

# **Axera Semiconductor Co., Ltd.**

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

## **Articles of Association**

*(Applicable after the Issuance and Listing of H Shares)*

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# Axera Semiconductor Co., Ltd.

## Articles of Association

### Chapter 1 General Provisions

**Article 1** To safeguard the legitimate rights and interests of the Company, its shareholders, employees and creditors and regulate the organization and activities of the Company, the Articles of Association of Axera Semiconductor Co., Ltd. (hereinafter referred to as the “**Articles of Association**”) are formulated pursuant to the Company Law of the PRC (hereinafter referred to as the “**Company Law**”), the Securities Law of the PRC (hereinafter referred to as the “**Securities Law**”), the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter referred to as the “**Hong Kong Stock Exchange Listing Rules**”) and other relevant laws, administrative regulations and regulatory documents and with reference to the Guidelines for Articles of Association of Listed Companies.

**Article 2** The Company is a joint stock company with limited liability (hereinafter referred to as “**the Company**”) incorporated under the Company Law and other relevant regulations.

The Company was established by means of promotion; it was registered at the Ningbo Municipal Administration for Market Regulation and obtained its business license that includes a unified social credit code of 91310118MA1JNJUD0Y.

**Article 3** Upon filing with the China Securities Regulatory Commission (hereinafter referred to as the “**CSRC**”) on January 6, 2026 and approval by the Stock Exchange of Hong Kong Limited (hereinafter referred to as the “**Hong Kong Stock Exchange**”) on February 9, 2026, the Company conducted its initial public offering of 104,915,200 overseas listed foreign shares (hereinafter referred to as “**H Shares**”) (including 1,176,100 H Shares issued upon the exercise of over-allotment option), which were listed on the Main Board of the Hong Kong Stock Exchange on February 10, 2026.

**Article 4** Registered names of the Company

Full name in Chinese: 愛芯元智半導體股份有限公司

Full name in English: Axera Semiconductor Co., Ltd.

**Article 5** Address of the Company: Room 59, 17th Floor, Kechuang Building, No. 777 Zhongguan West Road, Zhuangshi Subdistrict, Zhenhai District, Ningbo. Postal code: 315201.

**Article 6** The registered capital of the Company is RMB5,889,365.81 million.

**Article 7** The Company is a joint stock company with limited liability in perpetual existence.

**Article 8** The General Manager who executes the affairs of the Company on behalf of the Company is the legal representative of the Company.

If the General Manager who serves as the legal representative resigns, he/she shall be deemed as resigning as the legal representative at the same time.

In the event that the legal representative resigns, the Company shall determine a new legal representative within 30 days of the resignation.

**Article 9** The legal consequences of civil activities conducted by the legal representative in the name of the Company shall be borne by the Company.

Restrictions on the powers of the legal representative under the Articles of Association or by the shareholders' general meeting shall not be asserted against a bona fide counterparty.

If the legal representative causes damage to others while performing his/her duties, the Company shall bear civil liability. After assuming civil liability, the Company may recover compensation from the legal representative who is at fault in accordance with the law or the Articles of Association.

**Article 10** The shareholders shall bear liability for the Company to the extent of their subscribed shares, while the Company is liable for its debts to the extent of its entire assets.

**Article 11** The Articles of Association shall, from its effective date, constitute a legally binding document regulating the Company's organization and activities as well as the rights and obligations between the Company and each shareholder and among the shareholders inter se, and shall be legally binding on the Company, its shareholders, directors and senior management members. Pursuant to the Articles of Association, shareholders may institute legal proceedings against other shareholders, against directors and senior management members of the Company, and against the Company, while the Company may institute legal proceedings against shareholders, directors and senior management members.

The legal proceedings, as referred to in the preceding paragraph, include the initiation of legal proceedings in a court or application to an arbitration institution for arbitration.

**Article 12** Senior management members mentioned in the Articles of Association refer to the Company's General Manager, Deputy General Managers, Chief Financial Officer, Secretary to the Board, and other senior management members determined by the Board.

**Article 13** The Company shall establish an organization of the Communist Party of China to carry out the activities of the Party in accordance with the provisions of the Constitution of the Communist Party of China, and provide the necessary conditions for the activities of the Party organization.

## Chapter 2 Business Objectives and Scope

**Article 14** The business objective of the Company: The Company is a global leader in artificial intelligence (AI) inference SoCs, providing cutting-edge perception and computing platforms for edge and endpoint AI applications. The Company is building a world-class AI computing infrastructure to make artificial intelligence accessible to everyone, creating an empowered future where AI improves lives for all.

**Article 15** The Company's business scope, as registered by law, is: General items: Integrated circuit chip design and services; sales of integrated circuit chips and products; integrated circuit design; software development; software sales; wholesale of computer hardware, software, and auxiliary equipment; retail of computer hardware, software, and auxiliary equipment; sales of communication equipment; sales of AI hardware; development of foundational AI software; development of AI application software; sales of electronic products; sales of mechanical equipment; research and development of mechanical equipment; sales of intelligent instruments and meters; sales of instruments and meters; information system integration services; technology import and export; goods import and export; technical services, technical development, technical consulting, technical exchange, technology transfer, and technology promotion (except for items that are subject to approval in accordance with the law, the business activities shall be conducted independently with the business license in accordance with the laws).

## Chapter 3 Shares

### Section 1 Issuance of Shares

**Article 16** The shares of the Company are in the form of share certificates, which are registered share certificates. All shares issued by the Company are ordinary shares, including domestic unlisted shares and overseas listed shares (i.e., H Shares). Share certificates are instruments issued by the Company to evidence the shareholder's holdings of shares. In addition to those provided in the Company Law, a share certificate of the Company shall also contain any other items required to be specified by the Hong Kong Stock Exchange Listing Rules and other regulatory rules of the place where the Company's shares are listed.

**Article 17** Shares of the Company shall be issued in a transparent, fair and equal manner and shares of the same class shall rank *pari passu* in all respects. Each of the shares of the same class shall be issued under the same conditions and at the same price in each issuance, and subscribers shall pay the same amount per share for the shares they subscribe to.

Domestic unlisted shares and overseas listed foreign shares issued by the Company shall rank *pari passu* over any distribution by way of dividend (including distributions in cash and in kind) or any other forms of distribution.

**Article 18** For shares issued by the Company with a face value, the nominal value is denominated in RMB, with a face value of RMB1 per share.

**Article 19** Shares issued by the Company that are not listed domestically shall be centrally registered and kept in custody by China Securities Depository and Clearing Corporation Limited. H Shares can be held by shareholders in individual names or entrusted to custody by a custodian company according to the laws, securities regulatory rules, and securities registration and custody requirements of the place where the Company's shares are listed.

**Article 20** The promoters of the Company are Wuhu Kuangyun Artificial Intelligence Industry Investment Fund (Limited Partnership) (蕪湖曠云人工智能產業投資基金(有限合夥)), Guangdong Heju Minghong Equity Investment Center (Limited Partnership) (廣東和聚明宏股權投資中心(有限合夥)), Qingdao Aixin Enterprise Management Center L.P. (青島愛芯企業管理中心(有限合夥)), Qingdao Zhixin Yuanzhi Enterprise Management Center L.P. (青島智芯企業管理中心(有限合夥)), Shanghai Bonasi Enterprise Management Center (Limited Partnership) (上海博納斯企業管理中心(有限合夥)), Suzhou Industrial Park Qiming Rongke Equity Investment Partnership (Limited Partnership) (蘇州工業園區啓明融科股權投資合夥企業(有限合夥)), Suzhou Qiming Rongying Venture Investment Partnership (Limited Partnership) (蘇州啓明融盈創業投資合夥企業(有限合夥)), Suzhou Xingfan Venture Investment Partnership (Limited Partnership) (蘇州星梵創業投資合夥企業(有限合夥)), Guangdong Yuntai Equity Investment Center (Limited Partnership) (廣東雲泰股權投資中心(有限合夥)), Guangdong Heju Chongyue Equity Investment Partnership (Limited Partnership) (廣東和聚崇櫟股權投資合夥企業(有限合夥)), Guangdong Wenjia Equity Investment Partnership (Limited Partnership) (廣東文嘉股權投資合夥企業(有限合夥)), Beijing Qiming Rongxin Equity Investment Partnership (Limited Partnership) (北京啓明融新股權投資合夥企業(有限合夥)), Suzhou Yaotu Jinqu Venture Investment Partnership (Limited Partnership) (蘇州耀途進取創業投資合夥企業(有限合夥)), Shanghai Xinju High-Tech Service Co., Ltd. (上海新炬高新技術服務有限公司), YU Renrong (虞仁榮), Wanwu Phase I (Xiamen) Venture Investment Partnership (Limited Partnership) (萬物一期(廈門)創業投資合夥企業(有限合夥)), Tianjin Weihao TEDA Haihe Equity Investment Partnership (Limited Partnership) (天津韋豪泰達海河股權投資合夥企業(有限合夥)), Beijing Kuxun Technology Co., Ltd. (北京酷訊科技有限公司), Shenzhen Longzhu Equity Investment Fund Partnership (Limited Partnership) (深圳龍珠股權投資基金合夥企業(有限合夥)), Suzhou Jiyuan Haoyue Venture Investment Partnership (Limited Partnership) (蘇州紀源皓月創業投資合夥企業(有限合夥)), Suzhou Jiyuan Haoyuan Venture Investment Partnership (Limited Partnership) (蘇州紀源皓元創業投資合夥企業(有限合夥)), Jinjiang Fengyuan Huixin Equity Investment Partnership (Limited Partnership) (晉江馮源繪芯股權投資合夥企業(有限合夥)), Ningbo Yaotu Growth Venture Investment Partnership (Limited Partnership) (寧波耀途成長創業投資合夥企業(有限合夥)), Guangdong Yunqi Equity Investment Center (Limited Partnership) (廣東雲綺股權投資中心(有限合夥)), Tianjin Yuzhi Technology Center (Limited Partnership) (天津禦智科技中心(有限合夥)), Beijing Anrong Enterprise Management Development Center (Limited Partnership) (北京安榕企業管理發展中心(有限合夥)), Jiangsu Jiequan Yuanhe Puhua Equity Investment Partnership (Limited Partnership) (江蘇隄泉元禾璞華股權投資合夥企業(有限合夥)), Hefei Shixi Chanheng Integrated Circuit Venture Investment Fund Partnership (Limited Partnership) (合肥石溪產恒集成電路創業投資基金合夥企業(有限合夥)), Ningbo Huayan Chuangxi Venture Capital Partnership (Limited Partnership) (寧波華晏創璽創業投資合夥企業(有限合夥)), Tencent Venture Investment (Guangxi) Co., Ltd. (廣西騰訊創業投資有限公司), Suzhou Qihua Phase 10 Venture Investment Partnership (Limited Partnership) (蘇州啓華十期創業投資合夥企業(有限合夥)), Guangdong Wenquan Equity Investment Center (Limited Partnership) (廣東文泉股權投資中心(有限合夥)), Beijing Xingfan Venture Investment Partnership (Limited Partnership) (北京星梵創業投資合夥企業(有限合夥)), Yiwu Weihao

Chuangxin Phase I Equity Investment Partnership (Limited Partnership) (義烏韋豪創芯一期股權投資合夥企業(有限合夥)), Ningbo Yongxin Weihao Phase III Semiconductor Industry Investment Partnership (Limited Partnership) (寧波甬欣韋豪三期半導體產業投資合夥企業(有限合夥)), Ningbo Zhenhai Weiyuan Zhenxin Phase I Semiconductor Industry Investment Partnership (Limited Partnership) (寧波市鎮海威遠鎮芯一期半導體產業投資合夥企業(有限合夥)), Zhoushan Zhixin Equity Investment Partnership (Limited Partnership) (舟山知芯股權投資合夥企業(有限合夥)), Zhoushan Weixin Equity Investment Partnership (Limited Partnership) (舟山巍芯股權投資合夥企業(有限合夥)), Ningbo Fengyuan No. 1 Equity Investment Partnership (Limited Partnership) (寧波馮源一號股權投資合夥企業(有限合夥)), Ganzhou Dayu Capital Management Partnership (Limited Partnership) (贛州大宇資本管理合夥企業(有限合夥)), and Shenzhen Qianhai Zhiyu Investment Partnership (Limited Partnership) (深圳前海知宇投資合夥企業(有限合夥)). Subscriptions by the promoters are:

No.	Name of promoter	Number of shares subscribed ('0,000 shares)	Method of capital contribution	Date of capital contribution
1.	Wuhu Kuangyun Artificial Intelligence Industry Investment Fund (Limited Partnership) (蕪湖曠云人工智能產業投資基金(有限合夥))	3,108.1389	Net assets converted into shares	November 30, 2023
2.	Guangdong Heju Minghong Equity Investment Center (Limited Partnership) (廣東和聚明宏股權投資中心(有限合夥))	400.0000	Net assets converted into shares	November 30, 2023
3.	Jiaxing Aixin Enterprise Management Center L.P. (嘉興愛芯企業管理合夥企業(有限合夥))	3,616.5580	Net assets converted into shares	November 30, 2023
4.	Jiaxing Zhixin Yuanzhi Enterprise Management Center L.P. (嘉興智芯元智企業管理合夥企業(有限合夥))	4,310.4726	Net assets converted into shares	November 30, 2023
5.	Shanghai Bonasi Enterprise Management Center (Limited Partnership) (上海博納斯企業管理中心(有限合夥))	2,290.6278	Net assets converted into shares	November 30, 2023
6.	Suzhou Industrial Park Qiming Rongke Equity Investment Partnership (Limited Partnership) (蘇州工業園區啓明融科股權投資合夥企業(有限合夥))	681.8182	Net assets converted into shares	November 30, 2023
7.	Suzhou Qiming Rongying Venture Investment Partnership (Limited Partnership) (蘇州啓明融盈創業投資合夥企業(有限合夥))	833.3333	Net assets converted into shares	November 30, 2023

