 'limited voting rights'.

Article 81 Any proposed alteration or abolition of the rights of class shareholders shall be subject to approval by a special resolution of the shareholders' meeting and further approval by the affected class shareholders at a separate shareholders' meeting convened in accordance with the special procedures for voting by class shareholders as stipulated in the Articles of Association.

Article 82 The following circumstances shall be deemed to constitute an alteration or abolition of the rights of shareholders of a particular class:

(1) increase or decrease in the number of shares of such class, or an increase or decrease in the number of shares of a class having voting rights, distribution rights or other privileges equal or superior to those of the shares of such class;

(2) change of all or part of the shares of such class into shares of another class, conversion of all or part of the shares of another class into share of such class or the grant of the right to such change;

(3) removal or reduction of rights to accrued dividends or cumulative dividends attached to shares of such class;

(4) reduction or removal of preferential rights attached to shares of that class to receive a dividends or to asset distribution during liquidation of the Company;

(5) addition, removal or reduction of share conversion rights, options, voting rights, transfer rights, preemptive rights or rights to acquire securities of the Company attached to shares of such class;

(6) removal or reduction of rights to receive amounts payable by the Company in a particular currency attached to shares of such class;

(7) a creation of a new class of shares with voting rights, distribution rights or other privileges equal or superior to those of the shares of that class;

(8) imposition of restrictions or additional restrictions on the transfer or ownership of shares of such class;

(9) issuance of rights to subscribe for, or convert into, shares of such class or another class;

(10) increase in the rights and privileges of shares of another class;

(11) restructuring of the Company causes disproportion distribution of obligations between shareholders of various classes during the restructuring; and

(12) amendment to or cancellation of the provisions of this article.

Article 83 Affected class shareholders, regardless of whether they originally held voting rights at general meetings, shall possess voting rights at class shareholders' meetings concerning matters falling under Article 82(2) to (8) and (11) to (12). However, shareholders with a material interest shall not hold voting rights at such class shareholders' meetings.

Article 84 Resolutions of a class shareholders' meeting shall be passed by a majority vote of not less than two-thirds of the voting rights represented at the meeting.

Where any shareholder is required under the Hong Kong Listing Rules to abstain from voting on a particular resolution at a class meeting, or is restricted to voting only for or against a specified resolution, any vote cast by such shareholder or their proxy in contravention of such requirement or restriction shall not be counted as a vote.

Article 85 Where the Company convenes a meeting of shareholders of a particular class, it shall issue an announcement and written notice in accordance with the notice period requirements for convening shareholders' meetings set out in Article 28, informing all registered shareholders of that class of the matters to be considered at the meeting, as well as the date and venue thereof. For H Share shareholders, the Company may also give notice by electronic means to the shareholders' electronic addresses, or by publishing the notice or relevant documents on the Company's website and the website of the Hong Kong Stock Exchange.

Article 86 Notice of a class shareholders' meeting need only be sent to shareholders entitled to vote at that meeting.

Class shareholders' meetings shall be conducted in accordance with procedures as similar as practicable to those for general meetings of shareholders; the provisions of these Articles relating to the conduct of general meetings shall apply to class shareholders' meetings.

Article 87 Shareholders of domestic shares listed domestically and shareholders of foreign shares listed overseas shall be deemed as different categories of shareholders, except for shareholders of other share categories.

The following circumstances shall not be subject to the special procedures for class voting:

(1) where, upon the approval by a special resolution of the shareholders' general meeting, the Company issues, either separately or concurrently, Onshore-Listed Domestic-Invested Shares and Overseas-Listed Foreign-Invested Shares once every 12 months, not more than 20 percent of the existing and outstanding issued shares of the respective class;

(2) where the plan for issuance of Onshore-Listed Domestic-Invested Shares and Overseas-Listed Foreign-Invested Shares upon the establishment of the Company is completed within 15 months from the date of approval by the State Council Securities Commission;

(3) where, upon the approval by a special resolution of the shareholders' general meeting, the Company repurchases, either separately or concurrently, Onshore-Listed Domestic-Invested Shares and/or Overseas-Listed Foreign-Invested Shares once every 12 months with own funds, with total number not more than 10 percent of the existing issued of the respective classes;

(4) Shares (including domestic and foreign shares) already issued but not listed of the Company, after approval from the securities regulatory authority under the State Council, are converted to overseas listed shares.

CHAPTER 10 MEETING MINUTES

Article 88 Minutes shall be kept of shareholders' meetings, for which the board secretary shall be responsible. The minutes shall record the following:

(1) The time, place, agenda and name or designation of the convener of the meeting;

(2) The names of the chairperson of the meeting and the directors, general manager, board secretary and other senior management personnel attending the meeting;

(3) The number of shareholders and proxies present at the meeting, the total number of shares represented by the voting rights held, and the proportion of the Company's total share capital represented thereby;

(4) The deliberation process, key points of discussion and voting results for each proposal;

(5) Shareholders' queries or proposals and the corresponding responses or explanations;

(6) Names of the ballot counters, ballot supervisors and solicitors;

(7) Any other matters required by the Articles of Association to be recorded in the minutes.

Article 89 Directors, the Board Secretary, conveners or their representatives, and the chairperson of the meeting shall sign the minutes and warrant that the contents are true, accurate and complete. The minutes shall be preserved together with the attendance register of shareholders present in person, the proxy documents for proxy attendance, and valid records of voting conducted via online or other means, for a period of not less than ten years.

CHAPTER 11 ADDENDUM

Article 90 Unless otherwise specified, the terms used in these Rules of Procedure shall have the same meanings as those terms in the Articles of Association.

Article 91 In these Rules of Procedure, the terms 'or more', 'or within' shall include the number itself; the terms 'exceeding', "below", 'more than' shall exclude the number itself.

Article 92 Matters not covered by these regulations shall be governed by relevant national laws, regulations, normative documents, Hong Kong Listing Rules and the Company's articles of association. In case of inconsistency between these regulations and relevant laws, regulations, normative documents, or the Company's Articles of Association, the provisions of the relevant laws, regulations, normative documents, Hong Kong Listing Rules and Articles of Association shall prevail. Should these Regulations conflict with any laws, regulations, normative documents subsequently promulgated by the state, Hong Kong Listing Rules or with the Articles of Association of the Company as amended through lawful procedures, the provisions of the relevant laws, regulations, normative documents, Hong Kong Listing Rules and the Articles of Association shall prevail, and these Regulations shall be revised accordingly.

Article 93 These Rules shall come into force and effect upon their adoption by the Company's shareholders' meeting.

Article 94 These Rules shall be subject to amendment and interpretation by the Board of Directors of the Company.

Shanghai Fudan Microelectronics Group Company Limited

November 2025

CHAPTER 1 GENERAL PROVISIONS

Article 1 These Rules are formulated to standardise the deliberation methods and decision-making procedures of the Board of Directors of Shanghai Fudan Microelectronics Group Co., Ltd. (hereinafter referred to as the 'Company'), to facilitate the effective performance of duties by directors and the Board, and to enhance the standardised operation and scientific decision-making of the Board. They are established in accordance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China (hereinafter referred to as the 'Securities Law'), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the 'Hong Kong Listing Rules'), the Shanghai Stock Exchange STAR Market Listing Rules, and other relevant listing rules of the Shanghai Stock Exchange, as well as other laws, regulations, normative documents, and the Articles of Association of Shanghai Fudan Microelectronics Group Co., Ltd. (hereinafter referred to as the 'Articles of Association'), these Rules (the "Rules", "Regulations", System") are hereby formulated.

Article 2 The Company shall establish a Board of Directors in accordance with the law. The Board of Directors shall serve as the Company's operational decision-making body, managing and administering the Company's corporate assets in accordance with the provisions of the Company Law and other relevant laws, regulations, and the Articles of Association, and shall be accountable to the Shareholders' Meeting. The Board of Directors shall perform its duties in accordance with the law, ensuring the Company complies with laws, regulations, and the Articles of Association, treats all shareholders fairly, and safeguards the legitimate rights and interests of other stakeholders.

Article 3 These Rules of Procedure shall be binding upon all directors of the Company.

