

BASiC Semiconductor Co., Ltd.

Articles of Association

August 2026

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Chapter 1 General Provisions

Article 1 To safeguard the legitimate rights and interests of shareholders, employees and creditors of BASiC Semiconductor Co., Ltd. (hereinafter referred to as “the Company”) and regulate the organization and activities of the Company, the Articles of Association are formulated pursuant to the Company Law of the People’s Republic of China (hereinafter referred to as the Company Law), the Securities Law of the People’s Republic of China (hereinafter referred to as the Securities Law), the Guidelines for Articles of Association of Listed Companies, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter referred to as the Hong Kong Listing Rules) and other relevant laws, administrative regulations, departmental rules, regulatory documents and the relevant provisions of the securities regulatory authorities and stock exchanges of the Company’s stock listing place.

Article 2 The Company is a joint stock limited company incorporated in accordance with the Company Law and other laws, regulations and regulatory documents.

Article 3 The Company was established by means of promotion. It was registered at the Shenzhen Administration for Market Regulation and obtained its business license, which includes a unified social credit code of 91440300088717515R.

Article 4 Upon filing with the China Securities Regulatory Commission (hereinafter referred to as the “CSRC”) on November 26, 2025 and approval by The Stock Exchange of Hong Kong Limited (hereinafter referred to as Hong Kong Stock Exchange) on July 7, 2026, the Company conducted its initial public offering of 27,386,200 overseas listed foreign shares (H Shares). At the same time, 260,148,242 unlisted Domestic Shares were converted into H Shares by way of full circulation. The aforementioned H Shares, which were listed on the Main Board of the Hong Kong Stock Exchange on July 8, 2026.

Article 5 Registered name of the Company:

Full name in Chinese: 深圳基本半導體股份有限公司

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

Article 6 Address of the Company: Room 801, Building 1, Bronze Technology Tower, No. 6 Guangke 1st Road, Laokeng Community, Longtian Subdistrict, Pingshan District, Shenzhen, Guangdong Province.

Postal code: 518118.

Article 7 The registered capital of the Company is RMB60,857,945.

Article 8 The Company operates on a perpetual basis.

Article 9 The manager who executes the affairs of the Company on behalf of the Company is the legal representative of the Company. If the manager who serves as the legal representative resigns, he/she shall be deemed to have resigned from 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 10 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’ meeting shall not be asserted against a bona fide counterparty.

If the legal representative causes damage to others while performing his/her official 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 11 The shareholders are liable 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 12 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 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.

Article 13 Senior management members mentioned in the Articles of Association refer to the manager, chief financial officer and secretary of the Board of the Company.

Article 14 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 15 The business objective of the Company is to be dedicated to becoming a world-class semiconductor enterprise, creating value for shareholders and society.

Article 16 The legally registered business scope of the Company is:

Integrated circuit chip design and services; manufacturing of integrated circuit chips and products; sales of integrated circuit chips and products; manufacturing of semiconductor discrete devices; sales of semiconductor discrete devices; manufacturing of power electronic components; sales of power electronic components; technology services, technology development, technology consultation, technology exchange, technology transfer, technology promotion; technology import and export; import and export of goods. (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 17 The capital of the Company is divided into shares and the Company's shares are in the form of registered share certificates.

The issuance of the Company's shares follows the principles of openness, fairness, and justice. Each share of the same category shall have equal rights.

Article 18 Shares of the same category issued at the same time have the same issuance conditions and price; subscribers subscribing to the shares pay the same amount per share.

Article 19 The par value shares issued by the Company shall have their par values denominated in RMB, with each share having a par value of RMB0.20.

Upon resolution by the Company's Shareholders' meeting, the Company may convert all of its issued par value shares into no-par value shares, or convert all of its no-par value shares into par value shares.

Article 20 The foreign shares issued by the Company and listed on the Hong Kong Stock Exchange are referred to as "H Shares", i.e., shares which have been admitted for listing on the Hong Kong Stock Exchange, the par value of which is denominated in RMB and which are subscribed for and traded in Hong Kong dollars.

The shares offered by the Company but not listed on a stock exchange at home or abroad are referred to as domestic unlisted shares. To the extent permitted by relevant laws, administrative regulations and departmental rules, following the Company's issuance and listing of shares overseas, holders of domestic unlisted shares of the Company may convert their domestic unlisted shares into overseas listed shares and have such shares listed and traded on an overseas stock exchange. The listing and trading of the aforesaid shares on an overseas stock exchange shall also comply with the regulatory procedures, rules and requirements prescribed by the relevant domestic and overseas stock markets.

It is unnecessary to hold a Shareholders' meeting to vote on the conversion of the aforesaid domestic unlisted shares into overseas listed shares and listing and trading of the converted shares on the overseas stock exchange.

Among the shares issued by the Company, domestic unlisted shares shall be centrally registered and deposited with domestic securities registration and settlement institutions in China; the registration and settlement arrangements for overseas listed shares shall be subject to the provisions of the place where the Company's shares are listed, and the overseas listed shares are primarily put under custody of the nominee company under Hong Kong Securities Clearing Company Limited and can also be held by shareholders in their own names.

Article 21 The total number of shares issued at the time of establishment of the Company was 53,770,801, with a par value of RMB1 per share. The promoters of the Company, and the number of shares subscribed by, the shareholding percentage of, the method and time of capital contribution made by each promoter, are detailed in the table below:

No.	Name of promoters	Number of shares subscribed (share)	Shareholding percentage	Method of capital contribution	Time of capital contribution
1	Bronze Technologies Group Co., Ltd. (深圳青銅劍科技股份有限公司)	10,830,978	20.1428%	Net assets converted into shares	At the time of establishment of the Company
2	Shenzhen BASiC Principle Holding Partnership (Limited Partnership) (深圳基本原理控股合夥企業(有限合夥))	3,680,860	6.8455%	Net assets converted into shares	At the time of establishment of the Company
3	Shenzhen BASiC Createnjoy Holding Partnership (Limited Partnership) (深圳基本創享控股合夥企業(有限合夥))	3,534,733	6.5737%	Net assets converted into shares	At the time of establishment of the Company
4	Shenzhen BASiC Innovation Technology Partnership (Limited Partnership) (深圳基本創新技術合夥企業(有限合夥))	2,400,000	4.4634%	Net assets converted into shares	At the time of establishment of the Company
5	Shenzhen BASiC Creation Holding Partnership (Limited Partnership) (深圳基本創造控股合夥企業(有限合夥))	2,298,295	4.2742%	Net assets converted into shares	At the time of establishment of the Company
6	Shenzhen Leaguer Venture Capital Co., Ltd. (深圳市力合創業投資有限公司)	2,200,245	4.0919%	Net assets converted into shares	At the time of establishment of the Company
7	Wingtech Technology Co., Ltd. (聞泰科技股份有限公司)	2,032,472	3.7799%	Net assets converted into shares	At the time of establishment of the Company
8	Shenzhen BASiC Entrepreneur Management Partnership (Limited Partnership) (深圳基本創業管理合夥企業(有限合夥))	1,950,000	3.6265%	Net assets converted into shares	At the time of establishment of the Company
9	Fujian An Xin Capital Partnership (Limited Partnership) (福建省安芯產業投資基金合夥企業(有限合夥))	1,860,016	3.4592%	Net assets converted into shares	At the time of establishment of the Company
10	Shenzhen InteBridge Technology Equity Investment Fund Partnership (Limited Partnership) (深圳英智科技股權投資基金合夥企業(有限合夥))	1,724,554	3.2072%	Net assets converted into shares	At the time of establishment of the Company
11	Shenzhen BASiC Primary Colors Holding Partnership (Limited Partnership) (深圳基本原色控股合夥企業(有限合夥))	1,708,903	3.1781%	Net assets converted into shares	At the time of establishment of the Company

No.	Name of promoters	Number of shares subscribed (share)	Shareholding percentage	Method of capital contribution	Time of capital contribution
12	Shenzhen InteBridge Innovation Partnership (Limited Partnership) (深圳英智創新合夥企業(有限合夥))	1,379,882	2.5662%	Net assets converted into shares	At the time of establishment of the Company
13	Bosch (Shanghai) Venture Capital Co., Ltd. (博世(上海)創業投資有限公司)	1,207,701	2.2460%	Net assets converted into shares	At the time of establishment of the Company
14	Shenzhen Investment Control Chuangzhi Technology Private Venture Capital Fund Partnership (Limited Partnership) (深圳投控創智科技私募創業投資基金合夥企業(有限合夥))	1,016,236	1.8899%	Net assets converted into shares	At the time of establishment of the Company
15	Shenzhen Leaguer Yongjin Venture Capital Enterprise (Limited Partnership) (深圳力合永金創業投資企業(有限合夥))	1,004,225	1.8676%	Net assets converted into shares	At the time of establishment of the Company
16	Beijing E-town Changhou Display Chip Venture Capital Center (Limited Partnership) (北京屹唐長厚顯示芯片創業投資中心(有限合夥))	958,409	1.7824%	Net assets converted into shares	At the time of establishment of the Company
17	Guangdong Dezaihou Jiahang Equity Investment Partnership (Limited Partnership) (廣東德載厚嘉航股權投資合夥企業(有限合夥))	923,097	1.7167%	Net assets converted into shares	At the time of establishment of the Company
18	Guangdong Guangqi Zhixing Lu Equity Investment Partnership (Limited Partnership) (廣東廣祺智行陸號股權投資合夥企業(有限合夥))	833,187	1.5495%	Net assets converted into shares	At the time of establishment of the Company
19	Shenzhen Lihe Hongxin Venture Capital Partnership (Limited Partnership) (深圳力合泓鑫創業投資合夥企業(有限合夥))	813,011	1.5120%	Net assets converted into shares	At the time of establishment of the Company
20	Runxia Zhaoying (Hubei) New Energy Industry Investment Fund Partnership (L.P.) (潤峽招贏(湖北)新能源產業投資基金合夥企業(有限合夥))	807,358	1.5015%	Net assets converted into shares	At the time of establishment of the Company
21	Guangdong Leaguer Kaiwu Venture Capital Fund Partnership (Limited Partnership) (廣東力合開物創業投資基金合夥企業(有限合夥))	792,779	1.4744%	Net assets converted into shares	At the time of establishment of the Company

No.	Name of promoters	Number of shares subscribed (share)	Shareholding percentage	Method of capital contribution	Time of capital contribution
22	CRRC (Qingdao) Manufacturing Industry Transformation and Upgrading Private Equity Investment Fund Partnership Enterprise (Limited Partnership) (中車(青島)製造業轉型升級私募股權投資基金合夥企業(有限合夥))	767,800	1.4279%	Net assets converted into shares	At the time of establishment of the Company
23	Shenzhen Leaguer New Generation Information Technology Venture Capital Partnership (Limited Partnership) (深圳力合新一代信息技術創業投資合夥企業(有限合夥))	745,349	1.3862%	Net assets converted into shares	At the time of establishment of the Company
24	Suzhou Longying No. 5 Green Venture Capital Partnership (Limited Partnership) (蘇州龍鷹伍號綠色創業投資合夥企業(有限合夥))	715,168	1.3300%	Net assets converted into shares	At the time of establishment of the Company
25	Qingdao Minxin Qiyuan Investment Center (Limited Partnership) (青島民芯啟元投資中心(有限合夥))	677,491	1.2600%	Net assets converted into shares	At the time of establishment of the Company
26	Suzhou Tengxin Venture Capital Partnership (Limited Partnership) (蘇州藤信創業投資合夥企業(有限合夥))	515,304	0.9583%	Net assets converted into shares	At the time of establishment of the Company
27	Shanghai Xiche Investment Management Center (Limited Partnership) (上海喜車投資管理中心(有限合夥))	508,118	0.9450%	Net assets converted into shares	At the time of establishment of the Company
28	Qianhai Renzhi Interconnection (Shenzhen) Equity Investment Enterprise (Limited Partnership) (前海仁智互聯(深圳)股權投資企業(有限合夥))	496,899	0.9241%	Net assets converted into shares	At the time of establishment of the Company
29	Shenzhen Songhe Chuangzhi Venture Capital Investment Enterprise (Limited Partnership) (深圳松禾創智創業投資合夥企業(有限合夥))	441,842	0.8217%	Net assets converted into shares	At the time of establishment of the Company
30	Zhuhai Cultural Industry Investment Fund (Limited Partnership) (珠海文化產業投資基金(有限合夥))	416,593	0.7748%	Net assets converted into shares	At the time of establishment of the Company
31	Guangdong Yueke Jiangmen Innovation and Venture Capital Master Fund Co., Ltd. (廣東省粵科江門創新創業投資母基金有限公司)	399,930	0.7438%	Net assets converted into shares	At the time of establishment of the Company

