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If you have sold or transferred all your shares in **Zhejiang Sanhua Intelligent Controls Co., Ltd.**, you **should at once** hand this circular together with the accompanying form of proxy to the purchaser(s) or the transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).



ZHEJIANG SANHUA INTELLIGENT CONTROLS CO., LTD.
浙江三花智能控制股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 2050)

**RESOLUTION ON AMENDMENTS TO THE ARTICLES OF
ASSOCIATION AND ITS APPENDICES
RESOLUTION ON AMENDMENTS TO
CERTAIN CORPORATE GOVERNANCE SYSTEMS
2025 HALF-YEAR PROFIT DISTRIBUTION PLAN
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening the Extraordinary General Meeting of the Company to be held at Meeting Room, Office Building, Sanhua Industrial Park, No. 219 Woxi Avenue, Chengtan Street, Xinchang, Shaoxing, Zhejiang Province on Thursday, November 27, 2025, at 2:00 p.m. is set out on pages 8 to 10 of this circular.

The form of proxy for the EGM has been distributed to the Shareholders who have indicated their wish to receive a printed copy on Friday, November 7, 2025 and has also been published on the HKEXnews website of the Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company's website (www.zjshc.com). If you are not able to attend the EGM, please complete and return the form of proxy in accordance with the instructions printed thereon as soon as practicable and in any event not less than 24 hours before the time appointed for the holding of the EGM, and deposit it together with the notarized power of attorney or other document of authorization with the H Share Registrar, Computershare Hong Kong Investor Services Limited (for holders of H Shares). Completion and return of the form of proxy will not preclude you from attending and voting at the EGM in person should you so desire.

This circular is prepared in both Chinese and English. In case of any discrepancies between the Chinese and English versions, the Chinese version shall prevail.

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DEFINITIONS

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

“A Share(s)”	the domestic ordinary share(s) with a par value of RMB1.00 each in the share capital of the Company, which are listed on the Shenzhen Stock Exchange and traded in RMB
“A Shareholder(s)”	holder(s) of the A Shares
“Articles of Association”	the articles of association of Zhejiang Sanhua Intelligent Controls Co., Ltd., as amended from time to time
“Board” or “Board of Directors”	the board of directors of the Company
“Board of Supervisors”	the board of supervisors of the Company
“Company”	Zhejiang Sanhua Intelligent Controls Co., Ltd. (浙江三花智能控制股份有限公司), a joint stock limited company duly incorporated in the PRC with limited liability, the H shares of which are listed on the Stock Exchange under stock code 02050 and the A Shares of which are listed on the Shenzhen Stock Exchange under stock code 002050
“Company Law”	the Company Law of the People’s Republic of China
“CSRC”	the China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“EGM” or “Extraordinary General Meeting”	the extraordinary general meeting of the Company to be held at Meeting Room, Office Building, Sanhua Industrial Park, No. 219 Woxi Avenue, Chengtan Street, Xinchang, Shaoxing, Zhejiang Province, PRC on Thursday, November 27, 2025 at 2:00 p.m.
“H Share(s)”	overseas listed foreign share(s) with a par value of RMB1.00 each in the share capital of the Company, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
“H Share Registrar”	Computershare Hong Kong Investor Services Limited
“H Shareholder(s)”	holder(s) of the H Shares
“HK\$” or “Hong Kong dollars”	the lawful currency of Hong Kong

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Latest Practicable Date”	November 4, 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“PRC” or “China”	the People’s Republic of China, but for the purposes of this circular only, excluding Hong Kong Special Administrative Region, the Macau Special Administrative Region of the PRC and Taiwan
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Securities Law”	the Securities Law of the People’s Republic of China
“Share(s)”	the A Share(s) and/or the H Share(s)
“Shareholder(s)”	the shareholder(s) of the Company, including H Shareholder(s) and A Shareholder(s)
“Supervisor(s)”	the supervisor(s) of the Company

All amounts stated are in Renminbi unless otherwise indicated in this circular.

LETTER FROM THE BOARD



ZHEJIANG SANHUA INTELLIGENT CONTROLS CO., LTD. 浙江三花智能控制股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 2050)

Executive Directors:

Mr. ZHANG Yabo (*Chairman of the Board*)
Mr. WANG Dayong
Mr. NI Xiaoming
Mr. CHEN Yuzhong

Registered office:

No. 219 Woxi Avenue
Chengtan Street, Xinchang
Shaoxing, Zhejiang Province
PRC

Non-executive Directors:

Mr. ZHANG Shaobo
Mr. REN Jintu

Principal place of business in Hong Kong:

46/F, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

Independent Non-executive Directors:

Mr. BAO Ensi
Mr. SHI Jianhui
Ms. PAN Yalan
Mr. GE Jun

November 7, 2025

To the Shareholders

Dear Sir or Madam,

INTRODUCTION

The purpose of this circular is to provide you, as holders of H Shares, with the notice of the EGM (set out on pages 8 to 10 of this circular) and information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolutions or abstain from voting at the EGM.

At the EGM, a special resolution will be presented to approve: (1) resolution on amendments to the Articles of Association and its appendices. In addition, ordinary resolutions will be presented to approve: (2) resolution on amendments to certain corporate governance systems; and (3) 2025 half-year profit distribution plan.

LETTER FROM THE BOARD

SPECIAL RESOLUTION

1. Resolution on Amendments to the Articles of Association and its Appendices

Reference is made to the announcement issued by the Company on October 31, 2025 in relation to, among other things, the proposed amendments to the Articles of Association and its appendices.

In order to further improve the corporate governance structure and promote standardized operations of the Company, in accordance with the relevant provisions of the Company Law, the Securities Law of the People's Republic of China, the Guidelines for the Articles of Association of Listed Companies, the Rules Governing the Listing of Securities on the Shenzhen Stock Exchange, and other laws, administrative regulations and regulatory documents, and taking into account the actual situation of the Company, it is proposed to adjust the Company's governance structure. The audit committee of the board of directors shall exercise the powers and functions of the board of supervisors as stipulated in the Company Law, and relevant provisions in the Articles of Association and its appendices, namely the Rules of Procedure for the General Meeting and the Rules of Procedure for the Board of Directors, will be amended, while the Chinese name of the Rules of Procedure for the General Meeting will be changed from 《股東大會議事規則》 to 《股東會議事規則》. At the same time, it is proposed to request the general meeting to authorize the Company's management and its authorized representatives to handle matters related to industrial and commercial registration changes, and the filing of the Articles of Association. The final amended versions shall be subject to the content approved by the market supervision and administration authority. The specific amendments are set out in Appendix I of this circular.

The amended Articles of Association and its appendices will take effect on the date of approval at the EGM. The current Articles of Association and its appendices shall remain in full force and effect until then. Save for the amendments set out in the Appendix I, other provisions of the current Articles of Association and its appendices shall remain unchanged. Each of the English version of the Articles of Association, the Rules of Procedure for the General Meeting and the Rules of Procedure for the Board of Directors is a translation of the Chinese version. In the event of any discrepancy between the Chinese version and the English version, the Chinese version shall prevail.

The aforesaid resolution was considered and approved by the Board on October 31, 2025 and is hereby proposed at the EGM for consideration and approval.

ORDINARY RESOLUTIONS

2. Resolution on Amendments to Certain Corporate Governance Systems

In order to further enhance the effectiveness of corporate governance, safeguard the legitimate rights and interests of the Company and Shareholders, further promote the standardized operations of the Company, establish and improve its internal management mechanisms, and taking into account the actual situation, the Company intends to amend the following systems (the "Corporate Governance Systems") in accordance with the relevant provisions of the Company Law, the Securities Law of the People's Republic of China, the Guidelines for the Articles of Association of Listed Companies, the Rules Governing the Listing of Securities on the Shenzhen

LETTER FROM THE BOARD

Stock Exchange, the Self-regulatory Guidelines for the Companies Listed on the Shenzhen Stock Exchange No. 1 – Standardized Operation of the Companies Listed on the Main Board, the Transitional Arrangements for the Implementation of Supporting Systems and Rules for the New Company Law (《關於新〈公司法〉配套制度規則實施相關過渡期安排》) and other laws, regulations and regulatory documents:

No.	Name of systems	Type
1	Policy of Independent Non-executive Directors	Amendments
2	Management Measures of Related-party Transactions	Amendments
3	Management Rules for the Proceeds	Amendments
4	Online Voting Management System of the General Meeting	Amendments
5	Management Rules for External Investment	Amendments
6	Management Rules for External Guarantee	Amendments

Details are set out in Appendix II to Appendix VII to this circular. The Corporate Governance Systems proposed to be amended will take effect on the date of approval at the EGM. The current Corporate Governance Systems shall remain in full force and effect until then. The English version of the Corporate Governance Systems is a translation of the Chinese version. In the event of any discrepancy between the Chinese version and the English version, the Chinese version shall prevail.

The aforesaid resolution was considered and approved by the Board on October 31, 2025 and is hereby proposed at the EGM for consideration and approval.

3. 2025 Half-year Profit Distribution Plan

In the first half of 2025, the net profit attributable to Shareholders of the listed company was RMB2,109,940,161.19 (unaudited).

In the first half of 2025, the parent company achieved a net profit of RMB846,444,468.40 (unaudited), which, plus the retained profit of RMB1,836,924,867.90 at the beginning of the year and minus the cash dividends of RMB932,420,453.50 paid by the Company to all Shareholders for the year 2024, making the actual profit available for distribution to Shareholders to be RMB1,750,948,882.80 as of June 30, 2025. The Company proposes to distribute a cash dividend of RMB1.20 (tax inclusive) per 10 Shares to all Shareholders, without issuance of bonus shares nor conversion of capital reserves into share capital, and the total dividend to be distributed will be RMB504,746,185.68 (the “**2025 Interim Dividend**”) based on the share capital of 4,206,218,214 Shares ^{Note} for the time being. The Company’s remaining retained profit will be carried forward to the next year.

Note: The Company’s share capital is 4,208,925,935 Shares, of which 2,707,721 Shares are repurchased. According to the provisions of the Company Law, the Shares of the Company held by the listed company through repurchase accounts are not entitled to the profit distribution or the conversion of capital reserves into share capital.

LETTER FROM THE BOARD

If the total share capital of the Company changes prior to implementation of the distribution plan due to conversion of convertible bonds, share repurchases, vesting of equity incentives, listing of new shares for refinancing, etc., the total distribution amount will be adjusted accordingly in the principle that the distribution proportion remains unchanged. This cash dividend will be denominated and declared in RMB, with A-Shares dividends paid in RMB and H-Shares dividends paid in Hong Kong dollars. The actual amount of the H-Shares dividend distributed in Hong Kong dollars will be calculated based on the central parity rate of RMB to Hong Kong dollars as announced by the People's Bank of China five business days prior to the date of the EGM of the Company.

The aforesaid resolution was considered and approved by the Board on August 28, 2025 and is hereby proposed at the EGM for consideration and approval.

For the purpose of determining the entitlement of holders of H Shares to the 2025 Interim Dividend, the H Share register of members of the Company will be closed from Monday, December 8, 2025 to Thursday, December 11, 2025 (both days inclusive), during which period no transfer of H Shares will be registered. The holders of H Shares whose names appear on the H Share register of members of the Company on Thursday, December 11, 2025 are entitled to the 2025 Interim Dividend. In order to qualify for receiving the 2025 Interim Dividend, all transfer documents accompanied by relevant share certificates must be lodged for registration with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited (for holders of H Shares) at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Friday, December 5, 2025.

EGM

The EGM will be held at Meeting Room, Office Building, Sanhua Industrial Park, No. 219 Woxi Avenue, Chengtan Street, Xinchang, Shaoxing, Zhejiang Province, PRC on Thursday, November 27, 2025 at 2:00 p.m. The notice of the EGM is set out on pages 8 to 10 of this circular.

The register of members of H Shares will be closed from Monday, November 24, 2025 to Thursday, November 27, 2025 (both days inclusive), during which period no share transfers of H Shares will be effected. Holders of Shares whose names appear on the register of members of H Shares of the Company on Thursday, November 27, 2025 are entitled to attend and vote in respect of all resolutions to be proposed at the EGM. In order to attend the EGM, holders of H Shares should ensure that all transfer documents, accompanied by relevant share certificates, are lodged with the H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, before 4:30 p.m. on Friday, November 21, 2025.

The form of proxy for the EGM has been distributed to the Shareholders who have indicated their wish to receive a printed copy on Friday, November 7, 2025 and has also been published on the HKEXnews website of the Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company's website (www.zjshc.com).

To be valid, for holders of H Shares, the form of proxy and notarized power of attorney or other document of authorization must be delivered to the H Share Registrar not less than 24 hours before the time appointed for the EGM (i.e. before 2:00 p.m. on Wednesday, November 26, 2025). Completion and return of the form of proxy will not preclude you from attending and voting at the EGM in person if you so wish.

LETTER FROM THE BOARD

HONG KONG LISTING RULES REQUIREMENT

According to Rule 13.39(4) of the Hong Kong Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, voting for all resolutions at the EGM will be taken by way of a poll.

As at the Latest Practicable Date, to the best knowledge of the Directors, no Shareholder has a material interest in any of the above resolution and therefore no Shareholder is required to abstain from voting in respect of the above resolution at the EGM.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make this circular or any statement herein misleading.

RECOMMENDATION

The Board considers that the resolutions mentioned above are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends that all Shareholders to vote in favour of the relevant resolutions at the EGM as set out in the notice of EGM as attached to this circular.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in appendices I to VII to this circular.

Yours faithfully,
By order of the Board
Zhejiang Sanhua Intelligent Controls Co., Ltd.
Zhang Yabo
Chairman of the Board and Executive Director

NOTICE OF EXTRAORDINARY GENERAL MEETING



ZHEJIANG SANHUA INTELLIGENT CONTROLS CO., LTD. 浙江三花智能控制股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 2050)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2025 second extraordinary general meeting (the “EGM”) of Zhejiang Sanhua Intelligent Controls Co., Ltd. (the “**Company**”) will be held at Meeting Room, Office Building, Sanhua Industrial Park, No. 219 Woxi Avenue, Chengtan Street, Xinchang, Shaoxing, Zhejiang Province, the People’s Republic of China on Thursday, November 27, 2025 at 2:00 p.m., for the following purposes:

SPECIAL RESOLUTION:

1. To consider and approve the resolution on amendments to the Articles of Association and its appendices.

ORDINARY RESOLUTIONS:

2. To consider and approve the resolution on amendments to certain corporate governance systems.
3. To consider and approve the 2025 half-year profit distribution plan.

By order of the Board
Zhejiang Sanhua Intelligent Controls Co., Ltd.
Zhang Yabo
Chairman of the Board and Executive Director

Hong Kong, November 7, 2025

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. Eligibility for attending the EGM and date of registration of members for H Shares

The register of members of H Shares of the Company will be closed from Monday, November 24, 2025 to Thursday, November 27, 2025 (both days inclusive), during which time no share transfers of H Shares will be effected. Holders of Shares whose names appear on the register of members of H Shares of the Company on Thursday, November 27, 2025 are entitled to attend and vote in respect of all resolutions to be proposed at the EGM.

In order to attend the EGM, holders of H Shares should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, before 4:30 p.m. on Friday, November 21, 2025.

2. Proposed distribution of the 2025 Interim Dividend and the record date for holders of H Shares

For the purpose of determining the entitlement of holders of H Shares to the 2025 Interim Dividend, the H Share register of members of the Company will be closed from Monday, December 8, 2025 to Thursday, December 11, 2025 (both days inclusive), during which period no transfer of H Shares will be registered. The holders of H Shares whose names appear on the H Share register of members of the Company on Thursday, December 11, 2025 are entitled to the 2025 Interim Dividend. In order to qualify for receiving the 2025 Interim Dividend, all transfer documents accompanied by relevant share certificates must be lodged for registration with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited (for holders of H Shares) at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Friday, December 5, 2025.

3. Proxy

- (1) Each shareholder entitled to attend and vote at the EGM may appoint one or more proxies in writing to attend and vote on his/her/their behalf. A proxy need not be a shareholder of the Company.
- (2) The instrument appointing a proxy must be in writing under the hand of the appointor or his/her attorney duly authorized in writing, or if the appointor is a legal entity, either under seal or signed by a director or a duly authorized attorney. If that instrument is signed by an attorney of the appointor, the power of attorney authorizing that attorney to sign or other document of authorization must be notarized.

To be valid, for holders of H Shares, the form of proxy and notarized power of attorney or other document of authorization must be delivered to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 24 hours before the time appointed for the Extraordinary General Meeting (i.e. before 2:00 p.m. on Wednesday, November 26, 2025).

- (3) Any voting at the EGM shall be taken by poll.

4. Registration procedures for attending the EGM

A shareholder or his/her proxy should present proof of identity when attending the EGM. If a shareholder is a legal person, its legal representative or other person authorized by the board of directors or other governing body of such shareholder may attend the EGM by providing a copy of the resolution of the board of directors or other governing body of such shareholder appointing such person to attend the meeting.

5. Voting by poll

According to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, any vote of shareholders at a general meeting must be taken by poll. For the avoidance of doubt and for the purposes of the Listing Rules, holders of treasury shares are required to abstain from voting on the matters to be approved by shareholders at the general meetings of the Company.

NOTICE OF EXTRAORDINARY GENERAL MEETING

6. Miscellaneous

(1) The EGM is expected to be held for no more than half a day. Shareholders who attend the meeting in person or by proxy shall bear their own travelling and accommodation expenses.

(2) The registered office of the Company:

No. 219 Woxi Avenue
Chengtan Street, Xinchang
Shaoxing, Zhejiang Province
The People's Republic of China
Contact telephone: 0575-86255360
Email: shc@zjshc.com
Contact person: ZHANG Yuqing (張宇青)

(3) For details of the resolutions submitted to the EGM for consideration and approval, please refer to the circular of the Company to be despatched in due course for the purpose of the EGM.

As at the date of this notice, the executive directors of the Company are Mr. ZHANG Yabo (Chairman of the Board), Mr. WANG Dayong, Mr. NI Xiaoming and Mr. CHEN Yuzhong; the non-executive directors of the Company are Mr. ZHANG Shaobo and Mr. REN Jintu; the independent non-executive directors of the Company are Mr. BAO Ensi, Mr. SHI Jianhui, Ms. PAN Yalan and Mr. GE Jun.

1. COMPARISON TABLE OF THE AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In accordance with the requirements of the latest amended Guidelines for the Articles of Association of Listed Companies and other laws and regulations, and taking into account the actual situation of the Company, the Company proposed to amend the relevant provisions of the Articles of Association. The specific amendments are as follows:

1. All references to “股東大會” have been changed to “股東會” (both meaning “general meeting”), and all references to “種類” have been changed to “類別” (both meaning “class”);
2. Delete the content of Chapter 7 of the Articles of Association;
3. Individual articles not involving substantive amendments, such as changes in the numbering of articles, corresponding adjustments to the numbering of articles quoted, as well as adjustments to punctuation and formatting, are not listed in the comparison table. Other specific amendments are as follows:

Before Amendment	After Amendment
<p>Article 1 In order to safeguard the legal rights and interests of Zhejiang Sanhua Intelligent Controls Co., Ltd. (浙江三花智能控制股份有限公司) (the “Company”), its shareholders and creditors, and to regulate the organization and activities of the Company, the Articles of association (“the Articles”) are formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China (the “Securities Law”), the Guidelines for Articles of Association of Listed Companies, the Rules Governing the Listing of Securities on the Shenzhen Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”) and other relevant requirements.</p>	<p>Article 1 In order to safeguard the legal rights and interests of Zhejiang Sanhua Intelligent Controls Co., Ltd. (浙江三花智能控制股份有限公司) (the “Company”), its shareholders, employees and creditors, and to regulate the organization and activities of the Company, the Articles of association (“the Articles”) are formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China (the “Securities Law”), the Guidelines for Articles of Association of Listed Companies, the Rules Governing the Listing of Securities on the Shenzhen Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”) and other relevant requirements.</p>

APPENDIX I

COMPARISON TABLE OF THE AMENDMENTS TO THE
ARTICLES OF ASSOCIATION AND ITS APPENDICES

Before Amendment	After Amendment
<p>Article 2 The Company is a joint stock limited company established in accordance with the Company Law and other relevant requirements.</p> <p>On December 19, 2001, as approved by the Leading Group for Listing of Enterprise (上市工作領導小組) of the People's Government of Zhejiang Province under the document Zhe Shang Shi (2001) No. 108, the Company was established through converting Sanhua-Fujikoki Co., Ltd. (三花不二工機有限公司) in its entirety and registered with Zhejiang Provincial Administration for Industry and Commerce (浙江省工商行政管理局) with a corporate legal person business license.</p>	<p>Article 2 The Company is a joint stock limited company established in accordance with the Company Law and other relevant requirements.</p> <p>On December 19, 2001, as approved by the Leading Group for Listing of Enterprise (上市工作領導小組) of the People's Government of Zhejiang Province under the document Zhe Shang Shi (2001) No. 108, the Company was established through converting Sanhua-Fujikoki Co., Ltd. (三花不二工機有限公司) in its entirety and registered with Zhejiang Provincial Administration for Market Regulation (浙江省市場監督管理局) with a corporate legal person business license, and a unified social credit code of 913300006096907427.</p>
<p>Article 4 Registered name of the Company:浙江三花智能控制股份有限公司</p> <p>Chinese name: 浙江三花智能控制股份有限公司</p> <p>English name: ZHEJIANG SANHUA INTELLIGENT CONTROLS CO., LTD.</p>	<p>Article 4 Registered name of the Company:浙江三花智能控制股份有限公司</p> <p>English name: ZHEJIANG SANHUA INTELLIGENT CONTROLS CO., LTD.</p>
<p>Article 8 The chairman of the board of directors is the legal representative of the Company. If the chairman resigns, he shall be deemed to resign as the legal representative at the same time. If the legal representative resigns, the Company shall determine a new legal representative within 30 days from the date of resignation of the legal representative.</p>	<p>Article 8 The director who represents the Company to carry out the Company's affairs is the legal representative of the Company. If the director who holds the position of the legal representative resigns, he shall be deemed to resign as the legal representative at the same time. If the legal representative resigns, the Company shall determine a new legal representative within 30 days from the date of resignation of the legal representative.</p>

APPENDIX I**COMPARISON TABLE OF THE AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND ITS APPENDICES**

Before Amendment	After Amendment
New Article	<p>Article 9 The legal consequences of civil activities conducted by the legal representative in the name of the Company shall be borne by the Company.</p> <p>Restrictions on the authority of the legal representative imposed by the Articles or the general meeting shall not be enforceable against bona fide counterparty.</p> <p>If the legal representative causes damage to others while performing his/her duties, the Company shall bear civil liability. After assuming civil liability, the Company may recover compensation from the legal representative who is at fault in accordance with the laws or the Articles.</p>
<p>Article 9 The total capital of the Company are divided into shares of equal nominal value. Shareholders shall be liable to the Company to the extent of the shares held by them, and the Company shall be liable for its liabilities to the extent of all of its assets.</p>	<p>Article 10 Shareholders shall be liable to the Company to the extent of the shares subscribed by them, and the Company shall be liable for its liabilities to the extent of all of its properties.</p>
<p>Article 10 From the date upon which the Articles of Association of the Company come into effect, it shall be a legally binding document regulating the organization and activities of the Company, the rights and obligations between the Company and its shareholders and among shareholders, and shall be a legally binding document upon the Company, its shareholders, directors, supervisors, and senior management. In accordance with the Articles, shareholders may sue shareholders, shareholders may sue directors, supervisors, chief executive officer and other senior management of the Company, shareholders may sue the Company, and the Company may sue its shareholders, directors, supervisors, chief executive officer and other senior management.</p>	<p>Article 11 From the date upon which the Articles of Association of the Company come into effect, it shall be a legally binding document regulating the organization and activities of the Company, the rights and obligations between the Company and its shareholders and among shareholders, and shall be legally binding upon the Company, its shareholders, directors, and senior management. In accordance with the Articles, shareholders may sue shareholders, shareholders may sue directors, senior management of the Company, shareholders may sue the Company, and the Company may sue its shareholders, directors and senior management.</p>

APPENDIX I**COMPARISON TABLE OF THE AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND ITS APPENDICES**

Before Amendment	After Amendment
<p>Article 11 The other senior management mentioned in the Articles refer to the president, technical officer, board secretary and the person in charge of financial affairs.</p>	<p>Article 12 The senior management mentioned in the Articles refer to the chief executive officer, president, chief engineer, board secretary, chief financial officer, and other personnel stipulated in the Articles.</p>
<p>Article 15 The shares of the Company shall be issued on the principles of transparency, fairness and equality, and each share of the same class shall rank <i>pari passu</i>.</p> <p>For the same class of shares issued in the same tranche, each share of the same class shall be issued under the same conditions and at the same price; each subscriber, whether an entity or individual, shall be pay the same price for each share for which he/she subscribes for.</p>	<p>Article 16 The shares of the Company shall be issued on the principles of transparency, fairness and equality, and each share of the same class shall rank <i>pari passu</i>.</p> <p>For the same class of shares issued in the same tranche, each share of the same class shall be issued under the same conditions and at the same price; each subscriber shall pay the same price for each share for which he/she subscribes for.</p>
<p>Article 16 The nominal value of the shares issued by the Company is denominated in RMB. The shares issued and listed on the Shenzhen Stock Exchange are referred to as “A Shares”; the shares issued and listed on the Hong Kong Stock Exchange are referred to as “H Shares”.</p>	<p>Article 17 The nominal value of par value shares issued by the Company is denominated in RMB. The shares issued and listed on the Shenzhen Stock Exchange are referred to as “A Shares”; the shares issued and listed on the Hong Kong Stock Exchange are referred to as “H Shares”.</p>

Before Amendment	After Amendment
<p>Article 20 The Company or its subsidiaries (including the affiliates of the Company) shall not provide any assistance to a person who is acquiring or is proposing to acquire shares in the Company by way of gift, advance, guarantee, indemnity or loans or other means.</p>	<p>Article 21 The Company or its subsidiaries (including the affiliates of the Company) shall not provide financial assistance for other persons to obtain the shares of the Company or its parent company by way of gift, advance, guarantee, loans or other means, except for the implementation of the employee stock ownership plan by the Company.</p> <p>In the interests of the Company, by a resolution of the general meeting or by a resolution of the board of directors in accordance with the Articles or the authorization of the general meeting, the Company may provide financial assistance for other persons to obtain 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 of directors shall be passed by more than two-thirds of all directors.</p>

Before Amendment	After Amendment
<p>Article 21 Based on the operation and development needs of the Company and subject to laws and regulations, the Company may increase its share capital via the following methods upon approval by resolutions at general meeting:</p> <ul style="list-style-type: none"> (I) Public offering of shares; (II) Non-public offering of shares; (III) Issuing bonus shares to existing shareholders; (IV) Converting capital reserve into share capital; (V) Other methods permitted by laws, administrative regulations and the CSRC. 	<p>Article 22 Based on the operation and development needs of the Company and subject to laws and regulations, the Company may increase its share capital via the following methods upon approval by resolutions at general meeting:</p> <ul style="list-style-type: none"> (I) Offering of shares to non-specially designated investors; (II) Offering of shares to specially designated investors; (III) Issuing bonus shares to existing shareholders; (IV) Converting capital reserve into share capital; (V) Other methods prescribed by laws, administrative regulations and relevant regulatory authorities.
<p>Article 22 The Company may reduce its registered share capital in accordance with the Articles of Association. The Company shall reduce its registered share capital in accordance with the Company Law and other relevant requirements and the procedures required by the Articles of Association.</p>	<p>Article 23 The Company may reduce its registered share capital. The Company shall reduce its registered share capital in accordance with the Company Law and other relevant requirements and the procedures required by the Articles.</p>

Before Amendment	After Amendment
<p>Article 23 The Company shall not purchase its own shares, save as under one of the following circumstances:</p> <p>.....</p> <p>(III) For the purpose of employee stock ownership plans or share incentive schemes;</p> <p>(IV) Repurchase its shares held by the shareholders who vote against any resolution proposed at any general meeting on the merger or division of the Company upon their request;</p> <p>(V) Use shares for the conversion of the convertible corporate bonds issued by a listed company;</p> <p>(VI) Necessary for the Company to maintain its value and safeguard the interests of shareholders.</p> <p>Other than the above circumstances, the Company shall not engage in any activities involving the sales or purchase of its own shares.</p>	<p>Article 24 The Company shall not purchase its own shares, save as under one of the following circumstances:</p> <p>.....</p> <p>(III) Use shares for the purpose of employee stock ownership plans or share incentive schemes;</p> <p>(IV) Repurchase its shares held by the shareholders who vote against any resolution proposed at any general meeting on the merger or division of the Company upon their request;</p> <p>(V) Use shares for the conversion of the convertible corporate bonds issued by a company;</p> <p>(VI) Necessary for the Company to maintain its value and safeguard the interests of shareholders.</p>
<p>Article 24 The Company may purchase its own shares by centralized bidding transactions or other means approved by laws, administrative regulations and the securities regulatory authorities, provided that it complies with the applicable securities regulatory rules of the places where the Company's shares are listed.</p> <p>If a share repurchase shall be made under the circumstances stipulated in (III), (V) or (VI) of Article 23 hereof, it shall be conducted by way of public centralized bidding transactions.</p>	<p>Article 25 The Company may purchase its own shares by centralized bidding transactions or other means approved by laws, administrative regulations and the securities regulatory authorities, provided that it complies with the applicable securities regulatory rules of the places where the Company's shares are listed.</p> <p>If a share repurchase shall be made under the circumstances stipulated in (III), (V) or (VI) in the first paragraph of Article 24 hereof, it shall be conducted by way of public centralized bidding transactions.</p>

APPENDIX I**COMPARISON TABLE OF THE AMENDMENTS TO THE
ARTICLES OF ASSOCIATION AND ITS APPENDICES**

Before Amendment	After Amendment
<p>Article 25 A resolution at a general meeting is required when the Company repurchases its shares under the circumstances set out in (I) or (II) of Article 23 hereof. Where the Company repurchases its shares under the circumstances set out in (III), (V) or (VI) of Article 23 hereof, a board resolution shall be passed by more than two-thirds of the directors attending the board meeting, provided that it complies with the applicable securities regulatory rules of the places where the Company's shares are listed.</p> <p>After the Company has repurchased its shares in accordance with Article 23 hereof, the shares repurchased under the circumstance set out in (I) above shall be canceled within 10 days from the date of repurchase, the shares repurchased under the circumstances set out in (II) or (IV) above shall be transferred or canceled within six months, and for the shares repurchased under the circumstances set out in (III), (V) or (VI) above, the total number of the Company's shares held by the Company shall not exceed 10% of the total issued shares of the Company, and the shares so repurchased shall be transferred or canceled within three years. Any repurchase of the Company's shares by the Company should perform the information disclosure obligations as stipulated in the Securities Law and the securities regulatory rules of the places where the Company's shares are listed.</p>	<p>Article 26 A resolution at a general meeting is required when the Company repurchases its shares pursuant to (I) or (II) in the first paragraph of Article 24 hereof. Where the Company repurchases its shares under the circumstances set out in (III), (V) or (VI) in the first paragraph of Article 24 hereof, a board resolution shall be passed by more than two-thirds of the directors attending the board meeting, provided that it complies with the applicable securities regulatory rules of the places where the Company's shares are listed.</p> <p>After the Company has repurchased its shares in accordance with the first paragraph of Article 24 hereof, the shares repurchased under the circumstance set out in (I) above shall be canceled within 10 days from the date of repurchase, the shares repurchased under the circumstances set out in (II) or (IV) above shall be transferred or canceled within six months, and for the shares repurchased under the circumstances set out in (III), (V) or (VI) above, the total number of the Company's shares held by the Company shall not exceed 10% of the total number of issued shares of the Company, and the shares so repurchased shall be transferred or canceled within three years. Any repurchase of the Company's shares by the Company should perform the information disclosure obligations as stipulated in the Securities Law and the securities regulatory rules of the places where the Company's shares are listed.</p>
<p>Article 26 The shares of the Company may be transferred in accordance with laws.....</p>	<p>Article 27 The shares of the Company shall be transferred in accordance with laws.....</p>
<p>Article 27 The Company shall not accept its shares to be held as security under a pledge.</p>	<p>Article 28 The Company shall not accept its shares to be held as security under a pledge.</p>

Before Amendment	After Amendment
<p>Article 28 The shares of the Company issued prior to a public offering shall not be transferred within one year from the date on which the shares of the Company are listed and traded on a stock exchange.</p> <p>The directors, supervisors, and senior management of the Company shall regularly declare the number of shares held by them and the relevant changes, the number of shares transferred each year during their term of office shall not exceed 25% of the total number of shares of the Company held by them. The shares of the Company held by them shall not be transferred within one year from the date on which shares of the Company are listed and traded on a stock exchange. The shares in the Company held by them shall not be transferred within half a year from the date on which they cease to be employed by the Company. For any directors, supervisors and senior management who leave before the expiration of their terms of service shall continue to comply with the requirements on sell-down as required under relevant laws and regulations including the Company Law and the securities regulatory rules of the places where the Company's shares are listed within their defined terms of service and within six months after the expiration of their terms of service.</p> <p>For any transfers in respect of the shares of the Company held by promoters, directors, supervisors, or senior management of the Company above, where the securities regulatory rules of the places where the Company's shares are listed provide otherwise in respect of the restrictions on transfer of shares, such rules shall prevail; if such persons made more restrictive covenants or undertaking for the purpose of the 2005 equity division reform or other reasons, whether in terms of time or number, such covenants or undertaking shall be prevail.</p>	<p>Article 29 The shares of the Company issued prior to a public offering shall not be transferred within one year from the date on which the shares of the Company are listed and traded on a stock exchange.</p> <p>The directors and senior management of the Company shall regularly declare the number of shares held by them and the relevant changes, the number of shares transferred each year during their term of office shall not exceed 25% of the total number of shares of the same class of the Company held by them. The shares of the Company held by them shall not be transferred within one year from the date on which shares of the Company are listed and traded on a stock exchange. The shares in the Company held by them shall not be transferred within half a year from the date on which they cease to be employed by the Company. For any directors and senior management who leave before the expiration of their terms of service shall continue to comply with the requirements on sell-down as required under relevant laws and regulations including the Company Law and the securities regulatory rules of the places where the Company's shares are listed within their defined terms of service and within six months after the expiration of their terms of service.</p> <p>For any transfers in respect of the shares of the Company held by promoters, directors, or senior management of the Company above, where the securities regulatory rules of the places where the Company's shares are listed provide otherwise in respect of the restrictions on transfer of shares, such rules shall prevail; if such persons made more restrictive covenants or undertaking for the purpose of the 2005 equity division reform or other reasons, whether in terms of time or number, such covenants or undertaking shall be prevail.</p>

Before Amendment	After Amendment
<p>Article 29 Any gains from sale of the Company's shares or other securities with equity nature by the Company's directors, supervisors and senior management or shareholders holding more than 5% of its shares within six months after their purchase of the same, and any gains from the purchase of the shares or other securities with equity nature by any of the aforesaid parties within six months after their sale of the same, shall belong to the Company, and the board of directors of the Company shall recover such gains from the abovementioned parties, except for the circumstance that a securities company holds more than 5% of the Company's shares as a result of purchase of all the unsold underwritten shares and other circumstances stipulated by the securities regulatory authorities under the State Council.</p>	<p>Article 30 Any gains from sale of the Company's shares or other securities with equity nature by the Company's directors and senior management or shareholders holding more than 5% of its shares within six months after their purchase of the same, and any gains from the purchase of the shares or other securities with equity nature by any of the aforesaid parties within six months after their sale of the same, shall belong to the Company, and the board of directors of the Company shall recover such gains from the abovementioned parties, except for the circumstance that a securities company holds more than 5% of the Company's shares as a result of purchase of all the unsold underwritten shares and other circumstances stipulated by the CSRC.</p>
<p>Shares or other securities with equity nature held by directors, supervisors, senior management and individual shareholders as mentioned in the preceding paragraph include shares or other securities with equity nature held by their spouses, parents or children, or held under other people's accounts.</p>	<p>Shares or other securities with equity nature held by directors, senior management and individual shareholders as mentioned in the preceding paragraph include shares or other securities with equity nature held by their spouses, parents or children, or held under other people's accounts.</p>
<p>If the board of directors of the Company fails to comply with the provisions as set out in the first paragraph of this article, shareholders are entitled to request the board of directors to satisfy the same within 30 days. If the board of directors of the Company fails to satisfy the same within the aforesaid period, the shareholders are entitled to initiate legal proceedings directly in the people's court in their personal capacity for the benefit of the Company.</p>	<p>If the board of directors of the Company fails to comply with the provisions as set out in the first paragraph of this article, shareholders are entitled to request the board of directors to satisfy the same within 30 days. If the board of directors of the Company fails to satisfy the same within the aforesaid period, the shareholders are entitled to initiate legal proceedings directly in the people's court in their personal capacity for the benefit of the Company.</p>
<p>If the board of directors of the Company fails to comply with the provisions as set out in the first paragraph of this article, the responsible directors shall bear joint liabilities in accordance with laws.</p>	<p>If the board of directors of the Company fails to comply with the provisions as set out in the first paragraph of this article, the responsible directors shall bear joint liabilities in accordance with laws.</p>

Before Amendment	After Amendment
<p>Article 30 A shareholder of the Company is a person who lawfully holds shares of the Company.</p> <p>Shareholders shall enjoy rights and assume obligations according to the class of shares they hold; shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.</p>	<p>Deleted Article</p>
<p>Article 31 The register of members shall be the sufficient evidence to prove that the shareholders hold the shares of the Company.</p>	<p>Deleted Article</p>
<p>Article 32 The Company shall establish a register of members based on the certificates provided by the securities registration authorities. The original H Share register shall be kept in Hong Kong for inspection by shareholders. The Company may close the register of members in accordance with applicable laws and regulations and the securities regulatory rules of the places where the Company's shares are listed. Where a shareholder listed in the register of members or a person requesting to have his/her name entered in the register of members lose his/her share certificates, the said shareholder or person may apply to the Company for the replacement of share certificates in respect of the said shares. The domestic unlisted shareholders whose share certificates have been lost shall apply for replacement of the share certificates pursuant to the relevant provisions of the Company Law. The shareholders of overseas listed foreign shares shall apply for replacement of the share certificates pursuant to the laws, rules of the stock exchange or other relevant requirements of the place where the original register of the holders of overseas listed foreign shares is maintained. The shareholders shall enjoy rights and assume obligations according to the class of shares they hold; shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.</p>	<p>Article 31 The Company shall establish a register of members based on the certificates provided by the securities registration and settlement authorities. The register of members shall be sufficient evidence of the shareholders' shareholding in the Company. The original H Share register shall be kept in Hong Kong for inspection by shareholders. The Company may close the register of members in accordance with applicable laws and regulations and the securities regulatory rules of the places where the Company's shares are listed. Where a shareholder listed in the register of members or a person requesting to have his/her name entered in the register of members lose his/her share certificates, the said shareholder or person may apply to the Company for the replacement of share certificates in respect of the said shares. The shareholders of overseas listed foreign shares shall apply for replacement of the share certificates pursuant to the laws, rules of the stock exchange or other relevant requirements of the place where the original register of the holders of overseas listed foreign shares is maintained. The shareholders shall enjoy rights and assume obligations according to the class of shares they hold; shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.</p>

Before Amendment	After Amendment
<p>Article 34 Shareholders of the Company shall be entitled to:</p> <p>(I) receiving dividends and benefit distributions in other forms pro rata to the number of shares held;</p> <p>(II) requesting, convening, presiding over, attending or appointing proxies to attend general meeting in accordance with laws;</p> <p>(III) exercising voting rights pro rata to their shareholding;</p> <p>(IV) supervising, advising on or making inquiries about the business operations of the Company;</p> <p>(V) transferring, granting or pledging their shares in accordance with the provisions of the laws, administrative regulations, the securities regulatory rules of the places where the Company's shares are listed and the Articles of Association;</p> <p>(VI) inspecting and copying the Articles of Association, the register of members, minutes of general meetings, resolutions of the board of directors, resolutions of the board of supervisors, financial and accounting reports;</p> <p>.....</p>	<p>Article 33 Shareholders of the Company shall be entitled to:</p> <p>(I) receiving dividends and benefit distributions in other forms pro rata to the number of shares held;</p> <p>(II) requesting to convene, convening, presiding over, attending or appointing proxies to attend general meeting in accordance with laws, and exercising the corresponding voting right;</p> <p>(III) supervising, putting forward proposals or making inquiries about the business operations of the Company;</p> <p>(IV) transferring, granting or pledging their shares in accordance with the provisions of the laws, administrative regulations, the securities regulatory rules of the places where the Company's shares are listed and the Articles of Association;</p> <p>(V) inspecting and copying the Articles of Association, the register of members, minutes of general meetings, resolutions of the board of directors, financial and accounting reports. Eligible shareholders can examine account books and accounting documents of the Company;</p> <p>.....</p>

Before Amendment	After Amendment
<p>Article 36 If any resolution of a general meeting or a board meeting is in violation of the laws and administrative regulations, shareholders shall have the right to petition a people's court for invalidating the said resolution.</p> <p>Where the procedures for convening or the method of voting at a general meeting or a board meeting are in violation of the laws, administrative regulations or the Articles, or the contents of any resolution are in breach of the Articles, shareholders shall have the right to petition the people's court for revocation of such resolution within 60 days from the date of the resolution.</p>	<p>Article 35 If any resolution of a general meeting or a board meeting is in violation of the laws and administrative regulations, shareholders shall have the right to petition a people's court for invalidating the said resolution.</p> <p>Where the procedures for convening or the method of voting at a general meeting or a board meeting are in violation of the laws, administrative regulations or the Articles, or the contents of any resolution are in breach of the Articles, shareholders shall have the right to petition the people's court for revocation of such resolution within 60 days from the date of the resolution, unless there is only a minor defect in the procedures for convening a general meeting or a board meeting or in the manner of voting thereat, which does not materially affect the resolution.</p> <p>Where the board of directors, shareholders and other relevant parties dispute the validity of a resolution of a general meeting, they shall promptly file a lawsuit with the people's court. Before the people's court makes a judgment or ruling on revocation of a resolution, the relevant parties shall execute the resolution of the general meeting. The Company, directors and senior management shall perform their duties diligently to ensure the normal operation of the Company.</p>

Before Amendment	After Amendment
	<p>Where the people's court makes a judgment or ruling on a relevant matter, the Company shall fulfill its information disclosure obligations in accordance with the laws, administrative regulations, the requirements of the securities regulatory rules of the places where the Company's shares are listed, fully explain the impact, and actively cooperate with the enforcement of the judgment or ruling after it has come into effect. Where corrections to prior events are involved, they will be handled in a timely manner and the corresponding information disclosure obligations will be fulfilled.</p>
<p>New Article</p>	<p>Article 36 Resolutions of a general meeting or a board meeting of the Company shall be invalid in any of the following circumstances:</p> <p class="list-item-l1">(I) the resolution was not made by a general meeting or a board meeting;</p> <p class="list-item-l1">(II) the resolution was not voted on at a general meeting or a board meeting;</p> <p class="list-item-l1">(III) the number of attendees of the meeting or their voting rights do not meet the quorum or the number of voting rights as required by the Company Law or the Articles;</p> <p class="list-item-l1">(IV) the number of attendees voting in favor of the resolution or their voting rights do not meet the quorum or the number of voting rights as required by the Company Law or the Articles.</p>

Before Amendment	After Amendment
<p>Article 37 In the event of any loss caused to the Company as a result of violation of laws, administrative regulations or the Articles by the directors or senior management when performing their duties, a shareholder who holds 1% or more of the shares individually or jointly for no less than 180 consecutive days shall have the right to request the board of supervisors in writing to initiate litigation in the people's court; in the event of any loss caused to the Company as a result of violation of laws, administrative regulations or the Articles by the board of supervisors when performing their duties, a shareholder may request the board of directors in writing to initiate litigation in the people's court.</p> <p>If the board of supervisors or the board of directors refuses to institute legal proceedings after receiving the written request from shareholders specified in the preceding paragraph, or fails to institute legal proceedings within 30 days from the date of receiving such request, or that the failure to institute litigation immediately may otherwise cause irreparable damage to the interest of the Company in an urgent circumstance, the shareholders specified in the preceding paragraph shall have the right to directly institute legal proceedings in the people's court in their own name for the benefit of the Company.</p>	<p>Article 37 In the event of any loss caused to the Company as a result of violation of laws, administrative regulations or the Articles by the directors or senior management other than members of the audit committee when performing their duties, a shareholder who holds 1% or more of the shares individually or jointly for no less than 180 consecutive days shall have the right to request the audit committee in writing to initiate litigation in the people's court; in the event of any loss caused to the Company as a result of violation of laws, administrative regulations or the Articles by members of the audit committee when performing their duties, the above-mentioned shareholder may request the board of directors in writing to initiate litigation in the people's court.</p> <p>If the audit committee or the board of directors refuses to institute legal proceedings after receiving the written request from shareholders specified in the preceding paragraph, or fails to institute legal proceedings within 30 days from the date of receiving such request, or that the failure to institute litigation immediately may otherwise cause irreparable damage to the interest of the Company in an urgent circumstance, the shareholders specified in the preceding paragraph shall have the right to directly institute legal proceedings in the people's court in their own name for the benefit of the Company.</p>

APPENDIX I**COMPARISON TABLE OF THE AMENDMENTS TO THE
ARTICLES OF ASSOCIATION AND ITS APPENDICES**

Before Amendment	After Amendment
If others infringe upon the legitimate rights and interests of the Company and cause losses to the Company, the shareholders specified in the first paragraph of this Article may institute legal proceedings in the people's court in accordance with the provisions of the preceding two paragraphs.	If others infringe upon the legitimate rights and interests of the Company and cause losses to the Company, the shareholders specified in the first paragraph of this Article may institute legal proceedings in the people's court in accordance with the provisions of the preceding two paragraphs. If directors, supervisors and senior management of the wholly-owned subsidiaries of the Company cause losses to the Company for violation of the requirements of laws, administrative regulations or the Articles during performance of their duties, or if others infringe on the legitimate rights and interests of the wholly-owned subsidiaries of the Company and cause losses, shareholders who hold more than 1%, individually or jointly, of the Company's shares for more than 180 days continuously, may submit a written request to the board of supervisors and board of directors of such wholly-owned subsidiaries of the Company to bring a suit to the people's court or directly bring a suit to the people's court in their own names in accordance with the first three paragraphs of Article 189 of the Company Law.