CHAPTER 2 COMPOSITION OF THE BOARD OF DIRECTORS

Article 4 The Board of Directors shall comprise eleven directors, including one Chairman. Independent directors shall constitute at least one-third of the Board membership, with one director representing employees.

The Chairman shall be elected by the Board of Directors by a majority vote of all directors. The Chairman shall serve a term of three years and may be re-elected for consecutive terms.

Article 5 Directors shall be elected by the shareholders' meeting for a term of three years and may be re-elected for successive terms. The shareholders' meeting may not remove a director from office without cause before the expiry of their term. Members of the board of directors shall possess the knowledge, skills and qualities necessary to perform their duties.

Article 6 Where the resignation of an independent director results in the proportion of independent directors among all board members falling below one-third, or where the board lacks an independent director with accounting expertise, the resigning independent director shall continue to perform their duties until a new independent director is appointed, except where the resignation is due to loss of independence or removal in accordance with the law. The original nominator of such independent director or the company's board of directors shall nominate a new candidate for independent director within 60 days of the resignation date.

Article 7 The Company shall disclose detailed information concerning director candidates prior to the convening of the shareholders' meeting, to enable shareholders to gain sufficient understanding of the candidates.

Candidates for directorship shall, prior to the announcement of the shareholders' meeting notice, provide a written undertaking agreeing to accept the nomination, confirming that the publicly disclosed candidate information is true, accurate and complete, and guaranteeing that they will faithfully perform their duties as directors upon election.

The Company shall enter into contracts with directors, clearly stipulating the respective rights and obligations of the company and directors, the directors' term of office, the liability of directors for breaching laws, regulations, and the Company's articles of association, as well as compensation payable by the Company for early termination of the contract for any reason.

Article 8 The term of office of a director shall commence on the date of appointment and shall continue until the expiry of the term of the current Board of Directors. Should a director's term expire without timely re-election, the incumbent director shall continue to perform their duties in accordance with the provisions of laws, administrative regulations, departmental rules and regulations, and these Articles of Association until the newly elected director assumes office.

Article 9 Directors may concurrently hold senior management positions; however, the aggregate number of directors concurrently holding senior management positions and directors serving as employee representatives shall not exceed one-half of the total number of directors of the Company.

Article 10 The Company shall establish a management system for directors' departure, specifying safeguards for pursuing accountability and seeking compensation for unfulfilled public commitments and other outstanding matters. Upon the effective date of resignation or expiry of their term, directors shall complete all handover procedures with the Board of Directors. Their fiduciary duties to the Company and shareholders shall not be automatically discharged upon termination of their term, but shall remain in force for three years following the effective date of resignation or the expiry of their term. Liabilities incurred by directors during their tenure arising from the performance of their duties shall not be exempted or terminated upon their departure.

Article 11 The shareholders' meeting may resolve to remove a director, with such removal taking effect on the date of the resolution. Where a director is removed without cause before the expiry of his term of office, he may claim compensation from the Company.

CHAPTER 3 STRUCTURE OF THE BOARD OF DIRECTORS

Article 12 The Board of Directors shall establish an Office of the Board to handle its day-to-day affairs.

Article 13 The Company shall appoint one Board Secretary. The Board Secretary shall be a senior management officer of the Company, serving a term of three years, which may be renewed upon expiry.

Article 14 The Board of Directors shall establish an Audit Committee, a Nomination Committee, and a Remuneration and Evaluation Committee. It may, as required, establish specialised working bodies such as a Strategy and Investment Committee and an Environmental, Social and Governance Committee. The composition, powers and duties, and rules of procedure for each committee shall be determined by the Board of Directors.

CHAPTER 4 POWERS OF THE BOARD OF DIRECTORS

Article 15 The Board of Directors shall be accountable to the Shareholders' Meeting and shall implement the resolutions of the Shareholders' Meeting.

The Company shall ensure that the board of directors exercises its powers in accordance with laws, regulations and the articles of association, and shall provide the necessary conditions for directors to perform their duties properly.

Article 16 The statutory powers of the Company's Board of Directors shall be exercised collectively by the Board. Such powers may not be delegated to others, nor may they be altered or deprived by means of the Articles of Association, resolutions of the shareholders' meeting, or other similar instruments.

Where other powers of the Board of Directors as stipulated in the Articles of Association involve significant business matters or issues, collective decision-making shall be undertaken; such matters shall not be delegated to individual directors or a select group of directors for independent decision-making.

Article 17 The Board of Directors shall exercise its powers within the scope prescribed by the Company Law and the Articles of Association.

Article 18 The board of directors of the Company shall provide an explanation to the shareholders' meeting regarding any non-standard audit opinion issued by the certified public accountant on the company's financial reports.

Article 19 The Board of Directors shall determine the authority for external investments, acquisitions and disposals of assets, asset pledges, external guarantees, entrusted asset management, related party transactions, external donations and other such matters, establishing rigorous review and decision-making procedures. Significant investment projects (excluding the provision of guarantees, acceptance of cash assets as donations, or debt relief solely exempting the company from its obligations) shall be subject to evaluation by relevant experts and professionals, and shall be submitted to the Shareholders' Meeting for approval.

(1) The total value of assets involved in the transaction exceeds 50% of the Company's most recent audited total assets (where both book value and appraised value exist for the assets involved in the transaction, the higher value shall be used for calculation purposes);

(2) Where the transaction subject matter (e.g. equity interests) generated revenue from its principal business operations in the most recent financial year that accounted for over 50% of the company's audited principal business revenue for the same period, and where the absolute amount exceeded RMB50 million;

(3) Where the net profit attributable to the transaction subject matter (e.g. equity interests) in the most recent financial year represents over 50% of the company's audited net profit for the most recent financial year, and the absolute amount exceeds RMB5 million;

(4) The transaction amount (including assumed liabilities and expenses) exceeds 50% of the Company's latest audited net assets, and the absolute amount exceeds RMB50 million;

(5) The profit generated from the transaction represents more than 50% of the company's audited net profit for the most recent financial year, and the absolute amount exceeds RMB5 million.;

(6) Other transactions required to be approved by the shareholders' meeting pursuant to the relevant laws and regulations within China, the relevant laws and regulations of the Hong Kong Special Administrative Region, the Hong Kong Listing Rules, the relevant listing rules of the Shanghai Stock Exchange, the Articles of Association, and the Company's relevant management systems.

Where negative values are encountered in the calculation of the aforementioned indicators, the absolute value shall be used for computation.

The Company shall undertake risk investments such as stock, futures, and foreign exchange trading only after the relevant professional management department has submitted a feasibility study report and implementation plan, which must be approved by the board of directors prior to execution.

External guarantees requiring board approval must not only be passed by a majority of all directors, but also be deliberated upon and approved by a resolution passed by at least two-thirds of the directors present at the board meeting.

CHAPTER 5 AUTHORISATION OF THE BOARD OF DIRECTORS

Article 20 To ensure and enhance the soundness and efficiency of the Company's daily operations, the Board of Directors, in accordance with the provisions of the Articles of Association and the authorisation of the Shareholders' Meeting, shall clearly define and limit the powers to decide on investment plans, asset disposal, external guarantees, formulation of the Company's debt and financial policies, and determination of organisational structure, and shall delegate such powers to the Chairman or the General Manager.

Article 21 The Chairman shall exercise the following powers:

(1) Preside over shareholders' meetings and convene and chair board meetings;

(2) Monitor and inspect the implementation of board resolutions;

(3) Signing important documents of the Board of Directors;

(4) In the event of an emergency arising from force majeure such as an extraordinary natural disaster, to exercise special powers of disposal in accordance with legal provisions and in the interests of the Company, reporting thereafter to the Company's board of directors and shareholders' meeting;

(5) Other powers conferred by the board of directors or the listing rules of the stock exchange where the Company's shares are listed.

Article 22 The Chairman of the Board shall strictly adhere to the collective decision-making mechanism of the Board of Directors. He shall not substitute Board decisions with personal opinions nor interfere with the independent judgement of other directors.

The Chairman shall not engage in conduct exceeding the scope of his authority. Where the Board authorises the Chairman to exercise certain powers of the Board during periods when the Board is not in session, the Company shall clearly stipulate the principles and specific details of such authorisation in its Articles of Association. The Company shall not delegate powers prescribed by law to be exercised by the Board to individuals such as the Chairman or the General Manager.