No.	Name of promoter	Number of shares subscribed ('0,000 shares)	Method of capital contribution	Date of capital contribution
8.	Suzhou Xingfan Venture Investment Partnership (Limited Partnership) (蘇州星梵創業投資合夥企業(有限合夥))	740.7407	Net assets converted into shares	November 30, 2023
9.	Guangdong Yuntai Equity Investment Center (Limited Partnership) (廣東雲泰股權投資中心(有限合夥))	598.5784	Net assets converted into shares	November 30, 2023
10.	Guangdong Heju Chongyue Equity Investment Partnership (Limited Partnership) (廣東和聚崇欒股權投資合夥企業(有限合夥))	382.6453	Net assets converted into shares	November 30, 2023
11.	Guangdong Wenjia Equity Investment Partnership (Limited Partnership) (廣東文嘉股權投資合夥企業(有限合夥))	156.0752	Net assets converted into shares	November 30, 2023
12.	Beijing Qiming Rongxin Equity Investment Partnership (Limited Partnership) (北京啓明融新股權投資合夥企業(有限合夥))	921.2656	Net assets converted into shares	November 30, 2023
13.	Suzhou Yaotu Jinqu Venture Investment Partnership (Limited Partnership) (蘇州耀途進取創業投資合夥企業(有限合夥))	318.9333	Net assets converted into shares	November 30, 2023
14.	Shanghai Xinju High-Tech Service Co., Ltd. (上海新炬高新技術服務有限公司)	336.7004	Net assets converted into shares	November 30, 2023
15.	YU Renrong (虞仁榮)	538.7205	Net assets converted into shares	November 30, 2023
16.	Wanwu Phase I (Xiamen) Venture Investment Partnership (Limited Partnership) (萬物一期(廈門)創業投資合夥企業(有限合夥))	188.5522	Net assets converted into shares	November 30, 2023
17.	Tianjin Weihao TEDA Haihe Equity Investment Partnership (Limited Partnership) (天津韋豪泰達海河股權投資合夥企業(有限合夥))	2,311.3306	Net assets converted into shares	November 30, 2023

<b>No.</b>	<b>Name of promoter</b>	<b>Number of shares subscribed ('0,000 shares)</b>	<b>Method of capital contribution</b>	<b>Date of capital contribution</b>
18.	Beijing Kuxun Technology Co., Ltd. (北京酷訊科技有限公司)	2,018.8655	Net assets converted into shares	November 30, 2023
19.	Shenzhen Longzhu Equity Investment Fund Partnership (Limited Partnership) (深圳龍珠股權投資基金合夥企業(有限合夥))	461.3401	Net assets converted into shares	November 30, 2023
20.	Suzhou Jiyuan Haoyue Venture Investment Partnership (Limited Partnership) (蘇州紀源皓月創業投資合夥企業(有限合夥))	487.5659	Net assets converted into shares	November 30, 2023
21.	Suzhou Jiyuan Haoyuan Venture Investment Partnership (Limited Partnership) (蘇州紀源皓元創業投資合夥企業(有限合夥))	361.5562	Net assets converted into shares	November 30, 2023
22.	Jinjiang Fengyuan Huixin Equity Investment Partnership (Limited Partnership) (晉江馮源繪芯股權投資合夥企業(有限合夥))	256.8145	Net assets converted into shares	November 30, 2023
23.	Ningbo Yaotu Growth Venture Investment Partnership (Limited Partnership) (寧波耀途成長創業投資合夥企業(有限合夥))	70.0403	Net assets converted into shares	November 30, 2023
24.	Guangdong Yunqi Equity Investment Center (Limited Partnership) (廣東雲綺股權投資中心(有限合夥))	140.0806	Net assets converted into shares	November 30, 2023
25.	Tianjin Yuzhi Technology Center (Limited Partnership) (天津禦智科技中心(有限合夥))	350.2016	Net assets converted into shares	November 30, 2023
26.	Beijing Anrong Enterprise Management Development Center (Limited Partnership) (北京安榕企業管理發展中心(有限合夥))	140.0806	Net assets converted into shares	November 30, 2023
27.	Jiangsu Jiequan Yuanhe Puhua Equity Investment Partnership (Limited Partnership) (江蘇漵泉元禾璞華股權投資合夥企業(有限合夥))	210.1210	Net assets converted into shares	November 30, 2023

No.	Name of promoter	Number of shares subscribed ('0,000 shares)	Method of capital contribution	Date of capital contribution
28.	Hefei Shixi Chanheng Integrated Circuit Venture Investment Fund Partnership (Limited Partnership) (合肥石溪產恒集成電路創業投資基金合夥企業(有限合夥))	140.0806	Net assets converted into shares	November 30, 2023
29.	Ningbo Huayan Chuangxi Venture Capital Partnership (Limited Partnership) (寧波華晏創璽創業投資合夥企業(有限合夥))	245.1411	Net assets converted into shares	November 30, 2023
30.	Tencent Venture Investment (Guangxi) Co., Ltd. (廣西騰訊創業投資有限公司)	1,437.6165	Net assets converted into shares	November 30, 2023
31.	Suzhou Qihua Phase 10 Venture Investment Partnership (Limited Partnership) (蘇州啓華十期創業投資合夥企業(有限合夥))	594.8758	Net assets converted into shares	November 30, 2023
32.	Guangdong Wenquan Equity Investment Center (Limited Partnership) (廣東文泉股權投資中心(有限合夥))	247.8649	Net assets converted into shares	November 30, 2023
33.	Beijing Xingfan Venture Investment Partnership (Limited Partnership) (北京星梵創業投資合夥企業(有限合夥))	148.7189	Net assets converted into shares	November 30, 2023
34.	Yiwu Weihao Chuangxin Phase I Equity Investment Partnership (Limited Partnership) (義烏韋豪創芯一期股權投資合夥企業(有限合夥))	594.8758	Net assets converted into shares	November 30, 2023
35.	Ningbo Yongxin Weihao Phase III Semiconductor Industry Investment Partnership (Limited Partnership) (寧波甬欣韋豪三期半導體產業投資合夥企業(有限合夥))	1,936.2634	Net assets converted into shares	November 30, 2023
36.	Ningbo Zhenhai Weiyuan Zhenxin Phase I Semiconductor Industry Investment Partnership (Limited Partnership) (寧波市鎮海威遠鎮芯一期半導體產業投資合夥企業(有限合夥))	963.6656	Net assets converted into shares	November 30, 2023

<b>No.</b>	<b>Name of promoter</b>	<b>Number of shares subscribed ('0,000 shares)</b>	<b>Method of capital contribution</b>	<b>Date of capital contribution</b>
37.	Zhoushan Zhixin Equity Investment Partnership (Limited Partnership) (舟山知芯股權投資合夥企業(有限合夥))	138.0609	Net assets converted into shares	November 30, 2023
38.	Zhoushan Weixin Equity Investment Partnership (Limited Partnership) (舟山巍芯股權投資合夥企業(有限合夥))	161.6968	Net assets converted into shares	November 30, 2023
39.	Ningbo Fengyuan No. 1 Equity Investment Partnership (Limited Partnership) (寧波馮源一號股權投資合夥企業(有限合夥))	141.4847	Net assets converted into shares	November 30, 2023
40.	Hangzhou Dayu Venture Capital Partnership (Limited Partnership) (杭州大宇創業投資合夥企業(有限合夥))	67.0067	Net assets converted into shares	November 30, 2023
41.	Shenzhen Qianhai Zhiyu Investment Partnership (Limited Partnership) (深圳前海知宇投資合夥企業(有限合夥))	28.5895	Net assets converted into shares	November 30, 2023
<b>Total</b>		<b>33,077.0985</b>	— —	— —

The Company issued a total of 330,770,985 shares at the time of its establishment, with a face value of RMB1 per share, which were subscribed for by the promoters.

**Article 21** Following the completion of the issuance of H Shares, the exercise of the over-allotment option, the share capital structure of the Company is as follows: a total of 588,936,581 shares outstanding, all of which are ordinary shares, comprising 482,845,281 H shares converted from domestic unlisted shares and 106,019,300 H shares issued pursuant to the Global Offering (including 1,176,100 shares issued upon exercise of the over-allotment option).

Holder of domestic unlisted shares of the Company shall comply with the regulatory procedures, rules and requirements set forth by both domestic and overseas securities regulatory authorities, and shall entrust the Company to go through the relevant filing procedures with the CSRC upon converting all or part of their shares into H Shares for listing and trading on an overseas stock exchange. It is unnecessary to hold a shareholders' general meeting to vote on the conversion of the aforementioned shares and their listing and trading on an overseas stock exchange, as well as any amendments to the Company's Articles of Association that may arise as a result.

**Article 22** The Company or its subsidiaries (including affiliates of the Company) shall not provide any financial assistance to others for the purpose of obtaining the shares of the Company or its parent company by such means as gift, advance payment, guarantee or loan, except for the implementation of the Company's employee stock ownership plan.

For the benefits of the Company, the Company may, upon a resolution by the shareholders' general meeting or the resolution adopted by the Board of Directors as authorized by the Articles of Association or the shareholders' general meeting, provide financial assistance to others for the purpose of obtaining the shares of the Company or its parent company, provided that the total accumulative amount of the financial assistance shall not exceed 10% of the total issued share capital. Resolutions made by the Board shall require approval from more than two-thirds of all directors.

## **Section 2 Increase, Decrease and Repurchase of Shares**

**Article 23** The Company, based on operational and developmental needs, may increase capital in the following ways according to laws and regulations and through resolutions passed by the shareholders' general meeting:

- (I) Issuing shares to unspecified parties;
- (II) Issuing shares to specified parties;
- (III) Distributing bonus shares to existing shareholders;
- (IV) Capitalizing reserve funds into share capital;
- (V) Other methods as stipulated by laws, administrative regulations, CSRC, Hong Kong Stock Exchange, and relevant regulatory authorities such as securities regulatory authorities of the place where the Company's shares are listed.

**Article 24** The Company may decrease its registered capital. The reduction of registered capital by the Company shall be carried out in accordance with the procedures stipulated by the Company Law, the Hong Kong Stock Exchange Listing Rules and other relevant regulations as well as the Articles of Association.

**Article 25** The Company is prohibited from repurchasing its own shares. Exceptions may be made under the following circumstances:

- (I) Decreasing the Company's registered capital;
- (II) Merging with other companies holding the Company's shares;
- (III) Using shares for an employee stock ownership plan or equity incentive;
- (IV) Shareholder dissenting from a resolution by the shareholders' general meeting for merger or division of the Company and requesting the Company to repurchase their shares;

- (V) Using shares to convert convertible bonds issued by the Company into stocks;
- (VI) Being necessary to maintain the Company's value and shareholder rights;
- (VII) Other circumstances permitted by laws, regulations, securities regulatory rules of the place where the Company's shares are listed, etc.

Any subsidiary controlled by the Company is not allowed to acquire the Company's shares.

**Article 26** If the Company repurchases its shares, it can be done through open centralized transactions or other methods recognized by laws, administrative regulations, CSRC, and securities regulatory authorities of the place where the Company's shares are listed.

If the repurchase is due to the circumstances mentioned in Items (III), (V), and (VI) of paragraph 1 of Article 25 of the Articles of Association, it shall be conducted through open centralized transactions.

**Article 27** In situations mentioned in Items (I) and (II) of paragraph 1 of Article 25 of the Articles of Association, the repurchase shall be approved by the shareholders' general meeting's resolution; for Items (III), (V), and (VI) of paragraph 1 of Article 25 of the Articles of Association, it can be resolved by a Board meeting with two-thirds or more of the attending directors, subject to compliance with applicable securities regulatory rules of the place where the Company's shares are listed.

For the domestic unlisted shares, where the Company repurchases its shares according to paragraph 1 of Article 25 of the Articles of Association, the following requirements shall apply: in the case of a repurchase under Item (I), such shares shall be cancelled within 10 days from the date of repurchase; in the case of a repurchase under Items (II) and (IV), such shares shall be transferred or cancelled within six months; and in the case of a repurchase under Items (III), (V) and (VI), the total number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and such shares shall be transferred or cancelled within three years. If there are additional regulations regarding share repurchases by laws, regulations, or securities regulatory authorities of the place where the Company's shares are listed, those shall be followed.

When the Company repurchases its own shares, it shall perform the obligation of information disclosure in accordance with laws, regulations and the securities regulatory rules of the places where the Company's shares are listed.

### **Section 3 Transfer of Shares**

**Article 28** The shares of the Company shall be transferred in accordance with the law.

The Company's shares may be transferred in accordance with laws, regulations, the securities regulatory rules of place where the Company's shares are listed and the Articles of Association. All transfers of H Shares shall be effected by written instruments of transfer in a general or ordinary form or in any other forms acceptable to the Board (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 by hand or (where the transferor or transferee is a corporation) by the valid corporate seal. If the transferor or the transferee is a recognized clearing house or its nominee as defined in the relevant regulations in force from time to time under Hong Kong laws, the instruments of transfer may be signed by hand or in a machine-printed form. All instruments of transfer shall be kept at the legal address of the Company or other place designated by the Board of Directors from time to time.

**Article 29** The Company shall not accept any of its own shares as the subject of pledge.

**Article 30** The shares issued before the initial public offering of the Company may not be transferred within a year from the date on which our shares are listed on the stock exchange.