Before Amendment	After Amendment
<p>Article 39 The shareholders of the Company shall assume the following obligations:</p> <p>(I) to comply with the laws, administrative regulations and the Articles;</p> <p>(II) to pay subscription monies based on the shares subscribed and the method of subscription;</p> <p>(III) no share capital shall be withdrawn except in circumstances stipulated by laws and regulations;</p> <p>(IV) not to abuse shareholders' rights to the detriment of the interests of the Company or other shareholders; not to abuse the Company's status as an independent legal person or abuse of the limited liability of a shareholder to jeopardize the interests of the Company's creditors;</p> <p>In the event of any loss caused to the Company or other shareholders arising from any abuse of the shareholder's right, such shareholder shall be liable for compensation in accordance with laws.</p> <p>In the event of any material damage caused to the interests of the creditors of the Company arising from any abuse of the Company's independent legal person status and the limited liability of the shareholders by any shareholder to evade from debts, such shareholder shall be jointly and severally liable for the Company's debts.</p> <p>(V) other obligations stipulated by laws, administrative regulations and the Articles.</p>	<p>Article 39 The shareholders of the Company shall assume the following obligations:</p> <p>(I) to comply with the laws, administrative regulations and the Articles;</p> <p>(II) to pay subscription monies based on the shares subscribed and the method of subscription;</p> <p>(III) no share capital shall be withdrawn except in circumstances stipulated by laws and regulations;</p> <p>(IV) not to abuse shareholders' rights to the detriment of the interests of the Company or other shareholders; not to abuse the Company's status as an independent legal person or abuse of the limited liability of a shareholder to jeopardize the interests of the Company's creditors;</p> <p>(V) other obligations stipulated by laws, administrative regulations and the Articles.</p>

APPENDIX I**COMPARISON TABLE OF THE AMENDMENTS TO THE
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Before Amendment	After Amendment
New Article	Article 40 Shareholders of the Company who abuse their rights as shareholders and thereby cause losses to the Company or other shareholders shall be liable for compensation according to the law. Where shareholders of the Company abuse the independent legal person status of the Company and the limited liabilities of shareholders for evading repayment of debts, and thereby materially prejudicing the interests of the creditors of the Company, they shall be jointly and severally liable for the debts of the Company.
Addition	Section 2 Controlling Shareholders and De Facto Controllers
Article 40 Where a shareholder holding 5% or more voting shares of the Company pledges any shares in his/her possession, he/she shall report the same to the Company in writing on the date of the said pledge.	Deleted Article

APPENDIX I**COMPARISON TABLE OF THE AMENDMENTS TO THE
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Before Amendment	After Amendment
<p>Article 41 The controlling shareholders and de facto controllers of the Company shall not take advantage of their connected relationships to harm the interests of the Company. They shall be held liable for any loss they cause to the Company as a result of violating such provisions.</p> <p>The controlling shareholders and de facto controllers of the Company shall bear a fiduciary duty toward the Company and its public shareholders. The controlling shareholders shall exercise their rights as an investor in strict accordance with the laws. They shall not harm the legitimate rights and interests of the Company and its public shareholders by means of profit distribution, asset restructuring, external investment, appropriation of funds, loan security or other methods, or harm the interests of the Company and its public shareholders by means of their controlling status.</p>	Deleted Article
New Article	Article 41 The controlling shareholders or de facto controllers of the Company shall exercise their rights and fulfill their obligations in accordance with the laws, administrative regulations, provisions of the securities regulatory rules of the places where the Company's shares are listed, and safeguard the interests of the listed company.

Before Amendment	After Amendment
New Article	<p>Article 42 The controlling shareholders or de facto controllers of the Company shall comply with the following provisions:</p> <ul style="list-style-type: none"> (I) to exercise their rights as shareholders in accordance with the law and not abuse their control or use their related relations to prejudice the legitimate interests of the Company or other shareholders; (II) to strictly implement the public statements and undertakings made and shall not change or waive them without authorisation; (III) to fulfil information disclosure obligations in strict accordance with the relevant regulations, to proactively cooperate with the Company in information disclosure and to inform the Company in a timely manner of material events that have occurred or are proposed to occur; (IV) not to appropriate the Company's funds in any way; (V) not to order, instruct or request the Company and relevant personnel to provide guarantees in violation of laws and regulations;

Before Amendment	After Amendment
	<p>(VI) not to make use of the Company's undisclosed material information to gain benefits, not to divulge in any way undisclosed material information relating to the Company, and not to engage in insider trading, short-swing trading, market manipulation and other illegal and unlawful acts;</p> <p>(VII) not to prejudice the legitimate rights and interests of the Company and other shareholders through unfair related transactions, profit distribution, asset restructuring, external investment or any other means;</p> <p>(VIII) to ensure the integrity of the Company's assets, and the independence of personnel, finance, organization and business, and not to affect the independence of the Company in any way;</p> <p>(IX) other provisions prescribed by laws, administrative regulations, provisions of the securities regulatory rules of the places where the Company's shares are listed, and the Articles.</p> <p>If the controlling shareholder or de facto controller of the Company does not serve as a director of the Company but actually executes the affairs of the Company, the provisions of the Articles regarding the obligations of loyalty and diligence of directors shall apply.</p>

APPENDIX I**COMPARISON TABLE OF THE AMENDMENTS TO THE
ARTICLES OF ASSOCIATION AND ITS APPENDICES**

Before Amendment	After Amendment
	Where the controlling shareholder or de facto controller of the Company instructs a director or senior management to engage in an act that is detrimental to the interests of the Company or the shareholders, he/she shall be jointly and severally liable with such director or senior management.
New Article	Article 43 Where the controlling shareholder or de facto controller pledges the shares of the Company that he/she holds or actually controls, he/she shall maintain the stability of the Company's control and production operations.
New Article	Article 44 Where the controlling shareholder or de facto controller transfers the shares of the Company held by him/her, he/she shall comply with the restrictive provisions on the transfer of shares set out in the laws, administrative regulations, securities regulatory rules of the places where the Company's shares are listed, as well as his/her undertakings in respect of the restriction on the transfer of shares.

Before Amendment	After Amendment
<p>Article 42 General meeting is the organ of authority of the Company, which exercises the following powers in accordance with the law:</p> <p>(I) decide on the Company's operational policies and investment plans;</p> <p>(II) elect and replace directors—and supervisors who are not employee representatives, and determine on matters concerning their remuneration;</p> <p>(III) consider and approve reports of the board;</p> <p>(IV) consider and approve reports of the board of supervisors;</p> <p>(V) consider and approve the Company's annual financial budget and final accounting proposals;</p> <p>(VI) consider and approve the Company's profit distribution and loss recovery proposals;</p> <p>(VII) resolve on the increase or reduction of the Company's registered capital;</p> <p>(VIII) resolve on the issuance of corporate bonds;</p> <p>(IX) resolve on matters concerning the merger, division, dissolution, liquidation or change of corporate form of the Company;</p> <p>(X) amend the Articles of Association;</p> <p>(XI) resolve on the engagement or dismissal of accounting firms;</p> <p>.....</p>	<p>Article 45 The general meeting of the Company shall comprise all the shareholders. General meeting is the organ of authority of the Company, which exercises the following powers in accordance with the law:</p> <p>(I) elect and replace directors, and determine on matters concerning directors' remuneration;</p> <p>(II) consider and approve reports of the board;</p> <p>(III) consider and approve the Company's profit distribution and loss recovery proposals;</p> <p>(IV) resolve on the increase or reduction of the Company's registered capital;</p> <p>(V) resolve on the issuance of corporate bonds;</p> <p>(VI) resolve on matters concerning the merger, division, dissolution, liquidation or change of corporate form of the Company;</p> <p>(VII) amend the Articles of Association;</p> <p>(VIII) resolve on the engagement or dismissal of accounting firms that undertake the audit of the Company;</p> <p>.....</p>

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Before Amendment	After Amendment
<p>(XVI) consider other matters required to be resolved at a general meeting pursuant to laws, regulations, securities regulatory rules of the places where the shares of the Company are listed and the Articles of Association.</p>	<p>(XIII) consider other matters required to be resolved at a general meeting pursuant to laws, regulations, securities regulatory rules of the places where the shares of the Company are listed and the Articles of Association.</p> <p>The general meeting may authorize the board of directors to resolve on the issuance of corporate bonds.</p>
<p>Article 43 The following external guarantees of the Company shall be subject to the consideration and approval at the general meeting.</p> <p>.....</p> <p>(III) any guarantee to be provided to a party whose asset-liability ratio exceeds 70% according to its latest financial statements;</p> <p>(IV) any guarantee where the cumulative guarantee amounts over the past 12 months exceeds 30% of the Company's latest audited total assets;</p> <p>(V) any guarantee to be provided after the total amount of external guarantees provided by Company and its holding subsidiaries exceeds 30% of the Company's latest audited total assets;</p> <p>.....</p>	<p>Article 46 The following external guarantees of the Company shall be subject to the consideration and approval at the general meeting:</p> <p>.....</p> <p>(III) any guarantee to be provided to a party whose asset-liability ratio exceeds 70%;</p> <p>(IV) any guarantee provided by the Company to others, where the amount of guarantees within one year exceeds 30% of the Company's latest audited total assets;</p> <p>(V) any guarantee to be provided after the total amount of external guarantees provided by Company exceeds 30% of the Company's latest audited total assets;</p> <p>.....</p>

Before Amendment	After Amendment
<p>Article 44 General meetings shall be categorized as annual general meetings and extraordinary general meetings. Annual general meeting shall be convened once a year and shall be held within six months from the end of the preceding financial year.</p>	<p>Article 47 General meetings shall be categorized as annual general meetings and extraordinary general meetings. Annual general meeting shall be convened once a year and shall be held within six months from the end of the preceding financial year.</p>
<p>Article 45 The Company shall convene an extraordinary general meeting within two months upon the occurrence of any of the following circumstances:</p> <ul style="list-style-type: none"> (I) when the number of directors is less than the quorum required by the Company Law or less than two-thirds of the number stipulated in the Articles; (II) when the Company's unrecovered losses amount to one-third of the total share capital; (III) when shareholders who individually or collectively hold more than 10% of total number of the Company's voting shares make a written request; (IV) when the board of directors deems it necessary; (V) when the board of supervisors proposes to convene; (VI) other circumstances stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the places where the Company's shares are listed or the Articles of Association. 	<p>Article 48 The Company shall convene an extraordinary general meeting within two months upon the occurrence of any of the following circumstances:</p> <ul style="list-style-type: none"> (I) when the number of directors is less than the number required by the Company Law or two-thirds of the number stipulated in the Articles; (II) when the Company's unrecovered losses amount to one-third of the total share capital; (III) when shareholders who individually or collectively hold more than 10% of shares of the Company make a request; (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 securities regulatory rules of the places where the Company's shares are listed or the Articles of Association.

Before Amendment	After Amendment
<p>Article 46 In general, the venue for the Company's general meeting shall be the Company's domicile or the location of its office premises, with the detailed location to be specified in the notice of the general meeting. A meeting venue shall be set up and the general meeting shall be convened by way of physical meeting. The Company shall also provide online voting to facilitate shareholders in participating the general meeting. Any shareholders who participate in the meeting in the aforesaid manner shall be deemed as present.</p>	<p>Article 49 In general, the venue for the Company's general meeting shall be the Company's domicile or the location of its office premises, with the detailed location to be specified in the notice of the general meeting. A meeting venue shall be set up and the general meeting shall be convened by way of physical meeting, and may also be convened by means of electronic communication at the same time. The Company shall also provide online voting to facilitate shareholders.</p>
<p>Article 47 When convening a general meeting, the Company shall engage lawyers to give legal opinions and make announcements on the following matters:</p> <p>(I) whether the procedures for convening and holding the meeting comply with laws, administrative regulations and the Articles;</p> <p>.....</p>	<p>Article 50 When convening a general meeting, the Company shall engage lawyers to give legal opinions and make announcements on the following matters:</p> <p>(I) whether the procedures for convening and holding the meeting comply with laws, administrative regulations and provisions of the Articles;</p> <p>.....</p>
<p>Article 48 after being agreed by the simple majority of all independent directors.</p>	<p>Article 51 The board of directors shall convene the general meeting on time within the specified period.</p> <p>..... after being agreed by the simple majority of all independent directors.</p>

Before Amendment	After Amendment
<p>Article 49 The board of supervisors shall be entitled to propose to the board of directors to convene an extraordinary general meeting, and such proposal shall be made in writing. The board of directors shall, in accordance with the laws, administrative regulations and the Articles, furnish a written reply stating whether it agrees or disagrees with the convening of an extraordinary general meeting within ten days after receiving such proposal.</p> <p>In the event that the board of directors agrees to convene an extraordinary general meeting, the notice of the meeting shall be issued within five days after the board passes the relevant resolution. Any changes to the original proposal made in the notice shall be approved by the board of supervisors.</p> <p>In the event that the board of directors disagrees to convene an extraordinary general meeting or does not furnish any reply within ten days after receiving such proposal, the board of directors shall be deemed as unable to perform or failed to perform its duty of convening a general meeting, in which case the board of supervisors may convene and preside over a general meeting by itself.</p>	<p>Article 52 The audit committee shall propose to the board of directors to convene an extraordinary general meeting, and such proposal shall be made in writing. The board of directors shall, in accordance with the laws, administrative regulations and the Articles, furnish a written reply stating whether it agrees or disagrees with the convening of an extraordinary general meeting within ten days after receiving such proposal.</p> <p>In the event that the board of directors agrees to convene an extraordinary general meeting, the notice of the meeting shall be issued within five days after the board passes the relevant resolution. Any changes to the original proposal made in the notice shall be approved by the audit committee.</p> <p>In the event that the board of directors disagrees to convene an extraordinary general meeting or does not furnish any reply within ten days after receiving such proposal, the board of directors shall be deemed as unable to perform or failed to perform its duty of convening a general meeting, in which case the audit committee may convene and preside over a general meeting by itself.</p>

Before Amendment	After Amendment
<p>Article 50 Shareholders individually or jointly holding more than 10% of the shares of the Company shall be entitled to request the board of directors to convene an extraordinary general meeting, and such request shall be made in writing. The board of directors shall, in accordance with the laws, administrative regulations and the Articles, furnish a written reply stating whether it agrees or disagrees with the convening of the extraordinary general meeting within ten days after receiving such request.</p>	<p>Article 53 Shareholders individually or jointly holding more than 10% of the shares of the Company shall request the board of directors to convene an extraordinary general meeting, and such request shall be made in writing. The board of directors shall, in accordance with the laws, administrative regulations and the Articles, furnish a written reply stating whether it agrees or disagrees with the convening of the extraordinary general meeting within ten days after receiving such request.</p>
<p>In the event that the board of directors agrees to convene an extraordinary general meeting, the notice of the meeting shall be issued within five days after the board passes the relevant resolution. Any changes to the original request made in the notice shall be agreed by the relevant shareholders.</p>	<p>In the event that the board of directors agrees to convene an extraordinary general meeting, the notice of the meeting shall be issued within five days after the board passes the relevant resolution. Any changes to the original request made in the notice shall be agreed by the relevant shareholders.</p>
<p>In the event that the board of directors disagrees to convene an extraordinary general meeting or does not furnish any reply within ten days after receiving such request, shareholders individually or jointly holding more than 10% of the shares of the Company shall be entitled to propose to the board of supervisors to convene an extraordinary general meeting, and such proposal shall be made in writing.</p>	<p>In the event that the board of directors disagrees to convene an extraordinary general meeting or does not furnish any reply within ten days after receiving such request, shareholders individually or jointly holding more than 10% of the shares of the Company shall propose to the audit committee to convene an extraordinary general meeting, and such proposal shall be made in writing.</p>

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<p>In the event that the board of supervisors agrees to convene an extraordinary general meeting, the notice of the meeting shall be issued within five days after receiving such request. Any changes to the original request made in the notice shall be agreed by the relevant shareholders.</p> <p>Failure of the board of supervisors to issue the notice of general meeting within the prescribed time limit shall be deemed as failure of the board of supervisors to convene and preside over a general meeting, and shareholders individually or jointly holding more than 10% of the Company's shares for more than 90 consecutive days are entitled to convene and preside over a general meeting on their own accord.</p>	<p>In the event that the audit committee agrees to convene an extraordinary general meeting, the notice of the meeting shall be issued within five days after receiving such request. Any changes to the original request made in the notice shall be agreed by the relevant shareholders.</p> <p>Failure of the audit committee to issue the notice of general meeting within the prescribed time limit shall be deemed as failure of the audit committee to convene and preside over a general meeting, and shareholders individually or jointly holding more than 10% of the Company's shares for more than 90 consecutive days are entitled to convene and preside over a general meeting on their own accord.</p>
<p>Article 51 Where the board of supervisors or shareholders decide(s) to convene a general meeting on their own accord, the board of directors shall be notified in writing, and records shall be filed with the CSRC branch at the location of the Company and the stock exchanges.</p> <p>Prior to announcement on the resolutions passed at the general meeting, the shareholding of the shareholders convening such meeting shall not be less than 10%.</p> <p>The shareholders convening the meeting shall submit the relevant materials as a proof to the CSRC branch at the location of the Company and the stock exchanges at the time of issuance of notice of the meeting and announcement on the resolutions passed at the meeting.</p>	<p>Article 54 Where the audit committee or shareholders decide(s) to convene a general meeting on their own accord, the board of directors shall be notified in writing, and records shall be filed with the Shenzhen Stock Exchange.</p> <p>Prior to announcement on the resolutions passed at the general meeting, the shareholding of the shareholders convening such meeting shall not be less than 10%.</p> <p>The audit committee or shareholders convening the meeting shall submit the relevant materials as a proof to the Shenzhen Stock Exchange at the time of issuance of notice of the meeting and announcement on the resolutions passed at the meeting.</p>

Before Amendment	After Amendment
<p>Article 52 For the general meetings convened by the board of supervisors or shareholders on their own accord, the board of directors and secretary to the board of directors shall cooperate. The board of directors shall provide the register of members as at the record date for share registration.</p>	<p>Article 55 For the general meetings convened by the audit committee or shareholders on their own accord, the board of directors and secretary to the board of directors shall cooperate. The board of directors shall provide the register of members as at the record date for share registration.</p>
<p>Article 53 For the general meetings convened by the board of supervisors or the shareholders on their own accord, the necessary expenses in relation to the meetings shall be borne by the Company.</p>	<p>Article 56 For the general meetings convened by the audit committee or the shareholders on their own accord, the necessary expenses in relation to the meetings shall be borne by the Company.</p>
<p>Article 55 When the Company convenes a general meeting, the board of directors, the board of supervisors, as well as shareholder(s) individually or jointly holding more than 1% of the shares of the Company, shall be entitled to put forward proposals to the Company.</p> <p>Shareholder(s) individually or jointly holding more than 1% of the shares of the Company may put forward provisional proposals and submit the same in writing to the convener ten days prior to the date of the general meeting. The convener shall issue a supplemental notice of the general meeting within two days after receiving such proposals and announce the content of the provisional proposals. If the securities regulatory rules of the places where the Company's shares are listed require the general meeting to be postponed as a result of the supplemental notice, the convening of the general meeting shall be postponed in accordance with the requirements of such securities regulatory rules.</p>	<p>Article 58 When the Company convenes a general meeting, the board of directors, the audit committee, as well as shareholder(s) individually or jointly holding more than 1% of the shares of the Company, shall be entitled to put forward proposals to the Company.</p> <p>Shareholder(s) individually or jointly holding more than 1% of the shares of the Company may put forward provisional proposals and submit the same in writing to the convener ten days prior to the date of the general meeting. The convener shall issue a supplemental notice of the general meeting within two days after receiving such proposals and announce the content of the provisional proposals, and submit such provisional proposals to the general meeting for consideration, unless the provisional proposals violate the provisions of laws, administrative regulations or the Articles of Association, or do not fall within the scope of authority of the general meeting. If the securities regulatory rules of the places where the Company's shares are listed require the general meeting to be postponed as a result of the supplemental notice, the convening of the general meeting shall be postponed in accordance with the requirements of such securities regulatory rules.</p>

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<p>Save for the circumstances referred to in the preceding paragraph, after the convener issues the notice of the general meeting, no changes shall be made to the proposals set forth in the notice of the general meeting and no further proposals shall be added.</p> <p>The general meeting shall not vote or resolve on proposals not set forth in the notice of the shareholders' general meeting or not in compliance with the provisions of Article 54 of the Articles.</p>	<p>Save for the circumstances referred to in the preceding paragraph, after the convener issues the notice of the general meeting, no changes shall be made to the proposals set forth in the notice of the general meeting and no further proposals shall be added.</p> <p>The general meeting shall not vote or resolve on proposals not set forth in the notice of the shareholders' general meeting or not in compliance with the provisions of the Articles.</p>
<p>Article 56 The convener shall inform each shareholder of the forthcoming annual general meeting in writing (including by way of announcement) 21 days before the meeting, and shall inform each shareholder of the forthcoming extraordinary general meeting in writing (including by way of announcement) 15 days before the meeting.</p> <p>When calculating the starting date and ending date of the above notice, the date of the meeting shall be excluded.</p>	<p>Article 59 The convener shall inform each shareholder of the forthcoming annual general meeting in writing (including by way of announcement) 21 days before the meeting or the date as required by the place where the shares of the Company are listed (whichever is earlier), and shall inform each shareholder of the forthcoming extraordinary general meeting in writing (including by way of announcement) 15 days before the meeting or the date as required by the place where the shares of the Company are listed (whichever is earlier).</p> <p>When calculating the starting date and ending date of the above notice, the date of the meeting shall be excluded.</p>

Before Amendment	After Amendment
<p>Article 58 If the election of directors or supervisors is proposed to be discussed at the general meeting, the notice of the general meeting shall adequately disclose the biographies of the candidates for directors and supervisors, which should include at least the following:</p> <p>(I) personal information such as educational background, work experience, concurrent positions;</p> <p>(II) whether they are connected with the Company, the controlling shareholders or de facto controllers of the Company;</p> <p>(III) the number of shares held in the Company;</p> <p>(IV) whether they have been subject to penalties by the CSRC and other relevant authorities and been reprimanded by a stock exchange;</p> <p>(V) whether they possess the qualification requirements under the securities regulatory rules of the places where the Company's shares are listed.</p> <p>Each candidate for director or supervisor shall be proposed by way of a separate proposal, except for those elected through a cumulative voting system.</p>	<p>Article 61 If the election of directors is proposed to be discussed at the general meeting, the notice of the general meeting shall adequately disclose the biographies of the candidates for directors, which should include at least the following:</p> <p>(I) personal information such as educational background, work experience, concurrent positions;</p> <p>(II) whether they are connected with the Company, the controlling shareholders or de facto controllers of the Company;</p> <p>(III) the number of shares held in the Company;</p> <p>(IV) whether they have been subject to penalties by the CSRC and other relevant authorities and been reprimanded by a stock exchange;</p> <p>(V) whether they possess the qualification requirements under the securities regulatory rules of the places where the Company's shares are listed.</p> <p>Each candidate for director shall be proposed by way of a separate proposal, except for those elected through a cumulative voting system.</p>

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<p>Article 59 After the notice of general meeting is issued, the general meeting shall not be postponed or canceled without a sound reason, and the proposals stated in the notice of general meeting shall not be canceled. In the event of any postponement or cancellation, the convener shall issue a notice and state the reasons at least two trading days before the original date of the general meeting. If there are special provisions under the securities regulatory rules of the places where the Company's shares are listed regarding the procedures for postponing or canceling general meetings, the provisions shall prevail to the extent that they do not violate the domestic regulatory requirements.</p>	<p>Article 62 After the notice of general meeting is issued, the general meeting shall not be postponed or canceled without a sound reason, and the proposals stated in the notice of general meeting shall not be canceled. In the event of any postponement or cancellation, the convener shall issue a notice and state the reasons at least two working days before the original date of the general meeting. If there are special provisions under the securities regulatory rules of the places where the Company's shares are listed regarding the procedures for postponing or canceling general meetings, the provisions shall prevail to the extent that they do not violate the domestic regulatory requirements.</p>
<p>Article 62 Individual shareholders attending meeting in person shall produce their identity cards or other valid documents or proof and stock account cards to prove their identity. In the case of attending by proxies, the proxies shall produce valid documents and the proxy forms from the shareholders to prove their identity. Any shareholder entitled to attend and vote at a general meeting shall have the right to appoint one or more persons (whether or not such persons are shareholders) as his/her proxy(ies) to attend and vote on his/her behalf.</p>	<p>Article 65 Individual shareholders attending meeting in person shall produce their identity cards or other valid documents or proof to prove their identity. In the case of attending by proxies, the proxies shall produce valid documents and the proxy forms from the shareholders to prove their identity. Any shareholder entitled to attend and vote at a general meeting shall have the right to appoint one or more persons (whether or not such persons are shareholders) as his/her proxy(ies) to attend and vote on his/her behalf.</p>

Before Amendment	After Amendment
<p>Where a shareholder is a legal entity, its legal representative or a proxy entrusted by such legal representative shall attend the meeting. If the meeting is attended by the legal representatives, they shall produce their identity cards and valid proof of their status as legal representatives; if the meeting is attended by agents of such legal representatives, such agents shall produce their identity cards and the written authorization letter legally issued by the legal representative of the legal entity shareholder (except for shareholders who are recognized clearing houses as defined by the relevant regulations in force from time to time under the Hong Kong laws or the securities regulatory rules of the places where the Company's shares are listed (the "Recognized Clearing Houses") and their agents).</p>	<p>Where a shareholder is a legal entity, its legal representative or a proxy entrusted by such legal representative shall attend the meeting. If the meeting is attended by the legal representatives, they shall produce their identity cards and valid proof of their status as legal representatives; if the meeting is attended by agents of such legal representatives, such agents shall produce their identity cards and the written authorization letter legally issued by the legal representative of the legal entity shareholder (except for shareholders who are recognized clearing houses as defined by the relevant regulations in force from time to time under the Hong Kong laws or the securities regulatory rules of the places where the Company's shares are listed (the "Recognized Clearing Houses") and their agents).</p>
<p>Article 63 The proxy form for appointing a proxy to attend the general meeting issued by a shareholder shall include the following:</p> <p>(I) the name of the proxy;</p> <p>(II) whether the proxy has the right to vote;</p> <p>(III) the instructions on voting for, against or abstaining from voting on each item on the agenda to be considered at the general meeting;</p> <p>(IV) the date of the proxy form and its validity period;</p> <p>(V) signature (or seal) of the principal. Where the principal is a corporate shareholder, the corporate seal shall be affixed or the proxy form shall be signed by the legal authorized person.</p>	<p>Article 66 The proxy form for appointing a proxy to attend the general meeting issued by a shareholder shall include the following:</p> <p>(I) the name of the principal and the class and number of shares held in the company;</p> <p>(II) the name of the proxy;</p> <p>(III) specific instructions from shareholders, including the instructions on voting for, against or abstaining from voting on each item on the agenda to be considered at the general meeting, etc.;</p> <p>(IV) the date of the proxy form and its validity period;</p> <p>(V) signature (or seal) of the principal. Where the principal is a corporate shareholder, the corporate seal shall be affixed or the proxy form shall be signed by the legal authorized person.</p>

Before Amendment	After Amendment
<p>Article 64 The proxy form shall state whether the proxy may vote as he/she thinks fit in the absence of specific instructions from the shareholder.</p>	<p>Deleted Article</p>
<p>Article 65 Where a proxy form for appointing a voting proxy is signed by a person authorized by the appointing shareholder, the signed authorization letter or other authorization documents shall be notarized. The notarized authorization letter or other authorization documents and the proxy form shall, at least 24 hours prior to convening of the meeting or 24 hours prior to the designated time for the voting, be kept at the domicile of the Company or at such other places as designated in the notice of the meeting.</p> <p>Where the appointing shareholder is a legal entity, its legal representative or the person authorized by a resolution of its board of directors or other decision-making body shall attend the Company's general meetings as the representative of such appointing shareholder.</p> <p>.....</p>	<p>Article 67 Where a proxy form for appointing a voting proxy is signed by a person authorized by the appointing shareholder, the signed authorization letter or other authorization documents shall be notarized. The notarized authorization letter or other authorization documents and the proxy form shall, at least 24 hours prior to convening of the meeting or 24 hours prior to the designated time for the voting, be kept at the domicile of the Company or at such other places as designated in the notice of the meeting.</p> <p>.....</p>
<p>Article 66 A attendance records of the meeting shall be prepared by the Company, which shall contain, among others, the name of the attendee (or the name of the entity), identity card number, residential address, the number of voting shares held or represented by the attendee and name of the person (or the name of the entity) who attends the meeting by proxy.</p>	<p>Article 66 A attendance record of the meeting shall be prepared by the Company, which shall contain, among others, the name of the attendee (or the name of the entity), identity card number, the number of voting shares held or represented by the attendee and name of the person (or the name of the entity) who attends the meeting by proxy.</p>

Before Amendment	After Amendment
<p>Article 68 When a general meeting is convened, all the directors, supervisors and the secretary to the board of directors shall attend the meeting, and the chief executive officer and other members of the senior management shall be present at such meeting.</p>	<p>Deleted Article</p>
<p>New Article</p>	<p>Article 70 If a general meeting requires the attendance of directors or senior management, the directors or senior management shall attend and answer shareholders' inquiries.</p>
<p>Article 69 A general meeting shall be presided over by the chairman of the board of directors. If the chairman is unable to or fails to perform his/her duties, a director jointly elected by more than half of the directors shall preside over the meeting.</p> <p>For general meetings convened by the board of supervisors, the convener of the board of supervisors shall preside over the meeting. If the convener of the board of supervisors is unable to or fails to perform his/her duties, a supervisor jointly elected by more than half of the supervisors shall preside over the meeting.</p> <p>A general meeting convened by the shareholders shall be presided over by a representative elected by the conveners.</p> <p>Where the chairman of the general meeting violates the Articles and the rules of procedure when holding the meeting and as a result, the general meeting is unable to continue, subject to the consent of the shareholders with more than half of voting rights of all the shareholders attending the general meeting, the general meeting may nominate a person to act as the chairman of the meeting and such meeting may continue.</p>	<p>Article 71 A general meeting shall be presided over by the chairman of the board of directors. If the chairman is unable to or fails to perform his/her duties, a director jointly elected by more than half of the directors shall preside over the meeting.</p>

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New Article	<p>Article 72 The general 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 fails to perform his/her duties, a member of the audit committee who has been elected by more than one-half of the members of the audit committee shall preside over the meeting.</p> <p>The general meeting convened by shareholders shall be presided over by the convener or a representative elected by the convener.</p> <p>During a general meeting, in the event that the presider of the meeting violates the Articles and the relevant rules of procedure so that the general meeting cannot proceed, a person may be elected at the general meeting to act as the presider of the meeting to proceed with the meeting with the consent of a majority of the shareholders with voting rights who are present at the meeting.</p>
Article 70 The Company shall formulate the rules of procedure for the general meeting which shall set out in details the convening and voting procedures of a general meeting, including notification, registration, consideration of proposals, voting, counting of votes, announcement of voting results, formation of resolutions, meeting minutes and their signing, announcements and other contents, and the principles of authorization to the board of directors at the general meeting. The authorization shall be clear and specific. As an appendix to the Articles, the rules of procedure for the general meeting shall be prepared by the board of directors and approved at the general meeting.	Article 73 The Company shall formulate the rules of procedure for the general meeting which shall set out in details the holding , convening and voting procedures of a general meeting, including notification, registration, consideration of proposals, voting, counting of votes, announcement of voting results, formation of resolutions, meeting minutes and their signing, announcements and other contents, and the principles of authorization to the board of directors at the general meeting. The authorization shall be clear and specific. As an appendix to the Articles, the rules of procedure for the general meeting shall be prepared by the board of directors and approved at the general meeting.

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<p>Article 71 In the annual general meeting, the board of directors and the board of supervisors shall report to the general meeting their work done in the past year. Independent directors shall also submit a report on their duty performance to the annual meeting to explain their performance.</p>	<p>Article 74 In the annual general meeting, the board of directors shall report to the general meeting their work done in the past year. Each independent director shall also present a report on their duty performance.</p>
<p>Article 72 Directors, supervisors and senior management shall provide explanations and clarifications in relation to the enquiries and suggestions from the shareholders during the general meeting.</p>	<p>Article 75 Directors and senior management shall provide explanations and clarifications in relation to the enquiries and suggestions from the shareholders during the general meeting.</p>
<p>Article 74 The general meeting shall have minutes prepared by the secretary to the board of directors, which shall record the following:</p> <p>(I) the time, venue, agenda of the meeting and name of the convener;</p> <p>(II) the name of the presiding officer of the meeting and directors, supervisors, chief executive officer and other senior management attending or present at the meeting;</p> <p>.....</p>	<p>Article 77 The general meeting shall have minutes prepared by the secretary to the board of directors, which shall record the following:</p> <p>(I) the time, venue, agenda of the meeting and name of the convener;</p> <p>(II) the name of the presiding officer of the meeting and directors, senior management present at the meeting;</p> <p>.....</p>
<p>Article 75 The convener shall ensure that the contents of the minutes are true, accurate and complete. Directors, supervisors, secretary to the board of directors, conveners or their representatives and the chairman of the meeting shall sign on the minutes. The minutes of the meeting shall be kept together with the attendance record of the attending shareholders, authorization letters of proxies, valid information of online voting and voting by other means, for a period of not less than 10 years.</p>	<p>Article 78 The convener shall ensure that the contents of the minutes are true, accurate and complete. Directors, secretary to the board of directors, conveners or their representatives and the chairman of the meeting attending or present at the meeting shall sign on the minutes. The minutes of the meeting shall be kept together with the attendance record of the attending shareholders, authorization letters of proxies, valid information of online voting and voting by other means, for a period of not less than 10 years.</p>

Before Amendment	After Amendment
<p>Article 77 Resolutions of a general meeting shall be classified as ordinary resolutions and special resolutions.</p> <p>Ordinary resolutions of a general meeting shall be passed by votes representing more than 1/2 of the voting rights held by the shareholders (including their proxies) attending the general meeting.</p> <p>Special resolutions of a general meeting shall be passed by votes representing more than 2/3 of the voting rights held by the shareholders (including their proxies) attending the general meeting.</p>	<p>Article 80 Resolutions of a general meeting shall be classified as ordinary resolutions and special resolutions.</p> <p>Ordinary resolutions of a general meeting shall be passed by votes representing a majority of the voting rights held by the shareholders attending the general meeting.</p> <p>Special resolutions of a general meeting shall be passed by votes representing more than 2/3 of the voting rights held by the shareholders attending the general meeting.</p>
<p>Article 78 The following matters shall be approved by ordinary resolutions at a general meeting:</p> <ul style="list-style-type: none"> (I) work reports of the board of directors and the board of supervisors; (II) profit distribution plan and loss make-up plan formulated by the board of directors; (III) appointment and dismissal of members of the board of directors and the board of supervisors, their remuneration and payment terms; (IV) annual financial budgets and final accounts of the Company; (V) the Company's annual report; (VI) matters other than those to be approved by special resolutions as stipulated in the laws, administrative regulations, securities regulatory rules of the places where the Company's shares are listed or the Articles. 	<p>Article 81 The following matters shall be approved by ordinary resolutions at a general meeting:</p> <ul style="list-style-type: none"> (I) work reports of the board of directors; (II) profit distribution plan and loss make-up plan formulated by the board of directors; (III) appointment and dismissal of members of the board of directors, their remuneration and payment terms; (IV) matters other than those to be approved by special resolutions as stipulated in the laws, administrative regulations, securities regulatory rules of the places where the Company's shares are listed or the Articles.

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<p>Article 79 The following matters shall be approved by special resolutions at a general meeting:</p> <ul style="list-style-type: none">(I) increase or reduction of the registered capital of the Company;(II) division, merger, dissolution or change of corporate form of the Company;(III) amendments to the Articles—of Association and its appendixes (including rules of procedure for the general meeting, rules of procedure for the board of directors and rules of procedure for the board of supervisors);(IV) purchase or disposal of material assets by the Company within one year, or any guarantee with an amount exceeding 30% of the latest audited total assets of the Company;(V) equity incentive plans;(VI) spin-off of its subsidiaries for the purpose of listing;(VII) the issuance of shares, convertible corporate bonds, preferred shares and other classes of securities approved by the CSRC;(VIII) repurchase shares for the purpose of reducing registered capital;	<p>Article 82 The following matters shall be approved by special resolutions at a general meeting:</p> <ul style="list-style-type: none">(I) increase or reduction of the registered capital of the Company;(II) division, spin-off, merger, dissolution and liquidation of the Company;(III) amendments to the Articles;(IV) purchase or disposal of material assets by the Company within one year, or any guarantee provided to others with an amount exceeding 30% of the latest audited total assets of the Company;(V) equity incentive plans;(VI) other matters that need to be approved by special resolutions as stipulated by laws and regulations, securities regulatory rules of the places where the Company's shares are listed, the Articles of Association and the rules of procedure for the general meeting.