Article 23 The Board of Directors shall authorise the General Manager with the following powers:

(1) Preside over the Company's production and operational management, implement resolutions of the Board of Directors, and report work to the Board;

(2) Organise and implement the Company's annual business plan and investment proposals;

(3) Draft proposals for the establishment of internal management structures within the Company;

(4) Drafting the Company's fundamental management systems;

(5) Establish the Company's specific regulations;

(6) To propose to the Board of Directors the appointment or dismissal of senior management personnel such as the Deputy General Manager and Chief Financial Officer;

(7) To appoint or dismiss managerial personnel, except where such appointments or dismissals fall within the purview of the Board of Directors;

(8) Other powers conferred by the Articles of Association or the Board of Directors.

CHAPTER 6 BOARD MEETING PROCEDURES

Article 24 Board meetings shall be divided into regular meetings and extraordinary meetings. The agenda for board meetings shall be prepared in advance.

Article 25 The Board of Directors shall convene at least four regular meetings annually, to be convened and chaired by the Chairman. Should the Chairman be unable to perform his duties or fail to perform them, a director shall be jointly nominated by a majority of directors to convene and chair the meeting. Written notice of regular Board meetings shall be issued to all directors no less than fourteen days in advance, and such notice shall include the contents specified in Article 29 of these Rules. Materials required for directors' voting may be issued no less than 5 days after the notice of the regular meeting has been issued.

Article 26 The Chairman of the Board shall adhere to the rules governing board meetings, ensure the regular convening of board meetings, promptly submit matters requiring board deliberation for consideration, and shall not in any manner restrict or impede other directors from exercising their powers independently.

The Chairman of the Board shall actively oversee the implementation of matters already decided by the Board of Directors and promptly inform all directors of significant company matters.

Article 27 Where any of the following circumstances arise, the Chairman shall convene an extraordinary meeting within 10 days of receiving the proposal:

(1) When proposed by shareholders representing more than one-tenth of the voting rights (excluding treasury shares);

(2) When proposed by more than one-third of the directors;

(3) When proposed by the Board Audit Committee;

(4) When deemed necessary by the Chairman;

(5) When proposed by more than half of the independent directors;

(6) When proposed by the General Manager;

(7) Other circumstances as stipulated in the Company's Articles of Association, the Company Law, or the listing rules of the stock exchange where the Company's shares are listed.

Article 28 Written notice of an extraordinary meeting of the Board shall be given to all directors at least five days in advance. This notice period may be waived with the consent of all directors. In urgent circumstances requiring the prompt convening of an extraordinary meeting, notice may be given at any time by telephone or other oral means, provided that the convening party shall explain the circumstances at the meeting.

Article 29 Notice of Board Meetings shall include the following particulars:

(1) Date and venue of the meeting;

(2) The form in which meetings are convened;

(3) Duration of the meeting;

(4) Reason and subject matter;

(5) The convener of the meeting, the proposer of the extraordinary meeting, and their written proposal;

(6) Meeting materials required for directors to vote;

(7) The requirement that directors shall attend meetings in person or appoint another director to attend on their behalf;

(8) Contact person and contact details;

(9) The date on which the notice was issued.

An oral notice of a meeting shall at least include the matters specified in subparagraphs (1) and (2) above, together with an explanation of the urgent circumstances necessitating the convening of an extraordinary meeting of the board of directors at the earliest opportunity.

Article 30 Where, after written notice of a regular meeting of the Board of Directors has been issued, it becomes necessary to alter the meeting time, venue or other particulars, or to add, amend or withdraw agenda items, written notice of such changes shall be issued at least three days prior to the originally scheduled meeting date. Such notice shall explain the circumstances and detail the relevant content and supporting materials pertaining to the new agenda items. Where less than 3 days' notice is available, the meeting date shall be postponed accordingly, or the meeting may proceed as scheduled only with the consent of all directors attending.

Following the issuance of the notice convening an extraordinary meeting of the Board of Directors, should it become necessary to alter the meeting's time, venue or other particulars, or to add, amend or withdraw any agenda item, prior approval must be obtained from all directors attending the meeting, with appropriate records duly maintained.

Article 31 The Board of Directors shall provide sufficient documentation. Where two or more independent directors deem the documentation incomplete, the arguments insufficiently substantiated, or the provision untimely, they may jointly submit a written request to the Board to postpone the meeting or defer consideration of the matter. The Board shall comply with such requests, and the Company shall promptly disclose the relevant circumstances.

Article 32 A meeting of the Board of Directors shall only be convened when a majority of directors are present. Where relevant directors refuse to attend or neglect to attend meetings, thereby preventing the minimum quorum requirement from being met, the Chairman and the Board Secretary shall promptly report the matter to the regulatory authorities.

Article 33 Board meetings shall, as a rule, be convened in person. Where necessary, and provided that directors are afforded sufficient opportunity to express their views, meetings may also be conducted by means of video conferencing, telephone, facsimile or electronic mail voting, subject to the agreement of the convener (chairperson) and the proposer. Board meetings may also be conducted concurrently in person and by other means.

Where meetings are not convened in person, attendance shall be calculated based on directors appearing via video display, those expressing opinions during telephone conferences, valid voting ballots received by fax or email within the stipulated timeframe, or written confirmation letters submitted subsequently by directors confirming their participation in the meeting.

Article 34 Where the General Manager and the Board Secretary do not concurrently serve as directors, they shall attend Board meetings as non-voting attendees. Where deemed necessary by the chairperson of the meeting, other relevant personnel may be notified to attend Board meetings as non-voting attendees.

Article 35 Where any shareholder or director has a material conflict of interest in a matter to be considered by the Board, such matter shall be dealt with by way of a Board meeting (rather than a written resolution). Independent non-executive directors who have no material interest in the transaction itself and whose closely associated persons have no material interest therein shall attend the relevant Board meeting.

Article 36 Board meetings shall be attended by directors in person. Where a director is unable to attend for any reason, he or she may authorise another director to attend in his or her stead by written proxy. The proxy shall specify:

(1) The name of the agent;

(2) Agency matters;

(3) Scope of authorisation and period of validity;

(4) The signature or seal of the principal.

A director attending a meeting by proxy shall exercise the rights of a director within the scope of the authorisation. A director who neither attends a board meeting nor appoints a proxy shall be deemed to have waived their voting rights at that meeting.

When deliberating on related party transactions, non-related directors shall not authorise related directors to attend on their behalf; nor shall related directors accept authorisation from non-related directors.

Directors shall not grant full proxies to other directors to attend meetings on their behalf without disclosing their personal views on the proposals and voting intentions. Nor shall the relevant directors accept full proxies or authorisations where the scope of authority is unclear.

A director shall not accept proxies from more than two directors at any one board meeting, nor shall a director appoint a proxy who has already accepted proxies from two other directors.

Independent directors may not authorise non-independent directors to attend meetings on their behalf.

A director's responsibility for voting matters shall not be exempted by authorising another director to attend in their stead.

Where a director fails to attend two consecutive board meetings in person and does not authorise another director to attend on their behalf, they shall be deemed unable to perform their duties. The board shall recommend to the shareholders' meeting that such director be removed. Attendance in person shall include both physical attendance at the board meeting and attendance via teleconference.

Article 37 The chairperson of the meeting shall request directors attending the board meeting to express their explicit views on each proposal.

For proposals requiring deliberation at a special meeting of independent directors in accordance with regulations, the chairperson of the meeting shall, prior to discussion of the relevant proposal, designate an independent director to read out the resolution of the special meeting of independent directors.

Where a director obstructs the orderly conduct of the meeting or impedes other directors from speaking, the chairperson shall promptly intervene to stop such conduct.

Unless unanimously agreed by all directors present, no resolution concerning a proposal not included in the notice of meeting shall be voted upon at a board meeting. Where a director attends a board meeting by proxy on behalf of another director, the proxy shall not vote on behalf of the other director on any proposal not included in the notice of meeting.

Article 38 Directors shall carefully review all relevant meeting materials and, having fully understood the circumstances, shall express their opinions independently and prudently.