Directors and senior management of the Company must declare the shares (including preferred shares, if any) they hold in the Company and any changes thereto. During their tenure as determined at the time of taking office, the shares they transfer annually shall not exceed 25% of the total shares of the same class they hold in the Company, and the shares they hold cannot be transferred within one year from the Company's shares being listed for trading. These individuals are prohibited from transferring their held company shares within six months after leaving their positions. If there are other regulations on share transfer restrictions by laws, regulations, CSRC, and/or the listing rules of the place where the Company's shares are listed, those regulations shall be followed.

## **Chapter 4 Shareholders and Shareholders' General Meeting**

### **Section 1 General Provisions of Shareholders**

**Article 31** The Company establishes a share register based on evidence provided by the securities depository and clearing institution, which serves as adequate evidence of shareholders holding company shares. Shareholders have rights and obligations corresponding to the class of shares they hold, and those holding the same class of shares enjoy equal rights and bear similar obligations.

A share register shall record the following particulars:

- (I) The name and address of each shareholder;
- (II) The class and number of shares subscribed for by each shareholder;
- (III) The serial numbers of the share certificates if issued in a paper form;
- (IV) The date on which each shareholder acquired the shares;
- (V) Other matters required to be specified by laws, regulations and the Hong Kong Stock Exchange Listing Rules and other regulatory rules of the place where the Company's shares are listed.

Appointed overseas agencies shall always maintain the consistency of the original share register of holders of overseas listed foreign shares and the copies thereof. Where the original and copies of the share register of holders of overseas listed foreign shares are inconsistent, the original shall prevail.

Any shareholder who is registered in, or any person who requests to have his/her name entered in, the share register may, if his/her share certificates are lost, apply to the Company for a replacement share certificate in respect to such shares. If a holder of domestic unlisted shares loses his/her share certificates and applies for their replacement, it shall be dealt with in accordance with the relevant requirements of the Company Law. If a holder of H Shares loses his/her share certificates and applies for their replacement, it may be dealt with in accordance with the laws, the rules of the stock exchange, or other relevant regulations of the place where the original share register of holders of H Shares is kept.

**Article 32** When the Company convenes a shareholders' general meeting, distributes dividends, conducts liquidation or performs other activities that require the confirmation of the identity of the shareholders, the Board or the convener of the shareholders' general meeting shall determine the record date, and shareholders whose names appear on the share register after market closing on the record date shall be the shareholders entitled to the relevant rights and interests.

**Article 33** The Company's shareholders enjoy the following rights:

- (I) Speaking and voting at shareholders' general meetings, except when being required to waive voting rights on individual matters under the Hong Kong Stock Exchange Listing Rules;
- (II) Obtaining dividend or other forms of interest distribution in accordance with the proportion of their shares;
- (III) Legally requesting to convene, organize, preside over, participate or appoint shareholder representatives to attend the shareholders' general meeting, and exercise the corresponding speaking and voting rights;
- (IV) Supervising the operation of the Company and making proposals, or inquiries;
- (V) Transferring, donating, or pledging the shares it holds in accordance with the provisions of laws, administrative regulations, and the Articles of Association;
- (VI) Accessing and copying the Company's Articles of Association, share register, shareholders' general meeting records, Board meeting resolutions, and financial accounting reports; approved shareholders can access the Company's accounting books and vouchers;
- (VII) Participating in distribution of remaining assets in accordance with their share proportion in case of company termination or liquidation;
- (VIII) Shareholders dissenting from a resolution at the shareholders' general meeting regarding mergers or divisions can request the Company to repurchase their shares;
- (IX) Accessing the Company's Hong Kong branch share register; but the Company can suspend shareholder registration procedures on terms equivalent to section 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong);

- (X) Exercising other rights as stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

**Article 34** Shareholders demanding the inspection or copying of relevant materials of the Company shall comply with the Company Law, the Securities Law, the Hong Kong Stock Exchange Listing Rules, the securities regulatory rules of the place where the Company's shares are listed and other relevant laws, administrative regulations, and provide the Company with written documents evidencing the class and number of shares of the Company held by them. The Company shall provide the said materials as requested by such shareholders upon verification of their identity.

**Article 35** Shareholders have the right to request the People's Court to declare invalid resolutions of shareholders' general meetings and Board meetings that violate laws or administrative regulations.

If the convening procedures or voting methods of shareholders' general meeting and Board meeting violate laws, administrative regulations, or the Articles of Association, or resolutions violate the Articles of Association, shareholders have the right to request the People's Court to revoke the resolution within 60 days from the date of the resolution. However, this does not apply if the convening procedures or voting methods of the shareholders' general meeting and the Board meeting are found to have minor defects and do not substantially affect the resolution.

Where the Board, shareholders and other relevant parties dispute the validity of the resolution of the shareholders' general meeting, they shall promptly file a lawsuit with the People's Court. Before the People's Court makes a judgment or ruling to revoke the resolution, the relevant parties shall implement the resolution of the shareholders' general meeting. The Company, the directors and senior management members shall effectively perform their duties to ensure the normal operation of the Company.

Where the People's Court renders a judgment or ruling on relevant matters, the Company shall fulfill the obligation of information disclosure in accordance with laws, administrative regulations, and the regulations of the CSRC and the stock exchange where the Company's shares are listed, fully explain the impact, and actively cooperate with the execution after the judgment or ruling takes effect. Where rectification of previous executed matters is involved, such rectification shall be promptly processed and the obligation of information disclosure shall be fulfilled accordingly.

**Article 36** Under any of the following circumstances, a resolution of the shareholders' general meeting or the Board of Directors of the Company shall not be formed:

- (I) A resolution is adopted without holding a shareholders' general meeting or a meeting of the Board of Directors;
- (II) The matters resolved are not voted on at a shareholders' general meeting or a meeting of the Board of Directors;
- (III) The number of persons present at a meeting or the number of voting rights held by them is less than the number of persons or the number of voting rights held as prescribed in the Company Law or the Articles of Association;

(IV) The number of persons voting for the matters resolved or the number of voting rights held by them is less than the number of persons or the number of voting rights held as prescribed in the Company Law or the Articles of Association.

**Article 37** If any director or senior management member other than a member of the Audit Committee violates the laws, administrative regulations or the Articles of Association in fulfilling his/her official duties, thereby incurring any loss of the Company, the shareholders individually or jointly holding 1% or more shares of the Company for more than 180 days consecutively shall have the right to request the Audit Committee in writing to institute legal proceedings to the People's Court; if any member of the Audit Committee violates the laws, administrative regulations or the Articles of Association in fulfilling his/her official duties, thereby incurring any loss of the Company, the aforesaid shareholders may request the Board in writing to institute legal proceedings to the People's Court.

If the Audit Committee or the Board refuses to institute legal proceedings after receipt of the written request from the shareholders as specified in the preceding paragraph or does not institute legal proceedings within 30 days after receipt of the said request, or if the failure to immediately institute legal proceedings in an emergency case will cause irreparable damage to the interests of the Company, the shareholders as specified in the preceding paragraph shall be entitled to directly institute legal proceedings to the People's Court in their own names in the interests of the Company.

Where any other person infringes upon the lawful rights and interests of the Company and causes losses thereto, the shareholders specified in paragraph 1 of this article may file a lawsuit with the People's Court in accordance with the provisions of the preceding two paragraphs.

Where a director, supervisor, or senior management member of a wholly-owned subsidiary of the Company violates laws, administrative regulations or the Articles of Association in fulfilling his/her duties, thereby causing losses to the Company, or where any other person infringes upon the lawful rights and interests of the wholly-owned subsidiary of the Company, thereby causing losses, the shareholders individually or jointly holding 1% or more shares of the Company for more than 180 days consecutively 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 institute an action in a People's Court, or directly institute an action in a People's Court in their own names. Where a wholly-owned subsidiary of the Company does not set up a supervisory committee or supervisors, but sets up an audit committee, the provisions of paragraphs 1 and 2 of this article shall apply.

**Article 38** If any director or senior management member violates the laws, administrative regulations or the Articles of Association, thereby damaging the interests of the shareholders, the shareholders may institute legal proceedings to the People's Court.

**Article 39** The shareholders assume the following obligations:

- (I) Complying with laws, administrative regulations, and the Articles of Association;
- (II) Paying capital contributions according to the subscribed shares and method of entry;
- (III) Not withdrawing their capital, except as provided by laws and administrative regulations;

- (IV) Not abusing the shareholder's right to cause damage to the Company's or other shareholders' benefit, nor the independent legal person status of the Company and limited liability of shareholders to cause damage to the creditors' interests;
- (V) Fulfilling other obligations as stipulated by laws, administrative regulations, the Articles of Association, and securities regulatory rules of the place where the Company's shares are listed.

**Article 40** If any shareholder of the Company abuses his/her shareholder's right, thereby causing any loss to the Company or other shareholders, the said shareholder shall be liable for compensation according to law. Any shareholder of the Company who abuses the independent legal person status of the Company and limited liability of shareholders to evade debts and seriously damage the interests of the Company's creditors shall assume joint and several liability for the Company's debts.

## **Section 2 Controlling Shareholders and Actual Controllers**

**Article 41** The Company's controlling shareholders and actual controllers shall exercise their rights and fulfill their obligations to safeguard the interests of the listed company in accordance with laws, administrative regulations, and the regulations of the CSRC and the stock exchange where the Company's shares are listed.

**Article 42** The controlling shareholders and actual controllers of the Company shall comply with the following provisions:

- (I) To exercise shareholder rights according to law and not to abuse control rights or use connected relationships to damage the legitimate rights and interests of the Company or other shareholders;
- (II) To strictly fulfill the public statements and undertakings made, without unilateral alteration or waiver;
- (III) To fulfill information disclosure obligations in strict accordance with relevant regulations, actively cooperate with the Company in information disclosure, and promptly inform the Company of major events that have occurred or are about to occur;
- (IV) Not to appropriate the Company's funds in any way;
- (V) Not to order, instruct or request the Company and relevant personnel to provide guarantees in violation of laws and regulations;
- (VI) Not to make use of the Company's undisclosed material information for personal gain, not to disclose in any way undisclosed material information relating to the Company, and not to engage in insider trading, short-swing trading, market manipulation and other illegal and unlawful acts;

- (VII) Not to prejudice the legitimate rights and interests of the Company and other shareholders through unfair connected transactions, profit distribution, asset restructuring, foreign investment or any other means;
- (VIII) To ensure the integrity of the Company's assets, and the independence of personnel, finance, organization and business, and not to affect the independence of the Company in any way;
- (IX) To observe other provisions of laws, administrative regulations, the regulations of the CSRC, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

If the Company's controlling shareholders or actual controllers do not serve as directors of the Company but actually execute the Company's affairs, the provisions of the Articles of Association on directors' duties of loyalty and diligence shall apply.

If the Company's controlling shareholders or actual controllers instruct directors or senior management members to engage in activities that damage the interests of the Company or shareholders, they shall bear joint and several liability with such directors or senior management members.

**Article 43** If the controlling shareholders or actual controllers pledge the Company's shares held by them or under their effective control, they shall maintain control over the Company and the stability of the Company's production and operation.

**Article 44** If the controlling shareholders or actual controllers transfer the Company's shares held by them, they shall comply with the restrictive provisions on share transfer in laws, administrative regulations and the regulations of the CSRC and the stock exchange where the Company's shares are listed, and the commitments made on restricting share transfer.

### **Section 3 General Provisions of the Shareholders' General Meeting**

**Article 45** The Company's shareholders' general meeting consists of all shareholders. It functions as the Company's governing body, exercising the following powers in accordance with the law:

- (I) Electing and replacing directors and determining matters related to their remuneration;
- (II) Reviewing and approving the Board of Directors' reports;
- (III) Reviewing and approving the Company's profit distribution and loss compensation plans;
- (IV) Making resolutions on increasing or decreasing the Company's registered capital;
- (V) Making resolutions on issuing bonds of the Company;
- (VI) Making resolutions on company mergers, divisions, dissolution, liquidation, or changes in corporate form;

- (VII) Amending the Articles of Association;
- (VIII) Making resolutions on the appointment and dismissal of accounting firms undertaking the Company's audit services and their remuneration matters;
- (IX) Reviewing and approving the guarantee matters specified in Article 46 of the Articles of Association;
- (X) Reviewing transactions involving the purchase or sale of significant assets exceeding 30% of the Company's most recently audited total assets within a year;
- (XI) Reviewing and approving changes in the use of raised funds;
- (XII) Reviewing equity incentive plans and employee stock ownership plans;
- (XIII) Deciding on other matters required to be determined by the shareholders' general meeting under laws, administrative regulations, departmental rules, the Articles of Association, and the securities regulatory rules of the place where the Company's shares are listed.

The shareholders' general meeting may authorize the Board of Directors to make resolutions on the issuance of corporate bonds. Matters relating to the issuance of corporate bonds resolved by the shareholders' general meeting, or by the Board of Directors as authorized by the shareholders' general meeting, shall be implemented in compliance with the provisions of laws, administrative regulations, and the regulations of the CSRC and the Hong Kong Stock Exchange.

Except as otherwise provided by laws, administrative regulations, the regulations of the CSRC, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association, the powers of the shareholders' general meeting referred to in paragraph 1 of this article shall not be exercised by the Board of Directors or any other institution or individual on its behalf by means of authorization.

**Article 46** The following external guarantees by the Company require approval from the shareholders' general meeting:

- (I) Any guarantees provided for those parts where the total amount of the external guarantees of the Company and its controlled subsidiaries exceeds 50% of the net assets of the Company through audit in the latest period;
- (II) Any guarantees provided for those parts where the total amount of the external guarantees of the Company exceeds 30% of the total assets of the Company through audit in the latest period;
- (III) Guarantees to others in an amount exceeding 30% of the total audited assets of the Company in the latest period within a year;
- (IV) Guarantees provided for those guarantee subjects where the debt ratio exceeds 70%;

- (V) Single guarantee exceeding 10% of net assets in the last audit;
- (VI) Guarantees provided to shareholders, actual controllers and their connected parties.
- (VII) Other guarantees as required to be reviewed by the shareholders' general meeting under laws, regulations, securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

**Article 47** Shareholders' general meetings include annual shareholders' general meetings and extraordinary shareholders' general meetings. The annual shareholders' general meeting shall be held once a year within six months after the end of the previous fiscal year.