No.	Name of promoters	Number of shares subscribed (share)	Shareholding percentage	Method of capital contribution	Time of capital contribution
32	Zhuhai Changhou Zhiyuan Technology Management Center (Limited Partnership) (珠海長厚致遠科技管理中心(有限合夥))	377,633	0.7023%	Net assets converted into shares	At the time of establishment of the Company
33	Gongqingcheng Jiayin Xiangfu No. 1 Equity Investment Partnership Enterprise (Limited Partnership) (共青城佳銀享富壹號股權投資合夥企業(有限合夥))	353,473	0.6574%	Net assets converted into shares	At the time of establishment of the Company
34	Ganzhou Sanxin Tengyi Equity Investment Center (Limited Partnership) (贛州三新騰奕股權投資中心(有限合夥))	337,719	0.6281%	Net assets converted into shares	At the time of establishment of the Company
35	Shenzhen Leaguer Rongtong Venture Capital Co., Ltd. (深圳力合融通創業投資有限公司)	336,818	0.6264%	Net assets converted into shares	At the time of establishment of the Company
36	Qingdao Truesino Haiping Equity Investment Fund Partnership (L.P.) (青島初芯海屏股權投資基金合夥企業(有限合夥))	333,275	0.6198%	Net assets converted into shares	At the time of establishment of the Company
37	China US Green Shenggu (Tianjin) Venture Capital Fund Partnership (Limited Partnership) (中美綠色盛谷(天津)創業投資基金合夥企業(有限合夥))	265,105	0.4930%	Net assets converted into shares	At the time of establishment of the Company
38	Gongqingcheng Richland Semiconductor Industry Investment Management Partnership Enterprise (Limited Partnership) (共青城厚土半導產業投資管理合夥企業(有限合夥))	265,105	0.4930%	Net assets converted into shares	At the time of establishment of the Company
39	Gongqingcheng Helide Investment Partnership (Limited Partnership) (共青城合利德投資合夥企業(有限合夥))	265,105	0.4930%	Net assets converted into shares	At the time of establishment of the Company
40	Jinan Gaoxin Kexi Co-Win One Venture Capital Partnership (Limited Partnership) (濟南高新珂璽共贏壹號創業投資合夥企業(有限合夥))	258,255	0.4803%	Net assets converted into shares	At the time of establishment of the Company
41	Hangzhou Times Dingfeng Venture Capital Partnership (Limited Partnership) (杭州時代鼎豐創業投資合夥企業(有限合夥))	232,594	0.4326%	Net assets converted into shares	At the time of establishment of the Company
42	Wuxi New Peak Advanced Technology Investment Fund L.L.P. (無錫新高地高精尖產業投資基金合夥企業(有限合夥))	225,146	0.4187%	Net assets converted into shares	At the time of establishment of the Company

No.	Name of promoters	Number of shares subscribed (share)	Shareholding percentage	Method of capital contribution	Time of capital contribution
43	Shenzhen BASiC Atom Management Partnership (Limited Partnership) (深圳基本原子管理合夥企業(有限合夥))	203,248	0.3780%	Net assets converted into shares	At the time of establishment of the Company
44	Shenzhen V&T Technologies Co., Ltd (深圳市藍海華騰技術股份有限公司)	199,965	0.3719%	Net assets converted into shares	At the time of establishment of the Company
45	Zhangjiagang Leaguer Preferred Equity Investment Partnership (Limited Partnership) (張家港力合優選股權投資合夥企業(有限合夥))	176,737	0.3287%	Net assets converted into shares	At the time of establishment of the Company
46	Shenzhen Think Investment Management Co., Ltd. (深圳市暢想投資管理有限公司)	166,637	0.3099%	Net assets converted into shares	At the time of establishment of the Company
47	Qingdao Taifu Hongying No. 1 Investment Center (Limited Partnership) (青島泰富洪盈壹號投資中心(有限合夥))	90,058	0.1675%	Net assets converted into shares	At the time of establishment of the Company
48	Nanjing Zhaoyin Gongying Equity Investment Partnership (Limited Partnership) (南京市招銀共贏股權投資合夥企業(有限合夥))	25,829	0.0480%	Net assets converted into shares	At the time of establishment of the Company
49	Guangdong Kerui Investment Management Co., Ltd. (廣東科瑞投資管理有限公司)	16,664	0.0310%	Net assets converted into shares	At the time of establishment of the Company
Total		53,770,801	100.0000%	—	—

Article 22 The Company has issued 304,289,725 shares, all of which are ordinary shares.

Article 23 The Company or subsidiaries thereof (including affiliates thereof) 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' meeting or the resolution adopted by the Board of Directors as authorized by the Articles of Association or by the Shareholders' 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 24 The Company may increase its capital by the following methods in accordance with the needs of its operation and development, in compliance with laws and regulations, and upon resolutions passed by the Shareholders' meeting:

- (i) Issuing shares to non-specific objects;
- (ii) Issuing shares to specific objects;
- (iii) Distributing bonus shares to existing shareholders;
- (iv) Converting capital reserve into share capital;
- (v) Other methods approved by laws, administrative regulations, the CSRC, the securities regulatory authorities and stock exchanges of the Company's stock listing place, and other relevant regulatory authorities.

Article 25 The Company may reduce its registered capital. The reduction of the Company's registered capital shall be carried out in accordance with the procedures stipulated by the Company Law, and other relevant regulations and the Articles of Association.

Article 26 The Company shall not repurchase its own shares, except under any of the following circumstances in accordance with laws, regulations, the Articles of Association, and the regulations of the stock exchanges and securities regulatory authorities of the Company's stock listing place:

- (i) To reduce the Company's registered capital;
- (ii) To merge with another company holding the Company's shares;
- (iii) To use the shares for employee stock ownership plans or equity incentives;
- (iv) To repurchase shares from shareholders who object to the resolutions on the Company's merger or division made by the Shareholders' meeting at their request;
- (v) To use the shares for converting corporate bonds issued by the Company into shares;
- (vi) As necessary to safeguard the Company's value and the rights and interests of shareholders.

Article 27 The Company may repurchase its own shares through public centralized trading or other methods recognized by laws, administrative regulations, the CSRC and the stock exchanges or the securities regulatory authorities of the Company's stock listing place.

The Company shall repurchase its own shares through public centralized trading under the circumstances specified in items (iii), (v), and (vi) of the first paragraph of Article 26 of the Articles of Association.

Article 28 The Company shall repurchase its own shares upon a resolution of the Shareholders' meeting under the circumstances specified in items (i) and (ii) of the first paragraph of Article 26 of the Articles of Association. The Company shall repurchase its own shares upon a resolution of the Board meeting attended by more than two-thirds of the directors under the circumstances specified in items (iii), (v), and (vi) of the first paragraph of Article 26 of the Articles of Association, pursuant to the provisions of the Articles of Association or the authorization of the Shareholders' meeting.

After the Company repurchases its own shares in accordance with the provisions of the first paragraph of Article 26 of the Articles of Association, it shall cancel the repurchased shares within 10 days from the date of repurchase under the circumstances specified in item (i) above; it shall transfer or cancel the repurchased shares within 6 months under the circumstances specified in items (ii) and (iv) above; and it shall transfer or cancel the repurchased shares within 3 years under the circumstances specified in items (iii), (v), and (vi) above, provided that the total number of shares held by the Company shall not exceed 10% of the total number of shares issued by the Company.

Article 29 After the Company repurchases its own shares, it shall fulfill its information disclosure obligations in accordance with the Securities Law and securities regulatory rules of the place where the Company's shares are listed. Where the Company intends to issue new shares, its Shareholders' meeting shall make a resolution about the following matters:

- (i) The class and amount of the new shares;
- (ii) The issuing price of the new shares;
- (iii) The beginning and ending dates for the issuance of the new shares;
- (iv) The class and amount of the new shares to be issued to the original shareholders;
- (v) If no par value share is issued, the proceeds from the issuance of the new shares shall be included in the registered capital.

Where the Company issues new shares, it may make the pricing plan in light of its business operations and financial status.

Upon deliberation and approval by the Shareholders' meeting, the Board of Directors may be authorized to decide to issue shares not exceeding 50% of the issued shares within three years. However, capital contributions in the form of non-monetary assets shall be resolved by the Shareholders' meeting. If the Board of Directors decides to issue new shares upon authorization by the Shareholders' meeting, the resolution of the Board of Directors shall be approved by more than two-thirds of all directors.

If the decision of the Board of Directors to issue shares in accordance with the preceding paragraph results in a change in the registered capital of the Company or the number of issued shares, the amendment of such matters recorded in the Articles of Association shall not be subject to the vote of the Shareholders' meeting.

Section 3 Transfer of Shares

Article 30 The Company's shares shall be transferred in accordance with the law.

All transfers of H Shares shall be effected by instruments of transfer in writing in a general or ordinary form or in any other forms acceptable to the Board (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 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 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 31 The Company does not accept objects pledged with shares of the Company.

Article 32 Shares issued before the Company's public offering shall not be transferred within one year from the date the Company's shares are listed and traded on the stock exchange. If laws, administrative regulations or the securities regulatory authorities have other provisions on the transfer of the shares of the Company held by its shareholders or actual controllers, such provisions shall prevail.

Directors and senior management members of the Company shall report to the Company the shares they hold in the Company and any changes therein. During their term of office as determined at their appointments, they shall not transfer more than 25% of the total number of shares of the same category they hold in the Company each year; the shares they hold in the Company shall not be transferred within one year from the date the Company's shares are listed and traded. The above personnel shall not transfer the shares they hold in the Company within six months after leaving their positions. If the stock exchanges and securities regulatory authorities of the Company's stock listing place have other provisions on the transfer restrictions of the Company's overseas listed shares, such provisions shall prevail.

If the shares are pledged within the transfer restriction period stipulated in laws and administrative regulations, the pledgee shall not exercise the pledge right within the transfer restriction period.

Article 33 Shareholders who hold more than 5% of the Company's shares, directors, and senior management members shall not sell the Company's shares or other equity securities they hold within six months after purchase, or purchase the Company's shares or other equity securities within six months after sale. Any profits obtained from such transactions shall belong to the Company, and the Company's Board of Directors shall recover such profits. However, this provision does not apply to securities companies that hold more than 5% of the Company's shares due to the purchase of remaining shares after underwriting, or other circumstances stipulated by the CSRC and the securities regulatory authorities and stock exchanges of the Company's stock listing place, and other relevant regulatory authorities.

The shares or other equity securities held by directors, senior management members, and natural person shareholders as mentioned in the preceding paragraph include those held by their spouses, parents, children, and those held in other people's accounts. If the Company's Board of Directors fails to execute the provisions of the first paragraph of this article, shareholders have the right to request the Board of Directors to execute within 30 days. If the Board of Directors fails to execute within the above period, shareholders have the right to directly file a lawsuit with the people's court in their own names for the benefit of the Company. If the Board of Directors fails to execute the provisions of the first paragraph of this article, the responsible Directors shall bear joint and several liability according to law.

Chapter 4 Shareholders and Shareholders' Meeting

Section 1 General Provisions on Shareholders

Article 34 The Company shall establish a register of shareholders based on the certificates provided by the securities registration and clearing institution. The register of shareholders is sufficient evidence of shareholders' ownership of the Company's shares. Shareholders shall enjoy rights and bear obligations according to the types of shares they hold; shareholders holding the same type of shares shall enjoy equal rights and bear the same obligations.

The Company's register of shareholders shall record the following particulars, or record the registration of the shareholders in accordance with the laws, the administrative regulations, departmental rules and the Hong Kong Listing Rules: (i) the name (title), address (domicile), occupation or nature of each shareholder; (ii) the class and number of the shares held by each shareholder; (iii) the serial numbers of the shares held by each shareholder; (iv) the date on which each shareholder was registered as a shareholder; (v) the date on which each shareholder ceased to be a shareholder. The register of shareholders is sufficient evidence of shareholders' ownership of the Company's shares unless there is evidence to the contrary. Subject to the Articles of Association and other applicable requirements, once the shares of the Company are transferred, the name (title) of the transferee shall be listed in the register of shareholders as the holder of the said shares.

The assignment and transfer of shares shall be recorded in the register of shareholders. The Company may keep the register of holders of H Shares overseas and entrust it to the care of an overseas agency in accordance with the understanding and agreement reached between the competent securities authorities of the State Council and the overseas securities regulatory authorities. The original copy of the register of holders of H Shares listed in Hong Kong shall be kept in Hong Kong. The Company shall keep at its domicile a copy of the register of holders of H Shares; the entrusted overseas agency shall ensure the consistency of the original and duplicate copies of the register of holders of H Shares at all times. Where the original and duplicate copies of the register of holders of H Shares are inconsistent, the original copy shall prevail. The Hong Kong branch of the register of shareholders shall be available for shareholders to inspect, but the Company may suspend the registration of shareholders on terms equivalent to those under Hong Kong law.

If any shareholder recorded in the register of shareholders or any person requesting to have his/her name (title) recorded in the register of shareholders has lost his/her share certificates, the said shareholder or person may apply to the Company to reissue new share certificates for the said shares. Application for reissuance of share certificates lost by holders of domestic unlisted shares shall be processed pursuant to the relevant provisions of the Company Law. Application for reissuance of share certificates lost by holders of H Shares may be processed pursuant to the laws of the place where the original copy of the register of holders of H Shares is kept, rules of the stock exchanges or other relevant provisions.

Article 35 When the Company convenes a Shareholders' 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' meeting shall determine the record date of shareholding, and shareholders recorded in the register of shareholders after market closing on the record date of shareholding shall be the shareholders entitled to the relevant rights and interests.