Directors may, prior to the meeting, obtain information necessary for decision-making from the board secretary, the meeting convener, the chief executive and other senior management personnel, as well as relevant personnel and institutions such as accounting firms and law firms. They may also, during the meeting, propose to the chairperson that representatives of the aforementioned personnel and institutions attend to explain relevant circumstances.

Article 39 When deliberating on matters requiring Board decisions, directors of the Company shall exercise due diligence in considering the following factors pertaining to such matters:

(1) Profit and loss;

(2) Basis and methodology for valuation;

(3) Feasibility and Legality;

(4) The creditworthiness of the counterparty and its relationship with the Company;

(5) The potential impact of such matters on the Company's ongoing development, and other related matters.

Where a director considers that a relevant decision of the board of directors does not comply with applicable laws and regulations, he or she shall raise the objection at the board meeting. Should the board nevertheless pass the relevant resolution, the dissenting director shall promptly report the matter to the Shanghai Stock Exchange and other relevant regulatory authorities.

Article 40 Following thorough discussion of each proposal, the chairperson shall, at an appropriate juncture, put it to the vote of the directors present. The chairperson may also decide to put all proposals to the vote collectively once discussion of all items on the agenda has been concluded.

Board resolutions shall be voted on by a system of one person, one vote, conducted by means of a written ballot and recorded in writing.

Directors' voting intentions shall be classified as approval, opposition, or abstention. Attending directors shall select one of the aforementioned intentions. Should a director fail to make a selection or choose two or more intentions simultaneously, the chairperson shall require the relevant director to reselect. Refusal to reselect shall be deemed abstention. A director who leaves the meeting without returning and fails to make a selection shall be deemed to have abstained.

Article 41 Where a director has an interest in an enterprise or individual involved in a matter to be resolved at a board meeting, that director shall promptly report such interest in writing to the board. A director with an interest shall not exercise voting rights on that resolution, nor shall they proxy vote on behalf of other directors. The Board meeting may be convened with the attendance of a majority of directors who are not related parties. Resolutions passed at Board meetings shall require the approval of a majority of directors who are not related parties. Where fewer than three directors who are not related parties attend the Board meeting, the matter shall be submitted to the shareholders' meeting for deliberation.

Directors shall abstain from voting on a relevant proposal in the following circumstances:

(1) Circumstances in which directors are required to abstain pursuant to the relevant listing rules of the Shanghai Stock Exchange, the Hong Kong Listing Rules, and regulations issued by securities regulatory authorities;

(2) Circumstances where the director personally deems it necessary to withdraw;

(3) Other circumstances stipulated in the Articles of Association where a director must withdraw from deliberations due to an association with the enterprise concerned by the meeting proposal.

Where the Company's general manager or other senior management personnel also serves as a director of the company, such member shall not vote as a director on matters relating to their position (such as their remuneration).

Article 42 Upon completion of voting by attending directors, relevant staff shall promptly collect the directors' voting ballots and submit them to the Board Secretary for tabulation under the supervision of one independent director.

Where a meeting is held in person, the chairperson shall announce the voting results on the spot. In other circumstances, the chairperson shall require the board secretary to notify directors of the voting results by the next working day following the expiry of the stipulated voting period.

Votes cast by directors after the chairperson has announced the voting results or after the stipulated voting period has concluded shall not be counted.

Article 43 The Board of Directors shall act strictly in accordance with the authorisation granted by the shareholders' meeting and the Articles of Association, and shall not exceed its authority in forming resolutions.

Article 44 Where the board meeting requires resolutions on special provisions concerning the Company's profit distribution or the conversion of capital reserves into share capital, the proposed distribution plan to be submitted for board deliberation may first be notified to the certified public accountant, who shall be requested to issue a draft audit report based thereon (provided that all other financial data not related to the distribution has been finalised). Following the Board's resolution on distribution, it shall request the certified public accountant to issue a formal audit report. The Board shall then resolve on other relevant matters in the periodic report based on the formal audit report issued by the certified public accountant.

Article 45 Where more than one-half of the directors present at the meeting deem a proposal to be unclear or imprecise, or are unable to form a judgement on the matter due to inadequate meeting materials or other reasons, the chairperson shall request that the meeting postpone voting on that item. The director proposing the postponement shall specify the conditions that must be met before the proposal may be resubmitted for deliberation.

Article 46 When the Board of Directors reviews periodic reports, directors shall carefully read the entire report, paying particular attention to whether its contents are true, accurate and complete, whether there are any material errors or omissions in its preparation, and whether there are any unusual circumstances concerning the principal financial and accounting data. They shall also consider whether the Board of Directors' report comprehensively analyses the Company's financial position and operating results, and whether it adequately discloses any material matters and uncertainties that may affect the Company.

Directors shall sign written confirmation opinions on periodic reports in accordance with the law. They shall not delegate such signing to others, nor shall they refuse to sign on the grounds of having objections to the content of the periodic report or disagreements with the audit institution.

Where directors are unable to guarantee the truthfulness, accuracy, or completeness of the contents of the periodic report, or where they have objections to the contents of the periodic report, they shall express their views in a written confirmation and state the specific reasons. The Company's board of directors shall provide an explanation of the matters involved and their impact on the company and make an announcement.

Article 47 The Company shall not disclose periodic reports that have not been reviewed and approved by the board of directors. Where more than half of the directors cannot guarantee the authenticity, accuracy, and completeness of the periodic report, it shall not be deemed to have been reviewed and approved, and the Company shall prepare the periodic report anew. Where a periodic report has not been reviewed by the board of directors or has not been approved, the company shall disclose the reasons and associated risks, the board's special statement, and the opinions of the independent directors.

Article 48 The Board of Directors shall prepare minutes of decisions made on matters discussed at its meetings. Such minutes shall be truthful, accurate and complete. Directors present at the meeting, the Board Secretary and the minute-taker shall sign the minutes. Board meeting minutes shall be preserved as company records for a period of not less than ten years.

Article 49 Matters pertaining to the announcement of board resolutions shall be handled by the Board Secretary in accordance with applicable laws and regulations, the Articles of Association, relevant listing rules of the Shanghai Stock Exchange, and the provisions of the Hong Kong Listing Rules. Prior to the disclosure of the resolution announcement, attending directors, meeting attendees, recorders, and service personnel shall bear the obligation to maintain confidentiality regarding the content of the resolutions.

Article 50 The Board Secretary shall arrange for staff to keep minutes of Board meetings. The minutes of Board meetings shall include the following:

(1) The session number and the date, venue, and format of the meeting;

(2) Issuance of meeting notices;

(3) The meeting convener and chairperson;

(4) The names of directors present and the names of directors attending the board meeting by proxy;

(5) The meeting agenda, proposals considered at the meeting, key points and principal views expressed by each director on relevant matters, and voting intentions on proposals;

(6) The voting method and outcome for each proposal (specifying the exact number of votes cast in favour, against, and abstentions);

(7) Any other matters deemed necessary to be recorded by the directors present at the meeting.

Article 51 Directors shall be liable for resolutions passed by the board of directors. Where a resolution of the board contravenes laws, regulations, the articles of association, or resolutions of the shareholders' meeting, thereby causing the Company to suffer substantial losses, the directors participating in the resolution shall be liable to the Company for compensation. However, a director may be exempted from liability if it is proven that they expressed dissent during the vote and such dissent was recorded in the minutes.

Article 52 In addition to the minutes of meetings, the Board Secretary may, as deemed necessary, arrange for staff to prepare concise meeting summaries regarding the conduct of meetings. Separate resolution records shall be produced based on the tabulated voting results for resolutions adopted at the meeting.

Article 53 Directors attending the meeting shall sign to confirm the minutes and resolution records on behalf of themselves and any directors for whom they are attending by proxy. Should a director have differing views regarding the minutes or resolution records, they may provide a written explanation at the time of signing. Where necessary, they may also issue a public statement.

Where a director neither signs to confirm the minutes in accordance with the preceding paragraph nor provides a written explanation of their dissenting views or issues a public statement, they shall be deemed to have fully concurred with the contents of the minutes and the resolution record.

Article 54 The Chairman shall oversee the implementation of board resolutions by relevant personnel, monitor their execution, and report on the progress of resolutions adopted at subsequent board meetings.