**Article 48** In the event of any of the following circumstances, the Company must convene an extraordinary shareholders' general meeting within two months from the occurrence date:

- (I) When the number of directors falls below two-thirds of the required number under the Company Law or the number specified in the Articles of Association;
- (II) When the Company's unremedied losses reach one-third of the total share capital;
- (III) Upon the request of a shareholder holding over 10% of the voting shares individually or in aggregate (including voting restoration rights of preferred shares, if any);
- (IV) When deemed necessary by the Board of Directors;
- (V) Upon the proposal of the Audit Committee;
- (VI) In other circumstances stipulated by laws, administrative regulations, departmental regulations, or the Articles of Association.

**Article 49** The venue of shareholders' general meeting of the Company is: domicile of the Company or other place specified in the meeting notice. The shareholders' general meeting shall be held at a designated venue, either in-person or in a hybrid format combining in-person attendance with online participation. To the extent permitted by applicable laws, administrative regulations, departmental rules, normative documents, and the securities regulatory rules of the place where the Company's shares are listed, the Company shall provide online voting as a means to facilitate shareholder participation. Shareholders attending the shareholders' general meeting through the aforementioned methods shall be deemed present.

#### **Section 4 Convening of Shareholders' General Meeting**

**Article 50** The Board of Directors must timely convene the shareholders' general meeting within the prescribed period.

With the agreement of the majority of independent directors, independent directors have the right to propose the convening of an extraordinary shareholders' general meeting to the Board of Directors. Upon receiving a proposal from independent directors for convening an extraordinary shareholders' general meeting, the Board of Directors must provide a written response agreeing or disagreeing with the proposal within ten days in accordance with the law, administrative regulations, and the Articles of Association. If the Board agrees to convene the extraordinary shareholders' general meeting, it must issue the meeting notice within five days after the Board passes a resolution; if not, the Board must state the reasons and make an announcement.

**Article 51** If the Audit Committee proposes the convening of an extraordinary shareholders' general meeting to the Board of Directors, it must propose in writing. The Board of Directors must provide a written response agreeing or disagreeing with the proposal within ten days of receiving it in accordance with the law, administrative regulations, and the Articles of Association.

If the Board agrees to convene the extraordinary shareholders' general meeting, it must issue the meeting notice within five days after passing a Board resolution. Any changes to the original proposal in the notice require the consent of the Audit Committee.

If the Board does not agree to convene the extraordinary shareholders' general meeting or fails to provide feedback within ten days, it is considered that the Board cannot or will not fulfill its duty to convene the shareholders' general meeting. In such a case, the Audit Committee can independently convene and chair the meeting.

**Article 52** Shareholders holding individually or jointly more than 10% of the voting shares of the Company (including voting restoration rights of preferred shares, if any) requesting the convening of an extraordinary shareholders' general meeting must submit their request in writing to the Board of Directors. The Board of Directors must provide a written response agreeing or disagreeing with the request within ten days of receipt according to the law, administrative regulations, and the Articles of Association.

If the Board agrees to convene the extraordinary shareholders' general meeting, it must issue the meeting notice within five days after passing a Board resolution. Any changes to the original request in the notice require the consent of the relevant shareholders.

If the Board does not agree to convene the extraordinary shareholders' general meeting or fails to respond within ten days, shareholders holding individually or jointly over 10% of the voting shares (including voting restoration rights of preferred shares, if any) can propose to the Audit Committee to convene an extraordinary shareholders' general meeting in writing.

If the Audit Committee agrees to convene the extraordinary shareholders' general meeting, it must issue the meeting notice within five days of receiving the request, with any changes to the original request requiring the consent of the relevant shareholders.

Failure by the Audit Committee to issue the notice within the stipulated period is considered as failure to convene and chair the shareholders' general meeting. Shareholders holding individually or jointly over 10% of the voting shares (including voting restoration rights of preferred shares, if any) for more than 90 consecutive days can independently convene and chair the meeting.

**Article 53** If the Audit Committee or shareholders decide to convene a shareholders' general meeting on their own, they must notify the Board of Directors in writing. If the securities regulatory rules of the place where the Company's shares are listed stipulate otherwise, such rules shall prevail provided they do not contravene the laws and administrative regulations of the PRC or the provisions of the Articles of Association.

If there are additional provisions in the securities regulatory rules of the place where the Company's shares are listed regarding the Audit Committee or the convening shareholder issuing notice of shareholders' general meeting and announcement of the resolutions of shareholders' general meeting, such provisions shall be followed provided they do not violate the laws and administrative regulations of the PRC, or the Articles of Association.

Prior to the announcement of the resolutions of the shareholders' general meeting, the proportion of voting shares (including voting restoration rights of preferred shares, if any) held by the convening shareholder shall not be less than 10%.

**Article 54** For the shareholders' general meeting convened by the Audit Committee or shareholders on their own, the Board of Directors and the Secretary to the Board shall provide cooperation. The Board of Directors shall provide a register of shareholders as of the equity registration date.

**Article 55** For the shareholders' general meetings convened by the Audit Committee or shareholders on their own, the Company shall bear the necessary expenses for the meeting.

### **Section 5 Proposals and Notice of Shareholders' General Meetings**

**Article 56** The content of a proposal shall fall within the scope of the shareholders' general meeting's powers, have a clear topic and specific resolution items, and comply with relevant provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

**Article 57** Where the Company convenes a shareholders' general meeting, the Board of Directors, Audit Committee, and shareholders individually or in aggregate holding more than 1% shares of the Company may make proposals to the Company.

Shareholders individually or in aggregate holding more than 1% shares of the Company may submit written provisional proposals to the convener 10 days before a shareholders' general meeting is convened. The provisional proposal shall cover specific topics for discussion and specific issues to be resolved. The convener shall, within 2 days after receipt of the proposal, issue a supplementary notice to announce the content of the provisional proposal, and submit the provisional proposal to the shareholders' general meeting for consideration, except where the provisional proposal violates laws, administrative regulations or the Articles of Association, or falls outside the scope of the powers of the shareholders' general meeting.

Save as specified in the preceding paragraph, the convener shall not change the proposals set out in the notice of shareholders' general meeting or add any new proposal after the said notice is served via announcement.

Proposals not set out in the notice of shareholders' general meeting or not complying with the Articles of Association shall not be voted on or resolved at the shareholders' general meeting.

**Article 58** The convener will notify all shareholders by announcement 21 days before the annual shareholders' general meeting and 15 days before any extraordinary shareholders' general meeting. The duration counted by the Company shall exclude the date of convening. Notices of shareholder's general meetings must be issued to shareholders in a manner consistent with laws, administrative regulations, Hong Kong Stock Exchange Listing Rules, securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

**Article 59** The notice of the shareholders' general meeting shall include the following:

- (I) The date, time, and location of the meeting;
- (II) Matters and proposals to be reviewed at the meeting;
- (III) A clear statement that all shareholders have the right to attend and may appoint an agent in writing to attend and vote at the meeting, with the agent not necessarily being a shareholder of the Company;
- (IV) Equity registration date of shareholders who have the right to attend the meeting;
- (V) Names and telephone numbers of the permanent contacts for meeting affairs;
- (VI) Voting deadlines and procedures through online or other methods.

The notice and any supplementary notice of the shareholders' general meeting shall fully and accurately disclose all specific details of the proposed items.

**Article 60** Where the elections of directors are intended to be discussed at the shareholders' general meeting, the notice of the shareholders' general meeting shall sufficiently disclose the particulars of the candidates for directors, and shall include at least the following content:

- (I) Personal particulars, including educational background, work experience, and part-time jobs;
- (II) Whether one has any connected relations with the Company, its controlling shareholders and actual controllers;
- (III) The amount of shares of the Company one holds;
- (IV) Whether one has been subject to penalties by the CSRC and other relevant authorities, as well as disciplinary actions by stock exchanges.

Unless a director is elected via the cumulative voting system, each candidate for director shall be proposed via a single proposal.

**Article 61** After the notice of shareholders' general meeting is issued, the same meeting shall not be postponed or cancelled and the proposals set out in the notice shall not be cancelled without proper reasons. In the case of any postponement or cancellation of the meeting, the convener shall make an announcement and give the reasons therefor at least two workdays prior to the date on which the meeting is originally scheduled. If the securities regulatory rules of the place where the Company's shares are listed contain special provisions regarding the procedures for postponing or canceling a shareholders' general meeting, such provisions shall be followed, provided they do not contravene domestic regulatory requirements.

## **Section 6 Convening of Shareholders' General Meetings**

**Article 62** The Board of Directors or any other convener shall take necessary measures to ensure the proper order of the shareholders' general meeting. The Board of Directors or any other convener shall take measures to stop any act disturbing the shareholders' general meeting, seeking trouble or infringing upon the legitimate rights and interests of shareholders, and shall report such act to relevant departments for investigation and treatment.

**Article 63** All the shareholders whose names appear in the shareholders' register on the equity registration date or their proxies shall be entitled to attend the shareholders' general meeting and exercise their voting rights according to relevant laws, regulations and Articles of Association.

Shareholders have the option to attend the shareholders' general meeting in person or appoint an agent to attend and vote on their behalf. Each shareholder has the right to appoint one or more agent(s) who need not be a shareholder of the Company. The appointed agent can exercise the following rights based on the shareholder's instructions:

- (I) Speaking rights on behalf of the shareholder at the shareholders' general meeting;
- (II) Requesting voting by ballot on their own or with others;
- (III) Exercising voting rights by show of hands or ballot, unless otherwise stipulated by laws, administrative regulations, Hong Kong Stock Exchange Listing Rules, or regulations stipulated in the securities regulatory rules of the place where the Company's shares are listed.

**Article 64** Individual shareholders attending the meeting in person shall present their personal identification card or other valid identification documents; and if appointing someone else to attend, the attending ones shall provide their valid identification document and the shareholder authorization letter.

Institutional shareholders shall delegate their legal representatives or the agents authorized by the legal representatives to attend the meeting. If the legal representative attends the meeting, they shall present their personal identification card and valid proof of their legal representative status; if an agent attends the meeting, the agent shall present his or her personal identification card and a written authorization letter issued by the legal representative of the institutional shareholder (except for shareholders who are defined, by the relevant ordinances in effect in Hong Kong from time to time or the securities regulatory rules of the place where the Company's shares are listed, as recognized clearing houses or their agents (hereinafter referred to as "**recognized clearing houses**")).

If the shareholder is a recognized clearing house (or its agent), the clearing house may authorize one or more suitable individuals to represent them at any shareholders' general meeting or creditors' meeting; however, if more than one individual is authorized, the authorization shall specify the numbers and types of shares involved for each individual. The authorized individuals may represent the recognized clearing house to exercise rights (without presenting shareholding certificates, with notarized authorization and/or further evidence proving official authorization), as if the individual were a personal shareholder of the Company.

**Article 65** Authorization letters issued by shareholders to appoint others to attend the shareholders' general meeting shall specify the following:

- (I) Name or title of the appointor, type and quantity of company shares held;
- (II) Name or title of the appointed agent;
- (III) Agent matters and authorization scope, specific instructions from the shareholder, including instructions on voting for, against, or abstaining on each agenda item included in the shareholder's general meeting;
- (IV) Date of issue and validity period of the authorization letter;
- (V) Signature of the appointor (or seal). If the appointor is an institutional shareholder, a corporate seal shall be affixed.

**Article 66** Where such an authorization letter for proxy voting is signed by a person authorized by the principal, the power of attorney authorizing signature or other authorization documents shall be notarized. The notarized authorization letter and other authorization documents shall, together with the authorization letter for proxy voting, be deposited at the Company's domicile or at such other place as specified in the notice of the meeting. The authorization letter for proxy voting shall be deposited at the domicile of the Company or such other place as specified in the notice of meeting at least 24 hours prior to the meeting at which the proxy is authorized to vote or 24 hours before the scheduled voting time.

Where the principal is a legal person, its legal representative or a person authorized by the Board or other decision making body shall attend the shareholders' general meeting of the Company.

**Article 67** Attendees' register shall be prepared by the Company. The register shall, amongst other matters, contain the names (or corporate names) of the attendees, their identity card numbers, the number of voting shares held or represented by them, and the names (or corporate names) of the proxies.

**Article 68** The convener shall verify the validity of the shareholders' qualifications based on the shareholders' register provided by the securities registration and clearing authority, and shall register the names of the shareholders as well as the amount of their voting shares. The registration for a meeting shall be completed before the presider announces the number of shareholders and proxies that attend the meeting and the total number of their voting shares.

**Article 69** If the shareholders' general meeting requires the directors and senior management members to be present at the meeting, the directors and senior management members shall attend the meeting as observers and subject themselves to the inquiries of the shareholders.

**Article 70** The shareholders' general meetings shall be presided over by the Chairman of the Board of Directors. If the Chairman is unable or fails to perform their duties, the Vice Chairman shall preside (if the Company has two or more Vice Chairmen, the Vice Chairman jointly recommended by a majority of the directors shall preside). If the Vice Chairman is unable or fails to perform their duties, a director jointly recommended by a majority of the directors shall preside.

A shareholders' general meeting convened by the Audit Committee itself shall be presided over by the convener of the Audit Committee. When the convener of the Audit Committee is unable to perform their duties or fails to perform their duties, one member of the Audit Committee jointly recommended by more than half of the Audit Committee members shall preside over the meeting.