Article 36 Shareholders of the Company shall enjoy the following rights:

- (i) To receive dividends and other forms of profit distribution according to the proportion of shares they hold;
- (ii) To request, convene, preside over, attend, or appoint a shareholder proxy to attend the Shareholders' meeting and exercise corresponding voting rights in accordance with the Company Law, and the Articles of Association;
- (iii) To supervise the Company's operations and make suggestions or inquiries;
- (iv) To transfer, donate, or pledge the shares they hold in accordance with laws, administrative regulations, and the Articles of Association;
- (v) To inspect and copy the Articles of Association, register of shareholders, minutes of Shareholders' meetings, resolutions of the Board of Directors, financial and accounting reports, while the eligible Shareholders may inspect the Company's accounting books and vouchers; If any shareholder proposes to inspect the aforesaid relevant information or asks for materials, the said shareholder shall provide the Company with written documents bearing evidence of the class and number of the Company's shares held by the said shareholder, and the Company will provide the said information as required by the said shareholder upon verification of the said shareholder's identity;
- (vi) To participate in the distribution of the Company's remaining assets according to the proportion of shares they hold when the Company is terminated or liquidated;
- (vii) To request the Company to repurchase their shares if they object to the resolutions on the Company's merger or division made by the Shareholders' meeting;
- (viii) Other rights stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

Article 37 Shareholders requesting to inspect and copy the Company's relevant materials shall comply with the provisions of the Company Law, the Securities Law, and other laws and administrative regulations.

If a shareholder who individually or jointly holds 3% or more of the Company's shares for more than 180 consecutive days requests to inspect and copy the Company's accounting books or accounting vouchers, the provisions of the second, third and fourth paragraphs of Article 57 of the Company Law shall apply.

The provisions of the preceding two paragraphs shall apply to shareholders who request to inspect or copy the relevant materials of a wholly-owned subsidiary of the Company.

Article 38 If the content of the resolutions of the Shareholders' meeting or the Board of Directors violates laws or administrative regulations, shareholders have the right to request the people's court to determine the invalidity of the resolutions.

If the procedures for convening the Shareholders' meeting or the Board meeting or the voting methods violate laws, administrative regulations, or the Articles of Association, or if the content of the resolutions violates the Articles of Association, shareholders have the right to request the people's court to revoke the resolutions within 60 days from the date the resolutions are made. However, if the procedures for convening the Shareholders' meeting or the Board meeting or the voting methods have only minor defects and do not have a substantial impact on the resolutions, this provision does not apply.

Where the Board, shareholders and other relevant parties dispute the validity of the resolution of the Shareholders' meeting, they shall promptly file a lawsuit with the people's court. Before the people's court makes a judgment or ruling, the relevant parties shall implement the resolutions of the Shareholders' meeting, and no party shall refuse to implement the resolutions of the Shareholders' meeting on the grounds that such resolutions are invalid. 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 stock exchanges, fully explain the impact, and actively cooperate with the execution after the judgment or ruling takes effect. Where rectification of previously executed matters is involved, such rectification shall be promptly processed and the obligation of information disclosure shall be fulfilled accordingly.

Article 39 Under any of the following circumstances, a resolution of the Shareholders' meeting or the Board of Directors of the Company shall not be formed:

- (i) A resolution is adopted without holding a Shareholders' meeting or a meeting of the Board of Directors;
- (ii) The matters to be resolved are not voted on at a Shareholders' 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 to be 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 40 If any director or senior management member other than a member of the Audit Committee violates the laws and 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 and administrative regulations or the Articles of Association in fulfilling his/her official duties, thereby incurring any loss of the Company, the aforesaid shareholders shall have the right to 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 circumstance is urgent and any delay of legal proceedings may incur irrecoverable 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 others infringe upon the Company's legitimate rights and interests and have caused losses to the Company, the shareholders as specified in the first paragraph of this article may institute legal proceedings to the people's court pursuant to the preceding two paragraphs.

Where a director, supervisor (if any), 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 board of supervisors 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.

Article 41 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 42 Shareholders of the Company shall bear the following obligations:

- (i) To comply with laws, administrative regulations, and the Articles of Association;
- (ii) To pay the share price according to the shares they subscribe for and the method of subscription;
- (iii) Not to withdraw their capital except in circumstances stipulated by laws and regulations;
- (iv) Not to abuse shareholder rights to damage the interests of the Company or other shareholders; not to abuse the Company's independent legal person status and shareholders' limited liability to damage the interests of the Company's creditors;
- (v) Other obligations stipulated by laws, administrative regulations, and the Articles of Association.

Shareholders of the Company who abuse their shareholders' rights and cause losses to the Company or other shareholders shall bear compensation liability according to law. Shareholders of the Company who abuse the Company's independent legal person status and shareholders' limited liability to evade debts and seriously damage the interests of the Company's creditors shall bear joint and several liability for the Company's debts.

Article 43 If a shareholder holding more than 5% of the Company's shares with voting rights pledges the shares held by him/her, he/she shall submit a written report to the Company on the day when such event occurs.

Section 2 Controlling Shareholders and Actual Controllers

Article 44 The Company's Controlling Shareholders and actual controllers shall exercise their rights and fulfill their obligations in accordance with laws, administrative regulations, the CSRC, the stock exchange or the securities regulatory authorities where the Company's shares are listed, and shall safeguard the interests of the Company.

Article 45 The Company's Controlling Shareholders and actual controllers 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 commitments made and not to change or exempt them without authorization;
- (iii) To strictly fulfill information disclosure obligations in accordance with relevant regulations, actively cooperate with the Company in information disclosure work, and promptly inform the Company of major events that have occurred or are about to occur;
- (iv) Not to occupy the Company's funds in any way;
- (v) Not to force, instruct, or require the Company and its relevant personnel to provide guarantees in violation of laws and regulations;
- (vi) Not to use the Company's undisclosed major information to seek benefits, not to disclose the Company's undisclosed major information in any way, and not to engage in illegal activities such as insider trading, short-swing trading, and market manipulation;
- (vii) Not to damage the legitimate rights and interests of the Company and other shareholders through unfair connected transactions, profit distribution, asset restructuring, external investment, etc.;
- (viii) To ensure the Company's asset integrity, personnel independence, financial independence, institutional independence, and business independence, and not to affect the Company's independence in any way;
- (ix) Other provisions stipulated by laws, administrative regulations, the CSRC, the stock exchanges or securities regulatory authorities of the Company's stock listing place, 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 46 When the Controlling Shareholders or actual controllers pledge the Company's shares they hold or actually control, they shall maintain the Company's control and the stability of its production and operations.

Article 47 When the Controlling Shareholders or actual controllers transfer the Company's shares they hold, they shall comply with the restrictive provisions on share transfers in laws, administrative regulations, and provisions of the CSRC, and the stock exchanges or securities regulatory authorities of the Company's stock listing place, as well as any commitments made by them regarding the transfer of restricted shares.

Section 3 General Provisions on Shareholders' Meeting

Article 48 The Shareholders' meeting is the Company's authority and shall exercise the following powers according to law:

- (i) To elect and replace Directors and decide on matters related to Directors' remuneration;
- (ii) To examine and approve the Board of Directors' report;
- (iii) To examine and approve the Company's profit distribution plan and loss recovery plan;
- (iv) To pass resolutions on the Company's increase or decrease of registered capital;
- (v) To pass resolutions on the issuance of corporate bonds;
- (vi) To pass resolutions on the Company's merger, division, dissolution, liquidation, or change of corporate form;
- (vii) To amend the Articles of Association;
- (viii) To pass resolutions on the appointment and dismissal of accounting firms undertaking the Company's audit business and its remuneration;
- (ix) To examine and approve the external guarantee matters stipulated in Article 49 of the Articles of Association;
- (x) To examine and approve the transaction matters stipulated in Article 50 of the Articles of Association;
- (xi) To examine and approve matters related to the Company's purchase or sale of major assets exceeding 30% of the Company's latest audited total assets within one year;

- (xii) To examine and approve connected transaction matters that should be considered by the Shareholders' meeting as stipulated by the Articles of Association or Administrative Measures on Connected Transactions;
- (xiii) To examine and approve changes in the application of raised funds;
- (xiv) To examine and approve equity incentive plans and employee stock ownership plans;
- (xv) To examine and approve other matters that should be decided by the Shareholders' meeting as stipulated by laws, administrative regulations, departmental rules, the stock exchanges or securities regulatory authorities of the Company's stock listing place, or the Articles of Association.

Transactions where the Company unilaterally benefits, including receiving donated cash assets and obtaining debt relief, may be exempted from the Shareholders' meeting deliberation procedures as stipulated in item (x) of the first paragraph of this article.

The Shareholders' meeting may authorize the Board of Directors to make resolutions on the issuance of corporate bonds or other securities and listing proposals.

Unless otherwise stipulated by laws, administrative regulations, or departmental rules, the aforementioned functions and powers of the Shareholders' meeting shall not be delegated to the Board of Directors or any other institution or individual for exercise.

Article 49 The Company's provision of external guarantees must be reviewed and approved by the Board of Directors. The following external guarantee behaviors of the Company must be reviewed and approved by the Shareholders' meeting after being reviewed and approved by the Board of Directors:

- (i) Any guarantee provided after the total external guarantees of the Company and its controlled subsidiaries exceed 50% of the Company's latest audited net assets;
- (ii) Any guarantee provided after the total external guarantees of the Company exceed 30% of the Company's latest audited total assets;
- (iii) Any guarantee provided to a guarantee object with a debt-to-asset ratio exceeding 70%;
- (iv) Any guarantee provided within one year with a guarantee amount exceeding 30% of the Company's latest audited total assets;
- (v) Any single guarantee with an amount exceeding 10% of the Company's latest audited net assets;
- (vi) Any guarantee provided to shareholders, actual controllers, and their related parties;
- (vii) Other guarantee circumstances stipulated by the CSRC, the stock exchanges or securities regulatory authorities of the Company's stock listing place, or the Articles of Association.

When the Board of Directors considers guarantee matters, it must be subject to consideration and approval by more than two-thirds of the Directors present at the Board meeting.

Guarantees provided by the Company for its wholly-owned subsidiaries, or for its holding subsidiaries, where the other shareholders of the holding subsidiary provide guarantees in the same proportion based on their respective equity interests, may be exempted from the provisions of items (i), (iii), and (v) of this article, provided that such guarantees do not harm the Company's interests. However, such guarantees shall be submitted to the Company's Board of Directors for consideration, save as otherwise specified in the Articles of Association.

When the Shareholders' meeting reviews the guarantee matters stipulated in item (iv) of this article, it must be approved by more than two-thirds of the voting rights held by the shareholders present at the meeting. When the Shareholders' meeting reviews any guarantee provided to shareholders, actual controllers, and their related parties, the shareholders or the shareholders controlled by the actual controller shall not participate in the voting, and the voting must be approved by more than half of the voting rights held by other shareholders present at the meeting.

The Company shall not provide external guarantees without the approval of the Board of Directors or the Shareholders' meeting. The Company shall hold the relevant responsible persons for accountability if they provide external guarantees in violation of the approval authority and deliberation procedures.

If the listing rules of the place where the Company's shares are listed have specific provisions, such provisions shall prevail.

Article 50 Transactions of the Company that reach any of the following standards shall be submitted to the Shareholders' meeting for consideration:

- (i) The total assets involved in the transaction (where both book value and appraised value exist, the higher value shall prevail) account for 50% or more of the Company's latest audited total assets;
- (ii) The operating revenue related to the subject of the transaction (e.g., equity) in the most recent fiscal year accounts for 50% or more of the Company's audited operating revenue in the most recent fiscal year, and exceeds RMB50 million;
- (iii) The profit generated by the transaction accounts for 50% or more of the Company's audited net profit in the most recent fiscal year, and exceeds RMB5 million;
- (iv) The net profit related to the subject of the transaction (e.g., equity) in the most recent fiscal year accounts for 50% or more of the Company's audited net profit in the most recent fiscal year, and exceeds RMB5 million;
- (v) The transaction amount accounts for 50% or more of the Company's market value;
- (vi) The net asset value of the subject of the transaction (e.g., equity) in the most recent fiscal year accounts for 50% or more of the Company's market value.

If any data involved in the calculation of the above indicators is negative, its absolute value shall be used for calculation.

The term “transaction” as referred to in this article includes the following matters: purchase or sale of assets; external investments (excluding the purchase of wealth management products of banks); transfer or acquisition of research and development projects; signing of license agreements; provision of guarantees; leasing or renting of assets; entrusting or accepting of entrusted management of assets and businesses; donation or receipt of assets as a gift; debt restructuring; provision of financial assistance. The purchase or sale of assets mentioned above does not include transactions related to daily operations, such as the purchase of raw materials, fuel, and power, and the sale of products or commodities.

Article 51 The Shareholders’ meeting is divided into annual Shareholders’ meetings and extraordinary Shareholders’ meetings. The annual Shareholders’ meeting shall be held once a year and shall be held within six months after the end of the previous fiscal year.

Article 52 Under any of the following circumstances, the Company shall hold an extraordinary Shareholders’ meeting within two months from the date of occurrence:

- (i) When the number of Directors is less than the minimum quorum stipulated by the Company Law or two-thirds of the number stipulated by the Articles of Association (i.e., 6);
- (ii) When the Company’s unrecovered losses reach one-third of the total share capital;
- (iii) When shareholders who individually or jointly hold more than 10% of the Company’s shares (the number of shares held is calculated as of the date of the shareholder’s written request) request it;
- (iv) When the Board of Directors deems it necessary;
- (v) When the Audit Committee proposes to convene;
- (vi) Other circumstances stipulated by laws, administrative regulations, departmental rules, the stock exchanges or securities regulatory authorities of the Company’s stock listing place, or the Articles of Association.