Article 55 The Board shall be responsible for preserving the records of Board meetings, including meeting notices and materials, attendance registers, letters of authorisation for proxy attendance, audio recordings of proceedings, voting ballots, minutes of meetings signed and confirmed by attending directors, meeting summaries, and records of resolutions.

CHAPTER 7 SECRETARY OF THE BOARD

Article 56 The Board of Directors shall appoint a Board Secretary, who shall be a senior executive of the Company and accountable to the Board. The Board Secretary shall be responsible for preparing and maintaining records of shareholders' meetings and Board meetings, managing shareholder information, handling information disclosure matters, and investor relations work.

The Board Secretary shall have the right to attend relevant meetings, inspect pertinent documents, and gain insight into the company's financial and operational matters in the course of performing their duties. The Board and other senior management personnel shall support the Board Secretary in their work. No organisation or individual shall interfere with the Board Secretary's normal performance of duties.

Article 57 Qualifications for the Position of Board Secretary:

(1) The Board Secretary shall be a senior executive of the company;

(2) The Board of Directors shall comprise natural persons possessing the requisite professional expertise and experience, demonstrating sound professional ethics and personal integrity, strictly adhering to relevant laws, regulations and rules, and capable of faithfully discharging their duties.

(3) Obtain a Board Secretary qualification certificate recognised by the exchange.

Article 58 Persons falling under any of the following circumstances shall not serve as the Board Secretary:

(1) Lacking full capacity to engage in civil activities or having limited capacity to engage in civil activities;

(2) Where a person has been sentenced for corruption, bribery, misappropriation of property, embezzlement, or disruption of the socialist market economy order, or has been deprived of political rights due to criminal conviction, and less than five years have elapsed since the completion of the sentence, or where a person has been granted probation and less than two years have elapsed since the completion of the probationary period;

(3) Where a director, factory manager or general manager of a company or enterprise subject to bankruptcy liquidation bears personal liability for the bankruptcy of that company or enterprise, and less than three years have elapsed since the completion of the bankruptcy liquidation of that company or enterprise;

(4) Having served as the legal representative of a company or enterprise whose business licence was revoked or which was ordered to close due to unlawful conduct, and bearing personal responsibility for such conduct, where less than three years have elapsed since the date of revocation or closure;

(5) Where an individual has failed to settle substantial debts upon their due date and has consequently been designated by the People's Court as a discredited person subject to enforcement;

(6) Having been subject to a securities market ban by the China Securities Regulatory Commission, where the period of such ban has not yet expired;

(7) Having been publicly declared by a stock exchange as unsuitable to serve as a director or senior management personnel of a listed company, where the prescribed period has not yet expired;

(8) Having been publicly determined by a stock exchange to be unsuitable to serve as the board secretary of a listed company;

(9) Having received a public reprimand from a stock exchange or three or more written warnings within the last three years;

(10) Other matters stipulated by laws, administrative regulations or departmental rules.

Article 59 The Board Secretary shall primarily perform the following duties:

(1) Responsible for the external publication of company information, coordinating disclosure matters, organising the formulation of information disclosure management systems, and ensuring compliance with disclosure regulations by the Company and relevant disclosure obligors;

(2) Responsible for investor relations management, coordinating information communication between the Company and securities regulators, investors, securities service providers, media outlets, and other relevant parties;

(3) Organise and prepare for board meetings and shareholders' meetings; attend shareholders' meetings, board meetings and relevant senior management meetings; be responsible for taking and signing the minutes of board meetings;

(4) Responsible for managing and maintaining the Company's register of shareholders, safeguarding the company seal, and ensuring that eligible shareholders receive the Company's disclosures and information in a timely manner;

(5) Responsible for the Company's advisory services, coordinating matters between the Company and its shareholders, and handling routine shareholder reception and correspondence;

(6) Responsible for the Company's information disclosure affairs and investor relations management;

(7) Any other duties required to be performed under laws, administrative regulations or the Articles of Association.

Article 60 Accountants from the accounting firm and solicitors from the solicitors' firm engaged by the Company shall not concurrently serve as the Company's board secretary.

Article 61 The Board Secretary shall be nominated by the Chairman and appointed or dismissed by the Board of Directors. The term of office for the Board Secretary shall be three years, and the appointment may be renewed consecutively.

Where a director concurrently serves as the board secretary, if a particular action requires separate execution by a director and the board secretary, the individual holding both positions shall not act in a dual capacity.

Article 62 The Board Secretary shall owe duties of good faith and diligence to the Company, bear relevant legal responsibilities as a senior management personnel, comply with the Articles of Association, faithfully perform duties, safeguard the Company's interests, and shall not use their position or authority within the Company to seek personal gain.

CHAPTER 8 ADDENDUM

Article 63 These Rules of Procedure shall come into effect upon adoption by resolution of the shareholders' meeting.

Article 64 Unless otherwise specified, the terms used in these Rules of Procedure shall have the same meanings as those terms in the Articles of Association.

Article 65 In these Rules of Procedure, the terms 'or more' and 'or less' shall be deemed to include the number specified, whereas "exceeding", 'less than' and 'fewer than' shall be deemed to exclude the number specified.

Article 66 Matters not covered by these regulations shall be governed by relevant national laws, regulations, normative documents, Hong Kong Listing Rules and the Company's articles of association. In case of inconsistency between these regulations and relevant laws, regulations, normative documents, Hong Kong Listing Rules or the Company's Articles of Association, the provisions of the relevant laws, regulations, normative documents, Hong Kong Listing Rules and Articles of Association shall prevail. Should these Regulations conflict with any laws, regulations, normative documents subsequently promulgated by the state, Hong Kong Listing Rules or with the Articles of Association of the Company as amended through lawful procedures, the provisions of the relevant laws, regulations, normative documents, Hong Kong Listing Rules and the Articles of Association shall prevail, and these Regulations shall be revised accordingly.

Article 67 These Rules of Procedure shall be subject to amendment and interpretation by the Board of Directors of the Company.

Article 68 These Rules of Procedure shall take effect and be implemented upon approval by the Company's shareholders' meeting.

Shanghai Fudan Microelectronics Group Company Limited

November 2025

CHAPTER 1 GENERAL PROVISIONS

Article 1 To further refine the corporate governance structure of Shanghai Fudan Microelectronics Group Co., Ltd. (hereinafter referred to as the "Company"), promote standardised corporate operations, and fully leverage the role of independent directors within the Board of Directors, this Regulation is formulated in accordance with the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), the Corporate Governance Guidelines for Listed Companies, the Administrative Measures for Independent Directors of Listed Companies, the Shanghai Stock Exchange STAR Market Listed Companies Self-Regulatory Guidance No. 1 – Standardised Operations, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Listing Rules"), the Shanghai Stock Exchange STAR Market Stock Listing Rules, and other relevant listing rules of the Shanghai Stock Exchange, as well as other laws, regulations, normative documents, and the relevant provisions and requirements of the Articles of Association of Shanghai Fudan Microelectronics Group Co., Ltd. (hereinafter referred to as the "Articles of Association"), these regulations (the "Regulations", "Rules", "System") are hereby formulated.

Article 2 An independent director (also referred to as an "independent non-executive director") shall be a director who holds no other position within the Company apart from that of director, and who has no direct or indirect interests with the Company, its principal shareholders, or its actual controllers, nor any other relationship that may affect their ability to exercise independent and objective judgement. Independent directors shall perform their duties independently, free from the influence of the Company, its principal shareholders, actual controllers, or any other entity or individual.

Article 3 Independent directors owe duties of loyalty and diligence to the Company and all shareholders. Independent directors shall conscientiously perform their duties in accordance with laws, administrative regulations, the provisions of the China Securities Regulatory Commission, the business rules of the listing exchange, and the company's articles of association. They shall play a role in decision-making participation, oversight and checks and balances, and professional consultation within the board of directors, safeguarding the Company's overall interests and protecting the lawful rights and interests of minority shareholders.

Article 4 An independent director shall, in principle, serve as an independent director for no more than three domestic listed companies and shall ensure sufficient time and energy to effectively perform the duties of an independent director. Similarly, each independent director shall not concurrently serve as a director for more than six companies listed on the Main Board or Growth Enterprise Market of the Hong Kong Stock Exchange.