Before Amendment	After Amendment
<p>(IX) material asset restructuring;</p> <p>(X) a resolution of a general meeting of the listed company to voluntarily withdraw the listing and trading of its shares on the Shenzhen Stock Exchange and/or the Hong Kong Stock Exchange, and its decision to cease trading on stock exchanges or application for trading or transferring on another stock exchange;</p> <p>(XI) other matters that would have a material impact on the Company and therefore need to be approved by a special resolution as determined by a general meeting with an ordinary resolution;</p> <p>(XII) other matters that need to be approved by special resolutions as stipulated by laws and regulations, securities regulatory rules of the places where the Company's shares are listed, the Articles of Association and the rules of procedure for the general meeting.</p> <p>With respect to the proposals referred to in item (VI) and (X), in addition to the approval by votes representing more than two thirds of the voting rights held by shareholders attending the general meeting, it shall be passed by votes representing more than two thirds of the voting rights of other shareholders attending the general meeting other than the directors, supervisors, senior management and shareholders who individually or collectively hold more than 5% of the shares of the listed Company.</p>	

Before Amendment	After Amendment
<p>Article 80 Shareholders (including their proxies) shall exercise their voting rights in respect of the number of voting shares they represent, and each share shall have one vote. When a poll is held, shareholders (including their proxies) having the right to cast two or more votes need not use all of their voting rights in the same way as “for”, “against” or “abstain”.</p> <p>.....</p> <p>The board of directors, independent directors and shareholders holding more than 1% of the voting shares or the investor protection institutions established in accordance with laws, administrative regulations or the requirements of the securities regulatory authorities of the State Council may act as solicitors, and publicly solicit the shareholders of the listed company, either by themselves or through an entrusted securities firm or securities service provider, to engage them as proxies to attend the general meeting and exercise shareholder's rights such as rights to propose or vote on their behalf.</p>	<p>Article 83 Shareholders shall exercise their voting rights in respect of the number of voting shares they represent, and each share shall have one vote. When a poll is held, shareholders (including their proxies) having the right to cast two or more votes need not use all of their voting rights in the same way as “for”, “against” or “abstain”.</p> <p>.....</p> <p>The board of directors, independent directors and shareholders holding more than 1% of the voting shares or the investor protection institutions established in accordance with laws, administrative regulations or the requirements of the CSRC may solicit shareholders' voting rights. Information including the specific voting preference shall be fully provided to the shareholders for whom voting rights are being solicited. Consideration or disguised consideration for soliciting shareholders' voting rights is prohibited. Except for legal conditions, the Company shall not impose any minimum shareholding limitation for soliciting voting rights.</p>

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<p>Any public solicitation of shareholders' rights shall comply with laws, administrative regulations, relevant requirements of the CSRC and relevant provisions of the Articles, make sufficient disclosure of solicitation documents containing information on specific proposals and voting preference to the shareholders from whom the voting rights are being solicited, and shall be prohibited if it is for the purpose of any compensation or disguised compensation. The Company shall not impose any inappropriate obstacles that impair the legitimate rights and interests of the shareholders, such as limitation in respect of the minimum shareholding proportion, on the solicitation of voting rights.</p> <p>Any public solicitation of shareholders' rights in violation of the laws, administrative regulations or relevant requirements of the securities regulatory authorities of the State Council, which causes the Company or its shareholders to suffer losses, shall be liable for compensation in accordance with the laws.</p>	
<p>Article 82 While ensuring the lawfulness and validity of the general meetings, the Company shall facilitate the shareholders to attend the general meetings.</p>	Deleted Article
<p>Article 83 Save for any special circumstance such as a crisis, the Company shall not enter into any contracts with any person other than the directors, the chief executive officer and other senior management pursuant to which the management of all or a substantial part of the business of the Company will be given to such person, unless otherwise approved at the general meeting by a special resolution.</p>	<p>Article 85 Save for any special circumstance such as a crisis, the Company shall not enter into any contracts with any person other than the directors and senior management pursuant to which the management of all or a substantial part of the business of the Company will be given to such person, unless otherwise approved at the general meeting by a special resolution.</p>

Before Amendment	After Amendment
<p>Article 84 The list of candidates for directors and supervisors shall be submitted as a proposal to the general meeting for voting. The board of directors shall announce the biography and basic information of the candidates for directors and supervisors to the shareholders.</p> <p>The methods and procedures for nomination of candidates for directors and supervisors are as follows:</p> <p>(I) Within the number of persons specified in the Articles and according to the number of persons proposed to be elected, the former board of directors shall propose a recommended list of director candidates. With approval by a resolution of the board of directors, the board of directors shall propose to the general meeting the candidates for directors to be elected at the general meeting. The former board of supervisors shall propose to the general meeting the candidates for supervisors who are shareholder representatives to be elected at the general meeting;</p> <p>(II) Shareholders individually or collectively holding more than 3% of the total outstanding voting shares of the Company may propose to the board of directors of the Company the candidates for directors or supervisors who are shareholder representatives, provided that the number of persons nominated shall comply with the Articles and not more than the number of persons proposed to be elected;</p>	<p>Article 86 The list of candidates for directors shall be submitted as a proposal to the general meeting for voting. The board of directors shall announce the biography and basic information of the candidates for directors to the shareholders.</p> <p>The methods and procedures for nomination of candidates for directors are as follows:</p> <p>(I) Shareholders individually or in aggregate holding at least 1% of the Company's shares may nominate and recommend candidates for directors and independent directors to the board of directors in written form. After review of qualifications of candidacy by the board of directors, a written proposal will be submitted to the general meeting for election;</p> <p>(II) The board of directors may nominate and recommend candidates for directors and independent directors of the Company, and formulate a written proposal in the form of board of directors' resolution and submit it to the general meeting for election.</p>

Before Amendment	After Amendment
<p>(III) The Company's board of directors, board of supervisors and shareholders individually or collectively holding more than 1% of the total number of issued shares of the Company may propose candidates for independent directors, provided that the number of persons nominated shall comply with the Articles and shall not be more than the number of persons proposed to be elected. The nominator of an independent director shall obtain the consent of the nominee before making the nomination. The nominator shall fully understand the nominee's occupation, academic qualifications, job title, detailed work experience, all part-time jobs, etc., and express an opinion on his or her qualifications and independence to serve as an independent director, and the nominee shall make a public statement confirming that there are no relationships between himself or herself and the Company that would affect his or her ability to make independent and objective judgments. Prior to the general meeting for the election of independent directors, the board of directors of the Company shall announce the above as required.</p> <p>In addition to the above nomination rights, the board of directors, the board of supervisors and shareholders individually or collectively holding more than 1% of the Company's shares may also submit to the Company's board of directors proposals to challenge or remove an independent director who does not possess the qualifications or capabilities to serve as an independent director, fails to independently perform his or her duties, or fails to safeguard the legitimate rights and interests of the Company and small and medium-sized investors.</p>	<p>(III) The candidates for directors shall undertake to the Company in written prior to the general meeting, including but not limited to, agreeing to accept the nomination, undertaking that the information submitted about themselves are true and complete, and warranting that they will duly perform the duties upon successful election. The nominated candidates for independent directors shall make a public statement confirming that there are no relationships between himself or herself and the Company that would affect his or her ability to make independent and objective judgments. The board of directors shall announce the above in accordance with the relevant regulations.</p>

Before Amendment	After Amendment
<p>Article 85 When a voting is carried out on the election of directors or supervisors at a general meeting, the cumulative voting system may be adopted in accordance with the provisions under the Articles or the resolutions of the general meeting. Among them, the cumulative voting system must be adopted if two or more independent directors are elected at the general meeting or two or more directors or supervisors are elected by the Company in which a single shareholder and parties acting in concert with him or her are interested in 30% or more of the shares. The Company encourages shareholders to actively propose candidates for directors and supervisors in accordance with the Articles and to procure the election of directors and supervisors to be conducted by way of competitive election.</p> <p>The cumulative voting system referred to in the preceding paragraph means that when directors or supervisors are being elected at a general meeting, each share shall carry the same number of voting rights as the number of directors or supervisors to be elected, and the voting rights held by shareholders may be used collectively. Details for the implementation of the cumulative voting system shall be as follows:</p> <p>(I) Calculation of the number of votes in the cumulative voting:</p> <p>3. The secretary to the board of directors of the Company shall announce the cumulative votes of each shareholder before each round of cumulative voting. Any shareholders, independent directors of the Company, supervisors of the Company, scrutineers of the current general meeting, witness lawyers or notaries who have any objection to the announced results shall check the results immediately.</p>	<p>Article 87 When a voting is carried out on the election of directors at a general meeting, the cumulative voting system may be adopted in accordance with the provisions under the Articles or the resolutions of the general meeting. Among them, the cumulative voting system shall be adopted if two or more independent directors are elected at the general meeting or when a single shareholder of the Company and parties acting in concert with him or her are interested in 30% or more of the shares.</p> <p>The cumulative voting system referred to in the preceding paragraph means that when directors are being elected at a general meeting, each share shall carry the same number of voting rights as the number of directors to be elected, and the voting rights held by shareholders may be used collectively. Details for the implementation of the cumulative voting system shall be as follows:</p> <p>(I) Calculation of the number of votes in the cumulative voting:</p> <p>3. The secretary to the board of directors of the Company shall announce the cumulative votes of each shareholder before each round of cumulative voting. Any shareholders, independent directors of the Company, scrutineers of the current general meeting, witness lawyers or notaries who have any objection to the announced results shall check the results immediately.</p>

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<p>Article 90 Before the proposal is voted on at a general meeting, two shareholder representatives shall be elected for vote counting and scrutinizing. Shareholders who are interested in the matter under consideration and their proxies shall not count the votes and scrutinize the poll.</p> <p>When a proposal is voted on at the general meeting, the lawyers, the representatives of the shareholders and supervisors shall be jointly responsible for vote counting and scrutinizing, and the voting results shall be announced promptly at the meeting. The voting results of such resolution shall be recorded in the minutes of the meeting.</p> <p>Shareholders of a listed company or their proxies who vote online or by other means shall be entitled to verify their voting results in the corresponding voting system.</p>	<p>Article 92 Before the proposal is voted on at a general meeting, two shareholder representatives shall be elected for vote counting and scrutinizing. Shareholders who has connected relationship with the matter under consideration and their proxies shall not count the votes and scrutinize the poll.</p> <p>When a proposal is voted on at the general meeting, the lawyers, the representatives of the shareholders (or other relevant persons appointed in accordance with the Hong Kong Listing Rules) shall be jointly responsible for vote counting and scrutinizing, and the voting results shall be announced promptly at the meeting. The voting results of such resolution shall be recorded in the minutes of the meeting.</p> <p>Shareholders of a listed company or their proxies who vote online or by other means shall be entitled to verify their voting results in the corresponding voting system.</p>

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<p>Article 91 The onsite general meeting shall not be concluded earlier than the online meeting or that held by other means, and the presider of the meeting shall announce the voting and results of each proposal and whether the proposal is passed according to the voting results.</p> <p>Before the voting results are officially announced, the listed company, vote counters, scrutineers, substantial shareholders, Internet services providers and other relevant parties involved in the onsite general meeting, online meeting or that held by other means shall be under an obligation to keep the voting results strictly confidential.</p>	<p>Article 93 The onsite general meeting shall not be concluded earlier than the online meeting or that held by other means, and the presider of the meeting shall announce the voting and results of each proposal and whether the proposal is passed according to the voting results.</p> <p>Before the voting results are officially announced, the listed company, vote counters, scrutineers, shareholders, Internet services providers and other relevant parties involved in the onsite general meeting, online meeting or that held by other means shall be under an obligation to keep the voting results strictly confidential.</p>
<p>Article 96 Where a proposal in relation to the election of directors or supervisors is passed at a general meeting, the term of office of the new directors or supervisors shall commence on the date on which the proposal is passed.</p>	<p>Article 98 Where a proposal in relation to the election of directors is passed at a general meeting, the term of office of the new directors shall commence on the date on which the proposal is passed.</p>

Before Amendment	After Amendment
CHAPTER 5 BOARD OF DIRECTORS	CHAPTER 5 DIRECTORS AND BOARD OF DIRECTORS
Section 1 Directors	Section 1 General Rules for Directors
<p>Article 98 Directors of the Company may include executive directors, non-executive directors and independent directors. Non-executive directors refer to directors who do not hold operational management positions in the Company, and independent directors refer to persons who meet the provisions of Article 107 of the Articles (consistent with the meaning of “independent non-executive director” in the Hong Kong Listing Rules). The director of the Company shall be a natural person. A person may not serve as a director of the Company if any of the following circumstances applies:</p> <p>(I) persons who have no or restricted capacity for civil conduct;</p> <p>(II) persons who were sentenced to criminal punishment for corruption, bribery, embezzlement of property, misappropriation of property or disrupting the socialist market economic order, where less than five years have lapsed since the expiration of the execution period, or who have been deprived of political rights due to any criminal offenses, where less than five years have lapsed since the expiration of the execution period, and less than two years have lapsed since the date of the expiration of the probation period if probation is announced;</p> <p>.....</p>	<p>Article 100 Directors of the Company may include executive directors, non-executive directors and independent directors. Non-executive directors refer to directors who do not hold operational management positions in the Company, and independent directors refer to persons who meet the provisions of Article 109 of the Articles (consistent with the meaning of “independent non-executive director” in the Hong Kong Listing Rules). The director of the Company shall be a natural person. A person may not serve as a director of the Company if any of the following circumstances applies:</p> <p>(I) persons who have no or restricted capacity for civil conduct;</p> <p>(II) persons who were sentenced to criminal punishment for corruption, bribery, embezzlement of property, misappropriation of property or disrupting the socialist market economic order or who have been deprived of political rights due to any criminal offenses, where less than five years have lapsed since the expiration of the execution period, and less than two years have lapsed since the date of the expiration of the probation period if probation is announced;</p> <p>.....</p>

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<p>(V) persons who are listed as defaulters by a people's court since he/she has a substantial amount of personal debts due and unsettled;</p> <p>(VI) persons who are penalized by CSRC to be prohibited from participating in the securities markets by serving as directors, supervisors or senior management of a listed company with a period yet to be expired;</p> <p>(VII) persons who are publicly determined by a stock exchange as unsuitable to serve as directors, supervisors or senior management of a listed company with a period yet to be expired;</p> <p>(VIII) other circumstances stipulated in laws, administrative regulations, departmental rules or the listing rules of the places where the Company's shares are listed.</p> <p>If the election or appointment of a director is in violation of this article, such election, appointment or employment shall be invalid. If any of the circumstances under this article occurs during the period of employment of a director, the Company shall dismiss the director from his/her duties and re-elect a director in accordance with the provisions of the Articles.</p>	<p>(V) persons who are listed as defaulters by a people's court since he/she has a substantial amount of personal debts due and unsettled;</p> <p>(VI) persons who are penalized by CSRC to be prohibited from participating in the securities markets with a period yet to be expired;</p> <p>(VII) persons who are publicly determined by a stock exchange as unsuitable to serve as directors or senior management of a listed company, etc. with a period yet to be expired;</p> <p>(VIII) other circumstances stipulated in laws, administrative regulations, departmental rules or the listing rules of the places where the Company's shares are listed.</p> <p>If the election or appointment of a director is in violation of this article, such election, appointment or employment shall be invalid. If any of the circumstances under this article occurs during the period of employment of a director, the Company will dismiss the director from his/her duties, cease his/her duties and re-elect a director in accordance with the provisions of the Articles.</p>

Before Amendment	After Amendment
<p>Article 99 Directors shall be elected or replaced at a general meeting, and the specific election and appointment procedures are set out in Articles 84, 85 and 86 of the Articles. Each term of office of a director shall be three years. Upon the expiry of a director's term of office, the director may be re-elected and re-appointed in accordance with the provisions of the securities regulatory rules of the places where the Company's shares are listed. Any director may be removed from office prior to the expiry of his/her term of office by an ordinary resolution passed at a general meeting, provided that such removal shall not prejudice the director's claim for damages under any contract.</p>	<p>Article 101 Directors shall be elected or replaced at a general meeting, and may be removed by the general meeting before expiry of the term of office. Each term of office of a director shall be three years. Upon the expiry of a director's term of office, the director may be re-elected and re-appointed in accordance with the provisions of the securities regulatory rules of the places where the Company's shares are listed.</p>
<p>The term of office of a director who is re-elected or appointed to fill a casual vacancy shall commence from the date of taking office, until the current term of office of the board of directors ends.</p>	<p>The term of office of a director shall commence from the date of taking office, until the current term of office of the board of directors ends.</p>
<p>A director shall continue to perform his/her duties as a director in accordance with the laws, administrative regulations, departmental rules and the Articles until a re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office.</p>	<p>A director shall continue to perform his/her duties as a director in accordance with the laws, administrative regulations, departmental rules and the Articles until a re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office.</p>
	<p>The senior management may concurrently serve as a director, provided that the aggregate number of the directors who concurrently serve as the senior management and directors who are employee representatives, shall not exceed 1/2 of all the directors of the Company.</p>

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<p>A director appointed by the board of directors to fill a casual vacancy or as an addition to the board of directors shall hold office for a term commencing from the date of his/her appointment until the first annual general meeting after his/her appointment, and shall then be eligible for re-election and re-appointment.</p> <p>The chief executive officer or other senior management may concurrently serve as a director, provided that the aggregate number of the directors who concurrently serve as the chief executive officer or senior management and directors who are employee representatives, shall not exceed 1/2 of all the directors of the Company.</p> <p>After consideration and approval at a general meeting through a separate resolution, the board of directors of the Company may have a certain percentage of employee representatives as directors. The employee representatives of the board of directors shall be elected at the employee representatives' meeting, employee meeting or otherwise democratically, and shall directly sit on the board of directors.</p>	<p>The Company shall have 1 employee representative director. The employee representatives of the board of directors shall be elected at the employee representatives' meeting, employee meeting or otherwise democratically, which shall not be subject to the general meeting for deliberation.</p>

Before Amendment	After Amendment
<p>Article 100 The directors shall comply with laws, administrative regulations and the Articles, and shall bear the following fiduciary obligations towards the Company:</p> <p>(I) shall not accept any bribery or other illegal income by using his/her powers and position, or embezzle the properties of the Company in any manner;</p> <p>(II) shall not misappropriate the Company's funds;</p> <p>(III) shall not deposit the Company's assets or funds in an account under his/her own name or the name of other individuals;</p> <p>(IV) shall not, in violation of the Articles, provide loans to others using the Company's funds or provide guarantee for others with properties of the Company without the consent of the general meeting or the board of directors;</p>	<p>Article 102 The directors shall comply with the provisions of laws, administrative regulations and the Articles, and shall bear the fiduciary obligations towards the Company. The directors shall take measures to avoid conflicts between their own interests and the interests of the Company, and shall not use their powers to seek improper interests.</p> <p>The directors shall bear the following fiduciary obligations towards the Company:</p> <p>(I) shall not embezzle the properties of the Company or misappropriate the Company's funds;</p> <p>(II) shall not deposit the Company's funds in an account under his/her own name or the name of other individuals;</p> <p>(III) shall not abuse his/her position to accept bribes or other illegal income;</p> <p>(IV) shall not directly or indirectly enter into any contract or transaction with the Company without reporting to the board of directors or at the general meeting, and without being passed by the board of directors or general meeting by way of resolutions in accordance with the provisions of the Articles;</p>

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(V) shall not enter into any contract or transaction with the Company in violation of the provisions of the Articles or without the consent of the general meeting;	(V) shall not make use of his/her position to procure business opportunities that should otherwise belong to the Company for himself/herself or others, but except those which have been reported to the board of directors or at the general meeting and passed by resolutions of the general meeting, or that the Company cannot make use of such business opportunities in accordance with the provisions of laws, administrative regulations or the Articles;
(VI) shall not make use of his/her position to procure business opportunities that should otherwise belong to the Company for himself/herself or others; or to engage in the same business as the Company for his/her own account or for the benefits of any other persons without consent of the general meeting;	(VI) shall not engage in the same business as the Company for his/her own account or for the benefits of any other persons without reporting to the board of directors or at the general meeting, and without being passed by the general meeting by way of resolutions;
(VII) shall not accept commissions from the Company's transactions for their own benefit;	(VII) shall not accept commissions from the Company's transactions with others for their own benefit;
(VIII) shall not disclose confidential information of the Company without authorization;	(VIII) shall not disclose confidential information of the Company without authorization;
(IX) shall not abuse his/her connected relationship to the detriment of the interests of the Company;	(IX) shall not abuse his/her connected relationship to the detriment of the interests of the Company;
(X) other fiduciary obligations stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the places where the Company's shares are listed and the Articles. Income generated by a director from violation of the provisions of this Article shall belong to the Company; where the Company suffers losses thereto, the director shall be liable for compensation.	(X) other fiduciary obligations stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the places where the Company's shares are listed and the Articles. Income generated by a director from violation of the provisions of this Article shall belong to the Company; where the Company suffers losses thereto, the director shall be liable for compensation.

Before Amendment	After Amendment
	<p>The provisions of item (IV) of paragraph 2 of this Article shall apply to the close relatives of directors and senior management, enterprises directly or indirectly controlled by directors or senior management or their close relatives, and associated persons of other related relations with directors or senior management, who have entered into contracts or conduct transactions with the Company.</p>
<p>Article 101 Directors shall abide by laws, administrative regulations and the Articles, and shall bear the following duty of diligence towards the Company:</p> <p>.....</p> <p>(IV) shall sign written confirmation on the securities offering documents and regular reports of the Company, and to ensure the Company gives a timely and fair disclosure of information and the truthfulness, accuracy and completeness of information disclosed therein. Where the directors are unable to ensure the truthfulness, accuracy and completeness of the content of the securities offering documents and regular reports or have objection, their opinions and reasons shall be stated in the written confirmation and disclosed by the Company. Directors could directly apply for disclosure if the Company fails to disclose;</p> <p>(V) shall provide relevant information and materials to the board of supervisors truthfully, and shall not obstruct the exercise of powers by the board of supervisors or the supervisors;</p> <p>(VI) other duty of diligence stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the places where the Company's shares are listed and the Articles.</p>	<p>Article 103 Directors shall abide by the provisions of laws, administrative regulations and the Articles, bear the duty of diligence towards the Company, and perform duties with reasonable care ordinarily exercised by managers in the best interests of the Company.</p> <p>Directors shall bear the following duty of diligence towards the Company:</p> <p>.....</p> <p>(IV) shall sign written confirmation on the regular reports of the Company, and to ensure the truthfulness, accuracy and completeness of information disclosed therein;</p> <p>(V) shall provide relevant information and materials to the audit committee truthfully, and shall not obstruct the exercise of powers by the audit committee;</p> <p>(VI) other duty of diligence stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the places where the Company's shares are listed and the Articles.</p>

Before Amendment	After Amendment
<p>Article 103 A director may resign before expiry of his/her term of office. A resigning director shall submit a written resignation report to the board of directors. The board of directors shall make disclosure of relevant information within two days.</p> <p>The Company shall complete a by-election within sixty days after a director tenders his/her resignation to ensure that the composition of the board of directors and its special committees is in compliance with laws and regulations as well as securities regulatory rules of the places where the Company's shares are listed and the Articles.</p> <p>Where the number of members of the board of directors falls below the minimum requirement due to the resignation of any director, or the proportion of independent directors in the board of directors or its special committees does not meet the requirements of the laws and regulations as well as securities regulatory rules of the places where the Company's shares are listed or the Articles as a result of resignation of any independent director, or there is no accounting professional among independent directors, before a newly elected director takes office, the original director shall perform his/her duties as a director in accordance with laws, administrative regulations, departmental rules and the Articles.</p> <p>Save for the circumstances set out in the preceding paragraph, the resignation of a director shall take effect when the resignation report is delivered to the board of directors.</p>	<p>Article 105 A director may resign before expiry of his/her term of office. A resigning director shall submit a written resignation report to the Company. The resignation shall become effective on the date the Company receives the resignation report. The relevant information shall be disclosed by the Company as soon as practicable (no later than within two trading days). Where the number of members of the board of directors falls below the statutory minimum requirement due to the resignation of any director, before a newly elected director takes office, the original director shall perform his/her duties as a director in accordance with laws, administrative regulations, departmental rules and the Articles.</p>

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Before Amendment	After Amendment
<p>Article 104 When a director's resignation takes effect or his/her term of office expires, he/she shall duly complete all handover procedures with the board of directors. His/her fiduciary obligations towards the Company and shareholders shall not necessarily cease after the expiry of his/her term of office. Within three months after his/her resignation takes effect or his/her term of office expires, the director's fiduciary obligations as set forth in Article 100 of the Articles shall continue to be in effect, and the obligation of confidentiality therein shall be perpetual.</p>	<p>Article 106 The Company shall establish a director resignation management system, clearly specifying safeguard measures for pursuing accountability and seeking recourse for unfulfilled public commitments and other outstanding matters. When a director's resignation takes effect or his/her term of office expires, he/she shall duly complete all handover procedures with the board of directors. His/her fiduciary obligations towards the Company and shareholders shall not necessarily cease after the expiry of his/her term of office. Within three months after his/her resignation takes effect or his/her term of office expires, the director's fiduciary obligations as set forth in the Articles shall continue to be in effect, and the obligation of confidentiality therein shall be perpetual. Liabilities that directors should bear during their tenure for the execution of duties shall not be exempted or terminated due to their resignation.</p>
<p>New Article</p>	<p>Article 107 The general meeting may remove any director through resolutions, effective as of the date when the resolutions take effect.</p> <p>Where a director is removed before expiration of his/her term of office without justifiable reasons, the director may demand indemnification from the Company.</p>
<p>Article 106 If a director violates laws, administrative regulations, departmental rules or the provisions of the Articles when performing his/her duties and causes losses to the Company, he/she shall be liable for compensation.</p>	<p>Article 109 If a director, in the performance of his/her duties, causes damage to others, the Company will be liable for compensation; if the director acts with intent or gross negligence on his/her part, he/she shall also bear liability for compensation.</p> <p>If a director violates laws, administrative regulations, departmental rules or the provisions of the Articles when performing his/her duties and causes losses to the Company, he/she shall be liable for compensation.</p>

Before Amendment	After Amendment
<p>Article 107 The methods of nomination and election procedures for independent directors shall be carried out in accordance with the relevant provisions of laws, administrative regulations and departmental rules. The Company may have independent directors, and the number of independent directors shall be not less than three and account for at least one-third of the board of directors. Independent directors shall be independent in accordance with the securities regulatory rules of the places where the Company's shares are listed. The specific qualifications, powers and authorities and rules of procedures of independent directors are stipulated in the Policy of Independent Non-Executive Directors (《獨立非執行董事制度》) of the Company.</p> <p>Any independent director who does not have the qualifications or capacity of independent director, or fails to perform his/her duties independently, or fails to safeguard the legitimate rights and interests of the Company and small and medium-sized investors, shareholders individually or jointly holding more than one percent of the Company's shares may submit proposals to the board of directors of the Company in relation to their queries against the independent director or his/her dismissal. The independent director concerned shall promptly provide explanation on the queries and make disclosure thereof. The board of directors of the listed company shall promptly hold a special meeting for discussions upon receipt of the relevant proposals of queries or dismissal and disclose the discussion results.</p>	<p>Deleted Article</p>

Before Amendment	After Amendment
<p>Article 109 The board of directors shall consist of ten directors, comprising four executive directors, two non-executive directors and four independent non-executive directors. The Company shall have one chairman.</p>	<p>Article 111 The board of directors shall consist of ten directors, comprising four executive directors, two non-executive directors and four independent non-executive directors. The Company shall have one chairman, who shall be elected by a majority of all directors of the board of directors.</p>
<p>Article 110 The board of directors shall exercise the following functions and authority:</p> <p>.....</p> <p>(IV) formulate the Company's annual financial budget plan and final accounts plan;</p> <p>.....</p> <p>(VIII) within the scope authorized by the general meeting or the Articles, decide on matters such as the Company's external investment, acquisition and sale of assets, asset pledges, external guarantees, entrusted financial management and related transactions; matters beyond the scope of authorization shall be submitted to the general meetings for consideration.</p> <p>.....</p> <p>(X) appoint or dismiss the Company's chief executive officer and secretary to the board of directors; appoint or dismiss the Company's president, technology director, financial director and other senior management based on the nomination of the chief executive officer, and decide on the matters in relation to their remuneration, rewards and punishments;</p> <p>(XI) formulate the Company's basic management system;</p> <p>.....</p> <p>(XVIII) other functions and authority conferred by laws, administrative regulations, departmental rules, securities regulatory rules of the places where the Company's shares are listed or the Articles.</p>	<p>Article 112 The board of directors shall exercise the following functions and authority:</p> <p>.....</p> <p>(VII) within the scope authorized by the general meeting or the Articles, decide on matters such as the Company's external investment, acquisition and sale of assets, asset pledges, external guarantees, entrusted financial management and related transactions;</p> <p>.....</p> <p>(IX) appoint or dismiss the Company's chief executive officer and secretary to the board of directors; appoint or dismiss the Company's president, chief engineer, chief financial officer and other senior management based on the nomination of the chief executive officer, and decide on the matters in relation to their remuneration, rewards and punishments;</p> <p>(X) formulate the Company's basic management system;</p> <p>.....</p> <p>(XVII) other functions and authority conferred by laws, administrative regulations, departmental rules, securities regulatory rules of the places where the Company's shares are listed or the Articles.</p> <p>Matters beyond the scope of authorization of the general meeting shall be submitted to the general meeting for consideration.</p>

Before Amendment	After Amendment
<p>Article 113 The board of directors shall determine the scope of authority for matters such as external investment, purchase and sale of assets, asset pledges, external guarantees, entrusted financial management and related transactions, and set up strict review and decision-making procedures; for major investment projects, relevant experts and professionals shall be engaged to conduct reviews and it shall be reported to the general meeting for approval.</p> <p>Subject to compliance with the securities regulatory rules of the places where the Company's shares are listed, the board of directors shall have the right to decide on the loans, external investment, assets disposal (leasing, entrusted operation, joint operation with others, purchase, sale, loss reporting, replacement, pledge and liquidation, acquisitions, etc.) and related party transactions in respect of the following matters:</p> <p>(I) external loans that account for less than 30% of the Company's latest total audited net assets in terms of single amount and account for less than 50% of the Company's latest total audited net assets in terms of cumulative amount for a fiscal year;</p> <p>(II) external investments that account for less than 30% of the latest total audited net assets;</p> <p>(III) assets under leasing, entrusted operation, joint operation with others, purchase, sale, loss reporting, replacement, pledge and liquidation that account for less than 20% of the Company's latest total audited net assets;</p>	<p>Article 115 The board of directors shall determine the scope of authority for matters such as external investment, purchase and sale of assets, asset pledges, external guarantees, entrusted financial management, related transactions and external donations, and set up strict review and decision-making procedures; for major investment projects, relevant experts and professionals shall be engaged to conduct reviews and it shall be reported to the general meeting for approval.</p> <p>Subject to compliance with the securities regulatory rules of the places where the Company's shares are listed, the board of directors shall have the right to consider and approve the following matters:</p> <p>(I) Other external guarantee matters not specified in Article 46 of the Articles of Association;</p> <p>(II) Transactions that meet one of the following standards:</p> <p>1. The total assets (where the book value and appraisal value exist at the same time, the higher shall prevail) involved in transaction account for more than 10% of the latest audited total assets of the Company. But if it is more than 50% of the latest audited total assets of the Company, such transaction shall be submitted to the general meeting for consideration;</p>

Before Amendment	After Amendment
<p>(IV) asset acquisitions that account for less than 30% of the latest total audited net assets;</p> <p>(V) specific approval authority of the board of directors for related party transactions shall be implemented in accordance with the current Rules Governing the Listing of Securities on the Shenzhen Stock Exchange;</p> <p>(VI) other functions and authority conferred by the general meeting.</p>	<p>2. The net assets (where the book value and appraisal value exist at the same time, the higher shall prevail) involved in the transaction subject (such as equity) account for more than 10% of the latest audited net assets of the Company, and the absolute amount exceeds RMB10 million. But if it is more than 50% of the latest audited net assets of the Company, and the absolute amount exceeds RMB50 million, such transaction shall be submitted to the general meeting for consideration;</p> <p>3. The revenue related to the transaction subject (such as equity) in the most recent accounting year accounts for more than 10% of the audited revenue of the Company in the most recent accounting year, and the absolute amount exceeds RMB10 million. But if it is more than 50% of the audited revenue of the Company in the most recent accounting year, and the absolute amount exceeds RMB50 million, such transaction shall be submitted to the general meeting for consideration;</p>

Before Amendment	After Amendment
	<p>4. The net profit related to the transaction subject (such as equity) in the most recent accounting year accounts for more than 10% of the audited net profit of the Company in the most recent accounting year, and the absolute amount exceeds RMB1 million. But if it is more than 50% of the audited net profit of the Company in the most recent accounting year, and the absolute amount exceeds RMB5 million, such transaction shall be submitted to the general meeting for consideration;</p> <p>5. The transaction amount (including debt and expenses assumed) is more than 10% of the latest audited net assets of the Company, and the absolute amount exceeds RMB10 million. But if it is more than 50% of the latest audited net profit of the Company, and the absolute amount exceeds RMB50 million, such transaction shall be submitted to the general meeting for consideration;</p>

Before Amendment	After Amendment
	<p>6. Profits generated from transactions account for more than 10% of the Company's audited net profit for the most recent accounting year, and the absolute amount exceeds RMB1 million. But if it is more than 50% of the latest audited net profit of the Company, and the absolute amount exceeds RMB5 million, such transaction shall be submitted to the general meeting for consideration.</p> <p>If the data involved in the calculation of the above indicators is negative, the absolute value shall be taken for calculation.</p> <p>For the purpose of this item, transactions include, but are not limited to, the purchase or sale of assets; external investment (including entrusted wealth management, investment in subsidiaries, etc.); rent or lease assets; entrustment or acceptance of entrustment for the management of assets and business; gifts or acceptance of donated assets; creditor's rights or debt restructuring; transferring or acquiring research and development projects; entering into license agreements; waiver of rights (including waiver of pre-emptive right and pre-emptive right to subscribe for capital contribution, etc.); other transactions recognized by the stock exchanges.</p>

Before Amendment	After Amendment
	<p>(III) Transactions between the Company and related parties (excluding guarantees provided to related parties) that meet any of the following standards:</p> <ol style="list-style-type: none"> <li data-bbox="885 510 1352 658">1. Transactions with related natural persons exceeding RMB300,000 in transaction amount; <li data-bbox="885 700 1352 997">2. Transactions with related legal persons (or other organizations) whose transaction amount exceeds RMB3 million and accounts for more than 0.5% of the absolute value of the listed company's latest audited net assets. <li data-bbox="885 1039 1352 1441">3. Transactions with related legal persons whose transaction amount exceeds RMB30 million and accounts for more than 5% of the absolute value of the Company's latest audited net assets, the matter shall, after being reviewed by the board of directors, be submitted to the general meeting for consideration.

Before Amendment	After Amendment
	<p>(IV) With respect to specific approval authority for financial assistance, it shall be implemented in accordance with the standards stipulated in the Rules Governing the Listing of Securities on the Shenzhen Stock Exchange;</p> <p>(V) Other matters required to be reviewed and approved by the board of directors pursuant to laws, administrative regulations and departmental rules.</p> <p>Unless otherwise specified by the securities regulatory rules of the places where the Company's shares are listed, matters under items (I) to (V) above that do not meet any of standards for board approval shall be approved by the chairman.</p>
<p>Article 115 The chairman shall exercise the following functions and authority:</p> <p>.....</p> <p>(VII) the chairman shall have the right to decide on external loans, external investments and asset acquisitions that account for less than 10% of the Company's latest total audited net assets;</p> <p>(VIII) the chairman shall have the right to decide on the leasing, entrusted operation, joint operation with others, purchase, sale, loss reporting, replacement, pledge or liquidation of assets that account for less than 10% of the Company's latest total audited net assets;</p> <p>(IX) other functions and authority conferred by the board of directors.</p> <p>.....</p>	<p>Article 117 The chairman shall exercise the following functions and authority:</p> <p>.....</p> <p>(VII) other functions and authority conferred by the board of directors.</p> <p>.....</p>

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Before Amendment	After Amendment
Article 116 If the chairman is unable to perform his/her duties or fails to perform his/her duties, a director jointly nominated by more than half of the directors shall perform such duties.	Article 118 If the chairman is unable to perform his/her duties or fails to perform his/her duties, a director jointly nominated by a majority of the directors shall perform such duties.
Article 117 The board of directors shall hold at least four meetings each year, which shall be convened by the chairman and shall notify all directors and supervisors in writing 14 days prior to the meeting.	Article 119 The board of directors shall hold at least four meetings each year, which shall be convened by the chairman and shall notify all directors in writing 14 days prior to the meeting.
Article 118 Shareholders representing more than one-tenth of the voting rights, more than one-third of the directors and more than half of the independent directors or the supervisory committee may propose to hold an extraordinary meeting of the board of directors. The chairman shall convene and preside over a board meeting within ten days after receiving the proposal.	Article 120 Shareholders representing more than one-tenth of the voting rights, more than one-third of the directors and more than half of the independent directors or the audit committee may propose to hold an extraordinary meeting of the board of directors. The chairman shall convene and preside over a board meeting within ten days after receiving the proposal.

Before Amendment	After Amendment
<p>Article 122 If any director is related to the enterprise involved in the resolution at a board meeting, the said director shall not exercise his/her voting rights on the said resolution for himself/herself or on behalf of another director. Such board meeting may be held when more than half of the non-related directors attend the meeting. The resolution of such board meeting shall be passed by more than half of the non-related directors. If the number of non-related directors attending the board meetings is fewer than three, the matters shall be submitted to the general meeting for consideration. Where the laws and regulations and securities regulatory rules of the places where the Company's shares are listed have any additional restrictions in respect of the participation and voting by directors in board meetings, such provisions shall prevail.</p>	<p>Article 124 If any director is related to the enterprise or any individual involved in the resolution at a board meeting, such director shall promptly file a written report to the board of directors. The related director shall not exercise his/her voting rights on the said resolution for himself/herself or on behalf of another director. Such board meeting may be held when more than half of the non-related directors attend the meeting. The resolution of such board meeting shall be passed by more than half of the non-related directors. If the number of non-related directors attending the board meetings is fewer than three, the matters shall be submitted to the general meeting for consideration. Where the laws and regulations and securities regulatory rules of the places where the Company's shares are listed have any additional restrictions in respect of the participation and voting by directors in board meetings, such provisions shall prevail.</p>
<p>New Article</p>	<p>Article 125 Resolutions of the board of directors shall be voted by way of casting written votes or a show of hands.</p> <p>To the extent that the directors are guaranteed the right to fully express their opinions, the extraordinary meetings of the board of directors may be conducted and resolutions be made by means of telecommunication, and such resolutions shall be signed by the directors in attendance.</p>
<p>New Article</p>	<p>Section 3 Independent Directors</p>

Before Amendment	After Amendment
New Article	<p>Article 129 Independent directors shall, in accordance with the provisions of laws, administrative regulations, the securities regulatory rules of the places where the Company's shares are listed and the Articles, earnestly perform their duties, play the roles of participating in decision-making, supervising, checking and balancing, and professional consultation in the board of directors, safeguard the interests of the Company as a whole and protect the legitimate rights and interests of minority shareholders.</p>
New Article	<p>Article 130 Independent directors shall maintain their independence. The following persons shall not serve as independent directors:</p> <ul style="list-style-type: none"> <li data-bbox="795 997 1360 1145">(I) employees of the Company or its subsidiaries, and their spouse, parents and children, and major social relatives; <li data-bbox="795 1187 1360 1441">(II) natural person shareholders who directly or indirectly hold more than 1% of the issued shares of the Company or who rank among the top ten shareholders of the Company, as well as their spouses, parents and children; <li data-bbox="795 1484 1360 1731">(III) employees of those shareholders who directly or indirectly hold more than 5% of the issued shares of the Company or employees of the top five shareholders of the Company, as well as their spouses, parents and children;

Before Amendment	After Amendment
	<p>(IV) employees of the subsidiaries of the Company's controlling shareholders or de facto controllers, and their spouses, parents and children;</p> <p>(V) employees who have significant business dealings with the Company, its controlling shareholders, de facto controllers or their respective subsidiaries, or employees of the entities which have significant business dealings with the Company and their controlling shareholders or de facto controllers;</p> <p>(VI) employees providing financial, legal, consulting and sponsorship and other services to the Company, its controlling shareholders, de facto controllers or their respective subsidiaries, including but not limited to, all members of the project team of the intermediaries providing the services, reviewers at all levels, persons signing the reports, partners, directors, senior management and principal responsible persons;</p> <p>(VII) any employees who fell within the categories stated in (I) to (VI) during the past twelve months;</p>

Before Amendment	After Amendment
	<p>(VIII) any other employees who do not possess independence as stipulated under the laws, administrative regulations, the securities regulatory rules of the places where the Company's shares are listed and the Articles.</p> <p>The subsidiaries of the controlling shareholders and de facto controllers of the Company mentioned in items (IV) to (VI) of the preceding paragraph do not include those enterprises which are controlled by the same state-owned assets management authority as the Company and do not constitute any related relations with the Company under the relevant provisions.</p> <p>The independent directors shall conduct an annual self-examination of their independence and submit the findings of their self-examination to the board of directors every year. The board of directors shall annually assess the independence of the incumbent independent directors and issue special opinions, which shall be disclosed at the same time in the annual report.</p>

Before Amendment	After Amendment
New Article	<p>Article 131 An independent director of the Company shall meet the following conditions:</p> <ul style="list-style-type: none"> (I) having the qualifications to serve as a director of a listed company in accordance with laws, administrative regulations and other relevant provisions; (II) complying with the independence requirements set forth in the Articles; (III) having basic knowledge about the operation of a listed company and being familiar with the relevant laws, regulations and rules; (IV) having at least five years of work experience in law, accounting or economics necessary to perform the duties of an independent director; (V) possessing good personal integrity and having no record of major breaches of trust or other adverse conduct; (VI) complying with the independence requirements under the listing rules of the place where the shares of the Company are listed; (VII) complying with any other conditions as stipulated under the laws, administrative regulations, the securities regulatory rules of the places where the Company's shares are listed and the Articles.

Before Amendment	After Amendment
New Article	<p>Article 132 Independent directors, as members of the board of directors, shall be loyal and diligent to the Company and all shareholders, and shall perform the following duties prudently:</p> <ul style="list-style-type: none"> (I) to participate in the decision-making of the board of directors and express clear opinions on the matters under consideration; (II) to supervise the matters with potential material conflicts of interest between the Company and its controlling shareholders, de facto controllers, directors, and senior management, and protect the legitimate rights and interests of minority shareholders; (III) to provide professional and objective advice on the operation and development of the Company and promote the improvement of the decision-making level of the board of directors; (IV) to perform other duties as stipulated under the laws, administrative regulations, the securities regulatory rules of the places where the Company's shares are listed and the Articles.

Before Amendment	After Amendment
<p>New Article</p>	<p>Article 133 Independent directors shall exercise the following special functions and powers:</p> <ul style="list-style-type: none"> (I) independently engaging an intermediary organization to audit, consult or verify specific matters of the Company; (II) proposing to the board of directors the convening of an extraordinary general meeting; (III) proposing the convening of a meeting of the board of directors; (IV) openly soliciting shareholders' rights in accordance with the law; (V) expressing independent opinions on matters which may prejudice the interests of the Company or minority shareholders; (VI) performing other functions and powers as stipulated under the laws, administrative regulations, the securities regulatory rules of the places where the Company's shares are listed and the Articles. <p>Independent directors shall obtain the consent of more than half of all the independent directors before exercising the functions and powers listed in items (I) to (III) of the preceding paragraph.</p> <p>If an independent director exercises the powers listed in the first paragraph, the Company shall disclose it in a timely manner. If the above-mentioned powers cannot be exercised normally, the Company shall disclose the specific circumstances and reasons.</p>

Before Amendment	After Amendment
New Article	<p>Article 134 The following matters shall be submitted to the board of directors for consideration with the consent by more than half of all independent directors of the Company:</p> <p>(I) related transactions that shall be disclosed;</p> <p>(II) any plans of the Company and related parties to change or waive their commitments;</p> <p>(III) the decisions made and measures taken by the board of directors of the acquired listed company regarding the acquisition;</p> <p>(IV) other matters as stipulated under the laws, administrative regulations, the securities regulatory rules of the places where the Company's shares are listed and the Articles.</p>

Before Amendment	After Amendment
New Article	<p>Article 135 The Company shall establish a mechanism of special meetings attended entirely by independent directors. Where the board of directors considers matters such as related transactions, it shall be approved in advance by a special meeting of independent directors.</p> <p>The Company shall hold regular or ad hoc meetings attended by all independent directors. Matters listed in items (I) to (III) of the first paragraph of Article 133 and Article 134 of the Articles shall be considered at a special meeting of independent directors.</p> <p>The special meetings of independent directors may study and discuss other matters of the Company as needed.</p> <p>The special meetings of independent directors shall be convened and presided over by an independent director jointly elected by more than half of the independent directors. Where the convener does not perform or fails to perform his/her duties, two and more independent directors may convene and elect one representative to preside over the meeting.</p> <p>The minutes of special meeting of independent directors shall be prepared as prescribed, and the opinions of independent directors shall be stated in the minutes. Independent directors shall sign and confirm the minutes.</p> <p>The Company shall provide convenience and support for the convening of the special meetings of independent directors.</p>
New Article	Section 4 Special Committees of the Board of Directors

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Before Amendment	After Amendment
New Article	Article 136 The board of directors of the Company shall establish an audit committee to exercise the powers and functions of the board of supervisors as stipulated in the Company Law.
New Article	Article 137 Members of the audit committee shall consist of more than three directors who do not hold senior management positions in the Company. More than half of them shall be independent directors, and an accounting professional among the independent directors shall serve as the convenor.

Before Amendment	After Amendment
New Article	<p>Article 138 The audit committee is responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating internal and external audit work and internal control. The following matters shall be submitted to the board of directors for consideration with the consent by more than half of all members of the audit committee:</p> <ul style="list-style-type: none"> (I) disclosure of financial information in the financial accounting reports and regular reports, and the evaluation reports on internal control; (II) engagement or dismissal of the accounting firm that conducts auditing for the listed company; (III) appointment or dismissal of the chief financial officer of the listed company; (IV) changes in accounting policies, accounting estimates or correction of significant accounting errors for reasons other than changes in accounting standards; (V) other matters as stipulated under the laws, administrative regulations, departmental rules, normative documents, the securities regulatory rules of the places where the Company's shares are listed and the Articles.