Article 53 The Shareholders’ meeting of the Company shall be held at the domicile of the Company or any other place as specified in the notice of the Shareholders’ meeting.

The Shareholders’ meeting shall have a venue, and shall be convened in the form of on-site meetings or via electronic communication. If a Shareholders’ meeting is convened via electronic communication, detailed participation methods shall be specified in the notice of the meeting. Shareholders participating in the Shareholders’ meeting via electronic communication shall be deemed to be in attendance. The Company shall also provide convenient means for shareholders through online or electronic channels. When the Company convenes a Shareholders’ meeting, it shall provide online or electronic voting methods. Shareholders participating in the Shareholders’ meeting via online or electronic voting shall be deemed to be in attendance.

Section 4 Convening of Shareholders' Meeting

Article 54 The Shareholders' meeting shall be convened by the Board of Directors in accordance with the law. The Board of Directors shall convene the Shareholders' meeting within the prescribed time limit.

With the consent of more than half of all independent non-executive Directors, independent non-executive Directors have the right to propose to the Board of Directors to convene an extraordinary Shareholders' meeting. Regarding the proposal from the independent non-executive Directors to convene an extraordinary Shareholders' meeting, the Board of Directors shall, in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association, provide written feedback on whether to agree to convene an extraordinary Shareholders' meeting within 10 days of receiving the proposal. If the Board of Directors agrees to convene an extraordinary Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within 5 days of making the board resolution; if the Board of Directors does not agree to convene an extraordinary Shareholders' meeting, it shall explain the reasons and make an announcement.

Article 55 The Audit Committee may propose to the Board of Directors to convene an extraordinary Shareholders' meeting and shall submit the proposal in writing to the Board of Directors. The Board of Directors shall, in accordance with laws, administrative regulations, and the Articles of Association, provide written feedback on whether to agree to convene an extraordinary Shareholders' meeting within 10 days of receiving the proposal.

If the Board of Directors agrees to convene an extraordinary Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within 5 days of making the board resolution, and any changes to the original proposal in the notice shall be agreed upon by the Audit Committee.

If the Board of Directors does not agree to convene an extraordinary Shareholders' meeting or fails to provide feedback within 10 days of receiving the proposal, it shall be deemed that the Board of Directors is unable or unwilling to perform its duties of convening the Shareholders' meeting, and the Audit Committee may convene and preside over the meeting on its own.

Article 56 Shareholders who individually or jointly hold more than 10% of the Company's shares may request the Board of Directors to convene an extraordinary Shareholders' meeting and add a proposal to the agenda of the Shareholders' meeting and shall submit the request in writing to the Board of Directors. The Board of Directors shall, in accordance with laws, administrative regulations, and the Articles of Association, provide written feedback within 10 days after receiving the request, indicating whether it agrees or disagrees to convene the extraordinary Shareholders' meeting.

If the Board of Directors agrees to convene an extraordinary Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within 5 days of making the board resolution, and any changes to the original request in the notice shall be agreed upon by the relevant shareholders.

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

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

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

Article 57 If the Audit Committee or shareholders who individually or jointly hold more than 10% of the Company's shares decide to convene the Shareholders' meeting on their own, they shall notify the Board of Directors in writing and file with the relevant competent authorities and the stock exchange on which the Company's shares are listed and traded in accordance with the applicable laws and regulations (if required).

The Audit Committee or convening shareholders shall submit relevant proof materials to relevant competent authorities and the stock exchange on which the Company's shares are listed and traded in accordance with the applicable laws and regulations (if required) when issuing the notice of the Shareholders' meeting and the announcement of the Shareholders' meeting resolution.

If a Shareholders' meeting is convened by the shareholders on their own, before the announcement of the Shareholders' meeting resolution, the total shareholding ratio of the convening shareholders shall not be less than 10% of the total shares.

Article 58 For Shareholders' meetings convened by the Audit Committee or shareholders on their own, the Board of Directors and the board secretary shall cooperate. The Board of Directors shall provide the register of shareholders as of the record date. The register of shareholders obtained by the convener shall not be used for any purpose other than convening the shareholders' meeting.

Article 59 The necessary expenses for the Shareholders' meeting convened by the Audit Committee or shareholders on their own shall be borne by the Company.

Section 5 Proposals and Notices of the Shareholders' Meeting

Article 60 The content of the proposals shall fall within the scope of the Shareholders' meeting's authority, have clear topics and specific resolution matters, and comply with the provisions of laws, administrative regulations, the stock exchanges or securities regulatory authorities of the Company's stock listing place, and the Articles of Association.

Article 61 When the Company convenes a Shareholders' meeting, the Board of Directors, the Audit Committee, and shareholders holding more than 1% of the Company's shares separately or jointly have the right to submit proposals to the Company.

Shareholders holding more than 1% of the Company's shares separately or jointly may submit temporary proposals in writing to the convener 10 days before the Shareholders' meeting. The temporary proposals shall have clear agenda item and specific resolution matters. The convener shall issue a supplementary notice of the Shareholders' meeting within 2 days of receiving the proposal, announce the content of the temporary proposal, and submit the temporary proposal to the Shareholders' meeting for review. However, temporary proposals that violate laws, administrative regulations, or the Articles of Association, or do not fall within the scope of the Shareholders' meeting's authority, shall be excluded.

Except for the circumstances stipulated in the preceding paragraph, the convener shall not modify the proposals already listed in the notice of the Shareholders' meeting or add new proposals after issuing the notice of the Shareholders' meeting.

Proposals not listed in the notice of the Shareholders' meeting or not in compliance with the Articles of Association shall not be voted on or resolved at the Shareholders' meeting.

Article 62 The convener shall notify all shareholders 21 days before the annual Shareholders' meeting and 15 days before the extraordinary Shareholders' meeting. When calculating the commencement period, the Company shall not include the day on which the meeting is convened. If laws, regulations, or the stock exchanges or securities regulatory authorities of the Company's stock listing place provide otherwise, such provisions shall prevail.

Notices of the Shareholders' meeting issued to shareholders shall be published on the websites of The Stock Exchange of Hong Kong Limited and the Company. Upon publication, such notices shall be deemed to have been duly received by all shareholders.

Article 63 The notice of the Shareholders' meeting shall include the following content:

- (i) The time, place, and duration of the meeting;
- (ii) The matters and proposals to be reviewed at the meeting;
- (iii) A clear statement that all shareholders are entitled to attend the Shareholders' meeting and may appoint a proxy in writing to attend the meeting and vote, and the proxy does not need to be a shareholder of the Company;
- (iv) The record date for shareholders entitled to attend the Shareholders' meeting (the interval between the record date for shareholders and the date of the Shareholders' meeting shall be no more than seven working days. Once the record date for shareholders is confirmed, it cannot be changed);
- (v) The name and telephone number of the standing contact person for the meeting;
- (vi) The time and procedure for voting by online or other means;
- (vii) Other requirements stipulated by laws, regulations, the regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

Notices and supplementary notices of Shareholders' meetings shall contain the contents stipulated by the Hong Kong Listing Rules and the Articles of Association, and shall fully and completely disclose all specific details of all proposals.

Article 64 Where the elections of Directors are to be discussed at the Shareholders' meeting, a notice of the Shareholders' meeting shall sufficiently disclose the particulars of the candidates for the Directors, and shall include at least the following contents:

- (i) personal particulars such as educational background, working experience and part-time job(s);
- (ii) whether or not the candidate has any connected relationship with the Company or its Controlling Shareholders and actual controller;
- (iii) the number of the Company's shares held by the candidate;
- (iv) whether or not the candidate has been subject to penalties by the CSRC and other relevant authorities as well as sanctions by any stock exchanges.

Except for the election of Directors by cumulative voting, each Director candidate shall be proposed as a separate item.

Article 65 Upon the delivery of the notice of a Shareholders' meeting, such meeting shall not be postponed or cancelled and the proposals set out in the notice of the Shareholders' meeting shall not be cancelled without due cause. In the case of a postponement or cancellation, the convener shall make an announcement and explain the reasons at least two working days before the originally scheduled date of the meeting.

Section 6 Holding of the Shareholders' Meeting

Article 66 The Board of the Company and other conveners shall take necessary measures to ensure the normal order of the Shareholders' meeting, take steps to prevent any activities interfering with the Shareholders' meeting, picking quarrels, provoking trouble, or infringing upon the legitimate rights and interests of shareholders, and promptly report such activities to the relevant authorities for investigation and handling.

Article 67 All shareholders registered on the record date or their proxies are entitled to attend the Shareholders' meeting, speak and vote in accordance with relevant laws, regulations, the listing rules of the place where the Company's shares are listed, and the Articles of Association (unless individual shareholders are required to waive their voting rights on specific matters in accordance with the aforementioned rules).

Shareholders may attend Shareholders' meetings in person or appoint a proxy to attend and vote on their behalf. Any shareholder entitled to attend and vote at a Shareholders' meeting shall be entitled to appoint one or more persons (who need not be a shareholder) as his/her proxy to attend and vote for him.

If a shareholder is a recognized clearing house (or its nominee) as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), such shareholder may authorize one or more persons whom it thinks fit to represent it at any Shareholders' meeting or any class Shareholders' meeting; however, if more than one person is so authorized, the letter of authorization shall state the number and class of shares in respect of which each such person is so authorized. Any person so authorized may represent the recognized clearing house (or its nominee) in exercising the same rights and powers (including the rights to speak and vote, and the right of individual vote by show of hands if voting by show of hands is permitted), as if he were an individual shareholder of the Company (without being required to produce proof of holding, notarized authorization and/or further evidence of formal authorization). The foregoing arrangements shall also apply to meetings of creditors.

Article 68 Individual shareholders attending the meeting in person shall present their ID cards or other valid identification documents or certificates that can indicate their identity; if appointing a proxy to attend the meeting, they shall present their valid ID cards and a power of attorney for the shareholder.

Corporate shareholders shall be represented by the legal representative or a proxy authorized by the legal representative. The legal representative attending the meeting shall present their ID card and valid proof of their legal representative status; the proxy attending the meeting shall present their ID card and a written power of attorney issued by the legal representative of the corporate shareholder.

Article 69 The power of attorney issued by a shareholder for appointing a proxy to attend the Shareholders' meeting shall specify the following content:

- (i) The name or title of the principal and the category and quantity of shares held;
- (ii) The name or title of the proxy;
- (iii) Specific instructions of the shareholder, including instructions to vote for, against, or abstain on each matter for consideration listed on the agenda of the Shareholders' meeting;
- (iv) The date of issuance and validity period of the power of attorney;
- (v) The signature (or seal) of the principal. If the principal is a corporate shareholder or a partnership shareholder, the corporate seal or the partnership seal shall be affixed.

Article 70 The power of attorney for proxy voting shall be lodged at the Company's domicile or another place designated in the notice of the meeting at least 24 hours before the commencement of the meeting at which the proxy is authorized to vote based on the power of attorney, or 24 hours before the designated voting time.

If the power of attorney for proxy voting is signed by a person authorized by the principal, the authorization letter or other authorization documents shall be notarized. The notarized authorization letter or other authorization documents and the power of attorney for proxy voting shall be kept at the Company's domicile or another place designated in the notice of the meeting. Where the principal is a legal person, its legal representative, or a person authorized by its board of directors or other decision-making body upon resolution shall attend the Shareholders' meeting of the Company as its representative.

Article 71 The meeting register of attendees shall be prepared by the Company. The register shall record the names of the attendees (or the names of the entities), ID card numbers, the number of shares with voting rights held or represented, the name of the principal (or the names of the entities), etc.

Article 72 The convener shall verify the legitimacy of the shareholders' qualifications based on the register of shareholders provided by the securities depository and clearing institution, and record the names (or the names of the entities) of the shareholders and the number of voting shares they hold. The registration of the meeting shall cease before the presider of the meeting announces the number of shareholders and proxies present at the meeting on site and the total number of voting shares they hold.

Article 73 If the Shareholders' meeting requires Directors and senior management members to attend the meeting, the Directors and senior management members shall attend and accept shareholders' inquiries.

Article 74 The Shareholders' meeting shall be presided over by the chairman of the Board of Directors. If the chairman is unable or unwilling to perform his duties, a Director elected by more than half of the Directors shall preside.

The Shareholders' meeting convened by the Audit Committee shall be presided over by the convener of the Audit Committee. If the convener of the Audit Committee is unable or unwilling to perform his duties, an Audit Committee member elected by more than half of the Audit Committee members shall preside.

The Shareholders' meeting convened by shareholders shall be presided over by the convener or a representative elected by the convener.

If the presider of the meeting violates the rules of procedure during the Shareholders' meeting, making it impossible to continue the meeting, the Shareholders' meeting may elect a person to act as the presider of the meeting with the consent of more than half of the voting rights held by the shareholders present at the meeting, and continue the meeting.

Article 75 The Company shall formulate the rules of procedure for Shareholders' meetings, which shall specify in detail the procedures for convening and holding of, and voting at Shareholders' meetings, including notification, registration, review of proposals, voting, vote counting, announcement of voting results, formation of meeting resolutions, meeting minutes and their signing, and announcements, as well as the principles of authorization from the Shareholders' meeting to the Board, the content of the authorization shall be clear and specific. The rules of procedure for Shareholders' meetings shall be drafted by the Board of Directors and approved by the Shareholders' meeting.