Article 5 The Company's board of directors shall comprise at least one-third independent directors, including at least one accounting professional.

Candidates nominated as independent directors in their capacity as accounting professionals shall possess substantial accounting expertise and experience, and shall meet at least one of the following criteria:

(1) Hold a practising qualification as a certified public accountant;

(2) Hold a senior professional title, associate professorship, or doctoral degree in accounting, auditing, or financial management;

(3) Hold a senior professional title in economic management and possess at least five years of full-time work experience in specialised positions such as accounting, auditing, or financial management.

Where the number of independent directors of the Company does not meet or fall below the number stipulated in these regulations, the Company shall supplement the number of independent directors in accordance with the regulations.

Article 6 Independent directors and persons proposed to serve as independent directors shall participate in training organised by the China Securities Regulatory Commission and its authorised institutions in accordance with the requirements of the China Securities Regulatory Commission.

CHAPTER 2 QUALIFICATIONS FOR INDEPENDENT DIRECTORS

Article 7 To serve as an independent director, the following conditions shall be met:

(1) Possess the qualifications to serve as a director of a listed company in accordance with laws, administrative regulations and other relevant provisions;

(2) Comply with the independence requirements stipulated in Article 10 of these regulations;

(3) Possess fundamental knowledge of listed company operations and be familiar with relevant laws, regulations and rules;

(4) Possess at least five years of relevant professional experience in legal, accounting or economic fields necessary for fulfilling the duties of an independent director;

(5) Possess sound personal integrity and have no record of significant dishonesty or other adverse conduct;

(6) Other conditions stipulated by laws, administrative regulations, the China Securities Regulatory Commission, the business rules of the listing exchange, and the Company's articles of association.

Article 8 Where a candidate for independent director of the Company has not attended relevant training at the time of nomination, they shall provide a written undertaking to participate in the most recent independent director qualification training programme and obtain the corresponding training certificate.

Article 9 Candidates for the position of independent director of the company shall meet the following requirements:

(1) The provisions concerning the qualifications for directors' appointments as stipulated in the Company Law of the People's Republic of China and other relevant legislation;

(2) Provisions of the Civil Servants Law of the People's Republic of China concerning the holding of concurrent positions by civil servants (where applicable);

(3) The relevant provisions concerning the qualifications and conditions for independent directors as stipulated in the China Securities Regulatory Commission's Administrative Measures for Independent Directors of Listed Companies, the Shanghai Stock Exchange's self-regulatory rules, and the Company's articles of association;

(4) The provisions of the Notice on Standardising the Appointment of Central Government-Managed Cadres as Independent Directors or Independent Supervisors of Listed Companies or Fund Management Companies After Resigning from Public Office or Upon Retirement (or Departure) issued by the Central Commission for Discipline Inspection of the Communist Party of China and the Organisation Department of the Central Committee of the Communist Party of China (where applicable);

(5) Relevant provisions of the Central Organisation Department of the Communist Party of China's "Opinions on Further Regulating Party and Government Leading Cadres Holding Concurrent Positions (Appointments) in Enterprises" (where applicable);

(6) Provisions of the Opinions on Strengthening Anti-Corruption and Integrity Building in Higher Education Institutions issued by the Central Commission for Discipline Inspection of the Communist Party of China, the Ministry of Education, and the Ministry of Supervision (where applicable);

(7) Relevant provisions of the People's Bank of China's Guidelines on the System of Independent Directors and External Supervisors for Joint-Stock Commercial Banks, where applicable;

(8) Relevant provisions of the China Securities Regulatory Commission's Administrative Measures for the Supervision of Directors, Supervisors, Senior Management Personnel and Employees of Securities and Fund Management Institutions, where applicable;

(9) Relevant provisions of the Administrative Measures for the Qualification of Directors (Council Members) and Senior Management Personnel of Banking Financial Institutions, the Administrative Provisions on the Qualification of Directors, Supervisors and Senior Management Personnel of Insurance Companies, and the Administrative Measures for Independent Directors of Insurance Institutions (where applicable);

(10) Other circumstances stipulated by laws and regulations, departmental rules, normative documents, and the listing exchange.

CHAPTER 3 THE INDEPENDENCE OF INDEPENDENT DIRECTOR

Article 10 Candidates for independent directors shall possess independence and shall not fall under any of the following circumstances:

(1) Personnel employed by the Company or its subsidiaries, along with their spouses, parents, children, and principal social relations;

(2) Natural persons who are shareholders holding directly or indirectly more than 1% of the Company's issued shares, or who are among the Company's top ten shareholders, along with their spouses, parents, and children;

(3) Persons holding, directly or indirectly, 5% or more of the Company's issued shares, or persons employed by any of the Company's top five shareholders, and their spouses, parents, and children;

(4) Personnel employed by subsidiaries of the Company's controlling shareholders or actual controllers, and their spouses, parents, and children;

(5) Persons who have significant business dealings with the Company, its controlling shareholders, actual controllers, or their respective subsidiaries; or persons employed by entities with which such significant business dealings exist, or by their controlling shareholders or actual controllers;

(6) Personnel providing financial, legal, advisory, sponsorship or similar services to the Company, its controlling shareholders, actual controllers or their respective subsidiaries, including but not limited to all members of the project team within the service provider intermediary, all levels of review personnel, signatories to the report, partners, directors, senior management and principal responsible officers;

(7) Persons who have been subject to any of the circumstances listed in the preceding five items within the last twelve months;

(8) Persons who have been subject to any of the circumstances listed in subparagraph (6) within the preceding twenty-four months;

(9) Any other persons deemed to lack independence as stipulated by laws, administrative regulations, the China Securities Regulatory Commission, the listing exchange, and the company's articles of association.

The term "employed" as referred to in the preceding paragraph denotes holding positions as directors, supervisors, senior management personnel, and other staff members; "Principal social relationships" shall mean siblings, spouses of siblings, parents of spouses, siblings of spouses, spouses of children, parents of spouses of children, and so forth; "Significant business dealings" shall mean matters required to be submitted for shareholders' meeting deliberation pursuant to the Shanghai Stock Exchange STAR Market Listing Rules or the company's articles of association, or other significant matters as determined by the listing exchange.

Independent directors shall conduct an annual self-assessment of their independence and submit the results to the board of directors. The board shall annually evaluate the independence of incumbent independent directors and issue a special opinion, which shall be disclosed concurrently with the annual report.

Article 11 Candidates for independent directors shall possess sound personal integrity and shall not fall under any of the circumstances specified in the Shanghai Stock Exchange Science and Technology Innovation Board Listed Companies Self-Regulatory Guidance No. 1 – Standardised Operations that disqualify them from nomination as directors of listed companies. Furthermore, they shall not have any of the following adverse records:

(1) Having been subject to administrative penalties by the China Securities Regulatory Commission or criminal penalties by judicial authorities within the preceding 36 months for violations of securities and futures laws and regulations;

(2) Where an individual or entity is under investigation by the China Securities Regulatory Commission or under judicial investigation for suspected securities or futures offences, and no conclusive determination has yet been reached;

(3) Having received a public reprimand from a stock exchange or three or more written warnings within the preceding 36 months;

(4) A history of material dishonesty or other adverse records;

(5) Having been proposed for removal by the Board of Directors during their tenure as an independent director, due to failing to attend two consecutive Board meetings in person or by proxy, and having less than 12 months elapsed since such proposal;

(6) Other circumstances as determined by the listing exchange.

Article 12 The term of office for each independent director shall be the same as that of other directors of the Company. Upon expiry of their term, they may be re-elected for consecutive terms, provided that the total duration of such consecutive terms shall not exceed six years. Any individual who has served as an independent director of the Company for a continuous period of six years shall not be nominated as a candidate for the position of independent director within 36 months from the date on which such fact occurs.

Individuals who have served as independent directors for three listed companies within the Mainland or as directors for six Hong Kong-listed companies shall, in principle, not be nominated as candidates for the position of independent director of the Company.