For a shareholders' general meeting convened by shareholders on their own, it shall be presided over by the convener or a representative recommended by the convener.

When the presider violates the rules of procedure during the shareholders' general meeting, making it impossible to continue the meeting, with the consent of shareholders holding more than half of the voting rights present at the meeting, the shareholders' general meeting may elect a person to serve as the presider to continue the meeting.

**Article 71** The Company shall formulate rules of procedure for shareholders' general meetings defining in details the convening and voting procedure of shareholders' general meetings, covering notification, registration, consideration of proposal, voting, counting of votes, announcement of voting result, formation of resolution, meeting minutes and signing thereof and announcement, as well as the authorization principles of shareholders' general meetings to the Board of Directors. The content of such authorizations shall be clear and specific.

The rules of procedure for shareholders' general meetings shall be appendix to the Articles of Association and shall be formulated by the Board and approved by the shareholders' general meeting.

**Article 72** At the annual shareholders' general meeting, the Board of Directors shall report to the shareholders' general meeting on its work over the past year. Every independent director shall also make his/her work report.

**Article 73** Directors and senior management members shall make explanations in relation to the inquiries and suggestions made by shareholders at shareholders' general meetings.

**Article 74** The presider of the meeting shall, prior to voting, announce the number of shareholders and proxies attending the meeting and the total number of voting shares represented by them, but the figures recorded in the attendance records will prevail.

**Article 75** Minutes of a shareholders' general meeting shall be kept by the Secretary to the Board. The minutes of the meeting shall specify:

- (I) Time, venue and agenda of the meeting, and the name of the convener;
- (II) The names of the presider, and the directors and senior management members present at the meeting;
- (III) The number of shareholders and proxies attending the meeting, the total number of voting shares they represent and the proportion of these shares to the total number of shares of the Company;
- (IV) The consideration process, summaries of speeches and voting result for each proposal;
- (V) Inquiries or suggestions of the shareholders, and the corresponding responses or explanations;
- (VI) The names of the counting officer and monitoring officer;
- (VII) Other contents that shall be recorded in the minutes in accordance with the Articles of Association.

**Article 76** The convener shall ensure that the minutes are truthful, accurate and complete. The attending directors, Secretary to the Board, convener or representative thereof, and presider shall sign the minutes of the meeting. The meeting minutes shall be preserved together with the signature roster of shareholders present in person, power of attorney for attendance by proxy, and valid records of voting conducted online or through other methods. The retention period shall be not less than ten years.

**Article 77** The convener shall ensure that the shareholders' general meeting does not end until a final resolution is made. If the shareholders' general meeting is terminated or fails to reach any resolution due to force majeure or for other special reasons, the convener shall take necessary measures to resume the shareholders' general meeting as soon as possible or directly terminate the shareholders' general meeting and make a responsive announcement. If the securities regulatory rules of the place where the Company's shares are listed stipulate otherwise, such rules shall prevail provided they do not contravene the laws and administrative regulations of the PRC or the provisions of the Articles of Association.

## **Section 7 Voting and Resolutions of Shareholders' General Meetings**

**Article 78** Resolutions at the shareholders' general meeting are classified into ordinary resolutions and special resolutions.

An ordinary resolution at the shareholders' general meeting requires a simple majority of voting rights held by the attending shareholders (including shareholder's agents) in favor.

A special resolution at the shareholders' general meeting requires a two-thirds majority of voting rights held by the attending shareholders (including shareholder's agents) in favor.

**Article 79** The following matters are passed by the shareholders' general meeting via ordinary resolution:

- (I) The Board of Directors' work report;
- (II) Proposed profit distribution and loss compensation plans by the Board of Directors;
- (III) Appointment and removal of Board members, determination of their remuneration and payment methods;
- (IV) Appointment, dismissal, or non-renewal of the accounting firm and its remuneration;
- (V) Annual reports of the Company;
- (VI) Other matters not required to be decided by special resolution under laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

**Article 80** The following matters are passed by the shareholders' general meeting via special resolution:

- (I) Increasing or reducing the registered capital of the Company;
- (II) Company divisions, splits, mergers, dissolution, and liquidation;
- (III) Amendments to the Articles of Association;
- (IV) Transactions involving the purchase, sale of significant assets within a year or providing guarantees to third parties exceeding 30% of the Company's most recent audited total assets;
- (V) Equity incentive plans;
- (VI) Matters required to be decided by special resolution under laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association, and any other matters deemed by the shareholders' general meeting through an ordinary resolution as having a significant impact on the Company that require approval by a special resolution.

**Article 81** Each shareholder (including shareholder agent) can exercise his/her voting right with shares with voting rights. Each share has one vote. Shareholders (including shareholder agents) with two or more voting rights need not cast all their votes as a whole in favor, against, or abstention.

Company-held shares do not carry voting rights and are not counted in the total voting rights of the attending shareholders.

According to applicable laws, regulations, and the Hong Kong Stock Exchange Listing Rules, if any shareholder needs to abstain from voting on a certain resolution or if restrictions are in place limiting a shareholder to only vote in favor or against a specific resolution, the votes cast by such shareholder or their representative in contravention of the regulations or restrictions shall not be counted in the total voting rights.

The Board of Directors, independent directors, shareholders holding more than 1% of the voting shares, or investor protection agencies established in accordance with laws, administrative regulations, or the CSRC regulations may solicit shareholder voting rights publicly. When soliciting shareholder voting rights, the specific voting intentions and information shall be fully disclosed to the shareholders being solicited. It is prohibited to solicit shareholder voting rights in a paid or indirectly compensated manner. Apart from statutory requirements, the Company must not impose a minimum shareholding limit for soliciting voting rights.

**Article 82** When the shareholders' general meeting deliberates on matters related to connected transactions, connected shareholders may provide appropriate explanations regarding such connected transaction matters but shall not participate in the voting. The number of voting shares they represent shall not be included in the total number of valid votes. The announcement of the shareholders' general meeting resolution shall fully disclose the voting status of non-connected shareholders.

The procedures for abstention and voting when the shareholders' general meeting deliberates on connected transaction matters shall comply with the relevant national laws and regulations, the Hong Kong Stock Exchange Listing Rules, and the regulatory requirements of the securities regulatory authorities of the place where the Company's shares are listed.

**Article 83** Except under special circumstances such as a crisis in the Company, the Company shall not enter into a contract that delegates the management of all or significant business operations of the Company to any person other than directors or senior management, unless such contract is approved by the shareholders' general meeting through a special resolution.

**Article 84** The list of director candidates shall be submitted to the shareholders' general meeting for voting in the form of a proposal.

Cumulative voting shall be applied in the election of directors at shareholders' general meetings under the following circumstances:

- (I) When the Company elects two or more independent directors;
- (II) During any period when a single shareholder and its persons acting in concert hold a shareholding ratio of 30% or more, and the election involves two or more directors.

When directors are elected by cumulative voting at a shareholders' general meeting, the voting for independent directors and other directors shall be conducted separately. Elected directors shall be determined in descending order of the number of votes obtained, based on the number of directors to be elected. If directors are not elected through cumulative voting, each director candidate shall be proposed as a separate motion.

Cumulative voting mentioned in the preceding paragraph refers to a system used in the election of directors at a shareholders' general meeting, where each share carries the same number of voting rights as the number of directors to be elected, and the shareholders' voting rights may be used in a concentrated manner.

**Article 85** Save under the cumulative voting system, the shareholders' general meeting shall resolve on all the proposals separately; in the event of several proposals for the same issue, such proposals shall be voted on in the order of time at which they are submitted. Unless the shareholders' general meeting is suspended or a resolution cannot be made due to special reasons including force majeure, the shareholders' general meeting shall not put off the proposals or refuse to vote on the proposals.

**Article 86** No amendment shall be made to a proposal when it is considered at a shareholders' general meeting, otherwise, the relevant amendment shall be deemed as a new proposal and shall not be voted on at the current shareholders' general meeting.

**Article 87** The same voting right can only be exercised in only one form: onsite, over the network, or otherwise. Where the same voting right is exercised more than once, the voting result of the first time shall prevail.

**Article 88** Shareholders' general meetings shall adopt voting by registered ballot.

**Article 89** When proposals are voted on at the shareholders' general meeting, two shareholders' representatives shall be appointed to count, and monitor counting of, the votes. Where any shareholder has connections with any issue considered, the said shareholder or proxy thereof shall not participate in counting and monitoring of votes.

When proposals are voted on at the shareholders' general meeting, the shareholders' representatives shall be responsible for the counting and monitoring of the votes and shall announce the voting results on the spot, which voting results shall be recorded in the meeting minutes.

Shareholders or proxies thereof voting over the network or other means shall have the right to check their voting results via the corresponding voting system.

**Article 90** A shareholders' general meeting shall not conclude earlier at the venue than over the network or otherwise, and the meeting presider shall announce the voting status and result of every proposal and announce whether the proposal is passed or not according to the voting result.

Prior to the official announcement of the voting results, all relevant parties involved in the shareholders' general meeting — whether on-site, online, or through other voting methods — including the Company, vote counters, vote supervisors, shareholders, and online service providers, shall maintain confidentiality regarding the voting proceedings.

**Article 91** Shareholders who are present at the shareholders' general meeting shall adopt one of the following stances when a proposal is put forward for voting: for, against or abstention. This requirement does not apply where securities registration and clearing institutions, acting as nominal holders of shares under the Mainland-Hong Kong Stock Connect program, or recognized clearing houses or their agents as defined under relevant Hong Kong laws effective from time to time and acting as nominal holders, make declarations in accordance with the instructions of the actual holders.

Blank, wrong, illegible or uncast votes shall be deemed as the voters' waiver of their voting rights, and the voting results representing the shares held by such voters shall be counted as "abstentions".

**Article 92** If the meeting Chairperson has any doubt regarding the voting results of a resolution submitted for voting, they may arrange for a recount of the votes. If the Chairperson does not conduct a recount, shareholders or shareholder proxies present at the meeting who disagree with the results announced by the Chairperson shall have the right to immediately request a recount after the announcement of the voting results, and the Chairperson shall promptly arrange for such a recount.

**Article 93** Resolutions of the shareholders' general meeting shall be announced in due time. The announcement shall specify the number of attending shareholders and their proxies, the total number of voting shares they represent and the proportion of these shares to the total number of the voting shares of the Company, the voting method, the voting result for every proposal and the details of each of the resolutions passed.

**Article 94** If a proposal is not adopted or if the current shareholders' general meeting amends a resolution of a previous shareholders' general meeting, a special notice shall be included in the announcement of the resolution of the shareholders' general meeting.

**Article 95** Where a shareholders' general meeting approves a proposal relating to the election of a director, the newly elected director shall take office from the date on which the relevant resolution of the shareholders' general meeting is made (if the resolution of the shareholders' general meeting provides otherwise, such provision shall prevail provided it does not violate the laws and administrative regulations of the PRC, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association).

**Article 96** If the shareholders' general meeting passes a proposal concerning cash dividends, bonus share issues, or capital reserve conversion into share capital, the Company shall implement the specific plan within two months after the conclusion of the shareholders' general meeting. If, due to the provisions of applicable laws, regulations, or securities regulatory rules of the place where the Company's shares are listed, the specific plan cannot be implemented within two months, the implementation date of the specific plan may be adjusted accordingly in accordance with such provisions and the actual circumstances.

## Chapter 5 Directors and Board of Directors

### Section 1 General Provisions on Directors

**Article 97** Directors of the Company shall be individuals. A person with any of the following circumstances shall not serve as a director of the Company:

- (I) Being without or having limited civil capacity;
- (II) Having been convicted of embezzlement, bribery, misappropriation of property, appropriation of funds, or disrupting the socialist market economic order, or having been deprived of political rights for a criminal offense, where five years have not elapsed since the completion of the sentence or where two years have not elapsed since the expiration of a probationary period following a suspended sentence;
- (III) Having served as a director, factory head, or manager of a company or enterprise that has been declared bankrupt and held personally liable for the bankruptcy, where three years have not elapsed since the conclusion of the bankruptcy proceedings of such company or enterprise;
- (IV) Having served as the legal representative of a company or enterprise whose business license has been revoked or which has been ordered to close due to violations of law and having been held personally liable, where three years have not elapsed since the date of such revocation or closure;
- (V) Being personally liable for a substantial amount of outstanding debt that is due and unpaid, and having been listed by a People's Court as a discredited judgment debtor;
- (VI) Being subject to a market ban imposed by the CSRC, where the ban period has not yet expired;
- (VII) Being deemed unsuitable to serve as a director or senior manager of a listed company under the securities regulatory rules of the place where the Company's shares are listed, where the restriction period has not yet expired;
- (VIII) Other circumstances as prescribed by laws, administrative regulations, departmental rules, or the securities regulatory rules of the place where the Company's shares are listed.

Elections or appointments of directors that violate the provisions of this article shall be invalid. If a director becomes subject to any of the circumstances listed in this article during their tenure, the Company shall remove such director from office and cease his/her performance of duties.

**Article 98** Directors shall be elected or replaced by the shareholders' general meeting and may be removed by the general meeting prior to the expiration of their term of office. Each director shall serve a term of three years, and shall be eligible for re-election upon expiry of such term.

The term of a director shall commence on the date of assumption of office and shall end upon the expiry of the incumbent Board. If the re-election is not conducted in a timely manner upon expiry of the term, the original director shall continue to perform their duties as a director in accordance with laws, administrative regulations, departmental rules, and the Articles of Association until a newly elected director assumes office.

Where a director is appointed by the Board to fill a temporary vacancy or as an addition to the number of directors, the term of office of such director shall commence on the date of assumption of office and shall continue until the first annual shareholders' general meeting following such appointment, at which the director shall be eligible for re-election.