Article 76 At the annual Shareholders' meeting, the Board shall make a report to the Shareholders' meeting on its work during the past year. Each independent non-executive Director shall also submit a work report.

Article 77 Directors and senior management members shall provide explanations and clarifications in response to shareholders' inquiries and suggestions during the Shareholders' meeting.

Article 78 The presider of the meeting shall, prior to the voting, announce the number of shareholders and proxies present at the meeting on site and the total number of shares with voting rights held. The number of shareholders and proxies present at the meeting on site and the total number of shares with voting rights held shall be based on the meeting register.

Article 79 The Shareholders' meeting shall have meeting minutes, which shall be made by the secretary of the Board. The minutes shall record the following contents:

- (i) time, venue and agenda of the meeting, and the name or title of the convener;
- (ii) names of the presider of the meeting, directors, and senior management members present at the meeting;
- (iii) number of shareholders and proxies attending the meeting, the total number of shares with voting rights held, and the proportion of such shares to the total shares of the Company;
- (iv) the review process, key points of discussion, and voting results for each proposal;
- (v) shareholders' inquiries or suggestions and the corresponding responses or explanations;
- (vi) names of the vote counters and scrutineers;
- (vii) other contents that shall be recorded in the minutes as required by the Articles of Association.

Article 80 The convener shall ensure that the contents of the meeting minutes are true, accurate and complete. Directors, the secretary of the Board, the convener or his/her representative, and the presider of the meeting present at the meeting shall sign the meeting minutes. The meeting minutes shall be kept together with the signature roster of shareholders present on-site, power of attorney for proxies, and valid documents of voting conducted via online or other methods, for a period of not less than 10 years.

Article 81 The convener shall ensure that the Shareholders' meeting proceeds continuously until a final resolution is formed. If the Shareholders' meeting is suspended or it is impossible to reach a resolution due to force majeure or other special reasons, necessary measures shall be taken to resume the meeting as soon as possible or directly terminate the current Shareholders' meeting, and a timely announcement shall be made. At the same time, the convener shall report to the local office of CSRC at the location of the Company and the stock exchanges of the Company's stock listing place (if required).

Section 7 Voting and Resolutions at the Shareholders' Meeting

Article 82 Resolutions of the Shareholders' meeting are divided into ordinary resolutions and special resolutions.

An ordinary resolution of the Shareholders' meeting shall be passed by more than half of the voting rights held by the shareholders present at the meeting.

A special resolution of the Shareholders' meeting shall be passed by more than two-thirds of the voting rights held by the shareholders present at the meeting.

Shareholders as referred to in this article shall include shareholders who have appointed proxies to attend the Shareholders' meeting.

Article 83 The following matters shall be passed by the Shareholders' meeting as ordinary resolutions:

- (i) The work report of the Board of Directors;
- (ii) The profit distribution plan and loss recovery plan proposed by the Board of Directors;
- (iii) The appointment and dismissal of board members and their remuneration and payment methods;
- (iv) Other matters except those that, as stipulated by laws, administrative regulations, the regulatory rules of the Company's stock listing place, or the Articles of Association, shall be passed by a special resolution.

Article 84 The following matters shall be passed by the Shareholders' meeting as special resolutions:

- (i) The increase or decrease of the Company's registered capital;
- (ii) The division, split, merger, dissolution, winding-up and liquidation of the Company;
- (iii) Amendments to the Articles of Association;
- (iv) The Company's purchase or sale of major assets or provision of guarantees to others exceeding 30% of the Company's latest audited total assets within one year;
- (v) Equity incentive plans;
- (vi) Variation or abrogation of the rights of class shareholders;
- (vii) Other matters stipulated by laws, administrative regulations, or the Articles of Association, as well as matters that the Shareholders' meeting deems to have a significant impact on the Company via an ordinary resolution and require a special resolution.

Article 85 Shareholders shall exercise their voting rights based on the number of voting shares they represent, with each share having one vote. When voting, shareholders (including their proxies) holding two or more votes are not required to cast all their votes in favor, against, or as abstentions.

When the Shareholders' meeting reviews major matters affecting the interests of small and medium investors, the votes of small and medium investors shall be counted separately. The results of the separate vote count shall be disclosed in a timely manner.

If laws, regulations, listing rules of the stock exchange where the Company's shares are listed, and the Articles of Association require a shareholder to abstain from voting on a particular resolution or restrict a shareholder to voting only in favor or against, any vote cast by such shareholder or his/her proxy in violation of such requirements or restrictions shall not be counted in the voting results.

The Company's own shares held by the Company do not have voting rights, and such shares shall not be counted in the total number of voting shares present at the Shareholders' meeting, and shall not be deposited into the Central Clearing and Settlement System.

If a shareholder purchases the Company's voting shares in violation of the provisions of Paragraphs 1 and 2 of Article 63 of the Securities Law, the shares exceeding the prescribed proportion shall not exercise voting rights within 36 months after purchase and shall not be counted in the total number of voting shares present at the Shareholders' meeting.

The Company's Board of Directors, independent non-executive directors, shareholders holding more than 1% of the voting shares, or investor protection institutions established in accordance with laws, administrative regulations, or the CSRC may publicly solicit shareholders' voting rights. In the solicitation of shareholders' voting rights, specific voting intentions and other information shall be fully disclosed to the solicited parties. It is prohibited to solicit shareholders' voting rights in a paid or disguised paid manner. Except for statutory conditions, the Company shall not impose a minimum shareholding ratio restriction on the solicitation of voting rights.

The term "shareholders" mentioned in the first paragraph of this article includes shareholders who appoint a proxy to attend the Shareholders' meeting.

Article 86 When the Shareholders' meeting reviews connected transactions, connected shareholders shall not participate in the voting, and the number of voting shares they represent shall not be counted in the total number of valid votes. The announcement of the Shareholders' meeting resolution shall fully disclose the voting situation of non-related shareholders.

The procedures for the recusal and voting of connected shareholders are as follows:

- (i) The Board of Directors shall, in accordance with the Company Law and relevant regulations, determine whether matters to be submitted to the Shareholders' meeting for deliberation constitute connected transactions. When making such determination, the number of shares held by shareholders shall be calculated based on the equity record date;
- (ii) If the Board of Directors determines that matters to be submitted to the Shareholders' meeting for deliberation constitute connected transactions, the Board of Directors shall notify the connected shareholders;
- (iii) When the Shareholders' meeting deliberates on matters involving connected transactions, connected shareholders shall proactively declare their relationship to the Shareholders' meeting, recuse themselves, and refrain from voting. The number of voting shares they represent shall not be counted in the total number of voting shares present at the Shareholders' meeting. If connected shareholders fail to proactively declare their relationship and recuse themselves from voting, the meeting chairperson shall require them to recuse themselves from voting;
- (iv) After connected shareholders recuse themselves, other shareholders shall vote based on their voting rights. The meeting chairperson shall announce the number of shareholders and proxies present at the meeting, excluding connected shareholders, and the total number of voting shares they hold. This provision does not apply if all shareholders are connected parties.

Article 87 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' meeting through a special resolution.

Article 88 The list of director candidates shall be submitted to the Shareholders' meeting for voting in the form of a proposal. The method and procedure for nominating directors are:

- (i) Nomination of director candidates shall be conducted in the following manner:
 - 1. Nomination by the Company's Board of Directors;
 - 2. Nomination by a shareholder or a group of shareholders holding, individually or collectively, 1% or more of the total voting shares of the Company. The number of candidates nominated by such shareholders shall not exceed the number of directors to be elected or replaced.

When the Shareholders' meeting votes on the election of directors, cumulative voting may be implemented in accordance with the provisions of the Articles of Association or a resolution of the Shareholders' meeting.

When electing two or more independent non-executive directors at the Shareholders' meeting, cumulative voting shall be implemented.

For the nomination and election of directors using the cumulative voting system, the specific procedures are as follows:

Each share carries the right to nominate the same number of director candidates as the total number of directors to be elected. Shareholders may concentrate their nominations on one candidate or distribute them among several candidates. The final list of director candidates shall be determined based on the number of votes received and the qualifications for directors stipulated in the Articles of Association.

During the election, each share held by a shareholder carries the same number of votes as the total number of directors to be elected. Shareholders may distribute their votes equally among all director candidates or concentrate their votes on one or several director candidates, and shall have the right to vote for other persons. The final election of directors shall be determined based on the number of votes received and the qualifications for directors stipulated in the Articles of Association.

Article 89 Save under the cumulative voting system, the Shareholders' meeting shall resolve on all the proposals separately; in the event of several proposals for the same issue, such proposals shall be voted on and resolved in the order of time at which they are submitted. Unless the Shareholders' meeting is suspended or a resolution cannot be made due to special reasons including force majeure, the Shareholders' meeting shall not put off the proposals or refuse to vote on the proposals.

Article 90 No amendment shall be made to a proposal when it is considered at a Shareholders' meeting, otherwise, the relevant amendment shall be deemed as a new proposal and shall not be voted on at the current Shareholders' meeting.

Article 91 The same voting right can only be exercised in one form: onsite, or otherwise. Where the same voting right is exercised more than once, the voting result of the first time shall prevail.

Article 92 Shareholders' meetings shall adopt voting by registered ballot.

Article 93 When proposals are voted on at the Shareholders' 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' meeting, the shareholders' representative 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 94 The onsite Shareholders' meeting shall not conclude earlier than the time for participation via online or other means, and the meeting chairperson shall announce the voting result of every proposal and announce whether the proposal is passed or not according to the voting results.

Prior to the official announcement of the voting results, all relevant parties involved in the Shareholders' meeting – whether onsite, online, or through other voting methods – including the Company, vote counters, vote scrutineers, shareholders, and online service providers, shall maintain confidentiality regarding the voting proceedings.

Article 95 Shareholders who are present at the Shareholders' meeting shall adopt one of the following stances when a proposal is put forward for voting: for, against or abstention. The securities registration and clearing organization shall be the nominal holder of shares under the Mainland China and Hong Kong Stock Connect scheme, except where declaration is made in accordance with the actual holder's intent.

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 96 If the meeting chairperson has any doubt regarding the voting results of a resolution submitted for voting, they may arrange 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 meeting chairperson shall promptly arrange such a recount.

Article 97 Resolutions of the Shareholders' 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 98 If a proposal is not adopted or if the current Shareholders' meeting amends a resolution of a previous Shareholders' meeting, a special notice shall be included in the announcement of the Shareholders' meeting resolution.

Article 99 If the Shareholders' meeting passes a proposal regarding the election of directors, the newly elected directors shall assume office from the date on which the resolution is passed.

Article 100 If the Shareholders' meeting passes a proposal concerning the distribution of cash dividends, issuance of bonus shares, or conversion of capital reserve into share capital, the Company shall implement the specific plan within two months after the conclusion of the Shareholders' meeting.

Chapter 5 Directors and Board of Directors

Section 1 General Provisions on Directors

Article 101 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) Having no capacity for civil conduct or limited capacity for civil conduct;
- (ii) Having been sentenced to a criminal penalty for embezzlement, bribery, infringement of property, misappropriation of property, or disrupting the socialist market economic order, or having had his/her political rights deprived due to a crime, and less than 5 years have elapsed since the expiration of the execution period, or if on probation, less than 2 years have elapsed since the expiration of the probation period;
- (iii) Having served as a director, factory director, or manager of a company or enterprise undergoing bankruptcy liquidation and being personally liable for the bankruptcy of such company or enterprise, and less than 3 years have elapsed since the completion of the bankruptcy liquidation of such company or enterprise;
- (iv) Having served as the legal representative of a company or enterprise whose business license has been revoked or has been ordered to close down due to illegal activities and being personally liable, and less than 3 years have elapsed since the revocation of the business license or the order to close down of such company or enterprise;
- (v) Having a large-amount debt due but unpaid and being listed as a person subject to enforcement for bad credit by the people's court;
- (vi) Having been subject to measures restricting access to the securities market by the CSRC and the time limit has not expired;
- (vii) Other circumstances stipulated by laws, administrative regulations, and departmental rules.

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 terminate their position.

If a director encounters any of the circumstances mentioned in this article during his/her tenure, he/she shall promptly report to the Company and resign within one month from the date of the occurrence of the fact.

Article 102 Directors shall be elected or replaced by the Shareholders' meeting and may be removed from their positions by an ordinary resolution of the Shareholders' meeting before the expiration of their term. The removal takes effect on the date when the Shareholders' meeting resolution is made. The term of office for directors is three years, and upon the expiration of their term, they may be re-elected.

The term of a director is calculated from the date of assuming office until the expiration of the current Board of Directors' term. If the directors are not timely re-elected upon the expiration of their term, the original directors shall continue to perform their duties as directors in accordance with laws, administrative regulations, departmental rules, and the Articles of Association until the newly elected directors assume office.

Subject to compliance with applicable laws, regulations, and regulatory rules in the PRC and in the Company's stock listing place, any new director appointed by the Board of Directors to fill a temporary vacancy or increase the number of directors on the Board shall serve only until the first annual Shareholders' meeting after their appointment and shall be eligible for re-election at that time.

A director may also hold senior management positions, but the total number of directors who also hold senior management positions and directors appointed as employee representatives shall not exceed half of the total number of directors of the Company.

For companies with more than 300 employees, there shall be employee representatives on the Board of Directors. The Company shall have one employee representative director. The employee representative on the Board of Directors shall be democratically elected by the Company's employees through employee representative congresses, employee assemblies, or other forms, and does not require submission to the Shareholders' meeting for approval.