Before Amendment	After Amendment
New Article	<p>Article 139 The audit committee shall meet at least once every quarter. The audit committee may convene an extraordinary meeting upon the proposal of two or more members, or when the convener deems necessary. Meetings of the audit committee shall be held with the attendance of more than two-thirds of the members.</p> <p>Resolutions of the audit committee shall be passed by more than half of the members of the audit committee.</p> <p>Each member of the audit committee shall have one vote for any voting to be resolved by the audit committee.</p> <p>The resolutions of the audit committee shall be recorded in minutes as required, and the members of the audit committee attending the meeting shall sign the minutes.</p> <p>The working procedures of the audit committee shall be formulated by the board of directors.</p>
New Article	<p>Article 140 The board of directors of the Company shall establish a strategic management and ESG, nomination, remuneration and evaluation, and other special committees, which shall perform their duties in accordance with the Articles and the authorization of the board of directors. The proposals of the special committee shall be submitted to the board of directors for consideration and decision. The board of directors shall be responsible for formulating the working procedures of the special committees.</p>

Before Amendment	After Amendment
<p>New Article</p>	<p>Article 141 The nomination committee shall be responsible for formulating the selection criteria and procedures for directors and senior management, and for identifying and reviewing candidates for directors and senior management and their qualifications. It shall make recommendations to the board of directors on the following matters:</p> <p class="list-item-l1">(I) nomination or removal of directors;</p> <p class="list-item-l1">(II) appointment or dismissal of senior management;</p> <p class="list-item-l1">(III) other matters as stipulated by laws, administrative regulations, departmental rules, normative documents, the securities regulatory rules of the places where the Company's shares are listed and the Articles.</p> <p>If the board of directors does not adopt or fully adopt the recommendations of the nomination committee, it shall record the nomination committee's opinions and the specific reasons for not adopting them in the board resolution, and make disclosure.</p>

Before Amendment	After Amendment
<p>New Article</p>	<p>Article 142 The remuneration and evaluation committee shall be responsible for formulating the performance assessment criteria for directors and senior management, conducting their evaluations, and formulating and reviewing the remuneration determination mechanisms, decision-making procedures, payment and clawback arrangements, and other remuneration policies and plans for directors and senior management. It shall make recommendations to the board of directors on the following matters:</p> <p>(I) the remuneration of directors and senior management;</p> <p>(II) the formulation of or amendment to equity incentive schemes, employee share schemes, and the achievement of conditions for the grant and exercise of rights by incentive participants;</p> <p>(III) the arrangements made by directors and senior management for shareholding plans in connection with the proposed spin-off of subsidiaries;</p> <p>(IV) other matters as stipulated by laws, administrative regulations, departmental rules, normative documents, the securities regulatory rules of the places where the Company's shares are listed and the Articles.</p> <p>Where the board of directors does not adopt or fully adopt the recommendations of the remuneration and evaluation committee, it shall record the committee's opinions and the specific reasons for not adopting them in the board resolution, and make disclosure.</p>

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Before Amendment	After Amendment
CHAPTER 6 CHIEF EXECUTIVE OFFICER AND OTHER SENIOR MANAGEMENT	CHAPTER 6 SENIOR MANAGEMENT
<p>Article 126 The Company has one chief executive officer who is appointed or dismissed by the board of directors.</p> <p>The Company's chief executive officer, president, technical officer, secretary to the board of directors and financial officer are the senior management of the Company.</p>	<p>Article 143 The Company has one chief executive officer who is appointed or dismissed by the board of directors.</p>
<p>Article 127 The circumstances set forth herein under which a person may not serve as a director also applies to senior management.</p> <p>Requirements hereof with respect to the directors' obligations of fiduciary and diligence also applies to senior management.</p>	<p>Article 144 The circumstances set forth herein under which a person may not serve as a director and the requirements of the management system for resignations also apply to senior management.</p> <p>Requirements hereof with respect to the directors' obligations of fiduciary and diligence also applies to senior management.</p>
<p>Article 128 Persons who hold administrative positions other than directors or supervisors in any entity of the controlling shareholder of the Company shall not be appointed as senior management of the Company.</p>	<p>Article 145 Persons who hold administrative positions other than directors or supervisors in any entity of the controlling shareholder of the Company shall not be appointed as senior management of the Company.</p> <p>The Company's senior management is paid only by the Company and is not paid by the controlling shareholders on behalf of the Company.</p>

Before Amendment	After Amendment
<p>Article 130 The chief executive officer shall be accountable to the board of directors and shall exercise the following functions and authority:</p> <p>.....</p> <p>(VI) propose the appointment or dismissal by the board of directors of the Company's president, technical officer and financial officer;</p> <p>(VII) decide on the appointment or dismissal of the executive officers other than those who shall be appointed or dismissed by the board of directors;</p> <p>.....</p>	<p>Article 147 The chief executive officer shall be accountable to the board of directors and shall exercise the following functions and authority:</p> <p>.....</p> <p>(VI) propose the appointment or dismissal by the board of directors of the Company's president, chief engineer and chief financial officer;</p> <p>(VII) decide on the appointment or dismissal of the executive officers other than those who shall be appointed or dismissed by the board of directors;</p> <p>.....</p>
<p>Article 132 The working rules for the chief executive officer include the following:</p> <p>.....</p> <p>(III) the use of funds and assets of the Company, limits of authority to enter into material contracts and systems for reporting to the board of directors and the board of supervisors;</p> <p>(IV) other matters deemed necessary by the board of directors.</p>	<p>Article 149 The working rules for the chief executive officer include the following:</p> <p>.....</p> <p>(III) the use of funds and assets of the Company, limits of authority to enter into material contracts and systems for reporting to the board of directors;</p> <p>(IV) other matters deemed necessary by the board of directors.</p>
<p>Article 133 The chief executive officer may resign before expiry of his/her term of service. The specific procedures and methods for resignation of the chief executive officer shall be stipulated in the labor contract between the chief executive officer and the Company.</p>	<p>Article 150 The chief executive officer may resign before expiry of his/her term of service. The specific procedures and methods for resignation of the chief executive officer shall be stipulated in the labor contract between the chief executive officer and the Company.</p>

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Before Amendment	After Amendment
<p>Article 136 If a senior management member violates the laws, administrative regulations, departmental rules or the Articles when performing his/her duties that result in loss to the Company, he/she shall be liable for compensation.</p>	<p>Article 153 If a senior management officer causes damage to others while performing his/her duties for the Company, the Company shall bear liability for compensation; if a senior management officer acts with intent or gross negligence, he/she shall also bear liability for compensation.</p> <p>If a senior management member violates the laws, administrative regulations, departmental rules or the Articles when performing his/her duties that result in loss to the Company, he/she shall be liable for compensation.</p>
<p>New Article</p>	<p>Article 154 The senior management of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders.</p> <p>If the senior management of the Company fails to perform their duties faithfully or violates their obligations of integrity and causes damage to the interests of the Company and the public shareholders, they shall be liable for compensation in accordance with the law.</p>

Before Amendment	After Amendment
CHAPTER 8 FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION, AUDIT AND EXTERNAL GUARANTEE	CHAPTER 7 FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT
<p>Article 152 The Company shall submit to the CSRC and the stock exchanges where the Company's shares are listed the annual financial and accounting report as required within four months from the end of a fiscal year, and the CSRC branch and the stock exchanges the interim financial and accounting report within two months from the end of the first six months of a fiscal year, as well as the CSRC branch and the places where the Company's shares are listed the quarterly financial and accounting report within one month from the end of the first three months and the first nine months of a fiscal year.</p> <p>The aforesaid financial and accounting report shall be prepared in accordance with the relevant laws, administrative regulations, departmental rules, the securities regulatory rules of the places where the shares are listed.</p>	<p>Article 156 The Company shall submit to the CSRC branch and the stock exchanges where the Company's shares are listed and disclose the annual report as required within four months from the end of a fiscal year, as well as submit to the CSRC branch and the stock exchanges and disclose the interim report within two months from the end of the first six months of a fiscal year.</p> <p>The aforesaid annual report and interim report shall be prepared in accordance with the relevant laws, administrative regulations, departmental rules, the securities regulatory rules of the places where the shares are listed.</p>
<p>Article 153 The Company shall not establish account books other than the statutory account books. The assets of the Company shall not be deposited into any personal account.</p>	<p>Article 157 The Company shall not establish account books other than the statutory account books. The funds of the Company shall not be deposited into any personal account.</p>

Before Amendment	After Amendment
<p>Article 154 The Company shall, when allocating its after-tax profits for the current year, allocate 10% of its profits to the Company's statutory reserve. When the cumulated amount of the statutory reserve of the Company reaches 50% of its registered capital, no further allocations is required.</p> <p>.....</p> <p>If the general meeting has, in violation of the preceding paragraph, distributed profits to the shareholders before the Company has made up for its losses and made allocations to the statutory reserve, the shareholders must return to the Company the profits distributed in violation of the provisions.</p> <p>.....</p>	<p>Article 158 The Company shall, when allocating its after-tax profits for the current year, allocate 10% of its profits to the Company's statutory reserve. When the cumulated amount of the statutory reserve of the Company reaches 50% of its registered capital, no further allocations is required.</p> <p>.....</p> <p>If the general meeting has, in violation of the Company Law, distributed profits to the shareholders, the shareholders shall return to the Company the profits distributed in violation of the provisions; if the Company consequentially incurs losses, the shareholders and the responsible directors and senior management shall bear the compensation liability.</p> <p>.....</p>
<p>Article 155 Reserves of the Company are used for covering the Company's losses, expanding the Company's production and operation or being converted to increase the capital of the Company. However, the capital reserve shall not be used to cover the Company's losses.</p> <p>When the statutory reserve is converted into capital, the balance of the statutory reserve shall not fall below 25% of the Company's registered capital before the conversion.</p>	<p>Article 159 Reserves of the Company are used for covering the Company's losses, expanding the Company's production and operation or being converted to increase the registered capital of the Company.</p> <p>In the case that reserves are used to cover the Company's losses, the discretionary reserve and the statutory reserve shall be first used; if they still cannot cover the Company's losses, the capital reserve may be used in accordance with the regulations.</p> <p>When the statutory reserve is converted to increase the registered capital, the balance of the statutory reserve shall not fall below 25% of the Company's registered capital before the conversion.</p>

Before Amendment	After Amendment
Article 157 The Company's profit distribution policy is as follows:	Article 161 The Company's profit distribution policy is as follows:
(I) Principles for profit distribution	(I) Principles for profit distribution
.....
2. Profit distribution by the Company shall neither exceed the scope of the cumulative distributable profits, nor shall it harm the Company's ability to continue as a going concern. The board of directors, the board of supervisors and the general meeting of the Company shall give due consideration to the opinions of small and medium-sized investors in deciding and demonstrating its profit distribution policy.	2. Profit distribution by the Company shall neither exceed the scope of the cumulative distributable profits, nor shall it harm the Company's ability to continue as a going concern. The board of directors, the audit committee and the general meeting of the Company shall give due consideration to the opinions of small and medium-sized investors in deciding and demonstrating its profit distribution policy.
.....
(VII) Decision-making procedures for profit distribution	(VII) Decision-making procedures for profit distribution
.....
3. The board of supervisors shall supervise the implementation and the decision-making process of the dividend policy and shareholder return plan made by the board of directors and management, and consider the profit distribution policy formulated or modified by the board of directors subject to the approval by a majority of the supervisors ;	3. The audit committee shall supervise the implementation and the decision-making process of the dividend policy and shareholder return plan made by the board of directors and management, and consider the profit distribution policy formulated or modified by the board of directors subject to the approval by a majority of the members of the audit committee ;
.....

Before Amendment	After Amendment
<p>Article 158 The Company shall implement an internal audit system and have dedicated audit personnel to perform internal audit and supervision on the Company's financial income and expenses and economic activities.</p>	<p>Article 162 The Company shall implement an internal audit system, and define the leadership system, responsibilities and authority, staffing, financial guarantee, application of audit results and accountability of internal audit work.</p> <p>The Company's internal audit system is implemented after being approved by the board of directors and disclosed to the public.</p>
<p>New Article</p>	<p>Article 163 The internal audit institution of the Company shall supervise and inspect the Company's business activities, risk management, internal control, financial information and other matters.</p>
<p>Article 159 The internal audit system and the responsibilities of the audit personnel of the Company shall take effect upon approval by the board of directors. The head of audit shall be accountable to and report to the board of directors.</p>	<p>Deleted Article</p>
<p>New Article</p>	<p>Article 164 The internal audit institution shall be accountable to the board of directors.</p> <p>The internal audit institution shall accept the supervision and guidance of the audit committee in the process of supervision and inspection of the Company's business activities, risk management, internal control and financial information. If the internal audit institution finds relevant major problems or clues, it shall immediately report directly to the audit committee.</p>

APPENDIX I**COMPARISON TABLE OF THE AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND ITS APPENDICES**

Before Amendment	After Amendment
New Article	Article 165 The internal audit institution is responsible for the specific organization and implementation of the Company's internal control evaluation. According to the evaluation report and relevant information issued by the internal audit institution and reviewed by the audit committee, the Company issues the annual internal control evaluation report.
New Article	Article 166 When the audit committee communicates with external audit units such as accounting firms and national audit institutions, the internal audit institutions shall actively cooperate and provide necessary support and cooperation.
New Article	Article 167 The audit committee shall participate in the assessment of the person in charge of internal audit.
Article 161 The appointment of an accounting firm by the Company shall be agreed by a majority of all members of the audit committee before being submitted to the board of directors for consideration, and shall be determined by the general meeting, and the board of directors shall not appoint an accounting firm before the decision of the general meeting is made.	Article 169 The appointment and removal of an accounting firm by the Company shall be determined by the general meeting, and the board of directors shall not appoint an accounting firm before the decision of the general meeting is made.
Article 169 The notice of meeting for the meeting of board of supervisors shall be served by any means prescribed in Article 171.	Deleted Article
Article 171 Where a notice of meeting is not sent to a person who is entitled to receive due to accidental omission or such person fails to receive the notice of meeting, the validity of the meeting and the resolutions of the meeting shall not be affected.	Article 178 Where a notice of meeting is not sent to a person who is entitled to receive due to accidental omission or such person fails to receive the notice of meeting, the validity of the meeting and the resolutions of the meeting shall not be affected solely on that account .

Before Amendment	After Amendment
New Article	<p>Article 181 The payment for the Company's merger that does not exceed 10% of the Company's net assets may be made without a resolution from the general meeting, unless otherwise provided for by the Articles.</p> <p>If the Company merges in accordance with the aforesaid paragraph without a resolution from the general meeting, it must be resolved by the board of directors.</p>
<p>Article 174 In the event of merger, the merger parties shall enter into a merger agreement, and prepare a balance sheet and an inventory list of assets. The Company shall notify its creditors within ten days from passing of the resolution on merger, and make an announcement on the newspaper(s) and website(s) (including the HKEXnews website of Hong Kong Stock Exchange (www.hkexnews.hk)) designated by securities regulatory authorities within 30 days. Creditors may require the Company to repay the debts or to provide corresponding guarantee within 30 days from receipt of notification or within 45 days from the day of announcement if they do not receive the notification.</p>	<p>Article 182 In the event of merger, the merger parties shall enter into a merger agreement, and prepare a balance sheet and an inventory list of assets. The Company shall notify its creditors within ten days from passing of the resolution on merger, and make an announcement on the newspaper(s) and website(s) (including the HKEXnews website of Hong Kong Stock Exchange (www.hkexnews.hk)) designated by securities regulatory authorities or on the National Enterprise Credit Information Publicity System within 30 days. Creditors may require the Company to repay the debts or to provide corresponding guarantee within 30 days from receipt of notification or within 45 days from the day of announcement if they do not receive the notification.</p>
<p>Article 175 Upon merger, the creditor's rights and debts of the merger parties shall be succeeded by the company which subsists after the merger or the newly-established company.</p>	<p>Article 183 Upon merger, the creditor's rights and debts of the merger parties shall be succeeded by the company which subsists after the merger or the newly-established company.</p>

APPENDIX I**COMPARISON TABLE OF THE AMENDMENTS TO THE
ARTICLES OF ASSOCIATION AND ITS APPENDICES**

Before Amendment	After Amendment
<p>Article 176 In the event of division, assets of the Company shall be divided correspondingly.</p> <p>In the event of a division, a balance sheet and an inventory list of assets shall be prepared. The Company shall notify its creditors within ten days from passing of the resolution on division, and make an announcement on the newspaper(s) and website(s) (including the HKEXnews website of Hong Kong Stock Exchange (www.hkexnews.hk)) designated by securities regulatory authorities within 30 days.</p>	<p>Article 184 In the event of division, assets of the Company shall be divided correspondingly.</p> <p>In the event of a division, a balance sheet and an inventory list of assets shall be prepared. The Company shall notify its creditors within ten days from passing of the resolution on division, and make an announcement on the newspaper(s) and website(s) (including the HKEXnews website of Hong Kong Stock Exchange (www.hkexnews.hk)) designated by securities regulatory authorities or on the National Enterprise Credit Information Publicity System within 30 days.</p>

Before Amendment	After Amendment
<p>Article 178 If the Company needs to reduce its registered capital, it shall prepare a balance sheet and an inventory list of assets.</p> <p>The Company shall notify its creditors within ten days from passing of the resolution on reduction of registered capital, and make an announcement on the newspaper(s) and website(s) (including the HKEXnews website of Hong Kong Stock Exchange (www.hkexnews.hk)) designated by securities regulatory authorities within 30 days. Creditors are entitled to demand the Company to repay the debts or to provide corresponding guarantee within 30 days from receipt of notification or within 45 days from the day of announcement if they do not receive the notification.</p> <p>The reduced registered capital of the Company shall not be lower than the minimum statutory amount.</p>	<p>Article 186 If the Company reduces its registered capital, it shall prepare a balance sheet and an inventory list of assets.</p> <p>The Company shall notify its creditors within ten days from passing of the resolution on reduction of registered capital at the general meeting, and make an announcement on the newspaper(s) and website(s) (including the HKEXnews website of Hong Kong Stock Exchange (www.hkexnews.hk)) designated by securities regulatory authorities or on the National Enterprise Credit Information Publicity System within 30 days. Creditors are entitled to demand the Company to repay the debts or to provide corresponding guarantee within 30 days from receipt of notification or within 45 days from the day of announcement if they do not receive the notification.</p> <p>Where the Company reduces its registered capital, the amount of capital contribution or shares shall be reduced correspondingly in proportion to the shares held by its shareholders, unless otherwise provided by law or the Articles.</p>

Before Amendment	After Amendment
<p>New Article</p>	<p>Article 187 If the Company still has losses after making up for them in accordance with the provisions of paragraph 2 of Article 159 of the Articles, it may reduce its registered capital to make up for such losses. Where the registered capital is reduced to make up for losses, the Company shall not make distributions to shareholders, nor shall it exempt shareholders from their obligations to make capital contributions or pay for shares.</p> <p>Where the registered capital is reduced in accordance with the provisions of the preceding paragraph, the provisions of paragraph 2 of Article 186 of the Article shall not apply. However, the Company shall announce the reduction on the newspaper(s) and website(s) (including the HKEXnews website of Hong Kong Stock Exchange (www.hkexnews.hk)) designated by securities regulatory authorities or on the National Enterprise Credit Information Publicity System within 30 days from the date on which the shareholders' meeting passes a resolution to reduce the registered capital.</p> <p>After the Company reduces its registered capital in accordance with the provisions of the preceding two paragraphs, it shall not distribute profits until the accumulated amount of the statutory common reserve fund and the discretionary common reserve funds reaches 50% of the Company's registered capital.</p>

Before Amendment	After Amendment
New Article	Article 188 If the reduction of the registered capital is in violation of the Company Law and other relevant provisions, shareholders shall return the funds they have received and the reduced capital contribution of the shareholders shall be restored to its original amount; in case of losses caused to the Company, the shareholders and the liable directors and senior management shall be liable for compensation.
New Article	Article 189 When the Company issues new shares to increase its registered capital, the shareholders do not have any pre-emptive right unless otherwise provided in the Articles or the general meeting resolves that the shareholders shall have pre-emptive right.
<p>Article 180 The Company shall be dissolved for the following reasons:</p> <p>.....</p> <p>(V) When the Company has serious difficulties in its operation and management and the Company's subsistence will cause material damages to the interests of its shareholders, and where the Company is unable to resolve the difficulties through any other means, the shareholders who hold more than 10% of the voting rights of the Company may apply to the People's Court for dissolution of the Company.</p>	<p>Article 191 The Company shall be dissolved for the following reasons:</p> <p>.....</p> <p>(V) When the Company has serious difficulties in its operation and management and the Company's subsistence will cause material damages to the interests of its shareholders, and where the Company is unable to resolve the difficulties through any other means, the shareholders who hold more than 10% of the voting rights of the Company may apply to the People's Court for dissolution of the Company.</p> <p>In case that any event of dissolution specified in the preceding paragraph occurs, the Company shall publish an announcement in relation to the reasons for dissolution on the National Enterprise Credit Information Publicity System within ten days.</p>

Before Amendment	After Amendment
<p>Article 181 Under the circumstances set out in item (I) of Article 180 in the Articles, the Company may subsist through amendments to the Articles.</p> <p>Where amendments to the Articles are made in accordance with the preceding paragraph, such amendments shall be passed by votes representing more than two-thirds of the voting rights held by shareholders attending the general meeting.</p>	<p>Article 192 Under the circumstances set out in item (I) and item (II) of Article 191 in the Articles and the property has not yet been distributed to shareholders, the Company may subsist through amendments to the Articles or a resolution of general meeting.</p> <p>Where amendments to the Articles or a resolution of general meeting are made in accordance with the preceding paragraph, such amendments shall be passed by votes representing more than two-thirds of the voting rights held by shareholders attending the general meeting.</p>
<p>Article 182 Where the Company is dissolved pursuant to items (I), (II), (IV) and (V) of Article 180 in the Articles, a liquidation team shall be set up within 15 days from the date of occurrence of event that causes dissolution and shall commence liquidation. The liquidation team shall consist of members determined by the directors or the general meeting. In case no such liquidation team is established to timely proceed with liquidation, the creditors may make an application to the People's Court for the appointment of relevant persons to form the liquidation team for liquidation.</p>	<p>Article 193 Where the Company is dissolved pursuant to items (I), (II), (IV) and (V) of Article 191 in the Articles, it shall be liquidated. The directors are the obligor of liquidation of the Company, and shall set up a liquidation team to commence liquidation within 15 days from the date of occurrence of event that causes dissolution.</p> <p>The liquidation team shall consist of directors, unless otherwise provided in the Articles or other persons are elected by the general meeting.</p> <p>If the liquidation obligor fails to perform its liquidation obligations in a timely manner and causes losses to the Company or its creditors, he/she shall be liable for compensation.</p>
<p>Article 183 The liquidation team shall exercise the following authority during the liquidation period:</p> <p>.....</p> <p>(VI) dispose of the Company's remaining assets after the debts are paid off;</p> <p>.....</p>	<p>Article 194 The liquidation team shall exercise the following authority during the liquidation period:</p> <p>.....</p> <p>(VI) distribute the Company's remaining assets after the debts are paid off;</p> <p>.....</p>

Before Amendment	After Amendment
<p>Article 184 The liquidation team shall, within ten days from its establishment, notify the creditors, and make an announcement on the newspaper(s) and website(s) (including the HKEXnews website of Hong Kong Stock Exchange (www.hkexnews.hk)) designated by securities regulatory authorities within 60 days. The creditors shall declare their creditors' rights to the liquidation team within 30 days from receipt of notification or within 45 days from the day of announcement if they do not receive the notification.</p> <p>.....</p>	<p>Article 195 The liquidation team shall, within ten days from its establishment, notify the creditors, and make an announcement on the newspaper(s) and website(s) (including the HKEXnews website of Hong Kong Stock Exchange (www.hkexnews.hk)) designated by securities regulatory authorities or on the National Enterprise Credit Information Publicity System within 60 days. The creditors shall declare their creditors' rights to the liquidation team within 30 days from receipt of notification or within 45 days from the day of announcement if they do not receive the notification.</p> <p>.....</p>
<p>Article 185 Upon sorting of the Company's assets and preparation of balance sheet and inventory list of assets, the liquidation team shall formulate a liquidation plan and submit it to the general meeting or the People's Court for confirmation.</p> <p>The Company's assets, after being used respectively for payment of liquidation expenses, employees' wages, social insurance premiums and statutory compensation, payment of tax in arrears and the Company's debts, shall be distributed in proportion to the shareholding of the shareholders.</p> <p>During the liquidation period, the Company shall subsist but shall not engage in business activities unrelated to liquidation. The Company's assets shall not be distributed to shareholders prior to making repayment pursuant to the provisions of the preceding paragraph.</p>	<p>Article 196 Upon sorting of the Company's assets and preparation of balance sheet and inventory list of assets, the liquidation team shall formulate a liquidation plan and submit it to the general meeting or the People's Court for confirmation.</p> <p>The Company's assets, after being used respectively for payment of liquidation expenses, employees' wages, social insurance premiums and statutory compensation, payment of tax in arrears and the Company's debts, shall be distributed in proportion to the shareholding of the shareholders.</p> <p>During the liquidation period, the Company shall subsist but shall not engage in business activities unrelated to liquidation.</p> <p>The Company's assets shall not be distributed to shareholders prior to making repayment pursuant to the provisions of the preceding paragraph.</p>

Before Amendment	After Amendment
<p>Article 186 Upon sorting of the Company's assets and preparation of balance sheet and inventory list of assets, if the liquidation team is aware that the Company's assets are inadequate for repayment of debts, it shall apply to the People's Court for declaration of insolvency.</p> <p>Upon declaration of the Company's insolvency pursuant to the ruling of the People's Court, the liquidation team shall hand over the liquidation matters to the People's Court.</p>	<p>Article 197 Upon sorting of the Company's assets and preparation of balance sheet and inventory list of assets, if the liquidation team is aware that the Company's assets are inadequate for repayment of debts, it shall apply to the People's Court for insolvency and liquidation.</p> <p>After the application for insolvency is accepted by the People's Court, the liquidation team shall hand over the liquidation matters to the bankruptcy administrator designated by the People's Court.</p>
<p>Article 187 Upon completion of liquidation, the liquidation team shall formulate a liquidation report and shall submit the same to the general meeting or the People's Court for confirmation and submit to the company registration authorities and apply for deregistration, and announce the termination of the Company.</p>	<p>Article 198 Upon completion of liquidation, the liquidation team shall formulate a liquidation report and shall submit the same to the general meeting or the People's Court for confirmation and submit to the company registration authorities and apply for deregistration.</p>
<p>Article 188 The members of the liquidation team shall devote themselves to their duties and fulfill their obligations of liquidation according to laws.</p> <p>The members of the liquidation team shall not take any bribe or other illegal proceeds by taking advantage of his/her position, nor may he/she misappropriate the properties of the Company.</p> <p>Where any members of the liquidation team cause any loss to the Company or any creditor with intention or due to material negligence, he/she shall be liable to compensation.</p>	<p>Article 199 The members of the liquidation team shall perform the liquidation duties and have obligations of loyalty and diligence.</p> <p>Where the members of the liquidation team neglect to perform the liquidation duties and cause any loss to the Company, he/she shall be liable to make compensation; where any members of the liquidation team cause any loss to any creditor with intention or due to material negligence, he/she shall be liable to compensation.</p>

APPENDIX I**COMPARISON TABLE OF THE AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND ITS APPENDICES**

Before Amendment	After Amendment
<p>Article 190 Under any of the following circumstances, the Company shall amend the Articles:</p> <p>.....</p> <p>(II) There is any change to the Company's particulars which result in inconsistency with the matters set out in the Articles of Association;</p> <p>(III) A general meeting has decided on making amendments to the Articles of Association.</p>	<p>Article 201 Under any of the following circumstances, the Company will amend the Articles:</p> <p>.....</p> <p>(II) There is any change to the Company's particulars which result in inconsistency with the matters set out in the Articles of Association;</p> <p>(III) A general meeting has decided on making amendments to the Articles of Association.</p>
<p>Article 194 Definitions</p> <p>(I) A controlling shareholder refers to a shareholder holding shares representing more than 50% of the total share capital of the Company; a shareholder holding less than 50% of shares in the Company, but the voting rights vested by the shares held by him/her have a material influence on any resolutions of a general meeting, or a controlling shareholder as defined in the securities regulatory rules of the places where the Company's shares are listed.</p>	<p>Article 205 Definitions</p> <p>(I) A controlling shareholder refers to a shareholder holding shares representing more than 50% of the total share capital of the Company; or a shareholder holding less than 50% of shares in the Company, but the voting rights vested by the shares held by him/her have a material influence on any resolutions of a general meeting, or a controlling shareholder as defined in the securities regulatory rules of the places where the Company's shares are listed.</p>

APPENDIX I**COMPARISON TABLE OF THE AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND ITS APPENDICES**

Before Amendment	After Amendment
<p>(II) A de facto controller refers to a natural person, legal person or other organization which is not a shareholder of the Company but can effectively control the Company through investments, agreements or other arrangements.</p> <p>(III) Related relations refer to relations between a controlling shareholder, de facto controller, director, supervisor or senior management of the Company and the enterprise directly or indirectly controlled by the same, and other relations which may give rise to a transfer of interests of the Company. However, enterprises owned by the State shall not be regarded as having related relations only because they are owned by the State.</p> <p>.....</p>	<p>(II) A de facto controller refers to a natural person, legal person or other organization which can effectively control the Company through investments, agreements or other arrangements.</p> <p>(III) Related relations refer to relations between a controlling shareholder, de facto controller, director or senior management of the Company and the enterprise directly or indirectly controlled by the same, and other relations which may give rise to a transfer of interests of the Company. However, enterprises owned by the State shall not be regarded as having related relations only because they are owned by the State.</p> <p>.....</p>
<p>Article 195 The board of directors may formulate by-laws in accordance with the provisions of the Articles of Association. Such by-laws shall not conflict with the Articles of Association.</p>	<p>Article 206 The board of directors may formulate by-laws in accordance with the provisions of the Articles of Association. Such by-laws shall not conflict with the Articles of Association.</p>
<p>Article 196 The Articles are written in Chinese. In case of any inconsistency between the Articles and the articles of association in any other language or of different version, the latest Chinese version of the Articles of Association approved by and registered with the administration for industry and commerce of Zhejiang Province shall prevail.</p>	<p>Article 207 The Articles are written in Chinese. In case of any inconsistency between the Articles and the articles of association in any other language or of different version, the latest Chinese version of the Articles of Association approved by and registered with Zhejiang Provincial Administration for Market Regulation shall prevail.</p>

Before Amendment	After Amendment
Article 197 The terms “above”, “within” or “below”, as stated in the Articles shall all include the given figure; the terms “under”, “beyond”, “lower than” or “more than” shall all exclude the given figure.	Article 208 The terms “above” or “within”, as stated in the Articles shall all include the given figure; the terms “over”, “beyond”, “lower than” or “more than” shall all exclude the given figure.

Save for the amendments as set out above, all other provisions of the Articles of Association remain unchanged. The final amended version shall be subject to the content approved by the market supervision and administration authority.

**2. COMPARISON TABLE OF THE AMENDMENTS TO THE RULES OF PROCEDURE
FOR THE GENERAL MEETING**

In accordance with the relevant provisions of the Company Law, the Securities Law of the People's Republic of China, the Guidelines for the Articles of Association of Listed Companies, the Rules Governing the Listing of Securities on the Shenzhen Stock Exchange, and other laws, administrative regulations and regulatory documents, and taking into account the actual situation of the Company, the Company proposed to amend the relevant provisions of the Rules of Procedure for the General Meeting (these "Rules"). The specific amendments are as follows:

1. All references to "股東大會" have been changed to "股東會" (both meaning "general meeting");
2. Individual rules not involving substantive amendments, such as changes in the numbering of rules, corresponding adjustments to the numbering of rules quoted, as well as adjustments to punctuation and formatting, are not listed in the comparison table. Other specific amendments are as follows:

Before Amendments	After Amendments
Newly Added Rule	Rule 2 These Rules shall apply to the convening, proposals, notices, holding and other matters of the general meetings of the Company.

Before Amendments	After Amendments
<p>Rule 8 The board of supervisors shall have the right to propose to the board of directors in writing to call an extraordinary general meeting. The board of directors shall, pursuant to laws, administrative regulations and the Articles of Association, give a written reply stating its consent or reject for the convening of the extraordinary general meeting within ten days after receiving the proposal.</p> <p>If the board of directors agrees to convene the extraordinary general meeting, a notice for convening such meeting shall be issued within five days after the resolution is made by the board of directors. The consent of the board of supervisors shall be secured if any change is to be made to the original motion in the notice.</p> <p>If the board of directors does not agree to call such meeting, or fails to give a response within ten days after receipt of the proposal, it shall be deemed to be unable to or have failed to perform its duty of convening the general meeting, and the board of supervisors may itself convene and preside over such meeting.</p>	<p>Rule 9 The audit committee shall have the right to propose to the board of directors in writing to call an extraordinary general meeting. The board of directors shall, pursuant to laws, administrative regulations, the listing rules of the places where the Company's shares are listed and the Articles of Association, give a written reply stating its consent or reject for the convening of the extraordinary general meeting within ten days after receiving the proposal.</p> <p>If the board of directors agrees to convene the extraordinary general meeting, a notice for convening such meeting shall be issued within five days after the resolution is made by the board of directors. The consent of the audit committee shall be secured if any change is to be made to the original motion in the notice.</p> <p>If the board of directors does not agree to call such meeting, or fails to give a written response within ten days after receipt of the proposal, it shall be deemed to be unable to or have failed to perform its duty of convening the general meeting, and the audit committee may itself convene and preside over such meeting.</p>

Before Amendments	After Amendments
<p>Rule 9 Any shareholder individually or jointly holding over 10% of the Company's shares is entitled to propose to the board of directors for convening an extraordinary general meeting and such proposal shall be made in writing. The board of directors shall, in accordance with laws, administrative regulations and the Articles of Association, give a written response on whether or not it agrees to call such a meeting within ten days after receipt of the request.</p>	<p>Rule 10 Any shareholder individually or jointly holding over 10% of the Company's shares shall propose to the board of directors for convening an extraordinary general meeting and such proposal shall be made in writing. The board of directors shall, in accordance with laws, administrative regulations, the listing rules of the places where the Company's shares are listed and the Articles of Association, give a written response on whether or not it agrees to call such a meeting within ten days after receipt of the request.</p>
<p>If the board of directors agrees to call an extraordinary general meeting, it shall issue a notice calling such meeting within five days after it has so resolved. The consent of the relevant shareholders shall be secured if any change is to be made in the notice to the original request.</p>	<p>If the board of directors agrees to call an extraordinary general meeting, it shall issue a notice calling such meeting within five days after it has so resolved. The consent of the relevant shareholders shall be secured if any change is to be made in the notice to the original request. If the board of directors does not agree to call such meeting, or fails to give a response within 10 days after receipt of the request, the shareholder alone or shareholders together holding at least 10 percent of the shares shall have the right to propose to the board of supervisors in writing that it call the extraordinary general meeting.</p>
<p>If the board of supervisors agrees to call the extraordinary general meeting, it shall issue a notice calling such meeting within 5 days after receipt of the request. The consent of the relevant shareholders shall be secured if any change is to be made in the notice to the original request.</p>	<p>If the audit committee agrees to call the extraordinary general meeting, it shall issue a notice calling such meeting within 5 days after receipt of the request. The consent of the relevant shareholders shall be secured if any change is to be made in the notice to the original request.</p>
<p>If the board of supervisors fails to issue a notice calling the general meeting by the prescribed deadline, it shall be deemed to have failed to convene and preside over such meeting, and a shareholder who alone has held or shareholders who together have held at least 10 percent of the shares of the Company for at least 90 days in succession may themselves convene and preside over such meeting.</p>	<p>If the audit committee fails to issue a notice calling the general meeting by the prescribed deadline, it shall be deemed to have failed to convene and preside over such meeting, and a shareholder who alone has held or shareholders who together have held at least 10 percent of the shares of the Company for at least 90 days in succession may themselves convene and preside over such meeting.</p>

Before Amendments	After Amendments
<p>Rule 10 If the board of supervisors or any shareholders convene(s) a general meeting, the board of directors shall be notified in writing, and the meeting shall be registered with the stock exchanges.</p>	<p>Rule 11 If the audit committee or any shareholders convene(s) a general meeting, the board of directors shall be notified in writing, and the meeting shall be registered with the Shenzhen Stock Exchange.</p>
<p>The shareholding of the convening shareholders shall be no less than 10% of the shares of the Company prior to the announcement of any resolution approved at the general meeting.</p>	<p>The shareholding of the convening shareholders shall be no less than 10% of the shares of the Company prior to the announcement of any resolution approved at the general meeting.</p>
<p>The board of supervisors and such convening shareholders shall submit relevant evidence to the stock exchanges when issuing the notice of general meeting and announcement of any resolution approved at the general meeting.</p>	<p>The audit committee or such convening shareholders shall submit relevant evidence to the stock exchanges when issuing the notice of general meeting and announcement of any resolution approved at the general meeting.</p>
<p>Rule 11 With regard to the general meeting convened by the board of supervisors or shareholders on its/their own initiative, the board of directors and its secretary shall offer cooperation. The board of directors shall provide a register of shareholders as of the record date. In the event that the board of directors fails to provide the register of shareholders, the convener may apply to the securities registration and clearing institution for obtaining it with the relevant announcement of the notice convening the general meeting. The register of shareholders obtained by the convener shall not be used for purposes other than convening the general meeting.</p>	<p>Rule 12 With regard to the general meeting convened by the audit committee or shareholders on its/their own initiative, the board of directors and its secretary shall offer cooperation.</p> <p>The board of directors shall provide a register of shareholders as of the record date. In the event that the board of directors fails to provide the register of shareholders, the convener may apply to the securities registration and clearing institution for obtaining it with the relevant announcement of the notice convening the general meeting. The register of shareholders obtained by the convener shall not be used for purposes other than convening the general meeting.</p>
<p>Rule 12 Where the board of supervisors or shareholders convenes the general meeting on its/their own initiative, all the expenses for the meeting shall be borne by the Company.</p>	<p>Rule 13 Where the audit committee or shareholders convenes the general meeting on its/their own initiative, all the expenses for the meeting shall be borne by the Company.</p>

Before Amendments	After Amendments
<p>Rule 14 Where the Company convenes a general meeting, the board of directors, the board of supervisors and shareholders severally or jointly holding 1% or more shares are entitled to submit proposals to the Company. Shareholders severally or jointly holding more than 1% shares of the Company may submit written provisional proposals to the convener 10 days before a general meeting is convened. The convener shall serve a supplementary notice of general meeting to other shareholders within two days after receipt of a proposal, and announce the contents of provisional proposals.</p> <p>Except as provided in the preceding paragraph, the convener may not make any changes to the proposals set forth in the notice of the general meeting or add any new proposals once the notice and announcement of the general meeting have been issued.</p> <p>.....</p>	<p>Rule 15 Shareholders severally or jointly holding more than 1% shares of the Company may submit written provisional proposals to the convener 10 days before a general meeting is convened. The convener shall serve a supplementary notice of general meeting to other shareholders within two days after receipt of a proposal, and announce the contents of provisional proposal, and submit such provisional proposal to the general meeting for consideration, unless the provisional proposal is in violation of the laws, administrative regulations or the Articles of Association or does not fall within the scope of the terms of reference for the general meeting. The Company shall not increase the shareholding requirement for shareholders proposing provisional proposals.</p> <p>Except as provided in the preceding paragraph, the convener may not make any changes to the proposals set forth in the notice of the general meeting or add any new proposals once the notice of the general meeting have been issued.</p> <p>.....</p>

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Before Amendments	After Amendments
<p>Rule 15 The convener shall inform each shareholder of the forthcoming annual general meeting in writing (including by way of announcement) 21 days before the meeting, and shall inform each shareholder of the forthcoming extraordinary general meeting in writing (including by way of announcement) 15 days before the meeting.</p>	<p>Rule 16 The convener shall inform each shareholder of the forthcoming annual general meeting in writing (including by way of announcement) 21 days before the meeting (or the date as required by the place where the shares of the Company are listed, whichever is earlier), and shall inform each shareholder of the forthcoming extraordinary general meeting in writing (including by way of announcement) 15 days before the meeting (or the date as required by the place where the shares of the Company are listed, whichever is earlier).</p>
<p>Rule 16 The notice and supplementary notice of the general meeting shall fully and completely disclose the specific content of all proposals as well as all information or explanations necessary to enable shareholders to make a reasonable judgement on the matters to be discussed. If the matters to be discussed require the opinions of independent directors, the opinions of the independent directors and the reasons therefor shall be disclosed at the same time when the notice of general meeting or its supplementary notice is issued.</p>	<p>Rule 17 The notice and supplementary notice of the general meeting shall fully and completely disclose the specific content of all proposals as well as all information or explanations necessary to enable shareholders to make a reasonable judgement on the matters to be discussed.</p>

Before Amendments	After Amendments
<p>Rule 17 If the election of directors or supervisors is to be discussed at a general meeting, detailed information on the candidates for such positions will be fully disclosed in the notice of the general meeting, which shall at least include the following:</p> <p>.....</p> <p>Each candidate for director or supervisor should be separately proposed, except for directors or supervisors elected by way of cumulative voting.</p>	<p>Rule 18 If the election of directors is to be discussed at a general meeting, detailed information on the candidates for such positions will be fully disclosed in the notice of the general meeting, which shall at least include the following:</p> <p>.....</p> <p>Each candidate for director should be separately proposed, except for directors elected by way of cumulative voting.</p>

Before Amendments	After Amendments
<p>Rule 18 The notice of a general meeting shall specify:</p> <p>(I) the time, venue and duration of the meeting;</p> <p>(II) matters and proposals submitted to the meeting for consideration;</p> <p>(III) the notice shall state clearly that all shareholders of ordinary shares (including shareholders of preferred shares with restored voting rights) are entitled to attend the general meeting or appoint proxies in writing to attend and vote at such meeting on their behalf and that such proxies need not be a shareholder of the Company;</p> <p>(IV) the record date for the shareholders who are entitled to attend the general meeting;</p> <p>(V) the names and telephone numbers of the contact person for the meeting affairs;</p> <p>(VI) voting time of and procedures via online or other methods.</p> <p>The notice and supplemental notice of the general meeting shall fully and completely disclose all the specific contents of all proposals. Where the opinions of an independent director are required on matters to be discussed, the opinions and reasons thereof shall be disclosed at the same time when the notice of general meeting and the supplemental notice are issued.</p> <p>Voting at the general meeting on the network or otherwise shall commence not earlier than 3:00 pm on the day prior to an on-site general meeting, and not later than 9:30 am on the day of the on-site general meeting, and shall finish not earlier than 3:00 pm on the day of closing the on-site general meeting.</p> <p>The interval between the record date and the day of meeting shall be no more than seven working days. Once the record date is determined, it shall not be changed.</p>	<p>Rule 19 The notice of the general meeting shall specify the time and venue of the meeting, and determine the record date. The interval between the record date and the day of meeting shall be no more than seven working days. Once the record date is determined, it shall not be changed.</p>

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Before Amendments	After Amendments
<p>Rule 20 The general meeting of the Company shall be convened at the address of the Company or venues designated in the Articles of Association. The general meeting shall be provided with meeting venue and convened in the form of on-spot meeting. The Company shall provide convenience for shareholders to participate in the general meeting by using safe, economic and convenient network or other means in accordance with laws, administrative regulations, securities regulatory rules of the places where the Company's shares are listed or the Articles of Association. Shareholders participating in the general meeting by aforesaid means will be deemed to attend the meeting.</p> <p>.....</p>	<p>Rule 21 The general meeting of the Company shall be convened at the address of the Company or venues designated in the Articles of Association.</p> <p>The general meeting shall be provided with meeting venue and convened in the form of on-spot meeting. The Company shall provide convenience for shareholders by using safe, economic and convenient network or other means in accordance with laws, administrative regulations, securities regulatory rules of the places where the Company's shares are listed or the Articles of Association.</p> <p>.....</p>
<p>Rule 21 The Company shall specify the time of the vote and the method of voting online or by other means in the notice of the general meeting.</p>	<p>Rule 22 The Company shall specify the voting time and the voting procedures through internet or other means in the notice of the general meeting.</p> <p>For the general meeting, the time of voting through internet or other means shall be no earlier than 3:00 p.m. on the day before the live general meeting and no later than 9:30 a.m. on the day of the live general meeting, and shall be concluded no earlier than 3:00 p.m. on the day the live general meeting ends.</p>