A director may concurrently serve as a senior manager. However, the total number of directors concurrently serving as senior managers and directors serving as employee representatives shall not exceed one-half of the total number of directors of the Company.

The Board of Directors shall include one director representing the employees, who shall be elected through the employee representative meeting or other democratic procedures, and whose appointment shall not be subject to approval by the shareholders' general meeting.

**Article 99** Directors shall observe laws, administrative regulations, and the Articles of Association, act in good faith towards the Company, take measures to avoid conflicts between personal interests and the interests of the Company, and refrain from exploiting his/her position for improper gain.

Directors shall fulfill the following obligations of loyalty to the Company:

- (I) Not to misappropriate the Company's property or misappropriate the Company's funds;
- (II) Not to open in their own names or in others' names any bank account for the purpose of depositing any of the Company's monies;
- (III) Not to abuse their official powers to offer bribes or accept other unlawful income;
- (IV) Without reporting to the Board of Directors or the shareholders' general meeting and obtaining approval by resolution of the Board of Directors or the shareholders' general meeting, not to enter into contracts or conduct transactions with the Company, directly or indirectly;
- (V) Not to take advantage of their positions to seek for themselves or others business opportunities that belong to the Company, except where such opportunities are reported to the Board of Directors or the shareholders' general meeting and approved by resolution of the shareholders' general meeting, or where the Company is unable to make use of such business opportunities in accordance with laws, administrative regulations, or the Articles of Association;

- (VI) Without reporting to the Board of Directors or the shareholders' general meeting and obtaining approval by resolution of the shareholders' general meeting, not to engage in, on their own behalf or on behalf of others, businesses identical or similar to those of the Company;
- (VII) Not to take as their own any commission for any transaction between the Company and others;
- (VIII) Not to disclose the Company's secrets without authorization;
- (IX) Not to use their connected relations to damage the interests of the Company;
- (X) To fulfill other duties of loyalty specified by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Any income obtained by a director in violation of this article shall be surrendered to the Company; if losses are caused to the Company, the director shall be liable for compensation.

The provisions of item (IV) of paragraph 2 of this article shall apply when a close relative of a director or senior management member, an enterprise directly or indirectly controlled by a director, senior management member or their close relatives, or a connected person having other connected relationships with a director or senior management member enters into a contract or conducts a transaction with the Company.

**Article 100** Directors shall comply with laws, administrative regulations, and the provisions of the Articles of Association. They owe a duty of diligence to the Company and shall exercise reasonable care, as typically expected of a manager, in performing their duties to act in the best interests of the Company.

Directors shall fulfill the following obligations of diligence to the Company:

- (I) To exercise the rights conferred by the Company with due discretion, care and diligence to ensure the business operations of the Company comply with the laws, administrative regulations and various economic policies of the State, not beyond the business scope specified in the business license of the Company;
- (II) To treat all shareholders fairly;
- (III) To keep themselves informed in a timely manner of the Company's business operations and management status;
- (IV) To sign written confirmations on the Company's periodic reports, ensuring that the information disclosed by the Company is true, accurate, and complete;
- (V) To honestly provide the Audit Committee with relevant information, and not to prevent the Audit Committee from exercising its functions and powers;

(VI) To fulfill other duties of diligence specified by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

**Article 101** If any director fails to attend Board meetings in person or by proxy for two consecutive times, the said director shall be deemed incapable of performing his/her duties, and the Board of Directors shall suggest that the shareholders' general meeting dismiss the said director.

**Article 102** A director may resign before the expiration of his/her term. A director shall submit a written resignation report to the Company, and the resignation shall take effect on the date the Company receives such report. The Board of Directors shall disclose the relevant information within two trading days. Where a director's resignation results in the number of Board members falling below the statutory minimum, the incumbent directors shall, prior to the assumption of office by the newly elected directors, continue to perform his/her duties in accordance with laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

**Article 103** The Company establishes a director resignation management system that specifies safeguard measures for pursuing liability and compensation regarding unfulfilled public commitments and other outstanding matters. If resignation of a director takes effect or if his/her term of office expires, the said director shall go through all handover formalities with the Board. His honesty obligation to the Company and shareholders thereof shall not terminate automatically at the end of his/her term of office but shall still be valid within the reasonable period specified in the Articles of Association.

The liability of a director for actions performed in the execution of his/her duties during the term of office shall not be exempted or terminated upon his/her departure.

**Article 104** The shareholders' general meeting may resolve to remove a director, and the removal shall take effect on the date the resolution is adopted.

If a director is removed prior to the expiration of his/her term without just cause, the director may require the Company to provide compensation.

**Article 105** Save as specified in the Articles of Association or legally authorized by the Board, no director shall act on behalf of the Company or the Board in his/her personal name. If a director acts in his/her own name but a third party may reasonably think the said director is acting on behalf of the Company or the Board, the said director shall make a prior statement of his/her standpoint and capacity.

**Article 106** When a director, in the performance of his/her duties for the Company, causes damage to any other party, the Company shall bear the liability for compensation. If the director is found to have acted with intent or gross negligence, he/she shall also be liable for compensation.

Where directors, in the performance of their duties of the Company, violate laws, administrative regulations, departmental rules or the provisions of the Articles of Association and cause losses to the Company, they shall bear compensation liability.

## Section 2 Board of Directors

**Article 107** The Company shall establish a Board of Directors, which shall consist of twelve directors, including four independent directors, and shall have one Chairman. The Chairman shall be elected by more than half of all directors.

**Article 108** The Board of Directors shall exercise the following powers:

- (I) Convening and reporting to shareholders' general meetings;
- (II) Implementing resolutions adopted by the shareholders' general meeting;
- (III) Determining the Company's business plans and investment programs;
- (IV) Formulating the Company's profit distribution plans and plans for making up losses;
- (V) Formulating plans for increasing or reducing the Company's registered capital, and for the issuance of bonds or other securities, as well as listing proposals;
- (VI) Preparing plans for material acquisitions, buybacks of the Company's shares, mergers, divisions, dissolution, and changes to the Company's form of organization;
- (VII) Deciding, within the scope of the authorization granted by the shareholders' general meeting, on matters including external investment, acquisition or disposal of assets, asset pledges, external guarantees, entrusted wealth management, connected transactions, external donations, and others;
- (VIII) Determining the structure of the Company's internal management;
- (IX) Deciding on the appointment or dismissal of the General Manager, the Secretary to the Board, and other senior management, and determining matters concerning their remuneration, rewards, and penalties; deciding, based on the General Manager's nominations, on the appointment or dismissal of Deputy General Managers, the Chief Financial Officer, and other senior management, and determining matters concerning their remuneration, rewards, and penalties;
- (X) Formulating the Company's basic management system;
- (XI) Preparing proposals for amendments to the Articles of Association;
- (XII) Managing the Company's information disclosure matters;
- (XIII) Submitting proposals to the shareholders' general meeting for the appointment or replacement of the accounting firm responsible for auditing the Company;
- (XIV) Hearing reports by the General Manager and reviewing the General Manager's work;

(XV) Exercising other powers as provided by laws, administrative regulations, departmental rules, securities regulatory rules in the place where the Company's shares are listed, the Articles of Association, or as authorized by the shareholders' general meeting.

Matters beyond the scope authorized by the shareholders' general meeting shall be submitted to the shareholders' general meeting for deliberation.

**Article 109** The Board shall make explanations to the shareholders' general meeting in relation to the non-standard audit opinions produced by certified public accountants on the financial reports of the Company.

**Article 110** The Board of Directors shall formulate rules of procedure for Board meetings to ensure implementation of resolutions passed by the shareholders' general meeting, enhance operational efficiency, and guarantee sound decision-making.

The rules of procedure for Board meetings shall be incorporated into the Articles of Association or appended hereto, and shall be formulated by the Board of Directors and approved by the shareholders' general meeting.

**Article 111** The Board of Directors shall determine the authority for the Company's external investments, acquisition or disposal of assets, asset mortgages, external guarantees, entrusted wealth management, connected transactions, and external donations, and establish strict review and decision-making procedures. Major investment projects shall be evaluated by relevant experts and professionals and submitted to the shareholders' general meeting for approval.

**Article 112** The Chairman shall exercise the following powers:

- (I) Presiding over shareholders' general meetings and convening and presiding over meetings of the Board of Directors;
- (II) Supervising and inspecting the implementation of resolutions adopted by the Board of Directors;
- (III) Exercising other powers conferred by the Board of Directors.

**Article 113** In the event that the Chairman is unable or fails to perform his or her duties, a director shall be elected by more than half of all directors to perform such duties.

**Article 114** The Board of Directors shall convene no fewer than four meetings per year, generally once per quarter, and such meetings shall be convened by the Chairman. Regular meetings of the Board as referred to herein shall be notified to all directors in writing at least fourteen (14) days prior to the date of the meeting.

**Article 115** Shareholders holding more than 10% of the voting rights, more than one-third of the directors, or the Audit Committee may propose the convening of an interim meeting of the Board of Directors. The Chairman shall, within ten (10) days upon receipt of such proposal, convene and preside over the meeting of the Board.

**Article 116** Notices of interim meetings of the Board of Directors shall be given by telephone and/or in writing (including personal delivery, mail, fax, or email). The notice period shall be five (5) days prior to the date of the meeting. With the unanimous consent of all directors, an interim meeting of the Board may be convened without being subject to the aforesaid notice period; however, all directors shall be notified in a timely manner, and such circumstances shall be recorded in the minutes of the Board meeting and signed by all attending directors.

The first meeting of the Board of Directors following a new election may be convened on the same day as the election, and shall not be subject to the notice method or notice period requirements stated in the preceding paragraph.

**Article 117** The notice of a Board meeting shall specify:

- (I) The date and venue of the meeting;
- (II) Duration of the meeting;
- (III) Reasons and topics for discussion;
- (IV) Date on which the notice is sent.

**Article 118** A Board meeting may only be held if more than half of the directors (including proxies) are present. Resolutions of the Board shall be passed by a majority of all directors.

Each director shall have one vote when voting on such resolutions.

**Article 119** Where a director has a connected relationship with the enterprises or individuals involved in a matter under consideration by the Board, such director shall promptly make a written report to the Board. A director with a connected relationship shall abstain from voting on the relevant resolution and shall not act as a proxy for any other director in voting on the resolution. The Board meeting on such matter may be held with the presence of more than half of the disinterested directors, and any resolution passed at such meeting shall require approval by more than half of the disinterested directors. Where the number of disinterested directors present at the meeting is fewer than three, the matter shall be submitted to the shareholders' general meeting for consideration.

**Article 120** Board meetings and voting shall be conducted by poll or by a show of hands.

Interim Board meetings may, provided that directors are fully able to express their opinions, be conducted and resolutions adopted by written means or by communication means (including but not limited to audio or video teleconferencing). Directors participating in Board meetings by communication means shall be deemed to have attended the meetings in person, and such directors shall be counted toward the quorum and voting calculations of the Board of Directors.

**Article 121** Board meetings shall be attended in person by the directors. Where a director is unable to attend a meeting for any reason, he or she may, by written proxy, appoint another director to attend on his or her behalf. The proxy shall specify the name of the proxy-holder, the subject matters to be represented, the scope of authorization, and the period of validity, and shall be signed or sealed by the appointing director. A director attending a meeting as a proxy shall exercise the rights of the director within the scope of the authorization. Any director who fails to attend a Board meeting in person and fails to appoint a proxy to attend shall be deemed to have waived the right to vote at that meeting.

**Article 122** The Board of Directors shall prepare minutes of decisions made on matters considered at its meetings, and directors attending the meetings shall sign the minutes.

Minutes of Board meetings shall be kept as Company records for a period of not less than ten years.

**Article 123** Minutes of Board meetings shall include the following contents:

- (I) The date and venue of the meeting and the name of the convener;
- (II) The names of directors attending the meeting and the names of directors (proxies) attending on behalf of others;
- (III) The agenda of the meeting;
- (IV) Key points of statements made by directors;
- (V) The voting method and results for each resolution (the voting results shall specify the number of votes in favor of, against, or abstaining).

### **Section 3 Independent Directors**

**Article 124** The Company shall appoint independent directors. Except as otherwise provided in this section, independent directors shall be subject to the provisions of the Articles of Association concerning the qualifications and obligations of directors. Independent directors shall, in accordance with laws, administrative regulations, the CSRC, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association, diligently perform their duties, play roles in participation in decision-making, supervision and checks and balances, and professional consultation on the Board of Directors, safeguard the overall interests of the Company, and protect the lawful rights and interests of minority shareholders.

**Article 125** Matters relating to the qualifications for office, nomination and election procedures, powers and functions, and other matters of independent directors shall be governed by the relevant provisions of laws, administrative regulations, the CSRC, and the Hong Kong Stock Exchange.

### **Section 4 Specialized Committees of the Board of Directors**

**Article 126** The Company shall establish an Audit Committee under the Board of Directors, which shall exercise the powers of the Supervisory Committee as stipulated under the Company Law.

**Article 127** The Audit Committee shall consist of three members, all of whom shall be non-executive directors who do not hold senior management positions in the Company. Among them, two shall be independent directors, and the convener (chairman) of the committee shall be an independent director.

**Article 128** The Audit Committee shall be responsible for reviewing the Company's financial information and its disclosure, supervising and assessing both internal and external audit and internal control. The following matters shall be submitted to the Board of Directors for consideration only upon approval by a majority of all members of the Audit Committee:

- (I) Disclosure of financial information in financial accounting reports and periodic reports, and internal control evaluation reports;
- (II) Engagement or dismissal of the accounting firm responsible for the Company's audit business;
- (III) Appointment or removal of the Company's Chief Financial Officer;
- (IV) Changes to accounting policies or accounting estimates, or correction of material accounting errors, except where such changes are due to modifications in accounting standards;
- (V) Other matters as stipulated by laws, administrative regulations, the CSRC, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

**Article 129** The Audit Committee shall convene at least one meeting each quarter. An interim meeting may be convened upon the proposal of two or more members or at the discretion of the convener if deemed necessary. Meetings of the Audit Committee shall only be held if attended by at least two-thirds of its members.