Article 103 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 expropriate the property or embezzle monies of the Company;
- (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) not to conclude any contract or conduct any transaction directly or indirectly with the Company, unless he/she has reported it to the Board of Directors or the Shareholders' meeting and the contract or transaction has been approved by a resolution of the Board of Directors or the Shareholders' meeting in accordance with the Articles of Association;

- (v) not to take advantage of his/her position to secure, for himself/herself or for any other person, any business opportunity that rightfully belongs to the Company, unless the matter has been reported to the Board of Directors or the Shareholders' meeting and approved by a resolution of the Shareholders' meeting, or the Company is unable to exploit the opportunity under applicable laws, administrative regulations or the Articles of Association;
- (vi) not to operate, either on their own account or for others, businesses of the same kind as those of the Company where they serve, unless the matter has been reported to the Board of Directors or the Shareholders' meeting and approved by a resolution of the Shareholders' meeting;
- (vii) not to take as their own any commission for any transaction between the Company and others;
- (viii) not to disclose any secret of the Company without permission;
- (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 104 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 care, diligence and prudence 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 impartially;
- (iii) to keep informed of the business operations and management of the Company;
- (iv) to sign written confirmations of the regular reports issued by the Company and to ensure 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 105 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' meeting dismiss the said director.

Article 106 A director may resign before the expiration of their term. The resignation of a director shall be submitted to the Board of Directors in the form of a written resignation report. A director's resignation shall take effect on the date the Company receives the written resignation report, and the Board of Directors shall disclose the relevant information as soon as practicable (no later than 2 days).

If the resignation of a director results in the number of board members falling below the statutory minimum, the original directors shall continue to perform their duties as directors in accordance with laws, administrative regulations, departmental rules, and the Articles of Association until the newly elected directors assume office.

Article 107 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 the 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. The period for which a director remains bound by the duty of loyalty after their resignation takes effect or their term expires is two years.

Article 108 The Shareholders' 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 109 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 110 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.

If any director violates the laws, administrative regulations, departmental rules, or provisions of the stock exchanges and securities regulatory authorities of the Company's stock listing place or the Articles of Association in fulfilling his/her duties, thereby incurring any loss of the Company, the said director shall be liable for compensation.

Section 2 Board of Directors

Article 111 The Company shall establish a Board of Directors consisting of seven directors, categorized as executive directors and independent non-executive directors. There shall be one chairman of the Board. Among them, there shall be no fewer than three independent non-executive directors, who shall constitute one-third or more of the total number of board members. At least one independent non-executive director must possess appropriate professional qualifications or expertise in accounting or related financial management. Additionally, at least one independent non-executive director must ordinarily reside in Hong Kong. The chairman is elected by a majority of all members of the Board.

Article 112 The Board of Directors shall exercise the following powers and duties:

- (i) Convening the Shareholders' meeting and reporting to the Shareholders' meeting;
- (ii) Implementing the resolutions of the Shareholders' meeting;
- (iii) Deciding on the Company's business plans and investment proposals;
- (iv) Formulating the Company's profit distribution plans and loss recovery plans;
- (v) Formulating plans for the Company's increase or decrease of registered capital, issuance of bonds or other securities, and listing;
- (vi) Drafting plans for major acquisitions, repurchases of the Company's shares, mergers, divisions, dissolution, or changes in the Company's form;
- (vii) Deciding on matters such as external investments, acquisition or disposal of assets, asset mortgages, external guarantees, entrusted wealth management, connected transactions, and external donations, within the scope authorized by the Shareholders' meeting;
- (viii) Deciding on the establishment of the Company's internal management structure;
- (ix) Deciding on the appointment or dismissal of the company manager, secretary of the Board, and other senior management members, and determining their remuneration and reward (or punishment); based on the manager's nomination, deciding on the appointment or dismissal of the deputy general manager, director of finance, and other senior management members, and determining their remuneration and reward (or punishment);
- (x) Formulating the Company's basic management systems;
- (xi) Drafting amendments to the Articles of Association;
- (xii) Managing the Company's information disclosure matters;
- (xiii) Proposing to the Shareholders' meeting the appointment or replacement of the accounting firm auditing the Company;
- (xiv) Listening to the work reports of the company manager and reviewing the manager's work;

- (xv) Examining and approving the external guarantee matters other than those stipulated in Article 49 of the Articles of Association;
- (xvi) Examining and approving the transaction matters stipulated in Article 113 of the Articles of Association;
- (xvii) Examining and approving connected transaction matters that should be decided by the Board of Directors as stipulated by the Articles of Association or Administrative Measures on Connected Transactions;
- (xviii) Other powers and duties granted by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed, the Articles of Association or the Shareholders' meeting.

Issues beyond the scope authorized by the Shareholders' meeting shall be submitted to the Shareholders' meeting for consideration.

Article 113 Transactions of the Company meeting any of the following standards shall be submitted to the Board of Directors for consideration:

- (i) the total asset value involved in the transaction (the higher of the book value and the assessed value as the case may be) accounts for more than 10% of the latest audited total assets of the Company;
- (ii) the related operating income of the transaction subject (e.g., equity) in the most recent fiscal year accounts for more than 10% of the audited operating income of the Company in the most recent fiscal year, with an amount of more than RMB10 million;
- (iii) the profit from the transaction accounts for more than 10% of the audited net profit of the Company in the most recent fiscal year, with an amount of more than RMB1 million;
- (iv) the related net profit of the transaction subject (e.g., equity) in the most recent fiscal year accounts for more than 10% of the audited net profit of the Company in the most recent fiscal year, with an amount of more than RMB1 million;
- (v) the transaction amount accounts for more than 10% of the Company's market value;
- (vi) the net asset value of the transaction subject (e.g., equity) in the most recent fiscal year accounts for more than 10% of the Company's market value.

Article 114 Contracts or transactions entered into directly or indirectly between the Company and its directors, senior management members or their close relatives, enterprises directly or indirectly controlled by the aforementioned persons, or other connected parties with whom directors or senior management members have a connected relationship, shall be submitted to the Board of Directors for deliberation.

Article 115 The Board shall make explanations to the Shareholders' meeting in relation to the non-standard audit opinions produced by certified public accountants on the financial reports of the Company.

Article 116 The Board shall formulate rules of procedure for meetings of the Board of Directors to ensure implementation of resolutions passed by the Shareholders' meeting, enhance operational efficiency, and guarantee sound decision-making.

Article 117 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' meeting for approval.

Article 118 The chairman shall exercise the following powers and duties:

- (i) Presiding over the Shareholders' meeting and convening and presiding over board meetings;
- (ii) Supervising and inspecting the implementation of board resolutions;
- (iii) Other powers and duties granted by the Board of Directors.

Article 119 If the chairman is unable to perform or fails to perform his/her duties, a director shall be jointly recommended by a majority of the directors to assume such duties.

Article 120 Board meetings shall be categorized into regular meetings and extraordinary meetings. The Board of Directors shall hold at least four meetings each year, convened by the chairman, with written notice provided to all directors at least 14 days before a regular meeting.

Article 121 Shareholders representing more than one-tenth of the voting rights, one-third of the directors, or the Audit Committee may propose the convening of an extraordinary board meeting. The chairman shall convene and preside over the board meeting within 10 days of receiving such a proposal.

Article 122 Extraordinary board meetings shall be notified in writing or by email to all directors at least three days before the meeting. Where an extraordinary board meeting needs to be convened in emergency, the notice of meeting may be sent by telephone, fax or email at any time, but the convener shall make explanations at the meeting.

Article 123 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 124 A board meeting shall require the attendance of more than half of the directors to be valid. Resolutions of the Board of Directors shall require the approval of more than half of all directors. Each director shall have one vote in board resolutions.

Article 125 If a director has a relationship with the enterprise or individual involved in a board resolution, the director shall promptly report in writing to the Board of Directors. The director with such a relationship shall not vote on the resolution or act as a proxy for another director to vote. The board meeting may proceed with the attendance of more than half of the non-related directors, and resolutions shall require the approval of more than half of the non-related directors. If the number of non-related directors attending the board meeting is less than three, the matter shall be submitted to the Shareholders' meeting for review.

Article 126 Board meetings may be convened and votes may be cast either in person or through electronic means. Resolutions shall be adopted through written and registered voting.

Extraordinary board meetings may be conducted and resolutions may be passed via electronic communication methods such as fax, telephone, or video conference, provided that directors are ensured sufficient opportunity to express their opinions. Resolutions passed in such meetings shall be signed by the participating directors.

Article 127 Board meetings shall be attended by directors in person. If a director is unable to attend, they may appoint another director in writing to attend on their behalf. An independent non-executive director shall delegate another independent non-executive director to attend on their behalf. The written appointment shall specify the name of the proxy, the matters to be represented, the scope of authority, and the validity period, and shall be signed or sealed by the appointing director. The proxy shall exercise the director's rights within the scope of authority. If a director does not attend the board meeting and does not appoint a proxy to attend, they shall be deemed to have waived their voting rights at that meeting.

Article 128 The Board shall prepare minutes for the decisions made on matters discussed at the meeting, which shall be signed by the attending directors.

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

Article 129 The minutes of a board meeting shall specify:

- (i) the date, venue and name of the convener of the meeting;
- (ii) the names of the attending directors and the directors (proxies) attending the meeting on behalf of others;
- (iii) the agenda of the meeting;
- (iv) summaries of the speeches of directors;
- (v) the voting method and outcome for each proposal (the voting results shall set out the respective number of assenting or dissenting or abstaining votes).

Section 3 Independent Non-executive Directors

Article 130 Independent non-executive directors shall diligently perform their duties in accordance with laws, administrative regulations, the CSRC, the securities regulatory authorities and the stock exchanges of the Company's stock listing place, and the Articles of Association. They shall play a role in decision-making, supervision, and professional consultation within the Board of Directors, safeguarding the overall interests of the Company and protecting the lawful rights and interests of minority shareholders.

Article 131 Independent non-executive directors must maintain independence. The independence, qualifications, appointment and removal, duties and working methods, performance guarantees, and filing procedures of independent non-executive directors shall be carried out in accordance with the laws, administrative regulations, rules of the CSRC, the Hong Kong Listing Rules, and other provisions. The following persons shall not serve as independent non-executive directors:

- (i) Persons employed by the Company or its affiliated enterprises, as well as their spouses, parents, children, and close relatives;
- (ii) Natural persons who directly or indirectly hold more than 1% of the Company's issued shares or are among the top ten shareholders of the Company, as well as their spouses, parents, and children;
- (iii) Persons employed by shareholders who directly or indirectly hold more than 5% of the Company's issued shares or are among the top five shareholders of the Company, as well as their spouses, parents, and children;
- (iv) Persons employed by affiliated enterprises of the Company's Controlling Shareholders or actual controllers, as well as their spouses, parents, and children;
- (v) Persons who have significant business dealings with the Company, its Controlling Shareholders, actual controllers, or their respective subsidiaries, or who are employed by entities that have significant business dealings with the Company, and their controlling shareholders or actual controllers;
- (vi) Persons who provide financial, legal, consulting, or sponsorship services to the Company, its Controlling Shareholders, actual controllers, or their respective subsidiaries, including but not limited to project team members, reviewers at all levels, signatories of reports, partners, directors, senior management members, and principal responsible persons of intermediary institutions providing such services;
- (vii) Persons who have had any of the circumstances listed in items (i) to (vi) within the past 12 months;
- (viii) Other persons deemed not independent under laws, administrative regulations, the CSRC, the stock exchanges, or the Articles of Association. The subsidiaries of the Company's Controlling Shareholders or actual controllers referred to in items (iv) to (vi) of the preceding paragraph do not include enterprises that are controlled by the same state-owned assets regulatory authority as the Company and do not constitute related relationships with the Company in accordance with relevant regulations.

Independent non-executive directors shall conduct an annual self-assessment of their independence and submit the results to the Board of Directors. The Board of Directors shall annually evaluate the independence of incumbent independent non-executive directors and issue a special opinion, which shall be disclosed together with the annual report.

Article 132 An independent non-executive director of the Company shall meet the following conditions:

- (i) having the qualifications as a director of listed companies in accordance with the laws, administrative regulations and other relevant provisions;
- (ii) meeting the independence requirements under the Hong Kong Listing Rules;
- (iii) having the basic knowledge about operations of listed companies, and proficient in relevant laws, regulations and rules;
- (iv) having more than five years' experience in law, accounting, economics or other fields required for fulfilling duties as an independent non-executive director;
- (v) having good personal integrity, with no record of serious dishonesty or other misconduct;
- (vi) meeting other conditions as stipulated by laws, administrative regulations, the CSRC, the stock exchanges or securities regulatory authorities of the Company's stock listing place, and the Articles of Association.

Article 133 As members of the Board of Directors, independent non-executive directors owe fiduciary duties and duties of diligence to the Company and all shareholders, and shall prudently perform the following duties:

- (i) participate in Board decision-making and express clear opinions on matters under discussion;
- (ii) supervise potential major conflicts of interest between the Company and its Controlling Shareholders, actual controllers, directors, or senior management members, and protect the legitimate rights and interests of minority shareholders;
- (iii) provide professional and objective advice on the Company's business development to enhance the quality of Board decision-making;
- (iv) other duties stipulated by laws, administrative regulations, the Hong Kong Listing Rules, the provisions of the CSRC, and the Articles of Association.