Before Amendments	After Amendments
<p>Rule 22 The board of directors and other convener shall adopt necessary measures to ensure the normal discipline of the general meeting. In respect of actions interfering the general meeting, making provocations and troubles and infringing the legitimate interests of shareholders, measures shall be adopted to stop and to report to the relevant authorities in a timely manner for investigation and handling.</p>	<p>Rule 23 The board of directors and other convener shall adopt necessary measures to ensure the normal discipline of the general meeting. In respect of actions interfering the general meeting, making provocations and troubles and infringing the legitimate interests of shareholders, measures shall be adopted to stop and to report to the relevant authorities in a timely manner for investigation and handling.</p>
<p>Rule 23 All shareholders appearing in the register of shareholders on the record date or their proxies shall be entitled to attend the general meeting, and to speak and exercise the voting rights at the general meeting in accordance with relevant laws, regulations and the Articles of Association, except where a shareholder is required by the Listing Rules of the Hong Kong to abstain from voting on the matter under consideration, and the Company and the convener shall not decline for any reason, unless a shareholder is required by the securities regulatory rules of the places where the Company's shares are listed to abstain from voting on the matter under consideration.</p>	<p>Rule 24 All shareholders appearing in the register of shareholders on the record date or their proxies shall be entitled to attend the general meeting, and to speak and exercise the voting rights at the general meeting in accordance with relevant laws, regulations and the Articles of Association, except where a shareholder is required by the Listing Rules of the Hong Kong to abstain from voting on the matter under consideration, and the Company and the convener shall not decline for any reason, unless a shareholder is required by the securities regulatory rules of the places where the Company's shares are listed to abstain from voting on the matter under consideration. Shareholders attending the general meeting shall be entitled to one vote for each share held. Shares held by the Company have no voting rights.</p>
<p>Rule 26 All directors, supervisors and secretary to the board of directors shall attend general meetings to be convened by the Company, and the chief executive officer and other senior management shall be present at the meetings.</p>	<p>Rule 27 Where the general meeting requests the director or senior management to attend the meeting, the director or senior management shall attend the meeting and subject to questioning by shareholders.</p>

Before Amendments	After Amendments
<p>Rule 27 The general meeting shall be presided over by the chairman of the board of directors. If the chairman of the board of directors is unable or fails to perform his/her duties, a director who has been elected by more than one-half of the directors shall preside over the meeting.</p>	<p>Rule 28 The general meeting shall be presided over by the chairman of the board of directors. If the chairman of the board of directors is unable or fails to perform his/her duties, a director who has been elected by more than one-half of the directors shall preside over the meeting.</p>
<p>The general meeting convened by the board of supervisors shall be presided over by the convener of the board of supervisors. If the convener of the board of supervisors is unable or fails to perform his/her duties, a supervisor who has been elected by more than one-half of the supervisors shall preside over the meeting.</p>	<p>The general 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 fails to perform his/her duties, a member of the audit committee who has been elected by more than one-half of the members of the audit committee shall preside over the meeting.</p>
<p>The general meeting convened by shareholders shall be presided over by a representative elected by the convener.</p>	<p>The general meeting convened by shareholders shall be presided over by the convener or a representative elected by the convener.</p>
<p>During a general meeting, in the event that the presider of the meeting violates these Rules so that the general meeting cannot proceed, a person may be elected at the general meeting to act as the presider of the meeting to proceed with the meeting with the consent of more than one half of the shareholders with voting rights who are present at the meeting in person.</p>	<p>During a general meeting, in the event that the presider of the meeting violates these Rules so that the general meeting cannot proceed, a person may be elected at the general meeting to act as the presider of the meeting to proceed with the meeting with the consent of more than one half of the shareholders with voting rights who are present at the meeting.</p>
<p>Rule 28 In the annual general meeting, the board of directors and the board of supervisors shall report to the general meeting their work done in the past year. Independent directors shall also submit a report on their duty performance to the annual general meeting to explain their performance.</p>	<p>Rule 29 In the annual general meeting, the board of directors shall report to the general meeting their work done in the past year. Each independent director shall also submit a report on their duty performance.</p>

Before Amendments	After Amendments
<p>Rule 29 Directors, supervisors and senior management shall provide explanations and clarifications on the shareholders' inquiries at the general meeting.</p>	<p>Rule 30 Directors and senior management shall provide explanations and clarifications on the shareholders' inquiries at the general meeting.</p>
<p>Rule 31 In case any shareholder is related to any matter to be reviewed at the general meeting, he shall avoid the voting process, and the voting shares he holds shall not be included in the total number of voting shares held by shareholders present at the general meeting. The resolutions adopted at the general meeting should fully disclose the voting results by unrelated shareholders.</p> <p>In the event that the general meeting resolves matters related to connected transactions, the related shareholders shall recuse themselves from voting initiatively. If the related shareholders do not recuse themselves from voting initiatively, other shareholders attending the meeting shall have the right to request the related shareholders to recuse themselves from voting. After the recusal of the related shareholder, the other shareholders shall vote according to their voting rights.</p> <p>Pursuant to the applicable laws and regulations and the Hong Kong Listing Rules, if any shareholder is required to abstain from voting on a particular resolution or restricted to voting only for (or against) a particular resolution, the number of votes cast by such shareholder or his/her proxy in breach of the relevant requirements or restrictions shall not be included.</p>	<p>Rule 32 In case any shareholder is related to any matter to be reviewed at the general meeting, he shall avoid the voting process, and the voting shares he holds shall not be included in the total number of voting shares held by shareholders present at the general meeting.</p> <p>Where material issues affecting the interests of small and medium investors are being considered in the general meeting, the votes by small and medium investors shall be counted separately. The separate counting results shall be publicly disclosed in a timely manner.</p> <p>Shares held by the Company have no voting rights. This portion of shares is not included in the total number of voting shares held by shareholders present at the general meeting.</p> <p>Where a shareholder's purchase of voting shares of the Company violates the provisions of paragraphs 1 and 2 of Article 63 of the Securities Law, the shares exceeding the permitted proportion shall not exercise the voting right within 36 months after the purchase, and shall not be included in the total number of voting shares held by shareholders present at the general meeting.</p>

Before Amendments	After Amendments
	<p>The Company's board of directors, independent directors and shareholders holding more than 1% of the voting shares or the investor protection institutions established according to laws, administrative regulations or requirements of the CSRC may publicly solicit voting rights from shareholders, provided that sufficient disclosure of information such as the specific voting preference shall be made to the shareholders from whom voting rights are being solicited. No consideration or other form of de facto consideration shall be involved in the solicitation of voting rights from shareholders. Except for the statutory provisions, the Company shall not impose any limitation related to minimum shareholdings on the solicitation of voting rights.</p> <p>Pursuant to the applicable laws and regulations and the Hong Kong Listing Rules, if any shareholder is required to abstain from voting on a particular resolution or restricted to voting only for (or against) a particular resolution, the number of votes cast by such shareholder or his/her proxy in breach of the relevant requirements or restrictions shall not be included.</p>

Before Amendments	After Amendments
<p>Rule 32 The list of candidates for directors and supervisors shall be submitted as a proposal to the general meeting for voting.</p> <p>When a voting is carried out on the election of directors or supervisors at a general meeting, the cumulative voting system may be adopted in accordance with the provisions under the Articles of Association or the resolutions of the general meeting. Among them, the cumulative voting system must be adopted if two or more independent directors are elected at the general meeting or two or more directors or supervisors are elected by the Company if a single shareholder and parties acting in concert with him or her are interested in 30% or more of the shares.</p> <p>The cumulative voting system referred to in the preceding paragraph means that when directors or supervisors are being elected at a general meeting, each share shall carry the same number of voting rights as the number of directors or supervisors to be elected, and the voting rights held by shareholders may be used collectively. The board of directors shall make announcement to shareholders on the resumes and basic information of the candidates for directors and supervisors.</p> <p>The method and procedure for nominating directors or supervisors, as well as matters related to the cumulative voting system, shall refer to the provisions of the Articles of Association.</p>	<p>Rule 33 When a voting is carried out on the election of directors at a general meeting, the cumulative voting system may be adopted in accordance with the provisions under the Articles of Association or the resolutions of the general meeting. Among them, the cumulative voting system shall be adopted if two or more independent directors are elected at the general meeting or if a single shareholder and parties acting in concert with him or her are interested in 30% or more of the shares.</p> <p>The cumulative voting system referred to in the preceding paragraph means that when directors are being elected at a general meeting, each share shall carry the same number of voting rights as the number of directors to be elected, and the voting rights held by shareholders may be used collectively. The board of directors shall make announcement to shareholders on the resumes and basic information of the candidates for directors.</p> <p>The method and procedure for nominating directors, as well as matters related to the cumulative voting system, shall refer to the provisions of the Articles of Association.</p>

Before Amendments	After Amendments
<p>Rule 34 When a proposal is considered at a general meeting, no amendments shall be made thereto. <u>Otherwise</u>, any changes made thereto shall be considered as a new proposal, and no voting shall be carried out on that proposal at that general meeting.</p>	<p>Rule 35 When a proposal is considered at a general meeting, no amendments shall be made thereto. Any change if made thereto shall be considered as a new proposal, and no voting shall be carried out on that proposal at that general meeting.</p>
<p>Rule 37 Before the proposal is voted on at a general meeting, two shareholder representatives shall be elected for vote counting and scrutinizing. Shareholders who are interested in the matter under consideration and their proxies shall not count the votes and scrutinize the poll.</p> <p>When a proposal is voted on at the general meeting, the lawyers, the representatives of the shareholders and supervisors shall be jointly responsible for vote counting and scrutinizing.</p> <p>.....</p>	<p>Rule 38 Before the proposal is voted on at a general meeting, two shareholder representatives shall be elected for vote counting and scrutinizing. Shareholders who are interested in the matter under consideration and their proxies shall not count the votes and scrutinize the poll.</p> <p>When a proposal is voted on at the general meeting, the lawyers and the representatives of the shareholders (or other relevant persons appointed under the Hong Kong Listing Rules) in accordance with the listing rules of the place where the shares of the Company are listed shall be jointly responsible for vote counting and scrutinizing, and shall announce the voting results on the spot.</p> <p>.....</p>
<p>Rule 38 The onsite general meeting shall not be concluded earlier than the online meeting or that held by other means, and the presider of the meeting shall announce the voting and results of each proposal and whether the proposal is passed according to the voting results.</p> <p>Before the voting results are officially announced, the listed company, vote counters, scrutineers, substantial shareholders, Internet services providers and other relevant parties involved in the onsite general meeting, online meeting or that held by other means shall be under an obligation to keep the voting results strictly confidential.</p>	<p>Rule 39 The onsite general meeting shall not be concluded earlier than the online meeting or that held by other means, and the presider of the meeting shall announce the voting and results of each proposal and whether the proposal is passed according to the voting results.</p> <p>Before the voting results are officially announced, the listed company, vote counters, scrutineers, shareholders, Internet services providers and other relevant parties involved in the onsite general meeting, online meeting or that held by other means shall be under an obligation to keep the voting results strictly confidential.</p>

Before Amendments	After Amendments
Chapter 5 Voting and Resolutions of General Meetings	Deleted
<p>Rule 41 Resolutions of the general meeting can be ordinary resolutions or special resolutions. Ordinary resolutions of the general meeting shall be passed by more than half of the voting rights held by the shareholders (including their proxies) attending the general meeting.</p> <p>Special resolutions of the general meeting shall be passed by more than two-thirds of the voting rights held by the shareholders (including their proxies) attending the general meeting.</p>	Deleted Rule
<p>Rule 42 The following matters shall be resolved by way of an ordinary resolution of the general meeting:</p> <ul style="list-style-type: none"> (I) work reports of the board of directors and the board of supervisors; (II) plans for the distribution of profits and making up of losses drafted by the board of directors; (III) appointment and removal of members of the board of directors and board of supervisors, and their remuneration and method of payment; (IV) the Company's annual budget and final accounts; (V) the annual report of the Company; (VI) matters other than those that laws, administrative regulations, the securities regulatory rules of the places where the Company's shares are listed or the Articles of Association require to be passed by way of a special resolution. 	Deleted Rule

Before Amendments	After Amendments
<p>Rule 43 The following matters shall be passed by special resolution at the general meeting:</p> <p>(I) increase or reduction of the Company's registered capital;</p> <p>(II) division, merger, dissolution or change of corporate form of the Company;</p> <p>(III) amendments to the Articles of Association and its annexes;</p> <p>(IV) any purchase or disposal of substantial assets made or any guarantee provided by the Company within one year, the amount of which exceeds 30% of the latest audited total assets of the Company;</p> <p>(V) equity incentive plans;</p> <p>(VI) spin-off of subsidiaries for listing;</p> <p>(VII) the issuance of shares, convertible corporate bonds, preferred shares and other securities approved by the CSRC;</p> <p>(VIII) repurchase of shares for the purpose of reducing registered capital;</p> <p>(IX) material asset restructuring;</p> <p>(X) the resolution of a general meeting of the listed company to voluntarily withdraw the listing of its shares on the Shenzhen Stock Exchange and its decision to cease trading on stock exchanges or application for trading on or transfer to another stock exchange;</p>	<p>Deleted Rule</p>

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<p>(XI) other matters that, as resolved by way of an ordinary resolution of the general meeting, may have a significant impact on the Company and require adoption by way of a special resolution;</p> <p>(XII) other matters stipulated by laws, regulations, securities regulatory rules of the places where the shares of the Company are listed, the Articles of Association and the Rules of Procedure for the General Meeting which need to be passed by way of a special resolution.</p> <p>With respect to the proposal referred to in item VI and item X in the preceding paragraph, in addition to the approval by votes representing more than two-thirds of the voting rights held by shareholders attending the general meeting, it shall be passed by votes representing more than two-thirds of the voting rights of the shareholders attending the general meeting, excluding the directors, supervisors, senior management and shareholders who individually or collectively hold more than 5% of the shares of the listed company.</p>	

Before Amendments	After Amendments
<p>Rule 44 When shareholders (including their proxies) vote at the general meeting, they shall exercise their voting rights according to the number of voting rights they represent. Each share shall carry one voting right.</p> <p>Where material issues affecting the interests of small and medium investors are being considered in the general meeting, the votes by small and medium investors shall be counted separately. The separate counting results shall be publicly disclosed in a timely manner.</p> <p>Where a shareholder's purchase of voting shares of the Company violates the provisions of paragraphs 1 and 2 of Article 63 of the Securities Law, the shares exceeding the permitted proportion shall not exercise the voting right within 36 months after the purchase, and shall not be included in the total number of voting shares held by shareholders present at the general meeting.</p> <p>Shares held by the Company have no voting rights. This portion of shares is not included in the total number of voting shares held by shareholders present at the general meeting.</p> <p>The board of directors, independent directors and shareholders who meet related provisions may solicit voting rights from shareholders, provided that sufficient disclosure of information such as the specific voting preference shall be made to the shareholders from whom voting rights are being solicited. No consideration or other form of de facto consideration shall be involved in the solicitation of voting rights from shareholders. The Company shall not impose any limitation related to minimum shareholdings on the solicitation of voting rights.</p>	<p>Deleted Rule</p>

Before Amendments	After Amendments
<p>Rule 45 Minutes of a general meeting shall be recorded by the secretary to the board of directors and include the followings:</p> <p>(I) time, place, agenda of meeting and name of the convener of the meeting;</p> <p>(II) names of the presider of the meeting as well as directors, supervisors, chief executive officer and other senior management attending or present at the meeting;</p> <p>.....</p> <p>Directors, supervisors, the secretary to the board of directors, the convener or his representative who attend the meeting and the presider of the meeting shall sign on the minutes of the meeting, and shall guarantee the authenticity, accuracy and integrity of the content of the meeting minutes. The minutes of the meeting should be maintained together with the register for attendance of shareholders present in person, the proxy forms of their proxies and valid information on voting via internet and by other means for a period of not less than 10 years.</p>	<p>Rule 42 Minutes of a general meeting shall be recorded by the secretary to the board of directors and shall include the followings:</p> <p>(I) time, place, agenda of meeting and name of the convener of the meeting;</p> <p>(II) names of the presider of the meeting as well as directors and senior management present at the meeting;</p> <p>.....</p> <p>Directors, the secretary to the board of directors, the convener or his representative who attend or present at the meeting and the presider of the meeting shall sign on the minutes of the meeting, and shall guarantee the authenticity, accuracy and integrity of the content of the meeting minutes. The minutes of the meeting should be maintained together with the register for attendance of shareholders present in person, the proxy forms of their proxies and valid information on voting via internet and by other means for a period of not less than 10 years.</p>

Before Amendments	After Amendments
<p>Rule 47 Where a proposal in relation to the election of directors or supervisors is passed at a general meeting, the term of office of the new directors or supervisors shall commence according to the requirements of the Articles of Association.</p>	<p>Rule 44 Where a proposal in relation to the election of directors is passed at a general meeting, the term of office of the new directors shall commence according to the requirements of the Articles of Association.</p>
<p>Rule 48 Where a profit distribution plan in relation to the payment of cash dividends, the issue of bonus shares or increase in the share capital by way of capitalization of capital reserves is passed at a general meeting, or where the board of directors of the Company formulates a specific plan in accordance with the conditions and cap of the interim dividend distribution for the following year considered and approved at the annual general meeting, the Company shall implement specific plans within two months after conclusion of the general meeting. If the specific plans are not able to be implemented within two months under the laws and regulations and the securities regulatory rules of the places where the Company's shares are listed, the implementation date of the specific plans may be correspondingly adjusted in accordance with such regulations and actual circumstances.</p>	<p>Rule 45 Where a proposal in relation to the payment of cash dividends, the issue of bonus shares or increase in the share capital by way of capitalization of capital reserves is passed at a general meeting, or where the board of directors of the Company formulates a specific plan in accordance with the conditions and cap of the interim dividend distribution for the following year considered and approved at the annual general meeting, the Company shall implement specific plans within two months after conclusion of the general meeting. If the specific plans are not able to be implemented within two months under the laws and regulations and the securities regulatory rules of the places where the Company's shares are listed, the implementation date of the specific plans may be correspondingly adjusted in accordance with such regulations and actual circumstances.</p>
<p>Rule 49 The chairman of the board of directors shall report the implementation status of resolutions passed at the general meeting to the board of directors, and the board of directors shall report it to the next general meeting. The board of supervisors shall directly report the resolutions implementation undertaken by it to the general meeting, or when it deems necessary, to the board of directors in advance.</p>	<p>Deleted Rule</p>

Before Amendments	After Amendments
<p>Rule 50 Any resolution made at any general meeting of the Company contravenes the law or administrative regulations shall void.</p> <p>The controlling shareholders or de facto controllers of the Company shall not restrict or obstruct minority investors from exercising their voting rights in accordance with the law, and shall not prejudice the legitimate rights and interests of the Company and the minority investors.</p> <p>If any convening procedure or voting method concerning any general meeting contravenes the law, administrative regulations or the Articles of Association or if the content of any resolution contravenes the Articles of Association, any shareholder may request a People's Court to nullify such resolution within 60 days as from the date when such resolution has been adopted.</p>	<p>Rule 46 Any resolution made at any general meeting of the Company contravenes the law or administrative regulations shall void.</p> <p>The controlling shareholders or de facto controllers of the Company shall not restrict or obstruct minority investors from exercising their voting rights in accordance with the law, and shall not prejudice the legitimate rights and interests of the Company and the minority investors.</p> <p>If any convening procedure or voting method concerning any general meeting contravenes the law, administrative regulations or the Articles of Association or if the content of any resolution contravenes the Articles of Association, any shareholder may request a People's Court to nullify such resolution within 60 days as from the date when such resolution has been adopted. However, this does not apply if such procedures for convening the general meeting, or the voting thereat, have only minor flaws that have no substantial impact on the resolution.</p> <p>If the board of directors, shareholders and other relevant parties have disputes regarding the legality of the convener's qualifications, convening procedures, content of proposals, or the validity of resolutions passed at the general meeting, they shall promptly file a lawsuit with the People's Court. Before the People's Court makes a judgment or ruling to revoke the resolution, the relevant parties shall implement the resolutions of the general meeting. The Company, its directors and senior management shall earnestly perform their duties, promptly implement resolutions of the general meeting, and ensure the normal operation of the Company.</p>

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	<p>Where the People's Court makes a judgement or ruling on the relevant matter, the listed company shall fulfill its obligations to disclose the information in accordance with the requirements of laws, administrative regulations and securities regulatory rules of the places where the Company's shares are listed, fully explain the impact of the judgement or ruling on the Company, and actively cooperate with the authorities in the enforcement of the judgement or ruling after it has come into effect. Where previous matters need to be corrected, the Company shall handle the correction in a timely manner and fulfill its obligations to disclose the information accordingly.</p>
Chapter 6 Regulatory Measures	Deleted
Rule 51 If the listed company fails to convene a general meeting without proper reasons within the time limit stipulated in these Rules, the stock exchanges have rights to suspend trading of the listed shares and the derivative products of the Company, and require the board of directors to give explanations and make an announcement.	Deleted Rule
Rule 52 If the convening and holding of a general shareholders' meeting and the disclosure of relevant information do not meet the requirements of the laws, administrative regulations, securities regulatory rules of the places where the Company's shares are listed, the Rules of Procedure for the General Meeting of Listed Companies and the Articles of Association, the CSRC and its dispatched offices have rights to order the Company or the relevant responsible persons to make corrections within the time limit, and the stock exchanges will take relevant regulatory measures or impose disciplinary sanctions.	Deleted Rule

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Rule 53 If a director, a supervisor, or the secretary to the board of directors violates the requirements of the laws, administrative regulations, securities regulatory rules of the places where the Company's shares are listed, these Rules and the Articles of Association, and fails to practically perform duties, the securities regulators of the places where the Company's shares are listed and their dispatched offices have rights to order them to make corrections, and the stock exchanges will take relevant regulatory measures or impose disciplinary sanctions; if the circumstances are serious or are not corrected, the CSRC may take measures to prohibit the relevant persons from entering the securities market.	Deleted Rule
Rule 57 These Rules shall be implemented from the date when the H shares issued by the Company are listed on The Stock Exchange of Hong Kong Limited after they have been approved by a resolution of the general meeting.	Rule 50 These Rules shall be implemented from the date when they are considered and passed by the general meeting, and the same shall apply when they are amended.

Save for the amendments to rules as set out above, all other rules in the Rules of Procedure for the General Meeting remain unchanged.

**3. COMPARISON TABLE OF THE AMENDMENTS TO THE RULES OF PROCEDURE
FOR THE BOARD OF DIRECTORS**

In accordance with the relevant provisions of the Company Law, the Securities Law of the People's Republic of China, the Guidelines for the Articles of Association of Listed Companies, the Rules Governing the Listing of Securities on the Shenzhen Stock Exchange, and other laws, administrative regulations and regulatory documents, and taking into account the actual situation of the Company, the Company proposed to amend the relevant provisions of the Rules of Procedure for the Board of Directors (the "Rules"). The specific amendments are as follows:

1. All references to “股東大會” have been changed to “股東會” (both meaning “general meeting”);
2. Individual rules not involving substantive amendments, such as changes in the numbering of rules, corresponding adjustments to the numbering of rules quoted, as well as adjustments to punctuation and formatting, are not listed in the comparison table. Other specific amendments are as follows:

Before Amendments	After Amendments
Chapter 1 General Provisions	Deleted
Rule 1 In order to standardize the operation procedures of the board of directors of Zhejiang Sanhua Intelligent Controls Co., Ltd. (浙江三花智能控制股份有限公司) (the "Company") and the behavior of directors, and to ensure the working efficiency and scientific decision-making of the board of directors, these Rules are amended in accordance with the requirements of the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Guidelines for Articles of Association of Listed Companies, the Code of Corporate Governance for Listed Companies, the Measures for the Administration of Independent Directors of Listed Companies, the Rules Governing the Listing of Securities on the Shenzhen	Rule 1 In order to standardize the operation procedures of the board of directors of Zhejiang Sanhua Intelligent Controls Co., Ltd. (浙江三花智能控制股份有限公司) (the "Company") and the behavior of directors, and to ensure the working efficiency and scientific decision-making of the board of directors, these Rules are formulated in accordance with the requirements of the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Guidelines for Articles of Association of Listed Companies, the Code of Corporate Governance for Listed Companies, the Measures for the Administration of Independent Directors of Listed Companies, the Rules Governing the Listing of Securities on the Shenzhen

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Before Amendments	After Amendments
Stock Exchange, the Self-regulatory Guidelines for the Companies Listed on the Shenzhen Stock Exchange No. 1 – Standardized Operation of the Companies Listed on the Main Board and other relevant laws, regulations and normative documents of the state, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Articles of Association of Zhejiang Sanhua Intelligent Controls Co., Ltd. (“the Articles of Association”).	Stock Exchange, the Self-regulatory Guidelines for the Companies Listed on the Shenzhen Stock Exchange No. 1 – Standardized Operation of the Companies Listed on the Main Board and other relevant laws, regulations and normative documents of the state, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”) and the Articles of Association of Zhejiang Sanhua Intelligent Controls Co., Ltd. (“the Articles of Association”).
<p>Rule 3 The board of directors shall represent the Company externally, and the chairman of the board of directors is the legal representative of the Company. The board of directors shall manage internal affairs of the Company during the intersessional period of the general meeting. Under the leadership of the board of directors, the chief executive officer is responsible for the Company’s daily business, operations and administrative management, and is accountable to and reports to the board of directors.</p> <p>The directors are accountable to all shareholders and the board of directors is supervised by the board of supervisors of the Company.</p>	<p>Rule 3 The board of directors shall manage internal affairs of the Company during the intersessional period of the general meeting. Under the leadership of the board of directors, the chief executive officer is responsible for the Company’s daily business, operations and administrative management, and is accountable to and reports to the board of directors.</p>
<p>Rule 4 In these Rules, the board of directors refers to the Company’s board of directors, and directors refer to all directors of the Company.</p>	<p>Deleted Rule</p>
<p>Chapter 2 Composition of the Board of Directors</p>	<p>Deleted</p>

Before Amendments	After Amendments
<p>Rule 8 The board of directors may establish special committees for strategy, audit, nomination, remuneration and evaluation according to the relevant resolutions of the general meeting. In accordance with arrangements of the board of directors and the chairman and proposals of the chief executive officer, special committees study on matters in professional fields and provide their opinions and advices for the decision-making of the board of directors.</p> <p>.....</p>	<p>Rule 7 The board of directors shall establish special committees for strategy management and ESG, audit, nomination, remuneration and evaluation. In accordance with arrangements of the board of directors and the chairman and proposals of the chief executive officer, special committees study on matters in professional fields and provide their opinions and advices for the decision-making of the board of directors.</p> <p>.....</p>

Before Amendments	After Amendments
<p>Rule 9 The board of directors shall exercise the following functions and authority:</p> <ul style="list-style-type: none"> (I) convene general meetings and submit work reports to the general meetings; (II) implement resolutions of the general meetings; (III) determine the business plans and investment plans of the Company; (IV) formulate the Company's annual financial budget plan and final accounts plan; (V) formulate the Company's profit distribution plan and loss recovery plan; (VI) formulate plans for the Company for increase or reduction of registered capital, issuance of bonds or other securities and listing; (VII) formulate plans for major acquisitions of the Company, acquisition of the Company's shares, or plans for merger, division, dissolution and change of corporate form; (VIII) within the scope authorized by the general meeting or the Articles of Association, decide on matters such as the Company's external investment, acquisition and sale of assets, asset pledges, external guarantees, entrusted financial management and related-party transactions; matters beyond the scope of authorization shall be submitted to the general meetings for consideration; 	<p>Deleted Rule</p>

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<p>(IX) decide on the establishment of the Company's internal management body;</p> <p>(X) appoint or dismiss the Company's chief executive officer and secretary to the board of directors; appoint or dismiss the Company's president, technology director, financial director and other senior management based on the nomination of the chief executive officer, and decide on the matters in relation to their remuneration, rewards and punishments;</p> <p>(XI) formulate the Company's basic management system;</p> <p>(XII) formulate proposed amendments to the Articles of Association;</p> <p>(XIII) manage the Company's information disclosure matters;</p> <p>(XIV) make proposal to the general meeting on the engagement or change of the accounting firm performing audits for the Company;</p> <p>(XV) listen to the work reports from the chief executive officer of the Company and review the work of the chief executive officer;</p> <p>(XVI) decide on the acquisition of the Company's own shares by the Company under the circumstances stipulated in item III, item V and item VI of Article 23 in the Articles of Association as passed by a resolution by more than two-thirds of the directors attending the meeting of the board of directors;</p>	

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<p>(XVII) the board of directors of the Company shall establish special committees for audit, strategy, nomination, remuneration and evaluation. Special committees shall be accountable to the board of directors and perform their duties in accordance with the Articles of Association and the authorization by the board of directors, and the proposals shall be submitted to the board of directors for consideration and approval. The members of the special committees shall be entirely composed of directors, among which independent directors constitute the majority of the audit committee, nomination committee, remuneration and evaluation committee and serve as the conveners. The convener of the audit committee shall be an accounting professional. The board of directors shall be responsible for formulating the working procedures of the special committees and regulating the operation of the special committees;</p> <p>(XVIII) other functions and authority conferred by laws, administrative regulations, departmental rules, securities regulatory rules of the places where the Company's shares are listed or the Articles of Association.</p> <p>Except for the resolutions of the board of directors in respect of the matters specified in item VI, item VII and item XII which shall be passed by more than two-thirds of the directors, the resolutions of the board of directors in respect of other matters set out in the preceding paragraphs may be passed by more than one half of the directors.</p>	

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Rule 10 The board of directors of the Company shall provide explanation to the general meeting with respect to non-standard audit opinions, issued by a certified public accountant, regarding the Company's financial report.	Deleted Rule
Rule 11 The board of directors shall set a limit for venture capital investments with the Company's assets, and establish stringent review and decision-making procedures.	Deleted Rule
Chapter 3 Directors	Deleted
Rule 12 The Company's directors are natural persons, including independent directors and directors other than independent directors. Directors other than independent directors are subject to the general provisions regarding directors in the Articles of Association of the Company.	Deleted Rule

Before Amendments	After Amendments
<p>Rule 13 Directors shall be elected or replaced at a general meeting, and the term of office of directors for each session of the board of directors shall be three years. Upon the expiry of a director's term of office, the director may be re-elected and re-appointed. Any director may be removed from office by the general meeting prior to the expiry of his/her term of office.</p>	<p>Rule 8 Directors shall be elected or replaced at a general meeting, and may be removed from office by the general meeting prior to the expiry of his/her term of office. The term of office of directors for each session of the board of directors shall be three years. Upon the expiry of a director's term of office, the director may be re-elected and re-appointed according to the requirements of securities regulatory rules of the places where the Company's shares are listed.</p>
<p>The term of office of a director who is re-elected or appointed to fill a casual vacancy shall commence from the date of taking office, until the current term of office of the board of directors ends.</p>	<p>The term of office of a director shall commence from the date of taking office, until the current term of office of the board of directors ends.</p>
<p>A director shall continue to perform his/her duties as a director in accordance with the laws, administrative regulations, departmental rules, securities regulatory rules of the places where the Company's shares are listed and the Articles of Association until a re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office.</p>	<p>A director shall continue to perform his/her duties as a director in accordance with the laws, administrative regulations, departmental rules, securities regulatory rules of the places where the Company's shares are listed and the Articles of Association until a re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office.</p>
<p>The chief executive officer or other senior management may concurrently serve as a director, provided that the aggregate number of the directors who concurrently serve as the chief executive officer or senior management and directors who are employee representatives, shall not exceed 1/2 of all the directors of the Company.</p>	<p>The senior management may concurrently serve as a director, provided that the aggregate number of the directors who concurrently serve as the senior management and directors who are employee representatives, shall not exceed 1/2 of all the directors of the Company.</p>
<p>After consideration and approval at a general meeting through a separate resolution, the board of directors of the Company may have a certain percentage of employee representatives as directors. The employee representatives of the board of directors shall be elected at the employee representatives' meeting, employee meeting or otherwise democratically, and shall directly sit on the board of directors.</p>	<p>The Company shall have an employee representative director, and the employee representatives of the board of directors shall be elected at the employee representatives' meeting, employee meeting or otherwise democratically, which is not subject to consideration by the general meeting.</p>

Before Amendments	After Amendments
<p>Rule 14 A director shall personally attend the general meeting at which the proposal to appoint him/her is reviewed, and shall report to the general meeting whether he/she falls into any of the following circumstances:</p> <p>(I) Any of the circumstances where a person shall not serve as a director as stipulated in the Company Law and other laws, regulations, administrative rules and securities regulatory rules of the places where the Company's shares are listed;</p> <p>(II) Subject to a securities market entry ban imposed by the CSRC that prohibits a person from serving as a director, supervisor or senior management of a listed company, and such ban period remains unexpired;</p> <p>(III) Publicly deemed unfit by a stock exchange to serve as a director, supervisor or senior management of a listed company, and such disqualification period remains unexpired;</p> <p>(IV) Others as stipulated in laws, administrative regulations or departmental rules.</p> <p>Independent directors shall also make representations as to their independence and competence and accept inquiries from shareholders.</p>	<p>Deleted Rule</p>

Before Amendments	After Amendments
<p>Rule 15 The general meeting shall adopt the cumulative voting system when electing directors, and the voting of independent directors and non-independent directors shall be conducted separately.</p> <p>The relevant provisions of the Articles of Association shall apply for specific operation method.</p>	<p>Deleted Rule</p>
<p>Rule 16 The directors shall comply with laws, regulations, securities regulatory rules of the places where the Company's shares are listed and the provisions of Articles of Association, and shall faithfully fulfil their obligations and safeguard the interests of the Company. When their own interests conflict with those of the Company and shareholders, they should act in the best interests of the Company and shareholders and shall guarantee to bear the following fiduciary obligations towards the Company:</p> <p>(I) shall not accept any bribery or other illegal income by using his/her powers and position, or embezzle the properties of the Company in any manner;</p> <p>(II) shall not misappropriate the Company's funds;</p> <p>(III) shall not deposit the Company's assets or funds in an account under his/her own name or the name of other individuals;</p> <p>(IV) shall not, in violation of the Articles of Association, provide loans to others using the Company's funds or provide guarantee for others with properties of the Company without the consent of the general meeting or the board of directors;</p>	<p>Deleted Rule</p>

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<p>(V) shall not enter into any contract or transaction with the Company in violation of the provisions of the Articles of Association or without the consent of the general meeting;</p> <p>(VI) shall not make use of his/her position to procure business opportunities that should otherwise belong to the Company for himself/herself or others; or to engage in the same business as the Company for his/her own account or for the benefits of any other persons without consent of the general meeting;</p> <p>(VII) shall not accept commissions from the Company's transactions for their own benefit;</p> <p>(VIII) shall not disclose confidential information of the Company without permission;</p> <p>(IX) shall not abuse his/her connected relationship to the detriment of the interests of the Company;</p> <p>(X) other fiduciary obligations stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the places where the Company's shares are listed and the Articles of Association.</p> <p>Income generated by a director from violation of the provisions of this rule shall belong to the Company; where the Company suffers losses thereto, the director shall be liable for compensation.</p>	

Before Amendments	After Amendments
<p>Rule 17 Directors shall abide by laws, administrative regulations, securities regulatory rules of the places where the Company's shares are listed and the Articles of Association, and shall bear the following duty of diligence towards the Company:</p> <p>(I) shall exercise the rights conferred by the Company prudently, seriously and diligently to ensure that the commercial activities of the Company comply with the laws, administrative regulations and the requirements of various economic policies of the PRC, and the business activities shall not go beyond the scope of the business stipulated in the business license;</p> <p>(II) shall treat all shareholders fairly;</p> <p>(III) shall maintain a timely awareness of the operation and management of the Company;</p> <p>(IV) shall sign written confirmation on the securities offering documents and regular reports of the Company, and to ensure the Company gives a timely and fair disclosure of information and the truthfulness, accuracy and completeness of information disclosed therein. Where the directors are unable to ensure the truthfulness, accuracy and completeness of the content of the securities offering documents and regular reports or have objection, their opinions and reasons shall be stated in the written confirmation and disclosed by the Company. Directors could directly apply for disclosure if the Company fails to disclose;</p>	<p>Deleted Rule</p>

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<p>(V) shall provide relevant information and materials to the board of supervisors truthfully, and shall not obstruct the exercise of powers by the board of supervisors or the supervisors;</p> <p>(VI) other duty of diligence stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the places where the Company's shares are listed and the Articles of Association.</p>	
<p>Rule 18 Unless provided for under the Articles of Association or legally authorized by the board of directors, no director may act in his/her own capacity on behalf of the Company or the board of directors. When a director acts in his/her own capacity and a third party would reasonably believe that the director is acting on behalf of the Company or the board of directors, the director shall declare his/her position and capacity in advance.</p>	Deleted Rule
<p>Rule 19 If a director violates laws, administrative regulations, departmental rules, securities regulatory rules of the places where the Company's shares are listed or the provisions of the Articles of Association when performing his/her duties and causes losses to the Company, he/she shall be liable for compensation.</p>	Deleted Rule

Before Amendments	After Amendments
<p>Rule 20 If any director is related to the enterprise involved in the resolution at a meeting of the board of directors, the said director shall not exercise his/her voting rights on the said resolution for himself/herself or on behalf of another director. Such meeting of the board of directors may be held when more than half of the non-related directors attend the meeting. The resolution of such meeting of the board of directors shall be passed by more than half of the non-related directors. If the number of non-related directors attending the meetings of the board of directors is fewer than three, the matters shall be submitted to the general meeting for consideration.</p>	<p>Deleted Rule</p>
<p>Rule 21 A director who fails to attend two consecutive meetings of the board of directors in person without authorizing another director to attend on his/her behalf, shall be deemed to be unable to perform his/her duties. The board of directors shall propose to the general meeting to remove such director.</p>	<p>Deleted Rule</p>

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<p>Rule 22 A director may resign before expiry of his/her term of office. A resigning director shall submit a written resignation report to the board of directors. The board of directors shall make disclosure of relevant information within two days.</p> <p>Where the number of members of the board of directors falls below the minimum requirement due to the resignation of any director, before a newly elected director takes office, the original director shall perform his/her duties as a director in accordance with laws, administrative regulations, departmental rules, securities regulatory rules of the places where the Company's shares are listed and the provisions of the Articles of Association.</p> <p>Save for the circumstances set out in the preceding paragraph, the resignation of a director shall take effect when the resignation report is delivered to the board of directors.</p>	<p>Deleted Rule</p>

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Rule 23 If a director gives notice of his resignation or if his term of office expires, he shall complete all handover formalities with the board of directors and his duty of loyalty and honesty owed to the Company and the shareholders shall not necessarily cease during the period when the notice of resignation has not become effective, during a reasonable period after it has become effective as well as within a reasonable period upon the termination of his office. The duty of confidentiality in relation to trade secrets of the Company survives the termination of his office permanently unless such trade secrets enter into the public domain. Other obligations shall continue for such a period as determined according to the principle of fairness and depending on the amount of time elapsed between the termination and the act concerned as well as the circumstances and conditions under which the relationship with the Company is terminated.	Deleted Rule
Rule 24 A director who leaves his office without authorization before the end of his/her term of office shall be liable for any loss suffered by the Company as a result of his departure.	Deleted Rule
Chapter 4 Independent Directors	Deleted

Before Amendments	After Amendments
<p>Rule 25 An independent director refers to a director who does not hold any other post in the Company except as a director, and has no direct or indirect interest in the company he/she is employed by, its major shareholders and de facto controllers, or any other relationship that may affect his/her independent and objective judgment. In addition to the general provisions on directors in the previous section, independent directors shall also comply with the special provisions on independent directors in this section.</p> <p>Independent directors shall perform their duties independently and be free from the influence of the Company, its major shareholders, de facto controllers and other units or individuals.</p>	<p>Deleted Rule</p>
<p>Rule 26 Independent directors shall be elected or replaced at general meetings and shall serve a term of three years. The term of office of an independent director is renewable upon reelection when it expires, but the renewed term shall not exceed six years. Those who have served as independent directors in the Company continuously for at least six years shall not be nominated as independent director candidates for the Company within 36 months from the date of this fact.</p>	<p>Deleted Rule</p>
<p>Rule 27 The Company's board of directors shall consist of three independent directors, including one accounting professional.</p>	<p>Deleted Rule</p>

Before Amendments	After Amendments
<p>Rule 28 Independent directors must meet the following conditions in addition to qualifications for their positions as other directors of the Company:</p> <p>(I) Being qualified to serve as the director of listed companies in accordance with laws, administrative regulations and other relevant provisions;</p> <p>(II) Meeting the independence requirements stipulated in Rule 29 of these Rules;</p> <p>(III) Having basic knowledge of the operation of listed companies and being familiar with relevant laws, regulations and rules;</p> <p>(IV) Having at least five years of legal, accounting or economic work experience necessary to perform the duties of an independent director;</p> <p>(V) In principle, an independent director may serve as an independent director for at most three domestically listed companies and should ensure that he/she has sufficient time and energy to effectively perform his/her duties as an independent director.</p> <p>(VI) Having good personal morality, with no bad record such as major breach of trust, etc.;</p> <p>(VII) Other conditions as stipulated by laws, administrative regulations, the provisions of the China Securities Regulatory Commission, the business rules of Stock Exchanges, and the provisions of Articles of Association.</p>	<p>Deleted Rule</p>

Before Amendments	After Amendments
<p>Rule 29 Independent directors must maintain independence, and the following persons shall not act as independent directors of the Company:</p> <p>(I) persons holding a position in the Company or affiliated enterprises thereof and their lineal relatives and major social relations; Lineal relatives stated herein refer to spouse, parents and children; major social relations refer to siblings, spouse's parents, children's spouses, parents of children's spouses, siblings' spouses and spouse's siblings etc.</p> <p>(II) natural person shareholders directly or indirectly holding more than 1% of the issued shares of the Company or among the top ten shareholders of the Company and their lineal relatives;</p> <p>(III) persons who hold a position in an entity shareholder directly or indirectly holding more than 5% of the issued shares of the Company or in the top five shareholders of the Company and their lineal relatives;</p> <p>(IV) persons holding a position in the affiliated enterprises of the controlling shareholders or de facto controllers of the Company and their lineal relatives;</p> <p>(V) persons who have major business dealings with the Company and its controlling shareholders, de facto controllers or their respective affiliated enterprises, or who hold a position in units with major business dealings and their controlling shareholders or de facto controllers;</p>	<p>Deleted Rule</p>

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<p>(VI) persons who provide financial, legal, consulting and sponsorship services for the Company, its controlling shareholders, de facto controllers or their respective affiliated enterprises, including but not limited to, all project team members, review persons at all levels, report signing persons, partners, directors, senior executives and principal persons in charge of the intermediary agency providing services;</p> <p>(VII) persons who have experienced any of the conditions listed in the previous six items within the last twelve months;</p> <p>(VIII) other persons who do not possess independence as stipulated by laws, administrative regulations, the provisions of the CSRC, securities regulatory rules of the places where the Company's shares are listed and the provisions of Articles of Association.</p> <p>The affiliated enterprises of the controlling shareholders and de facto controllers of the Company mentioned in item IV to item VI of the preceding paragraph do not include those not having a related party relationship with the Company under Rule 6.3.4 of the Rules Governing the Listing of Securities on the Shenzhen Stock Exchange.</p> <p>Independent directors shall conduct an annual self-examination for their independence and submit the self-examination information to the board of directors. The board of directors shall annually evaluate the independence of the incumbent independent directors and issue special opinions, which shall be disclosed together with the annual report.</p>	