Resolutions of the Audit Committee shall require the approval of more than half of its members.

Voting on Audit Committee resolutions shall be conducted on a one-person-one-vote basis.

Minutes shall be prepared for Audit Committee resolutions in accordance with the relevant requirements, and the members of the Audit Committee attending the meeting shall sign the minutes.

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

**Article 130** The Company shall establish other specialized committees under the Board of Directors, including the Nomination Committee and the Remuneration Committee, which shall perform their duties in accordance with the Articles of Association and as authorized by the Board. Proposals from specialized committees shall be submitted to the Board of Directors for resolution. The working procedures of the specialized committees shall be formulated by the Board. The composition of the specialized committees shall comply with applicable laws, administrative regulations, departmental rules, the Hong Kong Stock Exchange Listing Rules, other securities

regulatory rules of the place where the Company's shares are listed or requirements of relevant regulatory authorities.

Independent directors shall constitute more than one half of the members of the Nomination Committee and the Remuneration and Appraisal Committee and shall serve as the convener (chairman) thereof; provided that the convener (chairman) of the Nomination Committee may also be the Chairman of the Board of Directors. Where the Hong Kong Stock Exchange Listing Rules or other securities regulatory rules of the place where the Company's shares are listed or relevant regulatory authorities provide otherwise, such provisions shall prevail.

**Article 131** The Nomination Committee shall be responsible for formulating the selection standards and procedures for directors and senior management, selecting and reviewing the candidates for directors and senior management and their qualifications for office, and making recommendations to the Board of Directors on the following matters:

- (I) The nomination or appointment and removal of directors;
- (II) The appointment or dismissal of senior management;
- (III) Other matters as stipulated by laws, administrative regulations, the CSRC, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

If the Board of Directors does not adopt or only partially adopts the recommendations of the Nomination Committee, the Board resolution shall record the views of the Nomination Committee and the specific reasons for not adopting the recommendations, which shall also be disclosed accordingly.

**Article 132** The Remuneration and Appraisal Committee shall be responsible for formulating appraisal standards for directors and senior management and conducting appraisals, formulating and reviewing remuneration policies and plans including remuneration determination mechanisms, decision-making procedures, payment and clawback arrangements for directors and senior management, and making recommendations to the Board of Directors on the following matters:

- (I) Remuneration of directors and senior management;
- (II) Formulation or amendment of equity incentive schemes or employee stock ownership plans, including the entitlements of participants and the conditions for exercising such rights;
- (III) Arrangements for directors and senior management to participate in shareholding plans of subsidiaries proposed for spin-off;
- (IV) Other matters as stipulated by laws, administrative regulations, the CSRC, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

If the Board of Directors does not adopt or only partially adopts the recommendations of the Remuneration and Appraisal Committee, the Board resolution shall record the views of the Remuneration and Appraisal Committee and the specific reasons for not adopting the recommendations, which shall also be disclosed accordingly.

## **Chapter 6 Senior Management**

**Article 133** The Company shall appoint a General Manager and one or more Deputy General Managers, whose appointment or removal shall be determined by the Board of Directors.

The Company shall also appoint a Chief Financial Officer and a Secretary to the Board, whose appointment or removal shall be proposed by the General Manager and decided by the Board of Directors.

**Article 134** The provisions of the Articles of Association regarding circumstances under which a person may not serve as a director and the management system for departure from office shall also apply to senior management.

The provisions of the Articles of Association regarding the duties of loyalty and diligence of directors shall also apply to senior management.

**Article 135** Any person who holds administrative positions other than director or supervisor in the controlling shareholder entity of the Company shall not serve as a senior management member of the Company.

Senior management members of the Company shall receive remuneration only from the Company, and their remuneration shall not be paid on their behalf by the controlling shareholder.

**Article 136** The term of office for the General Manager, Deputy General Manager, Chief Financial Officer, Secretary to the Board, and other senior management shall be three years. They may be reappointed upon expiry of their term.

**Article 137** The General Manager shall be responsible to the Board of Directors and exercise the following functions and powers:

- (I) Taking charge of the Company's production and operation management, organizing the implementation of Board resolutions, and reporting to the Board;
- (II) Organizing the implementation of the Company's annual business plans and investment programs;
- (III) Proposing the structure of the Company's internal management;
- (IV) Proposing the Company's basic management system;
- (V) Formulating detailed rules and regulations for the Company;

- (VI) Proposing to the Board of Directors the appointment or dismissal of Deputy General Managers, the Chief Financial Officer, the Secretary to the Board, and other senior management;
- (VII) Deciding on the appointment or dismissal of other management personnel not subject to appointment or dismissal by the Board of Directors;
- (VIII) Reviewing and approving general connected transactions, except those required to be submitted to the Board of Directors or the shareholders' general meeting pursuant to the Articles of Association;
- (IX) Reviewing and approving other significant transactions, external investments, or external guarantees, except those required to be submitted to the Board of Directors or the shareholders' general meeting pursuant to the Articles of Association;
- (X) Deciding on the establishment of wholly owned subsidiaries and/or branches of the Company;
- (XI) Exercising other powers as granted by the Articles of Association, the securities regulatory rules of the place where the Company's shares are listed, or the Board of Directors.

The General Manager shall attend the Board meeting in a non-voting capacity.

**Article 138** The working rules of the General Manager shall include the following matters:

- (I) The conditions, procedures, and participants for convening General Manager meetings;
- (II) The specific duties and division of responsibilities of the General Manager and other senior management;
- (III) The authority for the use of the Company's funds and assets, the execution of major contracts, and the reporting system to the Board of Directors;
- (IV) Other matters deemed necessary by the Board of Directors.

**Article 139** The general manager may resign before the expiration of his/her term of office. The specific procedures and methods concerning the general manager's resignation shall be stipulated in the labor contract between the general manager and the Company.

**Article 140** The Company shall have a Secretary to the Board, who shall be responsible for the preparation of the Company's shareholders' general meetings and Board meetings, the custody of documents, and the management of shareholder information of the Company, and handling information disclosure matters, among others.

The Secretary to the Board shall comply with laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

**Article 141** If any senior management member causes any damage to others while performing duties to the Company, the Company shall be liable for compensation; if such senior management member has acted intentionally or with gross negligence, he/she shall also be liable for compensation.

If any senior management member violates laws, administrative regulations, departmental rules, or the Articles of Association while performing duties to the Company, thereby causing losses to the Company, he/she shall be liable for compensation.

**Article 142** Senior management members of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders.

If any senior management member of the Company fails to perform his/her duties faithfully or violates the fiduciary duties, thereby causing damage to the interests of the Company and public shareholders, he/she shall be liable for compensation in accordance with the law.

## **Chapter 7 Financial Accounting System, Profit Distribution and Audit**

### **Section 1 Financial Accounting System**

**Article 143** The Company shall establish its financial accounting system in accordance with applicable laws, administrative regulations, the regulatory rules of the place where the Company's shares are listed, and the requirements of relevant national authorities.

The Company shall prepare its annual financial accounting report within four months from the end of each financial year, and its interim financial accounting report within two months from the end of the first six months of each financial year.

The aforementioned financial accounting reports shall be prepared and disclosed in accordance with relevant laws, administrative regulations, departmental rules, the Hong Kong Stock Exchange Listing Rules, and other securities regulatory rules of the place where the Company's shares are listed.

**Article 144** The Company shall not establish any accounting books other than those required by law. The Company's funds shall not be deposited into any account in the name of any individual.

**Article 145** When distributing after-tax profits for a given year, the Company shall allocate 10% of its profits to its statutory reserve fund. Where the cumulative amount of the statutory reserve fund has reached 50% or more of the Company's registered capital, no further allocation is required.

Where the statutory reserve fund is insufficient to cover losses from previous years, the current year's profits shall first be used to cover such losses before any allocation is made to the statutory reserve fund in accordance with the preceding paragraph.

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

The remaining after-tax profits following the offset of losses and the allocation to the reserve fund shall be distributed to shareholders in line with the percentage of shareholding by each shareholder, unless otherwise provided in the Articles of Association.

Where the shareholders' general meeting distributes profits in violation of the Company Law, shareholders shall return the improperly distributed profits to the Company. Any shareholder, director, or senior management who causes losses to the Company as a result shall be liable for compensation.

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

The Company shall appoint one or more receiving agents in Hong Kong for H shareholders. Such receiving agents shall receive and hold, on behalf of the relevant H shareholders, the dividends declared and other amounts payable by the Company in respect of H Shares, for subsequent payment to such H shareholders. The receiving agents appointed by the Company shall comply with applicable laws, regulations, and the securities regulatory rules of the place where the Company's shares are listed.

**Article 146** After the shareholders' general meeting of the Company has resolved on the profit distribution plan, or after the Board of Directors of the Company has formulated a specific plan based on the conditions and upper limits for mid-year dividends for the following year considered and approved by the annual shareholders' general meeting, the distribution of dividends (or shares) shall be completed within the timeframe stipulated by the securities regulatory rules of the place where the Company's shares are listed.

**Article 147** The Company's reserve fund shall be used to cover losses, expand the Company's production and operation, or be converted into an increase in the registered capital.

Where the reserve fund is used to cover losses, the discretionary reserve fund and statutory reserve fund shall be used first. If such funds remain insufficient, the capital reserve may be used in accordance with relevant regulations.

When converting the statutory reserve fund into the registered capital, the amount of the reserve fund retained shall not be less than 25% of the Company's registered capital prior to the conversion.

## **Section 2 Internal Audit**

**Article 148** The Company shall implement an internal audit system that specifies the leadership structure, responsibilities and authorities, personnel allocation, funding support, utilization of audit results, and accountability mechanisms associated with internal audit.

The internal audit system of the Company shall be implemented upon approval by the Board of Directors.

**Article 149** The Company's internal audit department shall conduct supervision and inspections over the Company's business operations, risk management, internal controls, financial information, and other matters.

**Article 150** The internal audit department shall be accountable to the Board of Directors.

During its supervision and inspection of the Company's business operations, risk management, internal controls, and financial information, the internal audit department shall accept the supervision and guidance from the Audit Committee. If the internal audit department identifies any significant issues or clues, it shall immediately report directly to the Audit Committee.

**Article 151** The internal audit department shall be responsible for the specific organization and implementation of the Company's internal control evaluation. Based on the evaluation report and related materials issued by the internal audit department and reviewed by the Audit Committee, the Company shall produce an annual internal control evaluation report.

**Article 152** When the Audit Committee communicates with external audit entities such as accounting firms and national audit institutions, the internal audit department shall actively cooperate and provide necessary support and assistance.

**Article 153** The Audit Committee shall participate in the performance evaluation of the head of the internal audit department.

### **Section 3 Appointment of Accounting Firm**

**Article 154** The Company shall engage an accounting firm that complies with the provisions of the Securities Law to conduct audits of its financial statements, verification of net assets, and other related consulting services. The term of engagement shall be one year, subject to renewal.

**Article 155** The appointment or dismissal of the accounting firm shall be decided by the shareholders' general meeting. The Board of Directors shall not engage an accounting firm without the prior approval of the shareholders' general meeting.

**Article 156** The Company shall ensure the provision of true, complete accounting vouchers, books, financial accounting reports, and other relevant accounting information to the engaged accounting firm, without rejection, concealment, or false statements.

**Article 157** The audit fees for the accounting firm shall be determined by the shareholders' general meeting.

**Article 158** When the Company dismisses or decides not to renew the engagement of an accounting firm, it shall notify the accounting firm at least 15 days in advance. When voting is conducted on the dismissal of the accounting firm at the shareholders' general meeting of the Company, the accounting firm shall be allowed to present its views.

If the accounting firm resigns, it shall explain to the shareholders' general meeting whether there are any improper circumstances in the Company.

## Chapter 8 Notices and Announcements

### Section 1 Notices

**Article 159** Notices of the Company shall be issued in any of the following forms:

- (I) by personal delivery;
- (II) by mail;
- (III) by announcement;
- (IV) by email or fax;
- (V) by announcement on the websites designated by the Company and the Hong Kong Stock Exchange, subject to compliance with applicable laws, administrative regulations, and the listing rules of the stock exchange where the Company's shares are listed;
- (VI) any other form recognized by the relevant regulatory authorities of the place where the Company's shares are listed or as stipulated in the Articles of Association.

**Article 160** If a notice is issued by way of an announcement, it shall be deemed to have been received by all relevant persons once the announcement is made.

Subject to Rule 2.07A(4) of the Hong Kong Stock Exchange Listing Rules and in accordance with all applicable laws and regulations, a listed issuer shall (i) issue or otherwise make available corporate communications in electronic form to the relevant holders of its securities, or (ii) publish such corporate communications on its own website and the website of the Hong Kong Stock Exchange (the issuer shall state on its website the method(s) by which it has published the corporate communications, as described in (i) and/or (ii)).

“Corporate communications” mentioned in the preceding paragraph refer to any documents issued or to be issued by the Company for the reference or action of any H shareholder of the Company or any other person as required by the Hong Kong Stock Exchange Listing Rules.

When the powers/rights stipulated in the Articles of Association are exercised to issue notices in the form of announcements, such announcements shall be published in accordance with the methods prescribed by the Hong Kong Stock Exchange Listing Rules.