CHAPTER 4 NOMINATION, ELECTION AND REPLACEMENT OF INDEPENDENT DIRECTORS

Article 13 The Board of Directors of the Company, or shareholders holding individually or collectively more than 1% of the Company's issued shares, may propose candidates for independent directors, subject to election by the shareholders' meeting.

Investor protection bodies established in accordance with the law may publicly request shareholders to authorise them to exercise the right to nominate independent directors on their behalf.

The nominee referred to in the first paragraph shall not nominate as an independent director candidate any person with whom they have a conflict of interest, or any other person with whom they have a close relationship that may otherwise affect their ability to perform their duties independently.

Article 14 The nominator of an independent director shall obtain the consent of the nominee prior to nomination. The nominator shall fully ascertain the nominee's profession, academic qualifications, professional titles, detailed work experience, all concurrent positions, and any adverse records such as material breaches of trust, and shall express an opinion on the nominee's compliance with the independence requirement and other conditions for serving as an independent director. The nominee shall make a public declaration confirming compliance with the independence requirement and other conditions for serving as an independent director.

Where the board of directors of the Company has objections to the particulars of an independent director candidate nominated by shareholders, it shall simultaneously submit the board's written opinion to the Shanghai Stock Exchange.

Article 15 When the Company convenes a shareholders' meeting to elect independent directors, the Board of Directors shall disclose whether any candidate for independent director has been objected to by the listing exchange.

Article 16 Where the Company's shareholders' meeting elects two or more independent directors, cumulative voting shall be implemented. The voting results of minority shareholders shall be counted separately and disclosed.

Article 17 The Company shall, at the latest when issuing the notice convening the shareholders' meeting for the election of independent directors, submit relevant materials concerning the independent director candidates through the Shanghai Stock Exchange's corporate business management system. Such materials shall include written documents such as the Declaration and Undertaking of Independent Director Candidates, the Declaration and Undertaking of Independent Director Nominators, and the Curriculum Vitae of Independent Director Candidates. The Company shall disclose the relevant declarations and undertakings, the review opinions of the Nomination Committee or the special meeting of independent directors, and shall ensure the truthfulness, accuracy, and completeness of the disclosed information.

Where the appointment of an independent director requires approval from the relevant state authorities, such director shall perform the duties stipulated in the preceding paragraph from the date of obtaining such approval.

Article 18 Where an independent director of the Company, after assuming office, ceases to satisfy the requirements of laws, regulations, or other relevant provisions; becomes ineligible to serve as a director of a listed company; or fails to meet the independence requirements stipulated in Article 10 of these Regulations, they shall immediately cease performing their duties and resign from office. Should they fail to resign as required, the Company's Board of Directors shall initiate decision-making procedures within two days of becoming aware, or of being deemed to have become aware, of such occurrence to remove them from the position of independent director.

Where the resignation of an independent director results in the proportion of independent directors on the board falling below one-third, or where the board lacks an independent director with accounting expertise, the resigning independent director shall continue to perform their duties until a new independent director is appointed, except where resignation is due to loss of legal standing or independence, or removal in accordance with the law. The original nominator of such independent director or the Company's board shall complete the appointment of a replacement within 60 days of the resignation date.

CHAPTER 5 POWERS AND DUTIES OF INDEPENDENT DIRECTORS

Article 19 Matters requiring submission to the Board of Directors for deliberation with the consent of a majority of all independent directors shall be deliberated at a special meeting of independent directors.

Article 20 Independent directors shall perform the following duties:

(1) Participate in board decision-making and express clear opinions on matters under discussion;

(2) To oversee potential material conflicts of interest between the company and its controlling shareholders, actual controllers, directors, or senior management personnel as stipulated in Articles 23, 26, 27, and 28 of the Administrative Measures for Independent Directors of Listed Companies, thereby ensuring board decisions align with the Company's overall interests and safeguarding the lawful rights and interests of minority shareholders;

(3) Provide professional and objective advice on the Company's operational development to enhance the quality of board decision-making;

(4) Other duties prescribed by laws, administrative regulations, the China Securities Regulatory Commission, the listing exchange, and the Articles of Association.

Article 21 In addition to the powers conferred upon directors by the Company Law and other laws, regulations, and the Articles of Association, independent directors shall also possess the following special powers:

(1) Independently engage intermediaries to conduct audits, provide consultancy services or carry out verifications in respect of specific company matters;

(2) Propose to the Board of Directors that an extraordinary general meeting be convened;

(3) Propose the convening of a board meeting;

(4) Lawfully solicit shareholders' rights from shareholders;

(5) To issue independent opinions on matters that may prejudice the interests of the Company or minority shareholders;

(6) Other powers as prescribed by laws, administrative regulations, the China Securities Regulatory Commission, the listing exchange, and the Company's articles of association.

Where an independent director exercises the powers set out in subparagraphs (1) to (3) of the preceding paragraph, such exercise shall be subject to the approval of a majority of all independent directors.

Where independent directors exercise the powers set out in the first paragraph, the Company shall promptly disclose such exercise. Where the aforementioned powers cannot be exercised normally, the Company shall disclose the specific circumstances and reasons.

Article 22 The following matters shall be submitted to the Board of Directors for deliberation only after obtaining the approval of a majority of all independent directors of the Company:

(1) Related party/connected transactions that should be disclosed;

(2) Proposals for the amendment or waiver of undertakings by the Company and relevant parties;

(3) The decisions made and measures taken by the board of directors of the target company in relation to the acquisition;

(4) Other matters stipulated by laws and regulations, the relevant provisions of this firm, and the Articles of Association.

Article 23 The independent opinion issued by independent directors on major matters shall at least include the following content:

(1) Basic details of the significant matter;

(2) The basis for the opinion expressed, including the procedures performed, documents reviewed, and matters examined during the on-site inspection;

(3) The legal and regulatory compliance of significant matters;

(4) The impact on the Company and minority shareholders' interests, potential risks, and the effectiveness of measures taken by the Company;

(5) Concluding opinions issued. Where reservations, dissenting opinions, or an inability to express an opinion are raised on significant matters, the relevant independent directors shall clearly state the reasons and obstacles preventing the expression of an opinion.

Independent directors shall sign to confirm the independent opinions issued and promptly report such opinions to the board of directors, which shall be disclosed concurrently with the relevant company announcements.

Article 24 Where the relevant matter constitutes a disclosure requirement, the Company shall announce the opinions of the independent directors. Should the independent directors hold differing views and fail to reach consensus, the board of directors shall disclose the opinions of each independent director separately.

Article 25 Independent directors shall attend board meetings punctually in accordance with the requirements of relevant laws, regulations, normative documents and the Articles of Association. They shall keep abreast of the Company's production and operational status, the establishment and implementation of management and internal control systems, and the execution of board resolutions. They shall proactively investigate and obtain the information necessary for decision-making.

Article 26 Prior to the convening of a Board meeting, independent directors may communicate with the Board Secretary to enquire about proposed agenda items, request supplementary materials, or put forward opinions and suggestions. The Board and relevant personnel shall give careful consideration to the questions, requests, and opinions raised by independent directors, and shall promptly provide feedback to independent directors on the implementation of amendments to proposals and other relevant matters.

Article 27 Independent directors shall attend board meetings in person. Where unable to attend in person for any reason, an independent director shall review the meeting materials in advance, form a clear opinion, and appoint another independent director in writing to attend on their behalf. Should an independent director fail to attend two consecutive board meetings in person and fail to appoint another independent director to attend on their behalf, the board shall propose convening a shareholders' meeting within thirty days of such occurrence to remove that independent director from office.

Article 28 Where an independent director casts a dissenting or abstention vote on a board resolution, they shall provide specific reasons and grounds, including the legal and regulatory compliance of the matter concerned, potential risks, and the impact on the interests of the Company and minority shareholders. When disclosing board resolutions, the Company shall concurrently disclose the dissenting opinions of independent directors, which shall be recorded in the board resolution and meeting minutes.

Article 29 The independent directors shall spend no fewer than fifteen days per annum on-site at the Company.