Before Amendments	After Amendments
<p>Rule 30 Independent directors shall be elected according to the following procedures:</p> <p>(I) They shall be nominated by the board of directors or the board of supervisors of the Company or shareholders holding more than 1% of the issued shares of the Company separately or collectively and obtain the consent of nominees. The nominator shall not nominate any person who has an interest in him/her or any other person who has a close relationship with him/her that may affect the independent performance of his/her duties as an independent director candidate.</p> <p>Investor protection institutions established in accordance with the law may publicly request shareholders to entrust them to exercise their right to nominate independent directors on their behalf.</p> <p>(II) The nominator should be fully aware of the nominee's occupation, education background, title, detailed work experience, all part-time jobs, whether there is a major breach of trust and other records of bad behaviors, etc., and give opinions on his/her satisfaction of independence and other conditions to act as an independent director. The nominee shall make an announcement as to the satisfaction of independence and other conditions to act as an independent director.</p>	<p>Deleted Rule</p>

Before Amendments	After Amendments
<p>(III) Before the general meeting for electing independent directors, the Company shall submit to the stock exchange the relevant materials of all independent director candidates, and the relevant submitted materials shall be true, accurate and complete.</p> <p>The stock exchange shall review the relevant materials of the candidates for independent directors pursuant to regulations, make a prudent judgement on whether the candidates for independent directors meet the qualifications and have the right to raise an objection. The Company shall not propose any candidate to the general meeting for election if the stock exchange objects to such candidate. At the general meeting for the election of independent directors, the board of directors of the Company shall make clear whether the nominees for independent directors are objected to by the CSRC.</p> <p>(IV) The general meeting shall elect independent directors by means of voting and disclose the results in the announcement of the general meeting resolution.</p>	

Before Amendments	After Amendments
<p>Rule 31 The independent directors shall attend the meetings of the board of directors in person. If any independent director is unable to attend a meeting in person for any reason, he/she shall review the meeting materials in advance, form a clear opinion and entrust another independent director in writing to attend the meeting on his/her behalf.</p> <p>If an independent director fails to attend two consecutive meetings of the board of directors in person and does not delegate another independent director to attend the meeting on his/her behalf, the board of directors shall, within thirty days from the date of such fact, propose to convene a general meeting to remove such independent director from his/her position.</p> <p>If an independent director fails to comply with the provisions of item I or item II of Rule 28 in these Rules, he/she shall immediately cease to perform his/her duties and resign from his/her position. If the resignation is not tendered, the board of directors shall, as soon as it knows or ought to have known of the occurrence of such fact, remove him/her from office in accordance with the regulations.</p> <p>In the event that an independent director is removed in advance, the Company shall timely disclose the specific reasons and basis. The Company shall timely disclose any objection of the independent director, if any.</p>	<p>Deleted Rule</p>

Before Amendments	After Amendments
<p>Rule 32 The independent director can put forward the resignation before the expiration of his/her term. The independent director shall submit a written resignation report to the board of directors for resignation and state all status that are related to the resignation and are necessary to draw attentions of the Company's shareholders and creditors. The Company shall disclose the reasons for the resignation of the independent director and matters of concern.</p> <p>If an independent director resigns, resulting in a proportion of independent directors in the board of directors or its special committees that does not comply with the provisions of these Rules or the Articles of Association, or if there is a lack of accounting professionals among the independent directors, the independent director who intends to resign shall continue to perform his/her duties until the new independent director is appointed. The Company shall complete the by election within 60 days from the date of resignation of the independent director.</p>	<p>Deleted Rule</p>

Before Amendments	After Amendments
<p>Rule 33 Independent directors have the obligation of fidelity and diligence towards the Company and all shareholders, and shall perform their duties earnestly in accordance with the requirements of laws, administrative regulations, securities regulatory rules of the places where the Company's shares are listed and the Articles of Association. They play a role in participating in decision-making, supervising and balancing, and providing professional consultation in the board of directors, safeguard the overall interests of the Company, and protect the legitimate rights and interests of minority shareholders.</p> <p>The Company shall provide guarantees in accordance with the law, provide necessary working conditions and personnel support for the independent directors to perform their duties, and ensure that independent directors should enjoy the same rights to information as other directors. When an independent director exercises his/her functions and powers, the directors, senior management and other relevant personnel of the Company shall cooperate with him/her and shall not refuse, obstruct or conceal relevant information or interfere with his/her independent exercise of his/her functions and powers. If an independent director encounters obstruction in the exercise of his/her functions and powers in accordance with the law, he/she may explain the situation to the board of directors, request cooperation from the directors, senior management and other relevant personnel, and record the details and resolution of the obstruction in his/her work record; if he/she still fails to remove the obstruction, he/she may report the matter to the stock exchanges.</p>	<p>Deleted Rule</p>

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Before Amendments	After Amendments
<p>The independent directors should spend not less than fifteen days a year on-site at the Company, and should maintain work records to record in detail the performance of their duties. Work records of the independent directors and information provided by the Company to independent directors should be kept for at least ten years.</p>	
<p>Rule 34 The Company should provide independent directors with allowances that are appropriate to their duties. The standard of allowance shall be formulated by the board of directors, approved at the general meeting, and disclosed in the Company's annual report.</p> <p>In addition to the allowance above, the independent directors shall not obtain other benefits from the Company and its major shareholders, de facto controllers or interested units and personnel.</p> <p>The Company can establish an independent director liability insurance system to reduce the risk of the independent director that may arise from performing his/her duties normally.</p>	Deleted Rule

Before Amendments	After Amendments
<p>Rule 35 Independent directors shall fulfill the following duties:</p> <p>(I) participating in the decisions of the board of directors and expressing clear opinions on the matters discussed;</p> <p>(II) supervising the potential major interest conflicts between the Company and its controlling shareholders, de facto controllers, directors and senior management according to relevant requirements of the Measures for the Administration of Independent Directors of Listed Companies, in order to promote the decision of the board of directors to conform to the overall interests of the listed company, and protect the legitimate rights and interests of the minority shareholders;</p> <p>(III) providing professional and objective suggestions on the operation and development of the listed company, and promoting the improvement of the decision-making level of the board of directors;</p> <p>(IV) other duties as stipulated by laws, administrative regulations, securities regulatory rules of the places where the Company's shares are listed and the Articles of Association.</p>	<p>Deleted Rule</p>

Before Amendments	After Amendments
<p>Rule 36 Independent directors shall also exercise the following special powers and authorities in addition to those duties of other directors of the Company:</p> <ul style="list-style-type: none"> (I) independently engaging an intermediary agency to audit, consult or verify specific matters of the Company; (II) proposing to convene the extraordinary general meeting to the board of directors; (III) proposing to hold the meeting of the board of directors; (IV) publicly soliciting the rights of shareholders from shareholders in accordance with the law; (V) giving independent opinions on matters that may harm the rights and interests of the Company or the minority shareholders; (VI) other powers and authorities as stipulated by laws, regulations, securities regulatory rules of the places where the Company's shares are listed and the Articles of Association. <p>An independent director shall obtain the consent of more than half of all the independent directors if he/she exercises the powers listed in item I to item III of the preceding paragraph.</p> <p>If an independent director exercises the powers and authorities listed in paragraph 1 of this rule, the Company shall timely disclose it. In case the above powers cannot be exercised normally, the Company shall disclose the specific circumstances and reasons.</p> <p>The Company shall bear expenses incurred by independent directors for engaging intermediary agencies and other expenses necessary for exercising their powers.</p>	<p>Deleted Rule</p>

Before Amendments	After Amendments
<p>Rule 37 If an independent director expresses an independent opinion, the opinion expressed should be clear and explicit, and at least include the following content:</p> <p>(I) basic conditions of major matters;</p> <p>(II) basis for issuing opinions, including the performed procedures, the verified documents, the contents of on-site inspection, etc.;</p> <p>(III) legality of the major matters;</p> <p>(IV) influence on the interest of the listed company and the minority shareholders, possible risks and effectiveness of the Company's measures;</p> <p>(V) concluding opinions expressed, including agreement, reservation and its reasons, opposition and its reasons, inability to express opinions and its obstacles.</p> <p>Independent directors shall sign on the issued independent opinions and report the aforesaid opinions to the board of directors, and to be disclosed with the relative announcements at the same time.</p>	<p>Deleted Rule</p>

Before Amendments	After Amendments
<p>Rule 38 The following matters shall be submitted to the board of directors for review after being approved by more than half of all independent directors of the Company:</p> <p>(I) related-party transactions that should be disclosed;</p> <p>(II) plans of the listed company and related parties to change or waive commitments;</p> <p>(III) decisions and measures taken by the board of directors of the acquired listed company regarding the acquisition;</p> <p>(IV) other matters as stipulated by laws, administrative regulations, securities regulatory rules of the places where the Company's shares are listed and the provisions of Articles of Association.</p>	<p>Deleted Rule</p>

Before Amendments	After Amendments
<p>Rule 39 Independent directors shall submit the report on work to the annual general meeting of the Company, and the report on work shall include the following contents:</p> <p>(I) the number, manner and voting of the meetings of the board of directors attended, and the number of general meetings attended last year;</p> <p>(II) participation in meetings of special committees of the board of directors and special meetings of independent directors;</p> <p>(III) deliberation of the matters listed in relevant items of the Measures for the Administration of Independent Directors of Listed Companies, and exercise of the special powers and authorities of independent directors listed in paragraph 1 of Rule 36 in these Rules;</p> <p>(IV) major matters, methods and results of communication with internal audit institutions and accounting firms undertaking audit services of the Company on the Company's financial and business conditions;</p> <p>(V) communication with the minority shareholders;</p> <p>(VI) time and content of on-site work in the Company;</p> <p>(VII) others in performance of duties.</p> <p>The annual reports on work of the independent directors shall be disclosed no later than when the Company gives the notice of the annual general meeting.</p>	<p>Deleted Rule</p>

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Before Amendments	After Amendments
<p>Rule 40 Independent directors shall actively participate in and attend the meetings of the special committees on which they serve in person. If an independent director cannot attend the meeting in person for certain reasons, he/she shall read the meeting materials in advance, form clear opinions and entrust other independent director of the special committee to attend the meeting on his/her behalf in writing. The independent directors may timely submit the major matters of the Company within the scope of the duties of the special committees noted in performing their duties to the special committees in accordance with relevant procedures for discussion and deliberation.</p>	<p>Deleted Rule</p>
<p>Rule 41 The Company shall hold special meetings of independent directors on a regular or ad hoc basis. Matters listed in item I to item III of Rule 36 and Rule 38 in these Rules shall be considered at a special meeting of independent directors.</p> <p>The special meetings of independent directors shall be convened and presided over by an independent director jointly elected by a majority of the independent directors; in the event that the convener fails to or is unable to perform his/her duties, two or more independent directors may convene and elect a representative to preside over the meeting on their own.</p>	<p>Deleted Rule</p>

Before Amendments	After Amendments
<p>Rule 42 Independent directors shall perform their duties as directors in accordance with the laws, adequately understand the business operations of the Company and the issues considered by the board of directors. Independent directors shall safeguard the interests of the Company and all shareholders with particular attention paid to the minority shareholders to ensure their legitimate rights and interests are protected.</p> <p>In the event of any conflict between shareholders or directors of the Company, which has a significant impact on the operation and management of the Company, the independent directors shall actively perform their duties and safeguard the overall interests of the Company.</p>	<p>Deleted Rule</p>
<p>Rule 43 Under any of the following circumstances, independent directors shall promptly report to the stock exchanges:</p> <ul style="list-style-type: none"> (I) being dismissed by the Company when they believe the grounds for dismissal are unjustified; (II) resigning due to the Company's obstruction of their lawful exercise of authority as independent directors; (III) the proposal by two or more independent directors in writing to postpone a meeting of the board of directors or delay deliberation on relevant matters, due to incomplete meeting materials or insufficient justification, being rejected; (IV) the board of directors failing to take effective measures after being informed of suspected violations of laws or regulations by the Company or its directors, supervisors or senior management; (V) other circumstances that seriously impede independent directors from performing their duties. 	<p>Deleted Rule</p>

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Before Amendments	After Amendments
Chapter 5 Chairman of the Board of Directors	Deleted
Rule 46 The chairman of the board of directors shall strictly comply with the mechanism for collective decision-making of the board of directors and shall not replace the decisions of the board of directors with his/her personal opinion or interfere with the judgement of other directors.	Deleted Rule
Rule 47 The chairman of the board of directors shall ensure the rights to information of independent directors and the secretary to the board of directors and shall not obstruct their lawful exercise of powers by any means.	Deleted Rule
Rule 48 The general meeting may evaluate the chairman of the board of directors by referring to the following indicators: net assets, total profit, growth rate of net assets, growth rate of profit, profit rate of net assets, etc.	Deleted Rule
Rule 49 If the chairman of the board of directors has made outstanding achievements during his term of office, the Company's general meeting shall pass a resolution to give him cash, benefits in kind or other forms of material rewards.	Deleted Rule
Chapter 6 Secretary to the Board of Directors	Deleted Rule
Rule 50 The board of directors shall have a secretary. The secretary to the board of directors is a senior management of the Company, and shall be accountable to the board of directors.	Deleted Rule

Before Amendments	After Amendments
<p>Rule 51 The secretary to the board of directors shall possess requisite professional knowledge and experience, and shall be appointed by the board of directors. Qualifications of the secretary to the board of directors are:</p> <p>(I) having a junior college degree or above who has been engaged in secretarial, management and shareholding affairs for more than 3 years;</p> <p>(II) having certain knowledge in finance, tax, law, finance, corporate management and computer application;</p> <p>(III) having good personal character and professional ethics, strictly abiding by relevant laws, regulations and rules, and being able to perform duties fiduciarily.</p> <p>The circumstances under which one is not allowed to serve as a director of the Company as stipulated in the Articles of Association apply to the secretary to the board of directors.</p>	<p>Deleted Rule</p>

Before Amendments	After Amendments
<p>Rule 52 The secretary to the board of directors shall be a natural person with requisite professional knowledge and experience, and shall be appointed by the board of directors. His/her main duties include:</p> <p>(I) to ensure that the Company has a complete set of constitutional documents and records;</p> <p>(II) to ensure that the Company legally prepares and submits reports and documents as required by the competent authorities;</p> <p>(III) to ensure that the register of shareholders of the Company is properly maintained, and that persons entitled to receive relevant records and documents of the Company are given timely access to such records and documents.</p>	<p>Deleted Rule</p>
<p>Rule 53 Directors or other senior management of the Company may concurrently act as the secretary to the board of directors. The certified public accountants of the accounting firm and lawyers of the law firm engaged by the Company shall not concurrently serve as the secretary to the board of directors of the Company.</p>	<p>Deleted Rule</p>
<p>Rule 54 The secretary to the board of directors shall be nominated by the chairman, and be appointed or removed by the board of directors. Where a director concurrently serves as the secretary to the board of directors and a certain act needs to be done by directors and the secretary to the board of directors respectively, he/she shall not do the act in his double capacities.</p>	<p>Deleted Rule</p>

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Before Amendments	After Amendments
Chapter 7 Rules for the Meeting of the Board of Directors	Deleted Rule
<p>Rule 55 The meetings of the board of directors are divided into regular meetings and extraordinary meetings. The meeting of the board of directors shall be convened at least twice times a year and held by the president of the board of directors. A written notice of the meeting of the board shall be delivered to all directors and supervisors 14 days prior to the meeting.</p> <p>Shareholders representing more than one-tenth of the voting rights, more than one-third of the directors and a majority of the independent directors, or the board of supervisors may propose to convene a provisional meeting of the board of directors. The chairman shall convene and chair a meeting of the board of directors within ten days after receiving the proposal. The board of directors shall notify all directors in writing at least three days prior to convening an extraordinary meeting of the board.</p>	<p>Rule 11 The meetings of the board of directors are divided into regular meetings and extraordinary meetings. The meeting of the board of directors shall be convened at least four times a year regularly and held by the president of the board of directors. A written notice of the meeting of the board shall be delivered to all directors 14 days prior to the meeting.</p> <p>Shareholders representing more than one-tenth of the voting rights, more than one-third of the directors and a majority of the independent directors, or the audit committee may propose to convene a provisional meeting of the board of directors. The chairman shall convene and chair a meeting of the board of directors within ten days after receiving the proposal.</p> <p>The board of directors shall notify all directors in writing at least three days prior to convening an extraordinary meeting of the board.</p>
Newly Added Rule	<p>Rule 12 Before giving the notice on convening a regular meeting, the office of the board shall fully consult all directors to form the initial proposal of the meeting and then submit it to the chairman of the board for finalizing.</p> <p>The chairman, if necessary, shall consult the senior management before finalizing the proposal.</p>
Chapter 8 Rules and Procedures of the Board of Directors	Deleted

Before Amendments	After Amendments
<p>Rule 56 Submitting Proposals Mainly on the following bases:</p> <p>(I) the matters proposed by the chairman;</p> <p>(II) the matters jointly proposed by more than one-third of the directors;</p> <p>(III) the matters proposed by more than half of the independent directors;</p> <p>(IV) the matters proposed by the board of supervisors;</p> <p>(V) the matters proposed by the special committees of the board of directors;</p> <p>(VI) the matters proposed by the chief executive officer;</p> <p>The chief executive officer shall submit to the board of directors a proposal concerning the following matters:</p> <ol style="list-style-type: none"> 1. the Company's business plans and investment plans; 2. the Company's proposed annual preliminary and final financial budget; 3. the Company's profit distribution and recovery of losses plan; 4. the plan for establishing internal management structures within the Company; 5. the amendments to the Articles of Association; 6. the annual and quarterly work reports of the Company's chief executive officer; 7. the proposal for expert review opinions on the Company's major risk investments; 	<p>Deleted Rule</p>

Before Amendments	After Amendments
<p>8. the proposal on the Company's fundamental management systems;</p> <p>9. other proposals required by the board of directors.</p> <p>(VII) the matters proposed by the board secretary;</p> <p>The board secretary shall submit to the board of directors a resolution concerning the following matters:</p> <ol style="list-style-type: none"> 1. the proposals concerning the Company's information disclosure matters; 2. to appoint or dismiss the chief executive officer of the Company; to appoint or dismiss senior management personnel such as presidents of the Company, the technology director and the financial director according to the nomination of the chief executive officer, and to decide on matters of remuneration, rewards and punishments; 3. the authority to determine the board of directors' use of the Company's assets for risk-based investments; 4. other relevant proposals to be submitted by the board secretary. <p>(VIII) other circumstances stipulated by laws and regulations, securities regulatory rules of the places where the Company's shares are listed and the Articles of Association.</p>	

Before Amendments	After Amendments
<p>Rule 57 Collection of Proposals</p> <p>The board office shall be responsible for collecting the proposals for the matters to be discussed at the board meeting. All the relevant proposals and explanatory materials shall be submitted to the board office 10 days before the issue of the notice for the board meeting.</p>	<p>Deleted Rule</p>
<p>Rule 58 Convening and Notice of the Meeting</p> <p>(1) The board meeting shall be convened by the chairman. Where the chairman is unable to perform his duties, he shall appoint a director to convene a board meeting on his behalf; where the chairman fails to perform his duties for no reasons or appoint a person to perform such duties on his behalf, more than half of the directors may elect a director to convene the meeting.</p>	<p>Rule 13 The board meeting shall be convened by the chairman. Where the chairman is unable to perform his duties, he shall appoint a director to convene a board meeting on his behalf; where the chairman fails to perform his duties for no reasons or appoint a person to perform such duties on his behalf, more than half of the directors may elect a director to convene the meeting.</p>

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Before Amendments	After Amendments
(H) The meetings of the board of directors are divided into regular meetings and extraordinary meetings. The regular meeting of the board of directors shall be convened at least four times a year at approximately quarterly intervals. It is expected that every regular meeting of the board of directors will have a majority of directors who are entitled to attend the meeting to attend by person, or participate actively through electronic communication methods. Therefore, regular meetings of the board of directors shall not include the obtaining such approval from the board by means of circulation of written resolutions. Where the board of directors is expected to declare, propose or pay dividend at a meeting, or it shall pass any announcement in respect of profits or loss for any year, half-year or other periods at such meeting, an announcement must be made in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited at least seven business before the convening of such meeting.	The meetings of the board of directors are divided into regular meetings and extraordinary meetings. The regular meeting of the board of directors shall be convened at least four times a year at approximately quarterly intervals. It is expected that every regular meeting of the board of directors will have a majority of directors who are entitled to attend the meeting to attend by person, or participate actively through electronic communication methods. Therefore, regular meetings of the board of directors shall not include the obtaining such approval from the board by means of circulation of written resolutions. Where the board of directors is expected to declare, propose or pay dividend at a meeting, or it shall pass any announcement in respect of profits or loss for any year, half-year or other periods at such meeting, an announcement must be made in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited at least seven business before the convening of such meeting.

Before Amendments	After Amendments
<p>(III) A notice of board meeting shall contain the following:</p> <ol style="list-style-type: none"> 1. date and venue of the meeting; 2. duration of the meeting; 3. reasons and subjects for discussion; 4. date of notice. 	
<p>Newly Added Rule</p>	<p>Rule 14 A notice of board meeting shall contain the following:</p> <ol style="list-style-type: none"> 1. date and venue of the meeting; 2. duration of the meeting; 3. reasons and subjects for discussion; 4. date of notice.
<p>Rule 59 Attending the Meeting</p> <p>A board meeting shall only be held when being attended by more than half of the directors.</p> <p>A board meeting shall be attended by the directors in person. If a director is unable to attend due to certain reasons, he/she may appoint other directors to attend on his/her behalf in writing. Independent directors may not appoint non-independent directors to attend meetings on their behalf, and non-independent directors also may not accept such appointments from independent directors. The proxy form shall specify the name of the proxy, the matters to be dealt with by the proxy, scope of authority and valid term, and shall be signed or chopped by the appointer. Directors attending meetings on behalf of others shall exercise their rights as directors within the scope of their authorization. If a director is unable to attend a board meeting in person and has not appointed a representative to attend the meeting, the same shall be deemed to be a waiver of the voting right at such meeting.</p>	<p>Rule 15 A board meeting shall only be held when being attended by more than half of the directors.</p> <p>The chief executive officer shall attend the board meeting. Where necessary, other relevant persons whom the presider of the meeting believes need to attend the meeting may be notified to attend the meeting.</p>

Before Amendments	After Amendments
Newly Added Rule	<p>Rule 16 A board meeting shall be attended by the directors in person. If a director is unable to attend due to certain reasons, he may appoint other directors to attend on his behalf in writing. The proxy form shall specify the name of the proxy, the matters to be dealt with by the proxy, scope of authority and valid term, and shall be signed or chopped by the appointer. Director attending meetings on behalf of others shall exercise their rights as directors within the scope of their authorization. If a director is unable to attend a board meeting in person and has not appointed a representative to attend the meeting, the same shall be deemed to be a waiver of the voting right at such meeting.</p>

Before Amendments	After Amendments
Newly Added Rule	<p>Rule 17 When a director authorizes other director or is authorized to attend the board meeting, the following principles shall be followed:</p> <ul style="list-style-type: none"> (1) when considering connected transactions, the non-connected directors shall not authorize the connected directors to attend the meeting, while the connected directors shall not accept the authorization of the non-connected directors either; (2) the independent directors shall not authorize the non-independent directors to attend the meeting, while the non-independent directors shall not accept the authorization of the independent directors either; (3) the directors shall not fully authorize other directors to attend the meeting without giving their personal opinions and voting intentions on the proposal, while the relevant directors shall not accept the full authorization or the unclearly defined authorization; (4) one director shall not accept the authorizations of more than two directors while a director cannot authorize a director who has been authorized by other two directors to attend the meeting.

Before Amendments	After Amendments
<p>Rule 60 Considering the Proposals</p> <p>When the board meeting is considering the relevant proposals, it may request the persons-in-charge of the relevant departments of the Company to attend the meeting and answer the questions in order to understand the conditions in detail. During the course of discussion and examination, if it is found that the situation is uncertain or the feasibility is questionable as regards certain topics for discussion, the board of directors may request to defer discussion of such topics.</p> <p>Directors may, upon reasonable request, seek independent professional advice in appropriate circumstances, at the expense of the issuer.</p>	<p>Rule 18 The directors should independently and prudently give their opinions upon carefully reading the relevant meeting materials and fully understanding the situations.</p> <p>The directors are allowed to learn the information necessary for the decision-making from the office of the board, the meeting convener, the chief executive officer and other senior management, various special committees, accounting firms and law firms and other relevant personnel and organizations before the meeting, or to suggest the presider to invite the above-mentioned persons and the representatives of the above-mentioned organizations to attend the meeting to explain the relevant situations.</p> <p>When the board meeting is considering the relevant proposals, it may request the persons-in-charge of the relevant departments of the Company to attend the meeting and answer the questions in order to understand the conditions in detail.</p> <p>Directors may, upon reasonable request, seek independent professional advice in appropriate circumstances, at the expense of the Company.</p>

Before Amendments	After Amendments
Newly Added Rule	<p>Rule 19 The meeting presider shall seek clear opinions on each proposal from the participating directors.</p> <p>When any director hinders the normal proceeding of the meeting or affects other directors' speech, the meeting presider shall promptly stop him/her.</p> <p>Unless with the unanimous consent of all participating directors, the proposals not included in the meeting notice shall not be put to a vote in the board meeting. The directors who are authorized by other directors to attend the meeting shall not vote on the proposals not included in the meeting notice on behalf of other directors.</p>
Newly Added Rule	<p>Rule 20 When each proposal is fully discussed, the presider shall ask the participating directors to vote in time.</p> <p>Voting at meetings shall be passed by roll call and written on a one-person-one-vote basis.</p> <p>Voting intentions of the directors consist of the affirmative vote, negative vote and abstention. The participating directors shall choose one of the above-mentioned intentions. Where any participating director fails to choose or chooses two or more options at the same time, the presider of the meeting shall request the relevant director to choose again. The directors who refuse to choose or fail to return after leaving the meeting halfway without making a choice shall be deemed to have abstained from voting.</p>

Before Amendments	After Amendments
	<p>If directors have associated relationship with enterprises or individual involved in issues to be determined in the meeting of the board of directors, such directors shall report to the board of directors in writing promptly. Any director having affiliated relationship shall not exercise the voting power on the resolution or exercise the voting power on behalf of other directors. The meeting of the board of directors may be held with over one-half directors without associated relationship, and the resolutions of the meeting of the board of directors shall be approved by over one-half directors without associated relationship. If the unassociated directors attending the meeting of the board of directors are less than 3 people, the issues shall be submitted to the general meetings for examination. If there are any additional restrictions on directors' participation in meeting of the board of directors and voting imposed by laws, regulations and securities regulatory rules of the places where the Company's shares are listed, such provisions shall prevail.</p> <p>The extraordinary general meetings of the board of directors may, under the premise that directors will be guaranteed to have their opinions fully and thoroughly expressed, be conducted via communication and resolutions may be passed thereat, to be signed by the directors present at the meeting.</p>

Before Amendments	After Amendments
<p>Rule 61 Voting and Resolution of Proposals</p> <p>Voting on resolutions of the board of directors shall be conducted by written means.</p> <p>Each director has one vote.</p> <p>The board of directors shall adopt resolutions concerning matters under item VI, item VII and item XII of Rule 9 in these Rules with the approval of more than two-thirds of all directors; all other matters may be adopted with the approval of a majority of all directors.</p> <p>A director with a conflict of interest in a resolution of the board of directors shall abstain from voting on such resolution. The resolution shall be valid only if approved by a majority vote of directors without such conflict of interest.</p> <p>If any shareholder holding more than 10% of the Company's voting rights (as defined in the applicable Hong Kong Listing Rules or a director has a conflict of interest in a matter to be considered by the board of directors which the board of directors has determined to be material, the matter should be dealt with by a physical board meeting rather than a written resolution. Independent directors, and whose close associates, have no material interest in the transaction should be present at that board meeting.</p> <p>Where laws, regulations and the securities regulatory rules of the places where the Company's shares are listed impose any additional restrictions on directors' participation in meetings of the board of directors and voting, the relevant provision shall apply.</p>	<p>Deleted Rule</p>

Before Amendments	After Amendments
Newly Added Rule	<p>Rule 21 After the completion of voting by the directors attending the meeting, the relevant staff of the office of the board of directors shall count the votes promptly.</p> <p>If the meeting is held physically, the presiding officer shall announce the result on the spot. In other cases, the presiding officer shall request the secretary of the board of directors to notify the directors of the voting results before the next business day after the expiration of the prescribed time limit for voting.</p> <p>If a director votes after the presiding officer announces the voting result or after the expiration of the prescribed time limit for voting, his or her vote shall not be counted.</p>
Newly Added Rule	<p>Rule 22 Except for the situations specified in Rule 23 in these Rules, the affirmative votes of more than half of all the directors of the Company is required for the board of directors to consider and approve a proposal and form the relevant resolution. Where the laws, administrative regulations, securities regulatory rules of the places where the Company's shares are listed and the Articles of Association of the Company stipulates that the consent of even more directors is necessary for the board of directors to form the resolutions, the relevant provision shall apply.</p> <p>When the board of directors forms a resolution on any security matter within its functions and powers in accordance with the Articles of Association of the Company, the consents of more than half of all directors of the Company and two-thirds or more of the participating directors are necessary.</p> <p>In case of any discrepancy on the contents and meanings of different resolutions, the resolution formed later shall prevail.</p>

Before Amendments	After Amendments
Newly Added Rule	<p>Rule 23 If any director of the Company is associated with the enterprises or individuals that are involved in the matters to be resolved at the meeting of the board of directors, he shall submit a written report to the board of directors in a timely manner. Directors with connected relationships shall not exercise his or her voting rights for such matters, nor shall such director exercise voting rights on behalf of other directors. Such meeting of the board of directors shall be convened by a majority of the directors present thereat who are not connected. The resolution of the meeting of the board of directors shall be passed by more than half of the non-connected directors. If the number of non-connected directors present at such meeting is less than three, relevant proposals shall be submitted to the general meeting for consideration. Where laws, regulations and the securities regulatory rules of the places where the Company's shares are listed impose any additional restrictions on directors' participation in meetings of the board of directors and voting, the relevant provision shall apply.</p>
Newly Added Rule	<p>Rule 24 The board of directors shall act in strict accordance with the authorization of the general meeting and the Articles of Association of the Company, and shall not form a resolution by means of exceeding the given authority.</p>

Before Amendments	After Amendments
<p>Newly Added Rule</p>	<p>Rule 25 When more than half of the participating directors or more than two independent directors believe that they cannot make a judgment on the relevant matters because the proposal is not clear, specific, or because of inadequate meeting materials and other reasons, the meeting presider shall ask for suspension of voting on the topic in the meeting.</p> <p>The directors who propose to suspend voting shall provide explicit prerequisites for the proposal to be resubmitted for consideration.</p>
<p>Rule 62 Resolutions of the meetings</p> <p>Resolutions shall generally be made for matters discussed at the board meeting. The resolutions of the board of directors shall take effect upon signed by the attending directors.</p> <p>Resolutions of the board meeting may be adopted by fax, provided that directors can fully express their views.</p> <p>Although no meeting is convened, a written resolution signed and agreed to by all directors have the same effect as a resolution passed at the board meeting.</p>	<p>Deleted Rule</p>

Before Amendments	After Amendments
<p>Rule 63 Minutes</p> <p>The secretary of the board of directors shall attend all meetings of the board of directors and take minutes. The board office shall assist the board of directors in its work and be responsible for the proper safekeeping and archiving of documents and materials generated during meetings of the board of directors. The minutes should detail the matters considered and the resolutions made, including any concerns or dissent expressed by directors. The draft minutes (for directors to express opinions) and the final version (for record) should be sent to all directors within a reasonable time after the meeting. Directors may review the minutes with reasonable notice within a reasonable timeframe.</p>	<p>Deleted Rule</p>
<p>Rule 64 The board of directors shall keep minutes at the meeting. The attending directors and the person taking the minutes shall sign the minutes of the meeting. The attending directors are entitled to request that an explanatory record of their comments made at the meetings be noted in the minutes. Any director present at the meeting shall be entitled to request a recorder to make a descriptive record on his speech at the meeting. The minutes of the Company's board of directors meeting represent the official evidence of the resolutions considered by the board of directors. Following the conclusion of the board meeting, the minutes shall be circulated to all attending directors. The minutes of the board meeting shall be kept by the secretary of the board of directors as company files, with the retention period of not less than ten years.</p>	<p>Rule 26 The board of directors shall maintain minutes of the meetings so as to record the decisions on the matters considered. The attending directors shall sign the minutes of the meeting.</p> <p>The minutes of the board meeting shall be kept as company files, with the retention period of not less than ten years.</p>

Before Amendments	After Amendments
<p>Rule 65 The board of directors may prepare meeting minutes based on the meeting records when it considers it necessary. The minutes shall be signed by the chairman.</p>	<p>Deleted Rule</p>
<p>Rule 66 The minutes of meetings of the board of directors shall include the following information:</p> <ul style="list-style-type: none"> (1) date, venue and name of the convener of the meeting; (2) names of directors attending the meeting in person and directors (proxy) who has been appointed by other directors to attend the meeting; (3) agenda of the meeting; (4) summary of opinions expressed by the directors; <p>The manner and result of voting of each resolution, (with the number of votes for, against and abstained recorded clearly).</p>	<p>Rule 27 The minutes of meetings of the board of directors shall include the following information:</p> <ul style="list-style-type: none"> (1) date, venue and name of the convener of the meeting; (2) names of directors attending the meeting in person and directors (proxy) who has been appointed by other directors to attend the meeting; (3) agenda of the meeting; (4) summary of opinions expressed by the directors; (5) the manner and result of voting of each resolution, (with the number of votes for, against and abstained recorded clearly).

Before Amendments	After Amendments
<p>Newly Added Rule</p>	<p>Rule 28 The participating directors shall sign the meeting minutes and resolution record for confirmation on behalf of themselves and the directors who authorize them to attend. Any director who has different views on the meeting minutes or the resolution record can make a written explanation when signing the minutes. When necessary, he/she shall report it to the regulatory authorities in a timely manner and he/she can also make a public statement.</p> <p>Where any director fails to sign for confirmation as the proceeding article stipulates and fails to make a written explanation on his/her different views, or fails to report it to the regulatory authorities or make a public statement, he/she shall be deemed to have fully agreed with the contents of the meeting minutes and the resolution record.</p>
<p>Rule 67 Directors shall sign on the board resolutions and shall be responsible for the board resolutions. If the board resolutions violate the relevant laws, regulations, the securities regulatory rules of the places where the Company's shares are listed or Articles of Association thus causing losses to the Bank, the directors participating in the resolutions shall be liable to compensate the Bank for the losses. However, on verification that a director had stated his/her objection when voting and the same was recorded in the minutes, such director may be exempted from such liability.</p>	<p>Rule 29 Directors shall be responsible for the board resolutions. If the board resolutions violate the relevant laws, regulations, the securities regulatory rules of the places where the Company's shares are listed or Articles of Association thus causing losses to the Bank, the directors participating in the resolutions shall be liable to compensate the Bank for the losses. However, on verification that a director had stated his/her objection when voting and the same was recorded in the minutes, such director may be exempted from such liability.</p>

Before Amendments	After Amendments
Rule 68 The board of directors must strictly comply with the relevant laws and regulations of the State and the information disclosure provisions of the stock exchange on which the shares of the Company are listed and traded, and correctly, accurately and completely disclose the matters discussed at the board meetings and/or resolutions in a timely manner.	Rule 30 The board of directors must strictly comply with the relevant laws and regulations of the State and the information disclosure provisions of the securities regulatory authorities on which the shares of the Company are listed and traded, and correctly, accurately and completely disclose the matters discussed at the board meetings and/or resolutions in a timely manner.
Chapter 9 Information Disclosure of Meetings of the Board of Directors	Deleted
Rule 69 Prior to the formal disclosure of the announcement, all members of the board of directors and other informed parties shall bear confidentiality responsibilities regarding board meeting materials and the content of board discussions, ensuring that the informed parties are limited to the smallest possible number.	Rule 31 The announcement of resolutions of the board shall be handled by the secretary of the board in accordance with the relevant provisions of the Rules Governing the Listing of Securities on the Shenzhen Stock Exchange. Prior to the formal disclosure of the announcement, all members of the board of directors and other informed parties shall bear confidentiality responsibilities regarding board meeting materials and the content of board discussions, ensuring that the informed parties are limited to the smallest possible number.
Chapter 10 Implementation and Feedback of Resolutions of the Board of Directors	Deleted
Chapter 11 Supplementary Provisions	Deleted

Before Amendments	After Amendments
Rule 75 These Rules shall be implemented from the date when the H shares issued by the Company are listed on The Stock Exchange of Hong Kong Limited after they have been considered and passed by the general meeting.	Rule 37 These Rules shall be implemented from the date when they are considered and passed by the general meeting, and the same shall apply when they are amended.

Save for the amendments to rules as set out above, all other rules in the Rules of Procedure for the Board of Directors remain unchanged.

**ZHEJIANG SANHUA INTELLIGENT CONTROLS CO., LTD.
POLICY OF INDEPENDENT NON-EXECUTIVE DIRECTORS**

CHAPTER 1 GENERAL PROVISIONS

Article 1 In order to further improve the corporate governance structure, promote the standardized operation of Zhejiang Sanhua Intelligent Controls Co., Ltd. (浙江三花智能控制股份有限公司) (the “**Company**”), fully leverage the role of independent directors in corporate governance, and enhance the sense of responsibility of independent directors, the Company has formulated this policy in accordance with relevant requirements of the Company Law of the People’s Republic of China (the “**Company Law**”), the Securities Law of the People’s Republic of China, the Opinions of the General Office of the State Council on the Reform of the Policy of Independent Directors of Listed Companies, the Code of Corporate Governance for Listed Companies, the Measures for the Administration of Independent Directors of Listed Companies (the “**Measures for the Administration of Independent Directors**”), the Rules Governing the Listing of Securities on the Shenzhen Stock Exchange, the Self-regulatory Guidelines for the Listed Companies on the Shenzhen Stock Exchange No. 1 – Standardized Operation of the Companies Listed on the Main Board, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”) and the Articles of Association of Zhejiang Sanhua Intelligent Controls Co., Ltd. (the “**Articles of Association**”), and in combination with the actual situation of the Company.

Article 2 An independent director refers to a director who does not hold any other post in the Company except as a director, and has no direct or indirect interest in the company he/she is employed by, its substantial shareholders and de facto controllers, or any other relationship that may affect his/her independent and objective judgment. The term “independent director” in this policy has the same meaning as “independent non-executive director” in the Hong Kong Listing Rules. An independent director must also meet the independence requirements stipulated in the Hong Kong Listing Rules.

Independent directors shall perform their duties independently and be free from the influence of the Company, its substantial shareholders, de facto controllers and other units or individuals.

Article 3 Independent directors have the obligation of integrity and diligence towards the Company and all shareholders, they shall perform their duties in accordance with laws, administrative regulations, the requirements of the China Securities Regulatory Commission (the “**CSRC**”), the business rules of the stock exchange, and the provisions of Articles of Association. They play a role in participating in decision-making, supervising and balancing, and providing professional consultation in the board of directors, safeguard the overall interests of the Company, and protect the legitimate rights and interests of small and medium-sized shareholders.

Article 4 The board of directors of the Company shall consist of at least one-third independent directors, and the number shall not be less than three. Among them shall be at least one accounting professional who meets the relevant professional qualification requirements under the Hong Kong Listing Rules.

APPENDIX II POLICY OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company's board of directors has established specialized committees for audit, nomination and remuneration and evaluation. The members of the audit committee shall be directors who do not serve as a senior management of the Company, and a majority of them shall be independent directors, and the accounting professionals among the independent directors shall serve as conveners. Independent directors shall constitute the majority of the nomination committee and the remuneration and evaluation committee, and shall serve as the conveners of these committees.

CHAPTER 2 QUALIFICATIONS FOR APPOINTMENT AND REMOVAL

Article 5 Independent directors shall maintain their independence. The following persons shall not serve as independent directors:

- (I) Persons working in the Company or its subsidiaries, as well as their spouses, parents, children and major social relatives;
- (II) Natural person shareholders who directly or indirectly hold more than 1% of the issued shares of the Company or who rank among the top ten shareholders of the Company, as well as their spouses, parents and children;
- (III) Shareholders who directly or indirectly hold more than 5% of the issued shares of the Company or persons among the top five shareholders of the Company, as well as their spouses, parents and children;
- (IV) Persons working in the subsidiaries of the controlling shareholders or the de facto controllers of the Company, as well as their spouses, parents and children;
- (V) Persons who have significant business dealings with the Company, its controlling shareholders, de facto controllers or their respective subsidiaries, or who work in units with major business dealings and their controlling shareholders or de facto controllers;
- (VI) Persons providing financial, legal, consulting and sponsorship and other services to the Company, its controlling shareholders, de facto controllers or their respective subsidiaries, including but not limited to, all project team members, review persons at all levels, report signing persons, partners, directors, senior management and principal persons in charge of the intermediary agency providing services;
- (VII) Persons who fell within the categories stated in (I) to (VI) during the past twelve months;
- (VIII) Other persons who do not possess independence as stipulated under the laws, administrative regulations, the provisions of the CSRC, the securities regulatory rules of the places where the Company's shares are listed, and the Articles of Association.

The subsidiaries of the controlling shareholders and de facto controllers of the Company mentioned in item IV to item VI of the preceding paragraph do not include subsidiaries that do not constitute any related relations with the Company pursuant to Article 6.3.4 of the Rules Governing the Listing of Securities on the Shenzhen Stock Exchange.

APPENDIX II POLICY OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The independent directors shall conduct an annual self-examination for their independence and submit the self-examination information to the board of directors. The board of directors shall annually assess the independence of the incumbent independent directors and issue special opinions, which shall be disclosed at the same time in the annual report.

Article 6 A person to serve as an independent director shall meet the following basic conditions:

- (I) having the qualifications to serve as a director of a company in accordance with laws, administrative regulations and other relevant provisions;
- (II) complying with the independence requirements set forth in Article 5 of this policy;
- (III) having basic knowledge about the operation of a listed company and being familiar with relevant laws, regulations and rules;
- (IV) having at least 5 years of work experience in law, accounting or economics necessary to perform the duties of an independent director;
- (V) possessing good personal integrity and having no record of major breaches of trust or other adverse conduct;
- (VI) complying with any other conditions as stipulated under the laws, administrative regulations, the provisions of the CSRC, the business rules of the stock exchanges, and the provisions of Articles of Association.

Article 7 Candidates for independent directors shall have good personal integrity, shall not be subject to the circumstances that prevent him/her from being nominated as an independent director of the Company, and shall not have the following adverse records:

- (I) Those who have been subject to administrative penalties by the CSRC or criminal penalties by the judicial authorities for securities and futures violations within the last 36 months;
- (II) Those who have been investigated by the CSRC or by the judicial authorities for suspected securities and futures violations and crimes, and there is not yet a clear opinion on the conclusion;
- (III) Those who have been subject to the public censure or criticized in a circulated notice for more than three times by the stock exchange in the last 36 months;
- (IV) Those who have been subject to significant breach of trust and other adverse records;
- (V) Those who have been removed from the position of independent director by the general meeting as proposed by the board of directors for less than 12 months due to his/her failure to attend in person or to delegate another independent director to attend two consecutive meetings of the board of directors during his/her previous tenure as an independent director;
- (VI) Other circumstances as determined by the Shenzhen Stock Exchange.