Article 134 Independent non-executive directors shall exercise the following special powers and functions:

- (i) independently engage intermediary institutions to conduct audits, consultations, or verification regarding specific matters of the Company;
- (ii) propose to the Board of Directors the convening of an extraordinary Shareholders' meeting;

- (iii) propose the convening of a board meeting;
- (iv) solicit shareholders' rights from shareholders openly and in accordance with the law;
- (v) express independent opinions on matters that may harm the interests of the Company or minority shareholders;
- (vi) other powers and functions stipulated by laws, administrative regulations, the Hong Kong Listing Rules, the provisions of the CSRC, and the Articles of Association.

If an independent non-executive director exercises the powers and functions listed in items (i) to (iii) of the preceding paragraph, such exercise shall be approved by a majority of all independent non-executive directors.

When an independent non-executive director exercises the powers and functions specified in the first paragraph, the Company shall disclose the matter in a timely manner. If the above-mentioned powers and functions cannot be exercised normally, the Company shall disclose the specific circumstances and reasons.

Article 135 The following matters shall be submitted to the Board of Directors for review after obtaining the approval of more than half of all independent non-executive directors:

- (i) Connected transactions that require disclosure;
- (ii) Proposals for the Company and related parties to change or waive commitments;
- (iii) Decisions and measures taken by the Board of Directors of an acquired listed company in response to the acquisition;
- (iv) Other matters stipulated by laws, administrative regulations, the Hong Kong Listing Rules, the CSRC and the Articles of Association.

Article 136 The Company shall establish a special meeting mechanism composed entirely of independent non-executive directors. Matters such as connected transactions to be reviewed by the Board of Directors shall first be approved by the special meeting of independent non-executive directors.

The Company holds special meetings of independent non-executive directors regularly or from time to time. Matters listed in items (i) to (iii) of paragraph 1 of Article 134 and Article 135 of the Articles of Association shall be reviewed by the special meeting of independent non-executive directors.

The special meeting of independent non-executive directors may discuss other matters of the Company as needed.

The special meeting of independent non-executive directors shall be convened and presided over by one independent non-executive director jointly recommended by more than half of the independent non-executive directors. If the convener fails to perform their duties or is unable to do so, two or more independent non-executive directors may convene the meeting and recommend one representative to preside.

Minutes shall be prepared for the special meeting of independent non-executive directors in accordance with the relevant requirements, and the opinions of the independent non-executive directors shall be recorded in the minutes. The independent non-executive directors shall sign the minutes for confirmation.

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

Section 4 Special Committees under the Board

Article 137 The Company's Board of Directors shall establish an Audit Committee, which shall exercise the powers and duties of the Board of Supervisors as stipulated in the Company Law.

Article 138 The Audit Committee shall comprise more than three members, all of whom must be non-executive directors, of whom the majority must be independent non-executive directors, at least one of whom must be an independent non-executive director with appropriate professional qualifications or appropriate accounting or related financial management expertise as required by the Hong Kong Listing Rules, with the chairperson (convener) being an independent non-executive director with accounting expertise.

The Audit Committee shall be elected by the Shareholders' meetings, and the members of the Audit Committee shall be elected or replaced by the Shareholders' meetings.

Article 139 The Audit Committee shall be responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating internal and external audits, and internal controls. The following matters shall be submitted to the Board of Directors for review after obtaining the approval of more than half of all Audit Committee members:

- (i) Disclosure of financial accounting reports and financial information in periodic reports, as well as internal control evaluation reports;
- (ii) Appointment or dismissal of the accounting firm auditing the Company;
- (iii) Appointment or dismissal of the Company's director of finance;
- (iv) Changes in accounting policies, accounting estimates, or corrections of major accounting errors due to reasons other than changes in accounting standards;
- (v) Other matters stipulated by laws, administrative regulations, the Hong Kong Listing Rules, the CSRC and the Articles of Association.

Article 140 The Audit Committee shall hold at least one meeting per quarter. Extraordinary meetings may be convened upon the proposal of two or more members or if the convener deems it necessary. A meeting of the Audit Committee shall require the attendance of at least two-thirds of its members to be valid.

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

Each member shall have one vote in Audit Committee resolutions.

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 141 The Board of Directors of the Company shall establish special committees for nomination, remuneration and appraisal, which shall perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors. Proposals of the special committees shall be submitted to the Board of Directors for consideration and decision. The working procedures of these special committees shall be formulated by the Board of Directors.

Article 142 Independent non-executive directors shall constitute a majority of the members of the Nomination Committee and the Remuneration and Appraisal Committee, and the convener shall be an independent non-executive director. Where the competent authorities of the State Council have otherwise provided for the convener of special committees, such provisions shall prevail.

Article 143 The Nomination Committee shall be responsible for formulating the selection standards and procedures for directors and senior management members, selecting and reviewing the candidates for directors and senior management members and their qualifications for office, and making recommendations to the Board of Directors on the following matters:

- (i) The nomination or removal of directors;
- (ii) The appointment or dismissal of senior management members;
- (iii) Other matters stipulated by laws, administrative regulations, the CSRC, the securities exchange or securities regulatory authority of the place where the Company's shares are listed, and 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 144 The Remuneration and Appraisal Committee shall be responsible for formulating appraisal standards for directors and senior management members 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 members, and making recommendations to the Board of Directors on the following matters:

- (i) Remuneration of directors and senior management members;
- (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 members to participate in shareholding plans of subsidiaries proposed for spin-off;
- (iv) Other matters stipulated by laws, administrative regulations, the CSRC, the securities exchange or securities regulatory authority of the place where the Company's shares are listed, and 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 Members

Article 145 The Company shall have one manager, who shall be appointed or dismissed by the Board of Directors.

The manager, director of finance and secretary of the Board shall be senior management members of the Company.

Article 146 The provisions of Article 101 of the Articles of Association concerning circumstances under which a person may not serve as a director, and the provisions of Article 107 concerning the post-departure management system, shall also apply to senior management members.

The provisions of Article 103 concerning directors' duty of loyalty and paragraphs (iv) and (v) of Article 104 concerning the duty of diligence, shall also apply to senior management members.

Article 147 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 148 The term of office of the manager shall be three years per term, and the manager may be reappointed upon expiration of the term.

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

- (i) Presiding over the Company's production, operation, and management activities, implementing the resolutions of the Board of Directors, and reporting to the Board of Directors;
- (ii) Organizing the implementation of the Company's annual business plans and investment proposals;
- (iii) Drafting proposals for the establishment of the Company's internal management structure;

- (iv) Drafting the Company's basic management systems;
- (v) Formulating the Company's specific regulations;
- (vi) Proposing to the Board of Directors the appointment or dismissal of the vice managers, director of finance and other senior management members of the Company;
- (vii) Deciding on the appointment or dismissal of management personnel other than those whose appointment or dismissal is to be decided by the Board of Directors;
- (viii) With respect to transaction matters that do not reach the thresholds requiring consideration by the Board of Directors as prescribed in the Articles of Association, approving and deciding such matters by the chairman of the Board or the manager in accordance with the authorization of the Board;
- (ix) Other powers and duties granted by the Articles of Association or the Board of Directors.

The manager shall attend meetings of the Board of Directors.

Article 150 The manager shall formulate the manager's working rules, which shall be implemented upon approval by the Board of Directors.

Article 151 The manager's working rules shall include the following matters:

- (i) The conditions, procedures and participants for convening manager meetings;
- (ii) The respective specific duties and division of responsibilities of the manager and other senior management members;
- (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 152 The manager may resign prior to the expiration of the term of office. The specific procedures and arrangements for the resignation of the manager shall be stipulated in the labor contract between the manager and the Company.

Article 153 The director of finance shall be nominated by the manager and appointed and dismissed by the Board of Directors. The term of office of the director of finance shall be three years, and he/she may serve consecutive terms if re-appointed.

Article 154 The director of finance shall carry out work under the unified leadership of the manager, report to the manager, and perform relevant duties in accordance with the assigned scope of responsibilities.

Article 155 The Company shall appoint a secretary of the Board, who shall be responsible for the preparation of Shareholders' meetings and meetings of the Board of Directors, the custody of documents, the management of shareholders' information of the Company, and handling information disclosure matters, among others.

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

Article 156 Where senior management members, in the performance of their duties of the Company, cause damage to others, the Company shall bear compensation liability; where senior management members act with intent or gross negligence, they shall also bear compensation liability.

Where senior management members, 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.

Article 157 Senior management members of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders. Where senior management members of the Company cause damage to the interests of the Company and public shareholders by failing to faithfully perform their duties or by breaching their duty of good faith, they shall bear compensation liability in accordance with the law.

Chapter 7 Financial Accounting System, Distribution of Profits and Audit

Section 1 Financial Accounting System

Article 158 The Company shall establish its financial accounting system in accordance with laws, administrative regulations, and the provisions of relevant national authorities.

Article 159 Within four months after the end of each fiscal year, the Company shall submit and disclose its annual report to the local office of the CSRC (if necessary) and the stock exchange where the Company's shares are listed. Within two months after the end of the first half of each fiscal year, the Company shall submit and disclose its interim report to the local office of the CSRC (if necessary) and the stock exchange where the Company's shares are listed. The Company shall submit and disclose its quarterly report in accordance with the regulations of the stock exchange where the Company's shares are listed. The aforesaid financial accounting reports shall be prepared in accordance with the relevant laws, administrative regulations, departmental rules, the CSRC and the securities exchange or securities regulatory authority of the place where the Company's shares are listed.

Article 160 The Company shall not establish separate accounting books in addition to the statutory accounting books. The Company's assets shall not be stored in accounts opened in the name of any individual.

Article 161 The Company's cash dividend policy objective shall be stable dividend growth/fixed dividend payout ratio/fixed dividend/residual dividend/low normal dividend plus extra dividend/other. Where the audit report of the Company for the most recent year is a non-unqualified opinion or an unqualified opinion with a material uncertainty related to the going concern/the asset-liability ratio exceeds a certain specific proportion/operating cash flow is lower than a certain specific level/other, it may refrain from profit distribution.

Article 162 When distributing the after-tax profits of the current year, the Company shall allocate 10% of the profits to the Company's statutory reserve fund. If the cumulative amount of the Company's statutory reserve fund exceeds 50% of the Company's registered capital, the Company may cease to make further allocations.

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

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

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

If the Shareholders' meeting violates the Company Law by distributing profits to shareholders, the shareholders must return the profits distributed in violation of the regulations to the Company; if the Company suffers losses as a result, the shareholders, the directors responsible, and senior management members shall bear the liability for compensation.

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

Article 163 Where the Shareholders' meeting has resolved on the profit distribution plan, or where the Board of Directors has, in accordance with the conditions and upper limit for interim dividends for the following year as approved at the annual Shareholders' meetings, formulated a specific plan, the Company shall complete the distribution of dividends (in cash or in shares) within two months.

Article 164 The Company's reserve funds shall be applied to offset the Company's losses, expand the Company's production and operation, or convert into additional capital. In using reserve funds to offset the Company's losses, the discretionary reserve fund and the statutory reserve fund shall be applied first; if the losses cannot be fully offset, the capital reserve fund may be applied in accordance with regulations.

While the statutory reserve fund is converted into additional registered capital, the remaining statutory reserve fund shall not be less than 25% of the Company's registered capital before such conversion.

Section 2 Internal Audit

Article 165 The Company shall implement an internal audit system, specifying the leadership structure, responsibilities and authorities, staffing, funding, application of audit results, and accountability for internal audit work. The Company's internal audit system shall be implemented after approval by the Board of Directors and shall be disclosed to the public.

Article 166 The internal audit institution of the Company shall conduct supervision and inspection over the Company's business activities, risk management, internal control, financial information and other matters. The internal audit institution shall maintain independence, be staffed with full-time audit personnel, and shall not be placed under the leadership of the financial department, nor be jointly located with the financial department.

Article 167 The internal audit institution shall be accountable to the Board of Directors.

In the course of supervising and inspecting the Company's business activities, risk management, internal control and financial information, the internal audit institution shall be subject to the supervision and guidance of the Audit Committee. Where the internal audit institution discovers major issues or relevant clues, it shall promptly report directly to the Audit Committee.

Article 168 The specific organization and implementation of the Company's internal control evaluation shall be the responsibility of the internal audit institution. Based on the evaluation report and relevant materials issued by the internal audit institution and reviewed by the Audit Committee, the Company shall issue its annual internal control evaluation report.

Article 169 When the Audit Committee communicates with external audit institutions such as accounting firms and state audit institutions, the internal audit institution shall actively cooperate and provide necessary support and assistance.

Article 170 The Audit Committee shall participate in the appraisal of the person in charge of internal audit.

Section 3 Appointment of Accounting Firms

Article 171 The Company shall engage an accounting firm that complies with the Securities Law to conduct audits of financial statements, verification of net assets, and other related consulting services. The engagement term shall be one year and may be renewed.

Article 172 The engagement or dismissal of an accounting firm by the Company shall be submitted to the Board of Directors for consideration after obtaining the consent of a majority of all members of the Audit Committee, and shall be decided by the Shareholders' meetings. The Board of Directors shall not appoint an accounting firm before the decision of the Shareholders' meeting.