If the listing rules of the stock exchange where the Company's shares are listed require the Company to send, mail, distribute, issue, publish or otherwise provide documents related to the Company in both English and Chinese versions, and the Company has made proper arrangements to determine whether its shareholders wish to receive only the English version or only the Chinese version, the Company may provide only the English version or only the Chinese version to the relevant shareholders (based on their stated preference) to the extent permitted by applicable laws and regulations,

**Article 161** Notices of a shareholders' general meeting of the Company shall be given by way of announcement.

**Article 162** Notices of a Board meeting of the Company shall be issued by personal delivery or by mail, or transmitted via email, fax, telephone, text message, or any other effective means.

**Article 163** If a notice of the Company is issued by personal delivery, the date of service shall be the date on which the recipient signs (or stamps) the acknowledgment of receipt; if a notice of the Company is issued by mail, the date of service shall be the seventh working day from the date of delivery to the post office; if a notice of the Company is issued by email, the date of service shall be the date on which the email is sent; if a notice of the Company is issued by announcement, the date of service shall be the date of the first publication of the announcement.

**Article 164** The failure to send a meeting notice to any person entitled to receive it, or the failure of such person to receive the meeting notice due to an accidental omission, shall not invalidate the meeting or any resolution passed thereat.

## **Section 2 Announcements**

**Article 165** The Company shall designate the Hong Kong Stock Exchange disclosure website ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's official website as the media for publishing announcements of the Company and other information that needs to be disclosed. The Board of Directors shall have the right to decide on the adjustment of the designated media for the Company's information disclosure, but shall ensure that the designated media for information disclosure meet the qualifications and conditions stipulated by the relevant laws and regulations of the Chinese Mainland and Hong Kong, as well as by the securities regulatory authorities of the State Council, overseas regulatory authorities, and the stock exchange where the Company's shares are listed.

## **Chapter 9 Merger, Division, Increase and Decrease of Capital, Dissolution and Liquidation**

### **Section 1 Merger, Division, Increase and Decrease of Capital**

**Article 166** The Company may carry out mergers by way of absorption or establishment of a new company.

Where one company absorbs another, it is referred to as an absorption merger, and the absorbed company shall be dissolved. Where two or more companies merge to establish a new company, it is referred to as a new establishment merger, and all merging parties shall be dissolved.

**Article 167** Where the consideration for the merger does not exceed 10% of the Company's net assets, the merger may not require a resolution of the shareholders' general meeting, unless otherwise stipulated in the Articles of Association.

For mergers not subject to approval by the shareholders' general meeting under the preceding paragraph, a resolution of the Board of Directors shall be required.

**Article 168** In the event of a merger, the merging parties shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten days from the date on which the merger resolution is made, publish a notice in newspapers (or the National Enterprise Credit Information Publicity System) within 30 days, and disclose it on the Hong Kong Stock Exchange disclosure website ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's official website according to the securities regulatory rules of the place where the Company's shares are listed.

Creditors may demand debt repayment or corresponding guarantees within 30 days from the date of receiving the notice or within 45 days from the date of public announcement if they have not received the notice.

**Article 169** Upon a merger, the surviving company or the newly established company shall assume all claims and liabilities of the parties to the merger.

**Article 170** In the case of a division, the Company's assets shall be appropriately allocated.

In the event of a division, a balance sheet and an inventory of assets shall be prepared. The Company shall notify its creditors within ten days from the date on which the division resolution is made, publish a notice in newspapers (or the National Enterprise Credit Information Publicity System) within 30 days, and disclose it on the Hong Kong Stock Exchange disclosure website ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's official website according to the securities regulatory rules of the place where the Company's shares are listed.

**Article 171** The debts incurred prior to the division shall be jointly and severally assumed by the companies resulting from the division, unless otherwise agreed in writing between the Company and the creditors prior to the division with regard to the clearance of debts.

**Article 172** If the Company reduces its registered capital, it shall prepare a balance sheet and an inventory of assets.

The Company must notify creditors within ten days of the resolution to reduce the registered capital passed at the shareholders' general meeting, publish a notice in newspapers (or the National Enterprise Credit Information Publicity System) within 30 days, and disclose it on the Hong Kong Stock Exchange disclosure website ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's official website according to the securities regulatory rules of the place where the Company's shares are listed. Creditors shall have the right to demand debt repayment or corresponding guarantees within 30 days from the date of receiving the notice or within 45 days from the date of public announcement if they have not received the notice.

In reducing registered capital, the Company shall proportionally reduce the capital contributions or number of shares held by shareholders according to their shareholding percentages, unless otherwise provided by laws or the Articles of Association.

**Article 173** If losses remain after applying Paragraph 2 of Article 147 of the Articles of Association to offset losses, the Company may reduce its registered capital to cover such losses. Where the registered capital is reduced to cover losses, the Company shall not distribute them to shareholders, nor shall it exempt shareholders from their obligations to make capital contributions or pay for shares.

The provision of Paragraph 2 of Article 172 of the Articles of Association shall not apply to such capital reductions; however, the Company shall make a public announcement on the Hong Kong Stock Exchange disclosure website ([www.hkexnews.hk](http://www.hkexnews.hk)) in accordance with the securities regulatory rules of the place where the Company's shares are listed and publish an announcement within 30 days from the date the shareholders' general meeting passes the resolution for capital reduction in newspapers (or the National Enterprise Credit Information Publicity System).

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

**Article 174** Where the Company reduces its registered capital in violation of the Company Law and other relevant regulations, shareholders shall return the funds they have received, and any reduction in shareholders' capital contributions shall be restored to its original status; if any loss is caused to the Company, the shareholders and directors or senior management members who are responsible shall bear liability for compensation.

**Article 175** When the Company issues new shares to increase its registered capital, shareholders shall not have preemptive rights to subscribe, unless otherwise provided in the Articles of Association or determined by a resolution of the shareholders' general meeting.

**Article 176** Where a merger or division results in changes to registration particulars, the Company shall apply to the company registration authority to amend its registration in accordance with the law. If the Company is dissolved, it shall apply for deregistration in accordance with the law. If a new company is established, it shall register the establishment in accordance with the law.

Any increase or decrease in the Company's registered capital shall be registered with the company registration authority in accordance with the law.

## **Section 2 Dissolution and Liquidation**

**Article 177** The Company may resort to dissolution in any of the following circumstances:

- (I) The expiry of the business term or occurrence of other dissolution events as specified in the Articles of Association;
- (II) A resolution for dissolution passed by the shareholders' general meeting;
- (III) Dissolution necessitated by a merger or division of the Company;
- (IV) Revocation of the business license, order to close down operations, or cancellation in accordance with the law;

- (V) The Company encounters serious difficulties in its operation and management, and its continued existence would cause significant losses to shareholders' interests, and such issues cannot be resolved through other means; in such case, shareholders holding 10% or more of the Company's voting rights may petition a People's Court to dissolve the Company.

Upon the occurrence of any of the aforementioned grounds for dissolution, the Company shall, within ten days, make a public disclosure via the National Enterprise Credit Information Publicity System.

**Article 178** If the Company is involved in the situations described in Items (I) and (II) of Article 177 of the Articles of Association and has not yet distributed assets to shareholders, it may continue to exist through an amendment to the Articles of Association or by resolution of the shareholders' general meeting.

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

**Article 179** If the Company is dissolved due to the circumstances provided for in Items (I), (II), (IV) and (V) of Article 177 of the Articles of Association, it shall undergo liquidation. If the directors are the obligated parties for the liquidation of the Company, they shall form a liquidation team within 15 days from the date the cause for dissolution arises to carry out the liquidation.

The liquidation team shall be composed of directors, unless otherwise provided in the Articles of Association or the shareholders' general meeting resolves to appoint other individuals.

If the obligated parties fail to fulfill their liquidation obligations in a timely manner, causing losses to the Company or its creditors, they shall bear liability for compensation.

**Article 180** During the liquidation period, the liquidation team shall exercise the following powers:

- (I) Reviewing the Company's assets and preparing a balance sheet and an inventory of assets;
- (II) Notifying and making announcements to creditors;
- (III) Handling the Company's outstanding business related to the liquidation;
- (IV) Settling outstanding taxes and taxes incurred during the liquidation process;
- (V) Reviewing the Company's claims and liabilities;
- (VI) Distributing any remaining assets of the Company after settlement of debts;
- (VII) Representing the Company in civil proceedings.

**Article 181** The liquidation team shall, within ten days from its establishment, notify creditors, publish a notice in newspapers (or the National Enterprise Credit Information Publicity System) within 60 days, and disclose it on the Hong Kong Stock Exchange disclosure website (www.hkexnews.hk) according to the securities regulatory rules of the place where the Company's shares are listed. Creditors shall declare their claims to the liquidation team within 30 days from the date of receiving such notice, or, if no notice is received, within 45 days from the date of the public announcement.

When declaring claims, creditors shall provide details and relevant supporting documents. The liquidation team shall record all declared claims.

During the period for declaration of claims, the liquidation team shall not make any payments to creditors.

**Article 182** After reviewing the Company's assets and preparing the balance sheet and inventory of assets, the liquidation team shall formulate a liquidation plan and submit it to the shareholders' general meeting or the People's Court for confirmation.

After settlement of liquidation expenses, employees' wages, social insurance premiums, statutory compensation, and outstanding taxes, and full repayment of the Company's debts, any remaining assets shall be distributed to shareholders according to their shareholding percentages.

During the liquidation period, the Company shall continue to exist but may not engage in any business activities unrelated to the liquidation. The property of the Company shall not be distributed to the shareholders before clearing off in accordance with the preceding paragraph.

**Article 183** If, after reviewing the assets and preparing the balance sheet and inventory of assets, the liquidation team discovers that the Company's assets are insufficient to repay its debts, it shall promptly apply to the People's Court for bankruptcy liquidation in accordance with the law.

Upon acceptance of the bankruptcy application by the People's Court, the liquidation team shall hand over all liquidation matters to the bankruptcy administrator appointed by the People's Court.

**Article 184** Upon completion of the liquidation, the liquidation team shall prepare a liquidation report, submit it to the shareholders' general meeting or the People's Court for confirmation, and file an application for cancellation of the Company's registration with the company registration authority.

**Article 185** Members of the liquidation team shall owe fiduciary and diligence obligations in performing their liquidation duties.

If members of the liquidation team fail to perform their liquidation duties diligently and cause any loss to the Company, they shall bear liability for compensation. If such failure results from intentional misconduct or gross negligence and causes any loss to creditors, they shall also bear liability for compensation.

**Article 186** If the Company is declared bankrupt in accordance with law, bankruptcy liquidation shall be carried out pursuant to relevant laws governing enterprise bankruptcy.

## **Chapter 10 Amendment of the Articles of Association**

**Article 187** The Company shall amend its Articles of Association under any of the following circumstances:

- (I) Where amendments to the Company Law, other applicable laws or administrative regulations, or the securities regulatory rules of the place where the Company's shares are listed cause any provision of the Articles of Association to conflict with such amended laws, regulations, or rules;
- (II) Where a change in the Company's circumstances results in inconsistency with matters recorded in the Articles of Association;
- (III) Where the shareholders' general meeting resolves to amend the Articles of Association.

**Article 188** Where an amendment to the Articles of Association adopted by a resolution of the shareholders' general meeting is subject to approval by the competent authority, it shall be submitted for such approval. Where the amendment involves changes to company registration particulars, relevant registration formalities shall be handled in accordance with the law.

**Article 189** The Board of Directors shall amend the Articles of Association in accordance with the resolution of the shareholders' general meeting and the approval opinions of the competent authority.

**Article 190** Where the amendments to the Articles of Association constitute information that must be disclosed pursuant to laws, regulations, or the securities regulatory rules of the place where the Company's shares are listed, such amendments shall be disclosed in accordance with applicable requirements.

## **Chapter 11 Supplementary Provisions**

**Article 191** Definitions:

- (I) "Controlling shareholder" means a shareholder whose shareholding accounts for more than 50% of the total share capital of a joint stock limited company; or a shareholder whose shareholding does not exceed 50% but whose voting rights attached to the shares held are sufficient to exert a material influence on resolutions of the shareholders' general meetings; or any other person stipulated by relevant laws, administrative regulations, or the securities regulatory rules of the place where the Company's shares are listed.
- (II) "Actual controller" means a natural person, legal person or other organization that is able to actually control the Company's conduct through investment relationships, agreements or other arrangements.

(III) “Connected relationships” and “connected transactions” have the same meanings as defined in the Hong Kong Stock Exchange Listing Rules.

**Article 192** The Board of Directors may, in accordance with the provisions of the Articles of Association, formulate detailed rules of the Articles of Association. Such detailed rules shall not conflict with the provisions of the Articles of Association.

**Article 193** The Articles of Association shall be written in Chinese. In the event of any discrepancy between the Articles of Association and any version in any other language or any different versions thereof, the Chinese version of the Articles of Association most recently approved and registered with the Ningbo Administration for Market Regulation shall prevail.

**Article 194** The terms “above” and “within” as used in the Articles of Association shall include the stated number; the terms “over”, “excluding”, “below” and “more than” shall not include the stated number.

**Article 195** Where the Articles Association conflicts with laws and administrative regulations promulgated from time to time, other relevant normative documents or the listing rules of the place where the Company’s shares are listed, such laws, administrative regulations, other relevant normative documents and the listing rules of the place where the Company’s shares are listed shall prevail.

**Article 196** The Articles of Association shall be interpreted by the Board of Directors of the Company.

**Article 197** The appendices to the Articles of Association include the Rules of Procedure for Shareholders’ General Meetings and the Rules of Procedure for Meetings of the Board of Directors.

**Article 198** The Rules of Association shall, upon review and approval by the shareholders’ general meeting, take effect and be implemented from the date on which the H shares issued by the Company are filed with the CSRC and listed and traded on the Hong Kong Stock Exchange.

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Axera Semiconductor Co., Ltd.

March 2026