APPENDIX II POLICY OF INDEPENDENT NON-EXECUTIVE DIRECTORS

Article 8 In principle, an independent director can concurrently serve as an independent director in at most three domestic listed companies, shall not concurrently serve as a director for more than six Hong Kong listed issuers, and shall ensure that he/she has enough time and energy to effectively perform the duties as an independent director.

Article 9 Candidates for independent directors nominated in the capacity of accounting professionals shall have extensive professional knowledge and experience in accounting, comply with the requirements of Rule 3.10(2) of the Hong Kong Listing Rules, and meet at least one of the following conditions:

- (I) Being qualified as a certified public accountant;
- (II) Having a senior professional title, associate professor or above professional title or doctor's degree in accounting, auditing or financial management;
- (III) Having a senior professional title in economic management and at least five years full-time working experience in accounting, auditing or financial management.

CHAPTER 3 NOMINATION, ELECTION AND CHANGE

Article 10 The board of directors and shareholders separately or jointly holding more than 1% of the shares of the Company may propose candidates for independent directors, which will be confirmed through election at the general meeting. The nominator shall not nominate a person who is interested in the nominator, or a person who is closely related to the nominator and has other circumstances that may affect the independent performance of his/her duties as a candidate for independent director.

An investor protection agency established by law may publicly request shareholders to entrust it to exercise the right to nominate independent directors on their behalf.

Article 11 The nominator of the independent director shall obtain the consent of the nominee before nomination. The nominator shall fully understand the nominee's occupation, education background, title, detailed work experience, all part-time jobs and bad records such as major breach of trust, etc., and express opinions on his/her independence and other requirements for serving as an independent director. The nominee shall make a declaration and undertaking as to whether he/she complies with the laws, regulations, and relevant rules of the stock exchanges in respect of conditions, qualifications, and independence requirements for serving as an independent director.

The nominator of the independent director shall conduct a prudent verification of whether the candidate for the independent director meets the conditions and qualifications for the position and whether there are any circumstances that may affect his/her independence, and shall make a declaration and undertaking in respect of the verification.

Article 12 Where the Company established the nomination committee in the board of directors, the nomination committee shall review the qualifications of the nominees and form clear review opinions.

APPENDIX II POLICY OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company shall, prior to the convening of the general meeting for the election of independent directors, disclose the relevant contents and submit the relevant materials of all candidates for the independent director to the Shenzhen Stock Exchange in accordance with Article 12 of this policy and the preceding paragraph. The relevant submission materials shall be true, accurate, and complete.

The Shenzhen Stock Exchange examines the relevant materials of the candidates for the independent director in accordance with the regulations, and prudently determines whether they meet the qualifications for appointment and has the right to raise objections. If the Shenzhen Stock Exchange raises an objection, the Company shall not submit it for election at the general meeting.

Article 13 Where the general meeting of the Company elected two or more independent directors, a cumulative voting system should be implemented. The voting information of the small and medium-sized shareholders shall be counted separately and disclosed.

Article 14 The term of office of an independent director is the same as that of other directors of the Company. Upon the expiration of the term of office, the independent director may be re-elected, provided that the consecutive term of office shall not exceed six years. Those who have served as independent directors in the Company continuously for six years shall not be nominated as independent director candidates for the Company within 36 months from the date of this fact.

Article 15 Before the expiration of the term of office of an independent director, the Company may dismiss him/her in accordance with legal procedures. In the event that an independent director is removed in advance, the Company shall timely disclose the specific reasons and basis. The Company shall timely disclose any objection of the independent director, if any.

The independent director who fails to comply with the independence requirements or qualifications after assuming office shall immediately stop performing his/her duties and resign from his/her post. If the independent director fails to resign from his/her post, the board of directors shall immediately remove him/her from his/her post according to the provisions when it becomes aware or shall become aware of the occurrence of such fact.

If an independent director fails to attend two consecutive meetings of the board of directors in person and does not delegate another independent director to attend the meeting on his/her behalf, the board of directors shall, within 30 days from the date of such fact, propose to convene a general meeting to remove such independent director from his/her position.

If an independent director is removed from office prior to the expiration of his/her term of office and believes that the reasons for removal are inappropriate, he/she may submit a dissenting opinion and the reasons therefor, and the Company shall disclose the same in a timely manner.

Article 16 The independent director can put forward the resignation before the expiration of his/her term. The independent director shall submit a written resignation report to the board of directors for resignation and state all status that are related to the resignation and are necessary to draw attentions of the Company's shareholders and creditors. The Company shall disclose the reasons for the resignation of the independent director and matters of concern.

APPENDIX II POLICY OF INDEPENDENT NON-EXECUTIVE DIRECTORS

If the resignation of an independent director would result in a proportion of independent directors in the board of directors or its specialized committees that does not comply with laws and regulations, securities regulatory rules of the places where the Company's shares are listed, or the provisions of the Articles of Association, or if there is a lack of accounting professionals among the independent directors, the independent director who intends to resign shall continue to perform his/her duties until the new independent director is appointed. The Company shall complete the by-election within 60 days from the date when the independent director submits the resignation.

CHAPTER 4 DUTIES AND MODALITIES OF PERFORMANCE

Article 17 Independent directors shall fulfill the following duties:

- (I) Participating in the decision-making of the board of directors and expressing clear opinions on the matters discussed;
- (II) Supervising the potential major interest conflicts between the Company and its controlling shareholders, de facto controller, directors and senior management in accordance with the relevant provisions of the Measures for the Administration of Independent Directors, in order to promote the decision of the board of directors to conform to the overall interests of the Company, and protecting the legitimate rights and interests of the small and medium-sized shareholders;
- (III) Providing professional and objective suggestions on the operation and development of the Company, and promoting the improvement of the decision-making level of the board of directors;
- (IV) Other duties as stipulated by laws, administrative regulations, securities regulatory rules of the places where the Company's shares are listed, and the provisions of Articles of Association.

Independent directors shall perform their duties independently and impartially, and shall not be influenced by the Company, its substantial shareholders, de facto controllers and other entities or individuals. If an independent director is aware of a situation that affects his or her independence with respect to the matter under consideration, he/she shall declare such situation to the Company and recuse himself or herself from the matter. If there are circumstances that obviously affect his or her independence during his or her term of office, the independent director shall notify the Company in a timely manner, propose measures to resolve the situation, and if necessary, submit his or her resignation.

Article 18 Independent directors can exercise the following special powers and functions:

- (I) Independently hiring an intermediary to audit, consult or verify specific matters of the Company;
- (II) Proposing to convene the extraordinary general meeting to the board of directors;
- (III) Proposing to hold the board meeting;
- (IV) Publicly soliciting the rights of shareholders from shareholders in accordance with relevant laws;

APPENDIX II POLICY OF INDEPENDENT NON-EXECUTIVE DIRECTORS

- (V) Giving independent opinions on matters that may harm the rights and interests of the Company or the small and medium-sized shareholders;
- (VI) Other powers and functions as stipulated by laws, administrative regulations, securities regulatory rules of the places where the Company's shares are listed, and the provisions of Articles of Association.

An independent director shall obtain the consent of more than half of all the independent directors if he/she exercises the powers and functions listed in item I to item III of the preceding paragraph.

If an independent director exercises the powers and functions listed in item I, the Company shall timely disclose it. If the aforementioned powers and functions cannot be exercised normally, the Company shall disclose the specific circumstances and reasons.

Fees incurred in engaging intermediaries by independent directors and other fees in exercising their powers and functions shall be covered by the Company.

Article 19 The following matters shall be submitted to the board of directors for review after being approved by more than half of all independent directors of the Company:

- (I) Related transactions that should be disclosed;
- (II) Plans of the Company and related parties to change or waive commitments;
- (III) Decisions and measures taken by the board of directors regarding the acquisition upon being acquired;
- (IV) Other matters as stipulated by laws and regulations, securities regulatory rules of the places where the Company's shares are listed, and the provisions of Articles of Association.

Article 20 Where an independent director issues an independent opinion, such opinion shall be clear and explicit, and shall at least include the following content:

- (I) The basic information of the material matter;
- (II) The basis for expressing opinions, including the procedures performed, the documents reviewed, the contents of the on-site inspection, etc.;
- (III) The legality and compliance of the material matter;
- (IV) The impact on the interests of the Company and small and medium-sized shareholders, the potential risks and the effectiveness of the measures taken by the Company;

APPENDIX II POLICY OF INDEPENDENT NON-EXECUTIVE DIRECTORS

(V) The conclusive opinions expressed, including consent; qualified opinion and the reasons thereof; objection and the reasons thereof; and inability to express an opinion and the impediments thereof.

Independent directors shall sign and confirm the independent opinions issued, and report the same to the board of directors in a timely manner and disclose them together with the relevant announcements of the Company.

Article 21 Independent directors shall actively participate in and attend the meetings of special committees to which they are appointed. If, for any reason, they are unable to attend the meetings in person, the independent directors shall review the materials of the meetings of the special committee in advance, form a clear opinion and appoint in writing other independent directors of the special committee to attend on their behalf. When an independent director pays attention to major matters of the Company within the scope of the special committee's responsibilities while performing his/her duties, he/she may submit such matters to the special committees for discussion and consideration in a timely manner in accordance with the procedures.

Article 22 The Company shall regularly or irregularly hold meetings attended by all independent directors (the “**special meetings of independent directors**”). The matters listed in item I to item III of paragraph 1 of Article 19 and Article 20 of this policy shall be deliberated at the special meetings of independent directors. Other matters of the Company may be studied and discussed at the special meetings of independent directors as needed.

The special meetings of independent directors shall be convened and presided over by an independent director jointly recommended by more than half of the independent directors; if the convener fails or is unable to perform his/her duties, two or more independent directors may convene the meeting themselves and recommend a representative to preside over the meeting.

The Company shall provide convenience and support for the convening of special meetings of independent directors.

Article 23 Prior to the convening of a board meeting, independent directors may communicate with the board secretary to make enquiries, request for supplementary materials, and offer opinions and suggestions on the matters to be considered. The board of directors and other relevant personnel shall seriously study the questions, requests and opinions raised by the independent directors and provide timely feedback to the independent directors on the revision of the motions.

Independent directors who vote against or abstain from voting on resolutions of the board of directors shall explain the specific reasons and basis, and the compliance requirements of the laws and regulations of the matters to be considered by the board of directors, potential risks and the impact on the rights and interests of the Company and the small and medium-sized shareholders, etc. The dissenting opinions of the independent directors shall also be disclosed at the same time when the Company discloses the resolutions of the board of directors, and shall be stated in the resolutions of the board of directors and the minutes of the meeting.

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If two or more independent directors believe that the materials for a board meeting are incomplete, insufficiently justified or not provided in a timely manner, they may propose in writing to the board of directors that the meeting be postponed or that the matter be postponed for consideration, and the board of directors shall adopt such proposal.

Article 24 Independent directors shall work on-site in the Company for no less than fifteen days per year.

In addition to attending the general meeting, the board meeting and its special committee meetings, and special meetings of independent directors as required, independent directors can perform their duties by regularly obtaining information about the operation of the Company, listening to reports from the management, communicating with the person in charge of the internal audit institution, the accounting firm undertaking the audit business of the Company and other intermediaries, conducting field visits, and communicating with the small and medium-sized shareholders.

Article 25 For the board meeting and its special committee meetings, and specific meetings of independent directors of the Company, meeting minutes shall be prepared in accordance with regulations, and the opinions of independent directors shall be set out in the meeting minutes. Independent directors shall sign on the meeting minutes for confirmation.

Independent directors shall prepare work records to record in detail the performance of their duties. Information obtained by independent directors during performance of their duties, relevant meeting minutes and communication records with the staff of the Company and intermediaries shall form an integral part of work records. For the important contents in work records, independent directors may require the board secretary and other relevant personnel to sign for confirmation, and the Company and relevant personnel shall provide cooperation.

The work records of the independent directors and the information provided by the Company for the independent directors shall be kept for at least ten years.

Article 26 The Company shall improve the communication mechanism between independent directors and small and medium-sized shareholders, and independent directors may timely verify the issues raised by investors to the Company.

Article 27 Independent directors shall submit the annual report on work to the annual general meeting, and make explanations on their performance of duties. The annual report on work shall include the following contents:

- (I) The number, manner and voting of the board meetings attended, and the number of general meeting attended;
- (II) Participation in meetings of special committees of the board of directors and special meetings of independent directors;
- (III) Deliberation of the matters listed in Article 23, Article 26, Article 27 and Article 28 of the Measures for the Administration of Independent Directors, and exercise of the special powers and functions of independent directors listed in paragraph 1 of Article 19 of this policy;

APPENDIX II POLICY OF INDEPENDENT NON-EXECUTIVE DIRECTORS

- (IV) Major matters, methods and results of communication with internal audit institutions and accounting firms undertaking audit services of the Company on the Company's financial and business conditions;
- (V) Communication with the small and medium-sized shareholders;
- (VI) Time and content of on-site work in the Company;
- (VII) Others in performance of duties.

The annual reports on work of the independent directors shall be disclosed no later than the Company gives the notice of the annual general meeting.

Article 28 Independent directors shall continuously enhance their learning of securities laws and regulations and rules and continuously improve their ability to fulfil their duties. The CSRC, stock exchange, and the China Listed Companies Association may provide relevant training services.

CHAPTER 5 PERFORMANCE GUARANTEE

Article 29 The Company shall provide necessary working conditions and personnel support for the independent directors to perform their duties, and designate the office of the board of directors, the board secretary and other specialized departments and personnel to assist the independent directors in performing their duties.

The board secretary shall ensure the smooth information exchanges between independent directors and other directors, senior management and other relevant personnel, and ensure that independent directors have access to adequate resources and necessary professional opinions when performing their duties.

Article 30 The Company shall guarantee the right of being informed as the independent directors are entitled to as much as that other directors are entitled to. To ensure the effective exercise of the powers and functions of the independent directors, the Company shall regularly inform the independent directors of the operation of the Company, provide materials, organize or cooperate with the independent directors in field visits and other work.

Before the board of directors deliberates major and complex matters, the Company may organize independent directors to participate in the research and demonstration, listen to the opinions of independent directors, and make feedback to the independent directors on the adoption of opinions.

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Article 31 The Company shall promptly give notice of the board meeting to the independent directors, provide relevant meeting materials no later than the notice period of the board meeting stipulated by laws, administrative regulations, securities regulatory rules of the places where the Company's shares are listed or the provisions of Articles of Association, and offer effective communication channels for the independent directors. When the special committees of the board of directors hold a meeting, the Company shall, in principle, provide relevant materials and information no later than three days before the meeting of the special committees. The Company shall keep the meeting materials above for at least ten years.

If two or more independent directors believe that the meeting materials are incomplete, or the argument is not sufficient or the provision is not timely, they may propose in writing to the board of directors to postpone the meeting or the deliberation of the matter, and the board of directors shall adopt the opinion.

Meetings of the board of directors and special committees shall be held on the spot, in principle. Under the premise of ensuring that all the participating directors can fully communicate and express their opinions, the meetings can be held by video, telephone or other means in accordance with the procedure when necessary.

Article 32 If the independent directors exercise their powers and functions, the directors, senior management and other relevant personnel of the Company shall provide cooperation and shall neither refuse, obstruct or conceal relevant information nor interfere with their independent exercise of their powers and functions.

If the independent directors encounter obstacles in exercising their powers and functions according to laws, they may explain the situation to the board of directors, request the directors, senior management and other relevant personnel to cooperate, and record the specific circumstances and solutions of the obstacles in their work records; if the obstacles still cannot be removed, they may report to CSRC and stock exchange.

If the performance of the duties by the independent directors involves the information that shall be disclosed, the Company shall promptly handle the disclosure matters; if the Company does not disclose the information, the independent directors may directly apply for disclosure, or report to CSRC and stock exchange.

Article 33 The Company shall bear the expenses required for independent directors to hire professional institutions and exercise other powers and functions.

Article 34 The Company could establish a liability insurance system for independent directors to reduce the risks that may be caused by independent directors in normal performing their duties.

Article 35 The Company shall provide independent directors with allowances that are appropriate to their duties. The standard of allowance shall be formulated by the board of directors, approved at the general meeting, and disclosed in the Company's annual report.

In addition to the allowance above, the independent directors shall not obtain other benefits from the Company and its substantial shareholders, de facto controllers or interested units and personnel.

CHAPTER 6 SUPPLEMENTARY PROVISIONS

Article 36 The matters not covered in this policy shall be implemented in accordance with relevant laws and regulations, rules, securities regulatory rules of the places where the Company's shares are listed, and the provisions of the Articles of Association.

Article 37 The meanings of the following terms in this policy:

- (I) A substantial shareholder refers to a shareholder who holds more than 5% of the shares of the Company, or a shareholder who holds less than 5% of the shares but has significant influence on the Company;
- (II) Small and medium-sized shareholders refer to the shareholders who individually or collectively hold less than 5% of the shares of the Company and do not serve as the directors or senior management of the Company;
- (III) Subsidiary refers to the enterprise under the direct or indirect control of the relevant entity;
- (IV) Major social connections refer to siblings, spouses of siblings, parents of spouses, siblings of spouses, spouses of children, parents of children's spouses, etc.
- (V) Major business transactions refer to matters that must be submitted to the general meeting for consideration in accordance with the relevant rules of the Shenzhen Stock Exchange or the provisions of the Articles of Association, or other significant matters as determined by the Shenzhen Stock Exchange.

Article 38 In this policy, "more than" and "less than" shall include the given figure, and "over" shall exclude the given figure.

Article 39 This policy shall be amended and interpreted by the board of directors of the Company.

Article 40 This policy shall be implemented from the date of review and approval by the general meeting, and the same shall apply when it is amended.

Zhejiang Sanhua Intelligent Controls Co., Ltd.

October 2025

ZHEJIANG SANHUA INTELLIGENT CONTROLS CO., LTD.
MANAGEMENT MEASURES OF RELATED-PARTY TRANSACTIONS

CHAPTER 1 GENERAL PROVISIONS

Article 1 In order to regulate the related-party transaction behaviors of Zhejiang Sanhua Intelligent Controls Co., Ltd. (浙江三花智能控制股份有限公司) (the “**Company**”) and guarantee the legality, fairness and rationality of related-party transactions between the Company and its related parties, sufficiently guarantee the legal interest of shareholders, the medium and small shareholders and the Company in particular, the Company has formulated these measures in accordance with relevant requirements of the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China (the “**Securities Law**”), the Accounting Standards for Enterprises No.36 – Disclosure of Related Parties, the Rules Governing the Listing of Securities on the Shenzhen Stock Exchange (the “**Securities Listing Rules**”), the Self-regulatory Guidelines for Listed Companies on the Shenzhen Stock Exchange No. 1 – Guidelines on Standardized Operation of Listed Companies on Main Board (“**Guidelines on the Standardized Operation**”), the Self-regulatory Guidelines for Listed Companies on the Shenzhen Stock Exchange No. 7 – Transactions and Related Party Transactions, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Hong Kong Listing Rules**”) and other laws, regulations, rules and regulatory documents as well as the Articles of Association.

Article 2 The related-party transactions means a transaction which involves the exchange of resources or obligation between the Company or its holding subsidiaries and its related parties. Under the rules of the Stock Exchange, the connected transactions refer to the transactions conducted between the Company and its subsidiaries with connected persons, and specified category transactions with third parties (as defined in Chapter 14A of the Hong Kong Listing Rules), where such transactions may allow connected persons to gain benefits through their interests in entities involved in the exchange.

Article 3 In these measures, the terms “related parties” and “related parties” as defined in the Securities Listing Rules, and “connected persons” as defined in the Hong Kong Listing Rules, shall collectively be referred to as “related parties”. The terms “related-party transactions” as defined in the Securities Listing Rules and “connected transactions” as defined in the Hong Kong Listing Rules shall collectively be referred to as “related-party transactions”.

Article 4 Internal controls of related-party transactions shall be in conformity with the principles of honesty and trustworthiness, equality, voluntariness, fairness, openness and impartiality, and shall not harm the interests of the Company and its shareholders.

CHAPTER 2 RELATED PARTIES AND RELATED RELATIONSHIP

Article 5 Related parties of the Company shall include related legal persons and related natural persons as defined under the Securities Listing Rules, and connected persons as defined under Chapter 14A of the Hong Kong Listing Rules.

Article 6 Legal persons or any organizations under any of the following circumstances shall be a related legal person of the Company under the Securities Listing Rules:

- (I) Legal persons (or other organizations) that directly or indirectly controls the Company;
- (II) Legal persons (or other organizations) other than the Company and its holding subsidiaries directly or indirectly controlled by the legal persons (or other organizations) mentioned in the preceding item;
- (III) Legal persons (or other organizations) and its persons acting in concert holding more than 5% of the shares of the Company;
- (IV) Legal persons (or other organizations) other than the Company and its holding subsidiaries that are directly or indirectly controlled by or where the related natural persons of the Company serves as directors (excluding those who serve as independent directors of both parties) or senior management;
- (V) Other legal persons (or other organizations) that have a special relationship with the Company, as identified by the CSRC, the Shenzhen Stock Exchange, or the Company based on the principle of substance over form, and that may cause or have caused the Company to give preferential treatment to its interests.

Article 7 A natural person shall be a related natural person of the Company under the Securities Listing Rules under any of the following circumstances:

- (I) Natural persons who directly or indirectly hold more than 5% of the shares of the Company;
- (II) Directors and senior management of the Company;
- (III) Directors, supervisors and senior management of legal persons (or other organizations) that directly or indirectly controls the Company;
- (IV) Close family members of the persons mentioned in item (I) and item (II) of this paragraph, including the spouse, parents and parents of the spouse, brothers and sisters and their spouses, children over the age of 18 and their spouses, brothers and sisters of the spouse and parents of the spouses of the children;
- (V) Other nature persons that have a special relationship with the Company, as identified by the CSRC, the Shenzhen Stock Exchange, or the Company based on the principle of substance over form, and that may cause or have caused the Company to give preferential treatment to its interests.

Article 8 Under the Securities Listing Rules, legal persons or natural persons under any of the following circumstances shall be regarded as related parties of the Company:

Legal persons (or other organizations), nature persons who satisfied or will satisfy one of the circumstances as stated in Article 6 or Article 7 during the last 12 months or within the next 12 months pursuant to relevant agreements or arrangements.

Article 9 In accordance with the Hong Kong Listing Rules, a connected person of the Company generally includes the following parties unless otherwise specified therein:

- (I) A director, supervisor, chief executive or substantial shareholder of the Company or any of its subsidiaries (i.e., person entitled to exercise or control the exercise of 10% or more of the voting rights at the general meetings of the Company);
- (II) Any person who has served as a director of the Company or any of its subsidiaries within the past 12 months (together with persons referred to in item (I) of this article as the **“Basic Connected Person”**);
- (III) An associate of any Basic Connected Person, including:
 1. If the Basic Connected Person is an individual
 - (1) His or her spouse; or any of his/her (or his/her spouse’s) children or stepchildren (biological or adopted) under the age of 18 (each referred to as an **“Immediate Family Member”**);
 - (2) Any trustee (the **“Trustee”**) acting in that capacity of a trust of which he or any of his Immediate Family Member is a beneficiary (or, in the case of a discretionary trust, is (to the best of his knowledge) a discretionary object), provided that such trust is not an employee share scheme or occupational pension scheme established for a wide scope of participants and in which the connected person’s aggregate interests are less than 30%; or
 - (3) A 30%-controlled company, directly or indirectly held (individually or jointly) by him, his Immediate Family Member and/or the Trustee, or any subsidiary of such a company; or
 - (4) Any person cohabiting with him as if they were spouses, or any of his children, stepchildren, parents, stepparents, brothers, stepbrothers, sisters, or stepsisters (each referred to as **“family members”**); or
 - (5) Any company directly or indirectly held (individually or jointly) by any family member(s), or over which the family member(s), together with the individual, his/her Immediate Family Member and/or the Trustee, have majority control; or any subsidiary of such a company; or

(6) If the individual, his/her Immediate Family Member and/or the Trustee together directly or indirectly hold 30% or more (or such other percentage as prescribed under PRC law that triggers a mandatory general offer or confers legal or managerial control over an enterprise) of the paid-up capital, assets, or entitlement to profits or other returns of a co-operative or contractual joint venture (regardless of whether it is a separate legal entity), then any joint venture partner of that joint venture.

2. If the Basic Connected Person is a company

- (1) Its subsidiaries or holding companies, or fellow subsidiaries of its holding company;
- (2) Any trustee (the “**Trustee**”) acting in that capacity of a trust of which the company is a beneficiary (or, in the case of a discretionary trust, is (to the best of its knowledge) a discretionary object); or
- (3) Any 30%-controlled company directly or indirectly held (individually or jointly) by the company, any company referred to in paragraph (1) above, and/or the Trustee, or any subsidiary of such a 30%-controlled company; or
- (4) If the company, any of its subsidiaries, holding companies or fellow subsidiaries of its holding company, and/or the Trustee together directly or indirectly hold 30% or more (or such other percentage as prescribed under PRC law that triggers a mandatory general offer or confers legal or managerial control over an enterprise) of the paid-up capital, assets, or contractual entitlements to profits or other returns of a co-operative or contractual joint venture (regardless of whether it is a separate legal entity), then any joint venture partner of that joint venture.

(IV) Connected subsidiaries, including:

1. A non-wholly-owned subsidiary of the Company where any connected person(s) at the Company level can exercise, individually or jointly, 10% or more of the voting power at the subsidiary’s general meeting; this 10% threshold excludes any indirect interest in the subsidiary held through the Company; or
2. Any subsidiary of a non-wholly-owned subsidiary as described in paragraph 1 above.

(V) Any person regarded as a connected person by the Hong Kong Stock Exchange.

The above “connected person(s)”, “subsidiary(ies)”, “associate(s)” and other relevant terms shall be defined in accordance with the Hong Kong Listing Rules.

Article 10 Basic Connected Person under the Hong Kong Listing Rules do not include the directors, chief executives, substantial shareholders or supervisors of non-major subsidiaries of the Company. For this purpose:

- (I) “Non-major subsidiary” refers to a subsidiary whose total assets, profits, and gains in comparison to the Company and its subsidiaries meet the following conditions:
 - 1. For each of the last three financial years (or, if fewer than three, since the date of incorporation or establishment of the subsidiary), all applicable percentage ratios are less than 10%; or
 - 2. For the most recent financial year, all applicable percentage ratios are less than 5%.
- (II) Where the relevant person is connected with two or more subsidiaries of the Company, the Stock Exchange will aggregate the total assets, profits, and gains of those subsidiaries to determine whether they collectively constitute a “non-major subsidiary” of the Company; and
- (III) In calculating the relevant percentage ratios, 100% of each such subsidiary’s total assets, profits, and gains will be used as the basis. If the resulting percentage ratios produce anomalous results, the Hong Kong Stock Exchange may disregard the calculation and instead consider alternative tests provided by the Company.

Article 11 Under the Securities Listing Rules, the related relationship mainly refers to the method and approach which is capable of controlling or significantly influencing the Company directly or indirectly during the process of making financial and operational decisions, including but not limited to the shareholding relationship, personnel relationship, administrative relationship and commercial benefit relationship between the related parties and the Company.

Article 12 According to the Securities Listing Rules and other relevant regulations of the Shenzhen Stock Exchange, the list of related parties of the Company are determined and updated in a timely manner to ensure the truthfulness, accuracy and completeness of the list of related parties. The Company’s directors, senior management, shareholders holding more than 5% of the shares and their persons acting in concert, as well as de facto controllers, shall promptly submit to the board of directors of the Company a list of related parties and a description of the related relationships for proper registration and management by the Company.

Article 13 Related relationship shall be substantially judged with reference to the specific method, approach and extent, etc. utilized by the related parties to control or influence the Company.

CHAPTER 3 RELATED-PARTY TRANSACTIONS

Article 14 Where any of the following circumstances exists between the Company and its related parties, it shall constitute related-party transactions under the Securities Listing Rules and other relevant regulations of the Shenzhen Stock Exchange:

- (I) Purchase of assets;
- (II) Disposal of assets;
- (III) External investment (including entrusted wealth management and investment in subsidiaries);
- (IV) Provision of financial assistance (including entrusted loans, etc.);
- (V) Provision of guarantees (including guarantees for holding subsidiaries, etc.);
- (VI) Leasing or letting of assets;
- (VII) Entrusted or entrusted management of assets and businesses;
- (VIII) Donation or receipt of assets;
- (IX) Restructuring of creditor's rights or debts;
- (X) Transfer or acquisition of research and development projects;
- (XI) Execution of license agreements;
- (XII) Waiver of rights (including waiver of preemptive rights, rights of priority capital contribution, etc.);
- (XIII) Purchase of raw materials, fuel, or power;
- (XIV) Sale of products or goods;
- (XV) Provision or receipt of services;
- (XVI) Commissioned or entrusted sales;
- (XVII) Deposit and loan business;
- (XVIII) Joint investment by related parties;
- (XIX) Other matters that may result in the transfer of resources or obligations by agreement;
- (XX) Other matters identified as related-party transactions by the Shenzhen Stock Exchange.

Article 15 Connected transactions under the Hong Kong Listing Rules refer to transactions between the Company and its subsidiaries with connected persons, as well as specified types of transactions with third parties where the connected person may, by virtue of their interest in the entity involved in the transaction, obtain a benefit. These transactions may be one-off or continuous in nature. The transactions mentioned above include both capital transactions and revenue transactions, regardless of whether they are conducted in the ordinary and usual course of business of the Company and its subsidiaries. They include the following categories of transactions:

- (I) The Company or its subsidiaries acquires or disposes of assets, including deemed disposals;
- (II) The Company or its subsidiaries grants, accepts, exercises, transfers, or terminates an option to acquire or dispose of assets, or to subscribe for securities (provided that the termination of an option under the original terms of the agreement, where the Company and its subsidiaries have no discretion over the termination, shall not constitute a transaction); or the Company or its subsidiaries decides not to exercise an option to acquire or dispose of assets, or to subscribe for securities;
- (III) Entering into or terminating finance leases, operating leases, or subleases;
- (IV) Providing compensation guarantees, or providing or accepting financial assistance. Financial assistance includes granting credit, lending money, or providing compensation guarantees, guarantees, or pledges for loans;
- (V) Entering into agreements or arrangements to establish any form of joint venture (such as a partnership or incorporated entity), or any other form of joint venture arrangement;
- (VI) Issuing new securities of the Company or its subsidiaries, sale or transfer of treasury shares, including underwriting or sub-underwriting such securities;
- (VII) Providing, receiving, or sharing services; or
- (VIII) Purchasing or supplying raw materials, semi-finished products, and/or finished goods.

Article 16 Related-party transactions of the Company shall follow the following basic principles:

- (I) Related-party transactions between the Company and related parties shall be entered into by written agreements specifying the rights, obligations and liabilities of both parties to the transactions. The entering into of such agreements shall follow the principles of equality, voluntariness, equivalence and compensation;
- (II) Principles of impartiality, fairness and openness. The price or fees for related-party transactions should not deviate from the independent market standard in principle. For related-party transactions that are difficult to compare market prices or with price restrictions, the standards for costs and profits should be clearly defined through contracts; the Company should fully disclose the basis for the pricing of the related-party transactions;
- (III) Related shareholders shall abstain from voting at the general meeting in considering related-party transactions related to them;
- (IV) Any director with any interest shall abstain from voting on the said matter when voting by the board of directors;
- (V) The board of directors of the Company should judge whether related-party transactions are beneficial to the Company based on objective standards, and if necessary, hire professional assessors or financial advisors.

Article 17 When determining the price of related-party transactions, the principles of fairness, impartiality, openness and equivalence and compensation shall be observed, and such prices shall be established by means of a written agreement.

Article 18 The Company shall take effective measures to prevent shareholders and its related parties from occupying or transferring the Company's funds, assets and other resources in various manners.

CHAPTER 4 DECISION-MAKING PROCEDURES FOR RELATED-PARTY TRANSACTIONS

Article 19 During the course of business operations, where the Company and relevant functional departments encounter circumstances requiring related-party transactions with related parties as stipulated in these measures, they shall convene relevant personnel (including but not limited to the board of directors' office, legal department, etc.) in advance to conduct thematic study. Such study shall involve a preliminary assessment of the necessity, reasonableness, and fairness of pricing of the related-party transactions to be conducted in accordance with the provisions of these measures. Where the preliminary assessment deems that the related-party transactions must occur, and the relevant departments shall report the details of the relevant related-party transactions to the Company's chairman in the form of a report. This report shall include the following information:

- (I) Name and addresses of the related parties;
- (II) Specific details of the related-party transactions and the transaction amount;
- (III) Principle on which to determine the related-party transactions and the basis of price determination;
- (IV) Other matters that need to be recorded.

Article 20 Upon receipt of the chairman's approval report, the Company and relevant functional departments shall promptly forward a copy of the report to the board of directors' office.

Article 21 Upon receipt of the chairman's approval report, having considered the actual circumstances of the report, the board of directors' office of the Company shall determine whether it is necessary to issue a notice convening a board meeting to all directors.

Article 22 When the board of directors is considering the matters related to related-party transactions, the directors shall make a clear judgment on the necessity, fairness, true intention of the related-party transactions and the impact of the related-party transactions on the Company, pay special attention to the pricing policy and pricing basis of the transactions, including the fairness of the appraised value, the relationship between the transaction price and the book value or appraised value of the subject matters of the transactions, etc., strictly comply with the withdrawal system for related directors, and prevent the use of related-party transactions to control profits, transfer benefits to related parties and damage the legitimate rights and interests of the Company and minority shareholders.

Article 23 When the Company signs a contract, agreement or other arrangements in respect of related-party transactions with the related parties, it shall take the necessary precautions:

- (I) Any person shall only sign the agreement on behalf of one party thereof;
- (II) Any related party shall not interfere with the Company's decision in any manner;
- (III) When the board of directors considers the matters related to related-party transactions, the related directors shall avoid the voting and is unable to exercise the voting right on behalf of the other directors, and their voting rights shall not be counted towards the total voting rights. Related directors include the following directors or those directors under one of the following circumstances:
 - 1. A counterparty;
 - 2. Any individual who serves at the counterparty, or serves at a legal person (or other organization) that directly or indirectly controls the counterparty, or serves at a legal person (or other organization) is directly or indirectly controlled by the counterparty;
 - 3. Directly or indirectly controls the counterparty;
 - 4. A family member who is closely related to the counterparty or its direct or indirect controller;
 - 5. A family member who is closely related to the director, supervisor and senior management of the counterparty or its direct or indirect controller;
 - 6. A director whose independent business judgment may be affected for any other reason as identified by the CSRC, the Shenzhen Stock Exchange, the Hong Kong Stock Exchange or the Company.
- (IV) When the general meeting deliberates on the matters related to related-party transactions, the related shareholders shall abstain from voting and shall not act as proxies for other shareholders to exercise voting rights. The related shareholders includes shareholders who meet any of the following circumstances:
 - 1. A counterparty;
 - 2. Directly or indirectly controls the counterparty;
 - 3. Directly or indirectly controlled by the counterparty;
 - 4. Directly or indirectly controlled by the same legal person (or other organization) or natural person with the counterparty;

5. Serves in the counterparty, or serves in a legal entity or other organization that directly or indirectly controls the counterparty or a legal entity or other organization directly or indirectly controlled by the counterparty (in case of natural person shareholder);
6. A family member who is closely related to the counterparty or its direct or indirect controller;
7. Has its voting rights restricted or affected by the existence of an unfulfilled equity transfer agreement or other agreement with the counterparty or its related parties;
8. Shareholders identified by the CSRC, the Shenzhen Stock Exchange or the Hong Kong Stock Exchange which may cause the Company to tilt interests towards them.

Article 24 Unless exempted by the securities regulatory rules of the places where the Company's shares are listed, the Company shall not provide financial assistance to related parties. However, this does not include providing financial assistance to affiliated associates (excluding entities controlled by the Company's controlling shareholders or de facto controllers) when the other shareholders of such associates provide equivalent financial assistance according to their capital contribution ratios.

When providing financial assistance by the Company to affiliated associates as stipulated in the previous paragraph, in addition to approval by more than half of all non-related directors, it must also be approved by more than two-thirds of the non-related directors attending the board meetings and submitted to the general meeting for review.

Article 25 When the board of directors of the Company reviews the matters related to related-party transactions, related directors shall abstain from voting and shall not exercise voting rights on behalf of other directors. The board meetings can be held if attended by more than half of non-related directors, and resolutions made at such meetings must be passed by more than half of all non-related directors. If fewer than three non-related directors are attending the board meetings, the Company shall submit such transaction to the general meeting for review.

Article 26 When the general meeting reviews the matters related to related-party transactions, related shareholders shall not participate in voting, and the shares with voting rights they represent shall not be included in the total number of voting shares. The resolution of the general meeting shall indicate the voting situation of non-related shareholders.

If related shareholders explicitly indicate that he will avoid the voting, the other shareholders present at the general meeting shall consider and vote on the relevant related-party transactions, and the voting results shall have the same legal effect as other resolutions passed at the general meeting. If the shareholders of the voting matters are all related shareholders, all shareholders can participate in the voting, and the resolution of the general meeting shall be formed accordingly.

Article 27 Decision-making authority for related-party transactions under the Securities Listing Rules:

- (I) The related-party transactions between the Company and related natural persons with a transaction amount of over RMB0.3 million shall be approved by the board of directors of the Company.
- (II) The related-party transactions between the Company and related legal persons with a transaction amount of over RMB3 million accounting for more than 0.5% of the absolute value of the audited net assets of the Company in the latest period shall be approved by the board of directors of the Company.
- (III) Where the related-party transactions between the Company and the related parties meet any one of the following criteria, they shall be submitted to the general meeting for deliberation after approval by the board of directors:
 - 1. The major related-party transactions between the Company and the related parties with a transaction amount of over RMB30 million accounting for more than 5% of the absolute value of the audited net assets of the Company in the latest period shall be promptly disclosed and submitted to the general meeting for deliberation. An audit report or valuation report meeting the requirements of the Securities Listing Rules shall also be disclosed. Routine related-party transactions as stipulated in items (XIII) to (XVII) of Article 14 of these measures may be exempted from audit or valuation.
 - 2. Pursuant to Article 25 of these measures, if the number of directors is less than the minimum required after the related directors refrain from the meeting, such related-party transactions shall be deliberated and decided by the general meeting of the Company.

When the Company provides guarantee to a related party, in addition to being required to be considered and approved by exceeding half of all non-related directors, requires also the consideration and the approval of more than two thirds of the non-related directors present at the board meetings with passing of a resolution, which shall be submitted to the general meetings for consideration. When the Company provides guarantee to the controlling shareholder, the de facto controller and their related parties, they shall provide counter guarantee.

Other related-party transactions required by laws, regulations, or the CSRC and Shenzhen Stock Exchange to be submitted to the general meeting for deliberation. Related-party transactions falling outside the approval scope of the board of directors or general meeting shall be approved by the Company's chairman. No other management personnel of the Company shall have the authority to approve the related-party transactions.

For connected transactions as defined by the Hong Kong Stock Exchange, the Company shall, in accordance with the classification of connected transactions set out in the Hong Kong Listing Rules – namely, fully exempt, partially exempt, or non-exempt connected transactions – comply with the relevant requirements under the Hong Kong Listing Rules regarding filing, disclosure, and independent shareholders' approval procedures (if applicable).

Article 28 Under the Securities Listing Rules, the Company shall apply the provisions of Article 29 of these measures to the following transactions based on the principle of cumulative calculation over a consecutive 12-month period:

- (I) Transactions with the same related party. The same related party includes other related parties that are controlled by the same de facto controller, or that have an equity control relationship with each other.
- (II) Transactions with different related parties for the same subject matter of the transactions.

Article 29 According to the Hong Kong Listing Rules, where a series of connected transactions are all conducted or completed within the same twelve-month period, or where the transactions are interrelated, such transactions shall be aggregated and treated as a single transaction. The Company must comply with the connected transactions requirements applicable to the aggregated transaction category. If the connected transactions constitute a series of asset acquisitions, and the aggregation of such acquisitions would constitute a reverse takeover, the aggregation period shall be twenty-four months. When determining whether connected transactions should be aggregated, the following factors shall be considered:

- (I) Whether the transactions are conducted between the Company and the same party, or with parties who are connected with each other;
- (II) Whether the transactions involve the acquisition or disposal of components of a particular asset, or securities or interests in a company (or a group of companies); or
- (III) Whether the transactions, in aggregate, would result in the Company engaging substantially in a new line of business.

Article 30 If relevant obligations are completed in accordance with these measures, the transactions will not be included in the calculation of the total amount.

Article 31 In considering the related-party transactions, the board of directors shall at least examine the following documents:

- (I) Background of the related-party transaction.
- (II) Main qualification certificate of the related parties (business license of a legal person or certificate of identity of a natural person).
- (III) Agreements, contracts or any other written arrangements relevant to the related-party transactions.
- (IV) Documents and materials taken as references for pricing of related-party transactions.
- (V) Impact of the related-party transactions on the legal interests of Company and non-related shareholders.
- (VI) Reports of intermediate institutions, if any.
- (VII) Other materials as required by the board of directors.

Article 32 The general meeting, the board of directors and the chairman of the board of directors shall, in accordance with the provisions of the Articles of Association and relevant rules of procedure, deliberate and vote on the related-party transactions of the Company within their respective authorities, and abide by the relevant requirements of the recusal system.

Article 33 Related-party transactions that have not been approved or confirmed in accordance with the procedures as specified in the Articles of Association and these measures shall not be carried out; the Company shall have the right to terminate any related-party transactions that have been carried out but not approved or confirmed.

Article 34 The content of agreements on daily related-party transactions shall at least contain major terms such as pricing principle and basis, the consideration of transactions, total transaction volume or its clear and specific determination methods and the timing and method of payment.

Article 35 As for the following transactions entered into between the Company and related parties, relevant obligations may be exempted from being fulfilled in the manner for related-party transactions stipulated in these measures subject to the listing rules of the places where the Company's shares are listed:

- (I) One party subscribes for the shares, corporate bonds or enterprise bonds, convertible corporate bonds or other derivative products issued by the other party to unspecified objects in cash, provided that this does not apply where the pre-determined issuance objects include related parties;
- (II) One party acts as a member of the underwriting syndicate to underwrite the shares, corporate bonds or enterprise bonds, convertible corporate bonds or other derivative products issued by the other party to unspecified objects;
- (III) One party receives dividends, bonuses or remuneration based on another party's general meeting resolution;
- (IV) The Company provides products and services to related natural persons specified in item (II) to item (IV) of Article 6 of these measures, under the same transaction conditions as non-related parties;
- (V) Other transactions identified by laws and regulations or competent authorities.

CHAPTER 5 DISCLOSURE OF RELATED-PARTY TRANSACTIONS

Article 36 The Company's disclosure of related-party transactions shall be carried out in accordance with the information disclosure content and format standards stipulated in normative documents issued by the CSRC, the Shenzhen Stock Exchange and the Hong Kong Stock Exchange, and the relevant documents shall be submitted.

Article 37 Unless exempted by the securities regulatory rules of the places where the Company's shares are listed, the Company shall disclose matters such as the entering into, modification, termination and performance of written agreements on related-party transactions between the Company and related parties.

Article 38 Unless exempted by the securities regulatory rules of the places where the Company's shares are listed, the Company should disclose the related-party transactions with related natural persons with a transaction amount of over RMB0.3 million in a timely manner. The Company shall not, directly or through its subsidiaries, provide borrowings to directors or senior management.

Article 39 Unless exempted by the securities regulatory rules of the places where the Company's shares are listed, the Company should disclose the related-party transactions with related legal persons with a transaction amount of over RMB3 million and accounting for more than 0.5% of the absolute value of the Company's latest audited net assets in a timely manner.