Article 30 Independent directors shall submit an annual report to the Company's annual general meeting of shareholders, detailing the performance of their duties. The annual report shall include the following:

(1) Number of board meetings attended, manner of attendance and voting record; number of shareholders' meetings attended;

(2) Participation in the work of the Board's specialised committees and independent directors' special meetings;

(3) Deliberating on matters listed in Articles 23, 26, 27 and 28 of the Administrative Measures for Independent Directors of Listed Companies, and exercising the special powers of independent directors as set out in Article 21(1) of these Rules;

(4) Significant matters, methods and outcomes of communications with the internal audit department and the accounting firm undertaking the Company's audit regarding the Company's financial and operational status;

(5) Communication with minority shareholders;

(6) The duration and nature of work performed at the Company's premises;

(7) Other circumstances relating to the performance of duties.

The annual report of the independent directors shall be disclosed no later than when the Company issues the notice for the annual general meeting.

CHAPTER 6 WORKING CONDITIONS FOR INDEPENDENT DIRECTORS

Article 31 To ensure that independent directors may effectively exercise their powers, the Company shall provide them with the necessary conditions and facilities.

Article 32 The Company shall ensure that independent directors enjoy the same rights to information as other directors. To guarantee the effective exercise of their duties, the Company shall regularly brief independent directors on the Company's operational status, provide relevant materials, and organise or facilitate independent directors in conducting on-site inspections and other related work.

Prior to the board of directors' deliberation on major complex matters, the Company may organise independent directors to participate in research and deliberation sessions, fully solicit their opinions, and promptly provide feedback to independent directors on the adoption of their views.

Matters requiring decision by the Board of Directors must be notified to the independent directors by the Company within the statutory timeframe, accompanied by sufficient documentation. Should an independent director deem the documentation inadequate, they may request supplementary materials. Where two or more independent directors consider the documentation insufficient, the reasoning unclear, or the provision untimely, they may jointly submit a written request to the Board to postpone the Board meeting or defer consideration of the matter. The Board shall comply with such a request.

The Company and the independent directors themselves shall retain for at least ten years any materials provided to the independent directors by the Company.

Article 33 The Company shall provide the working conditions necessary for independent directors to perform their duties. The Company's Board Secretary shall actively assist independent directors in discharging their responsibilities, including by providing briefings and materials. Where independent opinions, proposals, or written explanations issued by independent directors require public announcement, the Board Secretary shall promptly arrange for such announcements to be made through the Shanghai Stock Exchange.

Article 34 When independent directors exercise their powers, relevant personnel including directors and senior management of the Company shall cooperate with them. They shall not refuse, obstruct or conceal relevant information, nor interfere with the independent exercise of their powers.

Article 35 The fees incurred by independent directors in engaging professional intermediaries and other expenses necessary for the exercise of their duties shall be borne by the Company.

Article 36 The Company shall provide independent directors with appropriate allowances. The standard for such allowances shall be determined by the board of directors through a proposal, approved by the shareholders' meeting, and disclosed in the Company's annual report.

In addition to the aforementioned allowances, independent directors shall not receive any additional undisclosed benefits from the Company, its principal shareholders, or any interested parties or individuals.

Article 37 The Company may establish a necessary system of liability insurance for independent directors to mitigate risks arising from the normal performance of their duties.

CHAPTER 7 ADDENDUM

Article 38 Matters not covered herein shall be governed by relevant national laws, regulations, normative documents, the Hong Kong Listing Rules, and the Articles of Association. Where provisions of this system conflict with relevant laws, regulations, normative documents, the Hong Kong Listing Rules, or the Articles of Association, the latter shall prevail. Should these Regulations conflict with any laws, regulations, normative documents, the Hong Kong Listing Rules, or the Articles of Association of the Company as amended through lawful procedures subsequently promulgated by the State, they shall be implemented in accordance with the relevant provisions of the laws, regulations, normative documents, the Hong Kong Listing Rules, and the Articles of Association of the Company, and shall be revised accordingly.

Article 39 These Regulations shall take effect and be implemented upon approval by the Company's Shareholders' Meeting.

Article 40 The Board of Directors shall be responsible for revising and interpreting these regulations.

Shanghai Fudan Microelectronics Group Company Limited

November 2025

上海復旦微電子集團股份有限公司
Shanghai Fudan Microelectronics Group Company Limited*
(a joint stock limited company incorporated in the People's Republic of China)
(Stock Code: 1385)

NOTICE OF THE 2025 SECOND EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2025 second extraordinary general meeting (the "2025 second EGM") of Shanghai Fudan Microelectronics Group Company Limited (the "Company") will be held at Conference Room, Building 4, Fudan National University Science and Technology Park, 127 Guotai Road, Shanghai, the People's Republic of China (the "PRC") on Tuesday, 2 December 2025 at 1:30 p.m. for the following purposes:–

Ordinary Resolution

1. To consider and approve the proposal of utilization of the surplus funds raised from the A Share Offering and the income from cash management of fund raising and related interest income for permanent replenishment of working capital;

Special Resolution

2.01 To consider and approve the proposal of abolition of Supervisory Committee, proposed amendments to the Articles of Association and adoption of the New Articles of Association, and authorize the management or authorised representative of the Company to proceed with the filing registration of the New Articles of Association with the industrial and commercial registration authority;

Ordinary Resolution

2.02 To consider and approve the rules of the management of proceeds;

2.03 To consider and approve the rules of the management of connected/related party transactions;

2.04 To consider and approve the rules of the management of external investment;

2.05 To consider and approve the rules of the rules of the management of external guarantee;

2.06 To consider and approve the rules of the procedure for general meetings;

2.07 To consider and approve the rules of the procedure for the Board of Directors;

2.08 To consider and approve the working rules of the Independent Directors; and

3. To elect Mr. Zhang Yu Ming as an Independent Director of the Tenth Session of the Board.

By order of the Board
Shanghai Fudan Microelectronics Group Company Limited*
Zhang Wei
Chairman

Hong Kong, 14 November 2025

Notes:

1. Persons who hold shares of the Company and whose names appear on the Register of Members of the Company as at 2 December 2025 shall be entitled to attend the 2025 second EGM. For Non-Registered Shareholders of H Shares, please consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser for the voting arrangements.

2. Any member entitled to attend and vote at the 2025 second EGM is entitled to appoint one or more person(s) as his proxy to attend and vote instead of him. A proxy need not be a member of the Company.

3. The instrument appointing a proxy must be in writing of a Shareholder or his attorney duly authorized in writing. If the Shareholder is a legal person, that instrument must be executed either under its seal or in writing by its director or other attorney duly authorized to sign the same. To be valid, a form of proxy, together with the power of attorney or other authority, if any, under which it is signed, or a certified copy of that power of attorney, must be deposited not less than 24 hours before the time appointed for the holding of the 2025 second EGM at the Company's principal place of business in the PRC at Building 4, Lane 127, Guotai Road, Shanghai, the PRC (for A Shareholders) or the Company's Share Registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for H Shareholders) as stipulated in the proxy form.

4. For H Shareholders, the Register of Members of H Shares of the Company will be closed from 27 November 2025 to 2 December 2025 (both dates inclusive) during which period no transfer of H Shares will be registered. For H Shareholders whose names appear on the register of members of the Company as at 2 December 2025 shall be entitled to attend the 2025 second EGM. To be qualified to attend the 2025 second EGM, all transfers of H Shares accompanied by the relevant share certificates must be lodged with the Company's Share Registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on 26 November 2025.

5. Shareholders or their proxies shall provide their identification documents when attending the 2025 second EGM. If corporate Shareholders appoint authorised representative to attend the 2025 second EGM, the authorised representative shall produce his/her identity documents and a notarially certified copy of the relevant authorisation instrument signed by the board of directors or other authorised parties of the corporate Shareholders or other notarially certified documents allowed by the Company. Proxies shall produce their identity documents and the proxy form signed by the Shareholders or their attorney when attending the 2025 second EGM.

6. Completion and delivery of the form of proxy will not preclude a member from attending and voting in person at the 2025 second EGM if the member so desires, and in such event, the instrument appointing a proxy shall be deemed to be revoked.

7. Shareholders attending the 2025 second EGM shall be responsible for their own travel and accommodation expenses.

8. Information containing further details regarding the proposed resolutions set out in the above notice as required by the Listing Rules are set out in the circular of the Company dated 14 November 2025.

* *For identification purposes only*