Article 173 The Company shall ensure that the engaged accounting firm is provided with true and complete accounting vouchers, accounting books, financial accounting reports, and other accounting materials, and shall not refuse, conceal, or misreport such materials.

Article 174 The audit fees of the accounting firm shall be decided by the Shareholders' meeting.

Article 175 When the Company dismisses or does not renew the engagement of an accounting firm, it shall notify the accounting firm 30 days in advance. When the Shareholders' meeting votes on the dismissal of an accounting firm, the accounting firm shall be allowed to present its opinions.

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

Chapter 8 Notices and Announcements

Section 1 Notices

Article 176 Notices of the Company shall be issued in the following forms:

- (i) Delivery by hand;
- (ii) Delivery by telephone or other online communication tools;
- (iii) Delivery by express mail;
- (iv) Delivery by post, facsimile, email or other means;
- (v) Subject to compliance with laws, administrative regulations and the listing rules of the securities exchange of the place where the Company's shares are listed, by way of announcement on the websites designated by the Company and the Hong Kong Stock Exchange;
- (vi) Other forms as prescribed in the Articles of Association.

Article 177 Where a notice issued by the Company is made by way of announcement, it shall be deemed, upon publication, that all relevant persons have received such notice.

Article 178 Notices of Shareholders' meetings convened by the Company shall be given by written notice, telephone, facsimile, electronic mail or announcement.

Article 179 Notices of meetings of the Board of Directors convened by the Company shall be given by written notice, telephone, facsimile, electronic mail or announcement.

Article 180 Notices of meetings of the Audit Committee convened by the Company shall be given by written notice, telephone, facsimile, electronic mail or announcement.

Article 181 Where a notice of the Company is delivered by hand, the date on which the recipient signs (or affixes a seal to) the acknowledgement of receipt shall be the date of service; where a notice is delivered by post, the third working day after delivery to the post office shall be the date of service; where a notice is delivered by facsimile, the date of transmission shall be the date of service; where a notice is delivered by email, the date of dispatch of the email shall be the date of service; where a notice is given by telephone, the date of the notice shall be the date of service; where a notice is given by announcement, the date of the first publication of the announcement shall be the date of service.

Article 182 Where a meeting notice is inadvertently omitted to be sent to a person entitled to receive such notice, or where such person fails to receive the meeting notice, the meeting and the resolutions adopted thereat shall not be rendered invalid solely by reason thereof.

Section 2 Announcements

Article 183 The Company designates the Company's official website and the website of the Hong Kong Stock Exchange as the media for publishing the Company's announcements and other information required to be disclosed.

Chapter 9 Merger, Division, Capital Increase, Capital Reduction, Dissolution and Liquidation

Section 1 Merger, Division, Capital Increase, and Capital Reduction

Article 184 The Company's merger can be in the form of an absorption merger or a consolidation merger.

When one company absorbs other companies, it is an absorption merger, and the absorbed companies are dissolved. When two or more companies merge to form a new company, it is a consolidation merger, and all the merging companies are dissolved.

Article 185 Where the consideration paid for a merger by the Company does not exceed 10% of the net assets of the Company, such merger may be conducted without a resolution of the Shareholders' meetings, unless otherwise provided in the Articles of Association.

Where a merger is conducted without a resolution of the Shareholders' meetings pursuant to the preceding paragraph, it shall be approved by a resolution of the Board of Directors.

Article 186 For a company merger, the merging parties shall sign a merger agreement and prepare a balance sheet and a detailed inventory of assets. The Company shall notify its creditors within 10 days from the date of adopting the merger resolution and make an announcement in the newspaper or on the National Enterprise Credit Information Publicity System within 30 days. Creditors may, within 30 days from the date of receiving the notice, or within 45 days from the date of the announcement if they have not received the notice, request the Company to pay off its debts or provide corresponding guarantees.

Article 187 When the Company merges, the credits and debts of the merging parties shall be succeeded by the surviving company after the merger or the newly established company.

Article 188 When the Company divides, its assets shall be divided accordingly.

When the Company divides, it shall prepare a balance sheet and a detailed inventory of assets. The Company shall notify its creditors within 10 days from the date of the division resolution and make an announcement in the newspaper or the National Enterprise Credit Information Publicity System within 30 days.

Article 189 The debts of the Company before the division shall be jointly assumed by the companies after the division, unless otherwise agreed in a written agreement between the Company and its creditors before the division.

Article 190 When the Company needs to reduce its registered capital, it must prepare a balance sheet and a detailed inventory of assets.

The Company shall notify its creditors within 10 days from the date of the Shareholders' meeting resolution on the capital reduction and make an announcement in the newspaper or the National Enterprise Credit Information Publicity System within 30 days. Creditors may request the Company to settle its debts or provide corresponding guarantees within 30 days from the date of receiving the notice or within 45 days from the date of the announcement if they have not received the notice.

Where the Company reduces its registered capital, it shall proportionately reduce the capital contributions or shares in accordance with the proportion of shares held by shareholders, unless otherwise provided by laws or the Articles of Association.

Article 191 Where the Company still has losses after making up losses in accordance with paragraph 2 of Article 164 of the Articles of Association, it may reduce its registered capital to offset such losses. Where the registered capital is reduced to offset losses, the Company shall not distribute profits to shareholders, nor shall it exempt shareholders from their obligations to pay capital contributions or subscription monies.

Where the registered capital is reduced in accordance with the preceding paragraph, the provisions of paragraph 2 of Article 190 of the Articles of Association shall not apply; however, the Company shall, within 30 days from the date on which the Shareholders' meetings adopt the resolution to reduce the registered capital, make an announcement in newspapers or on 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 cumulative amount of the statutory reserve and discretionary reserve reaches 50% of the Company's registered capital.

Article 192 Where the registered capital is reduced in violation of the Company Law or other relevant provisions, shareholders shall return the funds received by them, and any reduction or exemption of shareholders' capital contributions shall be restored to its original state; where losses are caused to the Company, shareholders and the responsible directors and senior management members shall bear compensation liability.

Article 193 Where the Company issues new shares to increase its registered capital, shareholders shall not have pre-emptive subscription rights, unless otherwise provided in the Articles of Association or unless the Shareholders' meetings resolve that shareholders shall have pre-emptive subscription rights.

Article 194 When the Company merges or divides, and the registration matters change, it shall apply for a change of registration with the Company registration authority in accordance with the law; when a company is dissolved, it shall apply for cancellation of registration in accordance with the law; when a new company is established, it shall apply for establishment registration in accordance with the law.

When the Company increases or reduces its registered capital, it shall apply for a change of registration with the Company registration authority in accordance with the law.

Section 2 Dissolution and Liquidation

Article 195 The Company shall be dissolved for the following reasons:

- (i) The term of operation specified in the Articles of Association expires or any of the other causes of dissolution specified in the Articles of Association occurs;
- (ii) The Shareholders' meeting makes a resolution to dissolve the Company;
- (iii) Dissolution is required by a merger or division of the Company;
- (iv) The business license of the company is revoked, or the Company is ordered to close down or is removed, in accordance with the law;
- (v) The Company's operation and management encounter serious difficulties, and its continued existence would cause significant losses to shareholders' interests, and no other solutions can be found. Shareholders holding 10% or more of the Company's total voting rights may request the people's court to dissolve the Company.

When the Company has the dissolution reasons mentioned above, it shall publicize the dissolution reasons through the National Enterprise Credit Information Publicity System within ten days.

Article 196 If the Company has the circumstances mentioned in items (i) and (ii) of Article 195 of the Articles of Association and has not yet distributed its assets to shareholders, it may continue to exist by amending its Articles of Association or through a resolution passed by the Shareholders' meeting.

To amend the Articles of Association or pass a resolution of the Shareholders' meeting in accordance with the preceding paragraph, it must be approved by more than two-thirds of the voting rights held by shareholders present at the Shareholders' meeting.

Article 197 If the Company is dissolved due to the circumstances mentioned in items (i), (ii), (iv), and (v) of Article 195 of the Articles of Association, it shall be liquidated. The directors are the liquidation obligors and shall establish a liquidation group within 15 days from the date the dissolution reason arises to commence liquidation.

The liquidation group shall consist of directors, unless otherwise stipulated in the Articles of Association or the Shareholders' meeting resolves to appoint others.

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

Article 198 During the liquidation period, the liquidation group shall exercise the following powers and duties:

- (i) Liquidating the property of the Company, and preparing the balance sheet and a list of property;
- (ii) Informing the creditors of the Company by notice or public announcement;

- (iii) Handling the Company's outstanding liquidation-related business;
- (iv) Paying off the due and payable taxes and the taxes incurred during the liquidations;
- (v) Liquidating the claims and the debts of the Company;
- (vi) Distributing the property remaining after the full repayment of the debts of the Company; and
- (vii) Participating in civil litigations on behalf of the Company.

Article 199 The liquidation group shall notify creditors within 10 days upon its formation, and publish an announcement in the newspaper or the National Enterprise Credit Information Publicity System within 60 days. The creditors shall declare their claims to the liquidation group within 30 days from the date of receiving the notice or within 45 days from the date of the announcement if they have not received the notice.

When declaring claims, creditors shall explain the relevant matters of the claims and provide supporting materials. The liquidation group shall register the claims.

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

Article 200 The liquidation group of a company shall, after having liquidated the property of the company and prepared the balance sheet and a list of property, formulate a liquidation plan which shall be submitted to the shareholders' meeting or the competent people's court for confirmation.

After paying off the liquidation expenses, employees' wages, social insurance fees, and statutory compensation, paying off the taxes owed, and settling the Company's debts, the remaining assets shall be distributed to shareholders according to the proportion of shares held.

During the liquidation, the company shall continue to exist, but shall not carry out business activities irrelevant to the liquidation. The Company's assets shall not be distributed to shareholders before being settled in accordance with the preceding paragraph.

Article 201 After the liquidation group has liquidated the company's assets and prepared a balance sheet and an inventory of assets, if it discovers that the company's assets are insufficient to pay off its debts, it shall, in accordance with the law, apply to the people's court for bankruptcy liquidation.

After the people's court accepts the bankruptcy application, the liquidation committee shall transfer the liquidation affairs to the bankruptcy administrator designated by the people's court.

Article 202 After the completion of the liquidation of a company, the liquidation group shall prepare a liquidation report which shall be submitted to the shareholders' meeting, the general meeting or the competent people's court for confirmation, and to the relevant company registration authority for the purpose of applying for the deregistration of the company.

Article 203 The members of the liquidation group shall owe duties of loyalty and diligence in performing liquidation duties.

Where members of the liquidation group are negligent in performing liquidation duties and cause losses to the Company, they shall bear compensation liability;

Where losses are caused to creditors due to intent or gross negligence, they shall bear compensation liability.

Article 204 Where a company is declared bankrupt pursuant to the law, bankruptcy liquidation shall be carried out in accordance with the laws on enterprise bankruptcy.

Chapter 10 Amendments to the Articles of Association

Article 205 The Company shall amend the Articles of Association under the following circumstances:

- (i) Where the Company Law or relevant laws, administrative regulations, the provisions of the Articles of Association conflict with the amended laws, administrative regulations;
- (ii) The Company's circumstances change and are inconsistent with the matters recorded in the Articles of Association;
- (iii) The Shareholders' meeting passes resolutions to amend the Articles of Association.

Article 206 If the amendment of the Articles of Association passed by a resolution of the Shareholders' meeting requires approval by the competent authority, it shall be submitted to the competent authority for approval; if it involves company registration matters, the change of registration shall be processed in accordance with the law.

Article 207 The Board of Directors shall amend the Articles of Association in accordance with the resolution of the Shareholders' meeting on the amendment of the Articles of Association and the approval opinions of the competent authority.

Article 208 If the amendment of the Articles of Association involves information required to be disclosed by laws and regulations, it shall be announced in accordance with regulations.

Chapter 11 Supplementary Provisions

Article 209 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' meetings.
- (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 relationship” means the relationship between the Company’s controlling shareholder, actual controller, directors, supervisors (if any), senior management members and enterprises directly or indirectly controlled by them, as well as other relationships that may result in the transfer of the Company’s interests. However, enterprises under state control shall not be deemed to have a connected relationship solely by reason of being under the same state control.

Article 210 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 211 The Articles of Association is written in Chinese. In the event of any discrepancy between the Articles of Association and any version in any other language or any different version thereof, the Chinese version of the Articles of Association most recently approved and registered with the Shenzhen Administration for Market Regulation shall prevail.

Article 212 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 213 Matters not covered in the Articles of Association shall be handled in accordance with laws and regulations and the relevant provisions of the securities exchange or securities regulatory authority of the place where the Company’s shares are listed, and in light of the actual circumstances of the Company. Where the Articles of Association conflict with laws and regulations promulgated from time to time or the listing rules of the place where the Company’s shares are listed, such laws and regulations or listing rules shall prevail.

Article 214 The Articles of Association shall be interpreted by the Board of Directors of the Company.

Article 215 The appendices to the Articles of Association include the Rules of Procedure for Shareholders’ Meetings and the Rules of Procedure for Meetings of the Board of Directors.

Article 216 The Articles of Association shall take effect upon approval by the Shareholders’ meetings and on the date when the Company’s overseas-listed foreign shares (H shares) are initially publicly offered and listed for trading on the Hong Kong Stock Exchange. From the effective date of the Articles of Association, the Company’s original articles of association shall automatically lapse.

BASiC Semiconductor Co., Ltd.
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