Article 40 When the Company discloses a related-party transaction, it shall submit the following documents to the Shenzhen Stock Exchange:

- (I) Draft announcements;
- (II) Agreements or letters of intent related to the transaction; resolutions of the board of directors and draft announcements of the resolutions; approvals from relevant authorities involved in the transaction (if applicable); professional reports issued by intermediary agencies;
- (III) Consideration and resolution of the special meeting of independent non-executive directors;
- (IV) Opinions of the independent non-executive directors;
- (V) Other documents required by the Shenzhen Stock Exchange.

Article 41 The Company shall disclose relevant details of a related-party transaction based on the type of the related-party transaction, including the counterparty, subject of the transaction, description of the connected relationship among the parties to the transaction and the basic information of related parties, principal terms of the transaction agreement, transaction pricing and its basis, approval documents from relevant authorities (if any) and opinions of intermediary agencies (if applicable).

Article 42 For non-wholly-exempt continuing connected transactions as defined under the Hong Kong Listing Rules by the Hong Kong Stock Exchange, the following requirements shall be observed:

- (I) The Company shall enter into a written agreement with the connected persons for each connected transaction, and the terms of such agreement shall reflect normal commercial terms and specify the pricing basis;
- (II) The term of the agreement shall be fixed and shall not exceed three years generally. Where the term must exceed three years due to the nature of the transaction, a written confirmation opinion must be obtained from the financial adviser;
- (III) A transaction cap shall be set for the transaction volume for each year during the term of the agreement; and
- (IV) The procedures for reporting, announcement, (if applicable) independent shareholders' approval and annual review shall be performed.

CHAPTER 6 SUPPLEMENTARY PROVISIONS

Article 43 Matters not covered herein shall be implemented in accordance with relevant requirements of laws, administrative regulations, normative documents, securities regulatory rules of the places where the Company's shares are listed and the Articles of Association. In case of any conflict or inconsistency of these measures with the laws, regulations, normative documents and securities regulatory rules of the places where the Company's shares are listed then in force as well as the Articles of Association, the latter shall prevail.

Article 44 These measures shall be amended and interpreted by the board of directors of the Company.

Article 45 These measures shall be implemented from the date of review and approval by the general meeting, and the same shall apply when they are amended.

Zhejiang Sanhua Intelligent Controls Co., Ltd.

October 2025

ZHEJIANG SANHUA INTELLIGENT CONTROLS CO., LTD. MANAGEMENT RULES FOR THE PROCEEDS

CHAPTER 1 GENERAL PROVISIONS

Article 1 In order to standardize the management and use of the proceeds raised by Zhejiang Sanhua Intelligent Controls Co., Ltd. (浙江三花智能控制股份有限公司) (the “**Company**”), and protect the rights and interests of investors, the Company has hereby formulated these rules in accordance with the requirements of the Company Law of the People’s Republic of China (the “**Company Law**”), the Securities Law of the People’s Republic of China (the “**Securities Law**”), the Rules on the Regulation of Proceeds Raised by Listed Companies, the Rules Governing the Listing of Securities on the Shenzhen Stock Exchange (the “**Securities Listing Rules**”), and the Self-regulatory Guidelines for the Companies Listed on the Shenzhen Stock Exchange No. 1 – Standardized Operation of the Companies Listed on the Main Board and other relevant laws, regulations and normative documents, and in combination with the actual situation of the Company.

Article 2 For the purpose of these rules, the term “proceeds” refers to the proceeds raised by the Company through the issuance of stocks or other equity securities to investors for specified purposes, excluding any proceeds raised by the Company for implementing equity incentive plans.

For the purpose of these rules, the term “over-raised proceeds” refers to the portion of net actual proceeds in excess of the amount of proceeds planned to be raised.

Article 3 The board of directors of the Company shall be responsible for establishing and improving the management rules for the proceeds and ensuring effective implementation of such rules. The management rules for the proceeds shall clearly stipulate provisions regarding the special account deposit, management, use, change of purpose and supervision of the proceeds, as well as the application, hierarchical approval authority, decision-making procedures, risk control measures, information disclosure procedures and accountability for the use of proceeds.

Article 4 Where the proceeds-funded projects are carried out by the Company’s subsidiaries or other entities under the control of the Company, the Company shall ensure that such subsidiaries and entities observe the provisions herein.

CHAPTER 2 DEPOSIT OF THE PROCEEDS

Article 5 The Company shall prudently select a commercial bank and open a special account for the proceeds (the “**Special Account**”). The proceeds shall be placed in the Special Account as approved by the board of directors for central management and use, and the Special Account shall not keep funds other than the proceeds or be used for other purposes.

Where the Company conducts financing twice or above, the Company shall set up Special Accounts for the proceeds separately.

The over-raised proceeds shall also be deposited and managed in the Special Account for the proceeds.

Article 6 The Company shall, at the latest, within one month after the proceeds are put in place, sign a tripartite supervision and administration agreement (the “**Tripartite Agreement**”) with the sponsor institution or independent financial adviser and the commercial bank in which the proceeds are deposited. Upon execution of the Tripartite Agreement, the Company may utilize the proceeds. The Tripartite Agreement shall at least include the following:

- (I) the Company shall place the proceeds into the Special Account;
- (II) the Special Account number for proceeds, the project for proceeds related to the Special Account, and the amount of the deposit;
- (III) where the cumulative amount drawn by the Company from the Special Account at one time or in twelve months exceeds RMB50 million or 20% of the net proceeds, the Company and the commercial bank shall notify the sponsor institution or independent financial adviser in a timely manner;
- (IV) the commercial bank shall issue the bank reconciliation statements to the Company on a monthly basis, and copy the same to the sponsor institution or independent financial adviser;
- (V) the sponsor institution or independent financial adviser may, at any time, visit the commercial bank to inquire about the relevant information of the Special Account;
- (VI) the supervision duties of the sponsor institution or independent financial adviser, the commercial bank’s duties of giving notice and coordination, as well as the supervision methods of the sponsor institution or independent financial adviser and the commercial bank on the Company’s use of the proceeds;
- (VII) rights, obligations and default liabilities of the Company, the commercial bank and the sponsor institution or independent financial adviser;
- (VIII) where the commercial bank fails to issue reconciliation statements to, or notify the sponsor institution or independent financial adviser of large-amount withdrawals from the Special Account in a timely manner three times, or fails to coordinate with the sponsor institution or independent financial adviser in inquiries and investigations of materials of the Special Account, the Company may terminate the agreement and cancel the Special Account for the proceeds.

The Company shall, upon execution of the above Tripartite Agreement, make an announcement on the main contents of the Tripartite Agreement.

If the proceeds-funded projects are implemented through a holding subsidiary of the Company, a Tripartite Agreement shall be concluded by the Company, such holding subsidiary, the commercial bank and the sponsor institution or independent financial adviser. As such, the Company and the subsidiary shall be deemed as the same party.

Where the above Tripartite Agreement is terminated prior to the expiration of the term of validity, the Company shall sign a new Tripartite Agreement with the parties concerned within one month upon the date of termination of the previous Tripartite Agreement, and make a timely announcement.

CHAPTER 3 USE OF THE PROCEEDS

Article 7 In principle, the proceeds shall be used for the listed company's principal businesses. Except for financial enterprises, the proceeds shall not be used to make any risky investment such as securities or derivative trading or provide financial support to others and may not be invested directly or indirectly in companies whose principal activity is the trading of marketable securities.

The Company shall not use the proceeds for pledged and entrusted loans, or any other investment that changes the use of proceeds in disguised form.

Article 8 The Company shall ensure the authenticity and fairness of the use of proceeds, prevent any appropriation or embezzlement of the proceeds by controlling shareholders, de facto controllers and other related parties, and take effective measures to prevent related parties from taking advantage of the proceeds-funded projects to gain improper benefits.

Article 9 If the Company discovers that the controlling shareholders, de facto controllers and other related parties have misappropriated the proceeds, it shall promptly recover the misappropriated proceeds and disclose the reasons for the misappropriation, the impact on the Company, the repayment and rectification plan and the progress of the rectification. The board of directors shall pursue the legal liability of the relevant parties in accordance with the law.

Article 10 When investing in proceeds-funded projects, the Company must strictly adhere to the provisions of the fund management system and these rules, and complete the approval procedures. In respect of all fund expenditures for the proceeds-funded projects, the department to use the proceeds shall first propose a plan on use of proceeds. After the department head signs on the plan, the plan shall be submitted to the chief financial officer for review and to the chairman for signature before payment; in case it is beyond the scope of authority of the chairman, the plan shall be submitted to the board of directors for approval.

Article 11 When making payments for the proceeds-funded projects, the Company shall make sure that the payment amount, payment time, payment methods and recipient are reasonable and legal, and provide relevant evidential information for filing and inquiry.

Article 12 Where any of the following circumstances occur to a proceeds-funded project, the Company shall re-evaluate the feasibility and expected returns of the project in a timely manner, and decide whether or not to continue the implementation of the project:

- (I) where the market environment for the proceeds-funded project has undergone material changes;
- (II) where the proceeds-funded project has been standing idle for over one year after receipt of the raised proceeds;
- (III) where the deadline of the latest investment plan of the proceeds has expired and the amount of invested proceeds fails to reach 50% of the amount as set out in the relevant plan;
- (IV) where other abnormal situations occur in the proceeds-funded project.

If the Company encounters any of the circumstances set forth in the preceding paragraph, it shall make a timely disclosure. The Company shall disclose in its most recent periodic report the progress of the project, the reasons for the abnormalities, and the details of any re-evaluation conducted during the reporting period. If an adjustment to the investment plan of the proceeds is required, the adjusted investment plan of the proceeds shall be disclosed simultaneously.

Article 13 Where a proceeds-funded project is expected to fail to be completed within the originally scheduled timeframe and the Company intends to postpone its implementation, such postponement shall be promptly reviewed and approved by the board of directors, and the sponsor or independent financial advisor shall issue clear opinions. The Company shall promptly disclose the specific reasons for the failure to complete on schedule, by explaining the current deposit and accounting status of the proceeds, whether there are any circumstances that affect the normal progress of the use plan of the proceeds, the estimated completion time and phased investment plan, the measures to ensure timely completion after the postponement, and other relevant matters.

Article 14 When the Company uses the proceeds for the following matters, it shall be subject to review and approval by the board of directors, and shall promptly disclose such use after obtaining explicit consent from the sponsor or independent financial advisor:

- (I) replacing self-raised funds that have been pre-invested in proceeds-funded projects with the proceeds;
- (II) using temporarily idle proceeds for cash management;
- (III) using temporarily idle proceeds to temporarily supplement working capital;
- (IV) changing the use of proceeds;
- (V) changing the implementation location of the proceeds-funded projects;
- (VI) using the surplus proceeds;
- (VII) using the over-raised proceeds for ongoing projects and new projects, as well as the repurchase and lawful cancellation of the Company's shares.

Where the Company changes the use of proceeds, uses the over-raised proceeds, or uses the surplus proceeds reaching the threshold for the review of general meeting, such matters shall also be submitted to the general meeting for review and approval.

If the relevant matters involve related-party transactions, asset acquisitions, external investments, or similar, the Company shall also perform the review procedures and information disclosure obligations in accordance with relevant requirements under the Securities Listing Rules.

Article 15 Upon completion of an individual or all proceeds-funded projects, where the surplus funds (including interest income) are less than 10% of the net proceeds allocated to the project, the Company shall follow the procedures stipulated in the first paragraph of Article 14 herein when using such surplus funds.

If the surplus funds (including interest income) equal to or exceed 10% of the net proceeds allocated to the project, their use shall also be submitted to the general meeting for review and approval.

If the surplus funds (including interest income) are less than RMB5 million or less than 1% of the project's net proceeds, the above procedures may be exempted, but the usage shall be disclosed in the annual report.

Article 16 If the Company replaces self-raised funds that have been pre-invested in proceeds-funded projects with the proceeds, it shall be reviewed and approved by the Company's board of directors, and the sponsor shall express clear opinions. The Company shall promptly disclose relevant information. In principle, the Company shall implement the replacement within six months after the proceeds have been transferred to the Special Account.

During the implementation of proceeds-funded projects, in principle, the proceeds shall be used for direct payments. Where it is indeed difficult to make direct payments using the proceeds, such as for paying staff salaries or purchasing overseas products and equipment, replacement may be carried out within six months after payment has been made using self-raised funds.

If the Company has disclosed in its offering application documents the intention to replace the self-raised funds with the proceeds, and the pre-invested amount is determined, it shall disclose the matter to the public before implementing the replacement.

Article 17 The Company may use temporarily idle proceeds for cash management, and such cash management shall be conducted through the Special Account for the proceeds or a publicly disclosed product-specific settlement account. Where a product-specific settlement account is used, the account shall not keep funds other than the proceeds or be used for other purposes. The implementation of cash management shall not affect the normal progress of the fundraising investment plan.

Cash management products shall meet the following conditions:

- (I) they shall be highly secure products such as structured deposits or large-denomination certificates of deposit, and shall not be non-principal-guaranteed products;
- (II) they shall have good liquidity, with a term not exceeding twelve months;
- (III) the cash management products shall not be pledged.

Article 18 Where the Company uses temporarily idle proceeds for cash management, it shall be reviewed and approved by the board of directors, and the sponsor institution shall express clear opinions. The Company shall promptly disclose the following information:

- (I) basic information on the proceeds, including the date of receipt of such proceeds, the amount of proceeds, net proceeds and investment plan;
- (II) the usage of the proceeds and the reasons for the idle proceeds;

- (III) the amount and term of the cash management, whether there is any disguised change in the intended use of the proceeds, and the measures adopted to guarantee the normal implementation of the proceeds-funded projects;
- (IV) the income distribution method of the cash management products, the investment scope, the safety analysis provided by the issuing entity of the products, and the risk control measures taken by the Company to ensure the safety of the funds;
- (V) opinions from the sponsor or independent financial advisor.

The Company shall promptly disclose a risk warning announcement, when major risk situations occur, such as deterioration of the financial condition of the product issuer or potential losses in the cash management products, and explain the risk control measures the Company has taken to ensure the safety of the funds.

Article 19 When the Company uses idle proceeds to temporarily supplement working capital, it shall be carried out through the Special Account for the proceeds and shall be limited to production and business activities related to the main businesses, and shall meet the following conditions:

- (I) it shall not change the use of proceeds in disguised form or affect the normal progress of the fundraising investment plan;
- (II) previously used proceeds for temporarily supplementing working capital have been repaid;
- (III) the duration for each temporary working capital supplementation shall not exceed 12 months;
- (IV) idle proceeds shall not be used directly or indirectly for high-risk investments such as securities investment, derivatives trading, etc.

Article 20 When the Company uses idle proceeds to temporarily supplement working capital, it shall promptly disclose the following information upon review and approval by the board of directors:

- (I) the basic information on the proceeds, including the date of receipt of such proceeds, the amount of proceeds, net proceeds and investment plan;
- (II) the usage of proceeds;
- (III) the amount and duration of idle proceeds used to supplement working capital;
- (IV) the estimated savings in financial expenses from using idle proceeds to supplement working capital, the reasons for insufficient working capital, whether there is any disguised change in the intended use of proceeds, and the measures adopted to guarantee the normal implementation of the proceeds-funded projects;

(V) opinions from the sponsor or independent financial advisor;

(VI) any other content required by the Shenzhen Stock Exchange.

Before the due date for the supplementary working capital, the Company shall return the funds to the Special Account for the proceeds and make a timely announcement after all the funds have been returned. If the Company expects to be unable to return such portion of funds to the Special Account for the proceeds on schedule, it shall, prior to the due date, fulfill the review procedures as required in the preceding paragraph and make a timely announcement. The announcement shall include the use of funds, reasons for the failure to return the funds, reasons for the continued use of the funds to replenish working capital, and the duration of such use.

Article 21 The Company shall use the over-raised proceeds in a planned manner according to its actual production and operation needs in the following order, after submitting to the board of directors or general meeting for review and approval:

(I) to supplement the funding gap of proceeds-funded projects;

(II) to temporarily supplement working capital;

(III) to conduct cash management.

Article 22 The Company shall, based on its development plan and actual operational needs, properly arrange the use plan for over-raised proceeds. The over-raised proceeds shall be used for projects under construction and new projects, as well as for the repurchase and lawful cancellation of the Company's shares. The Company shall, at the latest, determine the specific use plan for over-raised proceeds at the time of the overall conclusion of the same batch of proceeds-funded projects, and shall allocate and utilize the funds according to the plan.

Where the Company uses over-raised proceeds to invest in projects under construction and new projects, it shall fully disclose such information as the construction plan of the relevant projects, the necessity and reasonableness of the investment, the investment period and the rate of return. If the projects involve related-party transactions, asset acquisitions, external investments, or similar, the Company shall also perform the review procedures and information disclosure obligations in accordance with Chapter 6 of the Securities Listing Rules and other provisions.

Where it is indeed necessary to use temporarily idle over-raised proceeds for cash management or to temporarily supplement working capital, the necessity and reasonableness of such use shall be explained. If the Company uses temporarily idle over-raised proceeds for cash management or to temporarily supplement working capital, the amount, duration and other relevant matters shall be subject to review and approval by the board of directors, and the sponsor institution shall issue clear opinions. The Company shall promptly disclose the relevant information.

The Company shall explain the use of over-raised proceeds and the usage plan for the following year in the annual special report on the deposit, management, and use of proceeds.

CHAPTER 4 CHANGE OF PROCEEDS-FUNDED PROJECTS

Article 23 The following circumstances are considered as changes in the use of proceeds:

- (I) cancellation or termination of the original proceeds-funded projects and implementation of new projects or permanent replenishment of working capital;
- (II) change of the implementing entities for the proceeds-funded projects (except for changes within the listed company and its wholly-owned subsidiaries);
- (III) change in the implementation method of the proceeds-funded projects;
- (IV) other situations recognized by the China Securities Regulatory Committee and Shenzhen Stock Exchange.

If there are any circumstances specified in item I of the preceding paragraph, the sponsor shall specify in detail the main reasons for the changes in the proceeds-funded projects and the rationality of the previous sponsorship opinions in conjunction with the previously disclosed relevant documents on the proceeds.

Where the Company uses the proceeds for cash management, temporary replenishment of working capital, or uses the over-raised proceeds, in a manner that exceeds the amount, duration or purpose determined through review procedures of the board of directors or the general meeting, and the circumstances are serious, it shall be deemed an unauthorized change in the use of proceeds.

Article 24 The board of directors of the Company shall scientifically and prudently select new investment projects, conduct feasibility analyses on new investment projects, and ensure that the investment projects have good market prospects and profitability, can effectively mitigate investment risks, and improve the utilization efficiency of proceeds.

Article 25 If the Company proposes to change the implementation of a proceeds-funded project to a joint venture model, it shall, on the basis of fully understanding the fundamental circumstances of the joint venture partner, carefully assess the necessity of the joint venture. The Company shall remain the controlling shareholder in the joint venture to ensure effective control over the proceeds-funded project.

Article 26 If the Company changes the use of proceeds for the acquisition of assets (including equity) from the controlling shareholders and de facto controllers, it shall ensure that after the acquisition, there will be effective measures to avoid competition in the same industry and reduce related-party transactions.

Article 27 If the Company changes the implementation location of a proceeds-funded project, it shall make an announcement within two trading days after review and approval by the board of directors, explaining the changes, reasons, impact on the implementation of the proceeds-funded project, and the opinions issued by the sponsor institution or independent financial advisor.

Article 28 Before the completion of all the proceeds-funded projects of the listed company, if surplus proceeds arise due to project termination and part of the proceeds are planned to be used for permanent working capital replenishment, the following requirements shall be met:

- (I) the proceeds have been received for over one year;
- (II) it shall not affect the implementation of other proceeds-funded projects;
- (III) the approval procedures and information disclosure obligations shall be fulfilled according to the requirements for the change in the use of proceeds.

CHAPTER 5 MANAGEMENT AND SUPERVISION OF THE PROCEEDS

Article 29 The listed company's accounting department shall establish a ledger to record in detail the expenditure and investment status of the proceeds.

The internal audit department of the Company shall inspect the deposit, management and use of proceeds at least once quarterly and report the inspection results to the audit committee in a timely manner. If the audit committee finds that the Company's management of proceeds materially violates regulations, presents significant risks, or the internal audit department fails to submit the inspection report as required, it should promptly report to the board of directors. The board of directors shall report to the Shenzhen Stock Exchange and make an announcement within two trading days upon receiving the report.

Article 30 The board of directors of the Company shall continuously monitor the actual deposit, management and use of the proceeds, conduct a comprehensive review of the progress of the proceeds-fund projects on a semi-annual basis, issue special semi-annual and annual reports on the deposit and use of the proceeds, and engage an accounting firm to issue a verification report on the annual deposit, management and use of the proceeds. The relevant special reports shall include the basic information of the proceeds and the deposit, management and use of such proceeds as required by the Shenzhen Stock Exchange. The Company shall disclose the verification report issued by the accounting firm together with its periodic reports through qualified media channels.

Article 31 If there is a discrepancy between the actual investment progress of the proceeds-fund projects and the investment plan, the Company shall explain the specific reasons. If the difference between the actual usage of proceeds for the proceeds-fund projects in the year and the estimated usage amount in the latest disclosed fundraising investment plan exceeds 30%, the Company shall adjust the fundraising investment plan and disclose the following in the special report on the deposit, management and usage of proceeds and the periodic report: the latest annual fundraising investment plan, the current actual investment progress, the adjusted estimated annual investment plan, and the reasons for the changes in the investment plan. The Company shall cooperate with the ongoing supervision conducted by the sponsor or independent financial advisor, as well as the audit work performed by the accounting firm, and shall promptly provide or apply to the bank for the provision of necessary information related to the deposit, management and use of the proceeds.

Article 32 The certified public accountant shall reasonably verify whether the special report of the board of directors has been prepared in accordance with the relevant format guidelines and whether it truthfully reflects the actual deposit, management and usage of the annual proceeds, and provide a verification conclusion.

If the verification conclusion is “qualified opinion”, “negative opinion”, or “unable to form an opinion”, the board of directors of the Company shall analyze the reasons for the conclusion raised by the certified public accountant in the verification report, propose corrective measures, and disclose them in the annual report.

Article 33 If the sponsor institution or independent financial advisor discovers any irregularities in the deposit, management, or use of the listed company’s proceeds, it shall promptly conduct an on-site inspection and report to the Shenzhen Stock Exchange in a timely manner. The sponsor or independent financial advisor shall conduct an on-site inspection of the listed company’s deposit, management and use of proceeds at least once every six months. At the end of each fiscal year, the sponsor institution or independent financial advisor shall issue a special verification report on the Company’s annual deposit, management and use of proceeds and disclose the same.

If the accounting firm issues a “qualified opinion”, “negative opinion”, or “unable to form an opinion” in the verification conclusion on the deposit, management and use of proceeds of the Company, the sponsor institution or independent financial advisor shall carefully analyze the reasons for the above conclusions in their verification report and provide clear verification opinions.

If the sponsor institution or independent financial advisor finds that the Company or the commercial bank has not fulfilled the Tripartite Agreement as agreed, or if they discover significant violations or major risks in the Company’s proceeds management during an on-site inspection, they should urge the Company to rectify the issue promptly and report it to the Shenzhen Stock Exchange in a timely manner.

CHAPTER 6 SUPPLEMENTARY PROVISIONS

Article 34 The terms “above”, “within” and “before” as stated herein shall include the given figure, while the terms “exceeding” and “below” shall exclude the given figure.

Article 35 The matters not covered herein shall be implemented in accordance with the relevant national laws and regulations, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association. In case of any conflicts between these rules and any laws and regulations promulgated by the state, the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association as amended under lawful procedures, the relevant laws and regulations promulgated by the state, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association shall prevail.

Article 36 These rules shall be interpreted and amended by the board of directors of the Company.

Article 37 These rules shall be implemented from the date of review and approval by the board of directors, and the same shall apply when they are amended.

Zhejiang Sanhua Intelligent Controls Co., Ltd.

October 2025

**ZHEJIANG SANHUA INTELLIGENT CONTROLS CO., LTD.
ONLINE VOTING MANAGEMENT SYSTEM OF THE GENERAL MEETING**

CHAPTER 1 GENERAL PROVISIONS

Article 1 In order to regulate the online voting of general meeting of Zhejiang Sanhua Intelligent Controls Co., Ltd. (浙江三花智能控制股份有限公司) (the “**Company**”), facilitate the exercise of voting rights by the Company’s shareholders, and protect the legitimate rights and interests of investors, the Company has hereby formulated this system in accordance with provisions of laws, regulations and normative documents including the Company Law of the People’s Republic of China, the Rules of General Meeting of Listed Companies, the Rules Governing the Listing of Securities on the Shenzhen Stock Exchange, the Implementation Rules for Online Voting at General Meetings of Listed Companies on the Shenzhen Stock Exchange and the Articles of Association.

Article 2 This system shall apply to the provision of online voting services for general meetings by the Company to its shareholders through the online voting system for the general meeting on the Shenzhen Stock Exchange (the “**Shenzhen Stock Exchange**”).

The general meeting online voting system herein (the “**Online Voting System**”) is the information technology system adopted by the Shenzhen Stock Exchange, based on the network and communication technology, to provide services that allow shareholders of the Company to exercise their voting rights at the general meetings.

The Online Voting System includes the trading system of the Shenzhen Stock Exchange and the online voting system (website: <http://wltp.cninfo.com.cn>).

The Company may choose to use the on-site voting auxiliary system to collect and summarize on-site voting data, and entrust Shenzhen Securities Information Co., Ltd. (the “**Information Company**”) to consolidate statistics on online voting and on-site voting.

Article 3 When convening a general meeting, the Company shall, besides the physical meeting, provide shareholders with the online voting services. The general meetings of the Company shall have their physical meeting convened on a trading day of Shenzhen Stock Exchange.

Article 4 With respect to general meeting convened by shareholders on their own initiative and in the event the Company’s board of directors fails to cooperate, the convener of the general meeting may handle matters related to online voting in accordance with the provisions of this system. All shareholders registered on the record date of the shareholders’ meeting are entitled to exercise their voting rights through the Online Voting System.

Article 5 The Information Company authorized by Shenzhen Stock Exchange accepts an entrustment from a company to provide online voting services for the general meeting. If a company provides online voting services to shareholders through the Online Voting System of Shenzhen Stock Exchange, it shall sign a service agreement with the Information Company.

CHAPTER 2 PREPARATION FOR ONLINE VOTING

Article 6 In the notice for the general meeting, the Company shall provide clear explanations for the voting code, the voting abbreviation, time of voting, proposal of voting, type of proposal, voting methods and other relevant matters of online voting.

Article 7 In the event the Company convenes a general meeting to conduct online voting through the Shenzhen Stock Exchange, it shall apply for the opening of online voting services in the Online Voting System on the next trading day following the date of the notice of the general meeting, and enter voting information into the system, including the basic information of the general meeting, voting proposal and type of proposal. The Company shall complete the review of the voting information on the next trading day following the date of share registration, and confirm the authenticity, accuracy and completeness of the voting information.

Article 8 The Company shall provide the electronic data of all shareholders whose name appears on the register on the closing date, including the shareholder's name, account number and number of shares.

There shall be at least two trading days between the Company's general meeting record date and the commencement date of the online voting.

CHAPTER 3 VOTING THROUGH THE TRADING SYSTEM

Article 9 The time of using the trading system of Shenzhen Stock Exchange to perform online voting shall be the trading hours of Shenzhen Stock Exchange on the date of the general meeting.

Article 10 The trading system of Shenzhen Stock Exchange specifies the voting code and voting abbreviation for the online voting at the general meeting:

- (I) the voting code of the Company is “362050”;
- (II) the voting abbreviation is “Sanhua Voting” (三花投票).

Article 11 Shareholders of the Company who vote through the trading system of Shenzhen Stock Exchange can log onto the trading client of the securities company and participate in online voting.

CHAPTER 4 VOTING THROUGH THE ONLINE VOTING SYSTEM

Article 12 The voting time of the Online Voting System begins at 9:15 a.m. on the date of the general meeting, and ends at 3:00 p.m. of the day when the physical general meeting ends.

Article 13 Shareholders may vote through the Online Voting System after logging onto the Online Voting System through certifying their identity, obtain their “Shenzhen Stock Exchange Digital Certification” or “Shenzhen Stock Exchange Investor's Service Passcode”.

Article 14 According to the provisions of the relevant rules, the following holders or nominal holders of the aggregate accounts who need to solicit opinions on voting from the principals or the actual holders before executing the voting rights, shall vote through the Online Voting System after soliciting opinions and may not vote through the trading system:

- (I) the securities companies that hold the securities accounts secured by the credit transactions of the clients of securities margin trading;
- (II) the securities companies that hold the special securities accounts for agreed repurchase transactions;
- (III) China Securities Finance Corporation Limited that holds the securities accounts secured by refinancing;
- (IV) qualified foreign institutional investor (QFII);
- (V) the foreign agents of B shares;
- (VI) Hong Kong Securities Clearing Company Limited (the “HKSCC”) that holds stocks of Shenzhen-Hong Kong Stock Connect;
- (VII) the holders or nominal holders of other aggregate accounts identified by the China Securities Regulatory Committee or the Shenzhen Stock Exchange.

The relevant matters on the participation in the online voting of the general meetings of the listed companies in Shenzhen-Hong Kong Stock Connect by HKSCC shall be separately stipulated by the Shenzhen Stock Exchange.

CHAPTER 5 RULES FOR VOTING AND COUNTING OF VOTES AT THE GENERAL MEETING

Article 15 Shareholders shall participate in online voting through their shareholder accounts as A shares shareholders shall vote through A shares shareholder accounts; B shares shareholders shall vote through B shares shareholder accounts; and preferred shareholders shall vote separately through A shares shareholder accounts. The number of voting rights exercisable by a shareholder shall be the sum of the number of shares of the same class (shares to be classified into A shares, B shares and preferred shares) held in his/her shareholder account.

If a shareholder holds shares of the same class in the Company through multiple shareholder accounts, he/she is entitled to participate in online voting with any shareholder account through which such shareholder holds shares of the same class in the Company, and by such voting, the shareholder is deemed to have vote with the same opinion as such voting with respect to all shares of the same class under all shareholder accounts owned by such shareholder. If a shareholder votes separately through multiple shareholder accounts, result of the first valid voting shall prevail.

The principle of confirming that multiple shareholder accounts are held by the same shareholder is that registration information for each of those accounts contain the identical “name of account holder” and “valid identity document number”, provided that the registration information for shareholder accounts shall be those that are valid up to the date of record.

APPENDIX V ONLINE VOTING MANAGEMENT SYSTEM OF THE GENERAL MEETING

Article 16 If a shareholder casts more than one valid vote on any proposal at the general meeting through the Online Voting System, such shareholder shall be deemed to have attended the general meeting, and the number of shares of the same class held by such shareholder shall be included in the total number of voting rights held by those shareholders present at the general meeting. For any proposal on which such shareholder fails to cast a vote or casts a vote not in compliance with these implementation rules, the number of voting rights held by such shareholder shall be calculated as abstentions.

The number of shares held in trust that is reported by qualified foreign institutional investors (QFII), client credit trading guarantee securities account of securities companies, guarantee securities account for refinancing of China Securities Finance Corporation Limited, special securities accounts for agreed repurchase trading, B shares overseas nominees, HKSCC and other clearing account holders or nominee holders through the Online Voting System shall be included in the total voting rights held by shareholders present at the general meeting; and any vote casted by any of the foregoing through the trading system shall not be considered as a valid voting, and shall not be included in the total number of voting rights held by shareholders present at the general meeting.

Article 17 For any proposal subject to non-cumulative voting, a shareholder shall clearly express his/her consent, opposition or abstention.

Clearing account holders or nominee holders specified in paragraph 1 of Article 14 hereof shall assemble the solicited opinions represented by the votes and then fill in the number of shares held in trust on the basis of those opinions, and such holder shall also aggregate and fill in the number of shares corresponding to various voting opinions of the trustor or actual holder for each proposal.

Article 18 For proposals subject to cumulative voting, one share held by a shareholder entitles such shareholder to votes equal to the number of directors to be elected under each proposal group. Votes owned by a shareholder shall be casted either for one candidate or several candidates. Votes to be cast by a shareholder shall be limited to the number of votes for each proposal group. If the number of votes cast by a shareholder exceeds the number of votes he or she owns, or if the number of votes cast by such shareholder in a competitive election exceeds the number of candidates, the votes cast by such shareholder for the proposal group shall not be regarded as valid votes.

If a shareholder holds shares of the same class in the Company through multiple shareholder accounts, the number of votes held by the shareholder shall be calculated by combining the number of shares of the same class under all shareholder accounts owned by the shareholder. Where a shareholder votes with any shareholder account through which shares of the same class in the Company are held, votes to be cast by such shareholder shall be limited to number of votes corresponding to all shares of the same class under all shareholder accounts owned by such shareholder. If a shareholder votes separately through multiple shareholder accounts, the number of votes recorded in the first effective voting result shall prevail.

Article 19 Where the Company sets up a master proposal to facilitate shareholders to cast votes, and a shareholder votes on the master proposal, such shareholder shall be deemed to express the same opinions on all proposals other than those subject to cumulative voting.

APPENDIX V ONLINE VOTING MANAGEMENT SYSTEM OF THE GENERAL MEETING

Where a shareholder votes on both the master proposal and sub-proposal, the first valid vote shall prevail. If a shareholder votes on a sub-proposal first and then on the master proposal, the voting opinions on sub-proposals on which votes have been cast shall prevail, and the voting opinions of the master proposal shall prevail for other proposals that have not been put a vote. If a shareholder votes on the master proposal first and then on the sub-proposal, the voting opinions regarding the master proposal shall prevail.

Article 20 Where the Company provides online voting services for shareholders through both the trading system of the Shenzhen Stock Exchange and the Online Voting System, the Online Voting System shall calculate the number of votes by combining the online voting data on the trading system of the Shenzhen Stock Exchange and the Online Voting System. If the Company chooses to use the in-person voting assistance system, the aggregation of in-person voting data and online voting data shall be the responsibility of the Information Company.

If the same shareholder repeatedly votes through any two or more of the trading system of the Shenzhen Stock Exchange, Online Voting System and in-person voting assistance system, the first valid voting result shall prevail.

Article 21 If a shareholder who is required to avoid voting or undertake to waive voting rights participates in voting through the Online Voting System, the Online Voting System shall provide all voting records for the Company so that the Company excludes the votes cast by any such shareholder from the calculation of the voting results.

If the Company chooses to use the in-person voting assistance system, the Company shall provide avoidance setting in connection with the proposal in the in-person voting assistance system, and shall enter the information about avoiding shareholders into the system in a truthful, accurate and complete manner. The Information Company shall, on the basis of information about those avoiding shareholders to be provided by the Company, exclude votes made by the relevant shareholders from aggregation and calculation of the in-person voting data and the online voting data.

Article 22 If there are different proposals on the same matter, the Online Voting System shall provide all voting records for the Company, and the Company shall count the results of voting at the general meeting in accordance with the relevant regulations and the Articles of Association.

Article 23 In case of voting by shareholders holding special voting rights and preferred shareholders, the Online Voting System only counts the votes for the original voting data, and the voting results shall be converted by the Company on the basis of the original counting data.

Article 24 When material issues affecting the interests of minority shareholders are considered at a general meeting, the results of voting made by minority shareholders shall be counted and disclosed separately. The term “minority shareholders” as mentioned in the preceding paragraph refers to shareholders other than the Company’s directors, officers and shareholders who individually or in aggregate hold more than 5% of the shares in the Company.

Article 25 The Company shall, at the end of the voting at a physical general meeting, obtain the online voting data through the Internet system. If the Company chooses to use the in-person voting assistance system and entrusts the Information Company to combine and

APPENDIX V ONLINE VOTING MANAGEMENT SYSTEM OF THE GENERAL MEETING

calculate in-person voting data and online voting data, the Information Company shall, at end of the physical general meeting, send online voting data, in-person voting data, combined vote counting data and their details to the Company.

Article 26 The Company and its counsel shall confirm the compliance of the voting data, and finalize the voting result of the general meeting. If the Company and its counsel have an objection to the voting data, they shall promptly submit such objection to the Shenzhen Stock Exchange and the Information Company. The Company shall disclose the legal opinions issued by the counsel and the voting results of the general meeting in accordance with the relevant regulations.

Article 27 On the trading day immediately following the conclusion of the general meeting, shareholders who cast votes through the trading system can inquire about their voting results through the trading application of the security company. Shareholders may inquire about results of online voting occurred over one year via the website of the Online Voting System. For the voting opinions regarding the master proposal, the results of online voting inquiry are shown as the voting results for each sub-proposal.

CHAPTER 6 SUPPLEMENTARY PROVISIONS

Article 28 The relevant parties from the Company, the persons responsible for counting votes and scrutinizing the conduct of the relevant poll, shareholders, the person in charge of the internet service provider involved in relation to voting at the physical general meeting, online and by other means, shall be obliged to keep the status of voting confidential.

Article 29 The Company shall bear the service fees for online voting at the general meeting.

Article 30 The term “or more” herein shall include the given figure.

Article 31 Any matters not covered in this system shall be implemented in accordance with the requirements of relevant laws, regulations, regulatory documents of the State and the Articles of Association. In the event of any contradiction between this system and the laws, regulations and regulatory documents that the State promulgated hereafter or the Articles of Association as amended under lawful procedures, the relevant laws, regulations, regulatory documents of the State and the Articles of Association shall prevail, and this system shall be immediately amended accordingly. Such amendments shall be submitted to the general meeting for consideration and approval.

Article 32 This system shall be interpreted by the board of directors, and shall come into effect upon review and approval by the general meeting, and the same shall apply when it is amended.

Zhejiang Sanhua Intelligent Controls Co., Ltd.

October 2025

ZHEJIANG SANHUA INTELLIGENT CONTROLS CO., LTD. MANAGEMENT RULES FOR EXTERNAL INVESTMENT

CHAPTER 1 GENERAL PROVISIONS

Article 1 In order to strengthen the internal control of the external investment activities of Zhejiang Sanhua Intelligent Controls Co., Ltd. (浙江三花智能控制股份有限公司) (the “**Company**”), standardize external investment activities, take precaution against external investment risks, ensure the security of external investment and increase the returns on external investment, the Company has formulated these rules in accordance with relevant requirements of the Company Law of the People’s Republic of China (the “**Company Law**”), the Rules Governing the Listing of Securities on the Shenzhen Stock Exchange (the “**Securities Listing Rules**”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”) and other laws, regulations and regulatory documents as well as the Articles of Association of Zhejiang Sanhua Intelligent Controls Co., Ltd. (the “**Articles of Association**”).

Article 2 The term “external investment” stated herein refers to activities of the Company intending to obtain future earnings by making external investments of various types with a certain amount of monetary capital, equity and evaluated physical or intangible assets as capital contribution.

Article 3 External investments of the Company include but are not limited to:

- (I) any enterprise solely established or business project solely funded by the Company;
- (II) establishment of new enterprises with other domestic and overseas enterprises or natural persons, or capital increase in joint ventures;
- (III) equity participation in other domestic or overseas enterprises;
- (IV) equity acquisition (including acquisition of interests in economic entities);
- (V) fund investment (including subscription of fund shares or joint establishment of private funds with professional investors);
- (VI) investments in securities and derivatives;
- (VII) entrusted wealth management;
- (VIII) other investments.

Article 4 These rules shall apply to all external investment activities of the Company and its wholly-owned subsidiaries and holding subsidiaries (hereinafter collectively referred to as “**Subsidiaries**”). Where an external investment undertaken by an enterprise in which the Company holds an equity interest may materially affect the trading price of the Company’s shares, bonds or related derivatives, the Company shall, by reference to the provisions of these rules, complete the

corresponding approval procedures before exercising its rights in accordance with the articles of association of such investee enterprise and other relevant rules.

CHAPTER 2 PRINCIPLES FOR EXTERNAL INVESTMENT

Article 5 The Company's external investments shall adhere to the following principles:

- (I) compliance with the provisions of national laws and regulations, industrial policies, the listing rules of the stock exchange where the shares of the Company are listed, the Articles of Association, and other relevant provisions;
- (II) alignment with the Company's development strategy and contribution to enhancing its competitiveness;
- (III) reasonable allocation of corporate resources, prudent risk control, and facilitation of optimal integration of resources to create sound economic benefits, and ultimately enhance the value of the Company and shareholder returns.

CHAPTER 3 APPROVAL AUTHORITY FOR EXTERNAL INVESTMENT

Article 6 The Company implements a professional management and level-by-level approval system for its external investments. The board of directors and the general meeting of the Company are the decision-making bodies for all types of investment activities. Each decision-making body shall make decisions on the Company's external investment activities in strict accordance with the Company Law, the Securities Listing Rules, the Hong Kong Listing Rules, the relevant laws and regulations of the China Securities Regulatory Commission, the Articles of Association, the Rules of Procedure for the General Meeting, the Rules of Procedure for the Board of Directors, and the authority stipulated in these rules.

Article 7 The approval authority for the Company's external investment is as follows:

- (I) If the external investment meets one of the following standards, it shall be submitted to the board of directors for consideration:
 1. The total assets involved in the transaction account for more than 10% of the latest audited total assets of the listed company, and if the total assets involved in the transaction have both book value and appraisal value, the higher one shall prevail;
 2. The net assets involved in the subject of the transaction (such as equity) account for more than 10% of the latest audited net assets of the listed company, and the absolute amount exceeds RMB10 million, and if the net assets involved in the transaction have both book value and appraised value, the higher one shall prevail;
 3. The operating revenue of the subject of the transaction (such as equity) in the latest financial year accounts for more than 10% of the audited operating revenue of the listed company in the latest financial year, and the absolute amount exceeds RMB10 million;

4. The net profit of the subject of the transaction (such as equity) in the latest financial year accounts for more than 10% of the audited net profit of the listed company in the latest financial year, and the absolute amount exceeds RMB1 million;
5. The transaction amount (including debts and expenses) accounts for more than 10% of the latest audited net assets of the listed company, and the absolute amount exceeds RMB10 million;
6. The profit generated by the transaction accounts for more than 10% of the audited net profit of the listed company in the latest financial year, and the absolute amount exceeds RMB1 million;
7. External investments that may constitute a transaction under “Notifiable Transactions” under Chapter 14 of the Hong Kong Listing Rules, and any applicable percentage ratio of such transaction is more than or equal to 5%.

If the data involved in the calculation of the above indicators is negative, the absolute value of the data shall be taken. The term “more than” shall include the given figure.

The Company shall apply the above provisions on a cumulative basis to similar transactions related to the transaction subject occurring within a twelve-month period.

(II) If the external investment meets one of the following standards, it shall be submitted to the general meeting for approval after consideration by the board of directors:

1. The total assets involved in the transaction account for more than 50% of the latest audited total assets of the listed company, and if the total assets involved in the transaction have both book value and appraisal value, the higher one shall prevail;
2. The net assets involved in the subject of the transaction (such as equity) account for more than 50% of the latest audited net assets of the listed company, and the absolute amount exceeds RMB50 million, and if the net assets involved in the transaction have both book value and appraised value, the higher one shall prevail;
3. The operating revenue of the subject of the transaction (such as equity) in the latest financial year accounts for more than 50% of the audited operating revenue of the listed company in the latest financial year, and the absolute amount exceeds RMB50 million;
4. The net profit of the subject of the transaction (such as equity) in the latest financial year accounts for more than 50% of the audited net profit of the listed company in the latest financial year, and the absolute amount exceeds RMB5 million;

5. The transaction amount (including debts and expenses) accounts for more than 50% of the latest audited net assets of the listed company, and the absolute amount exceeds RMB50 million;
6. The profit generated by the transaction accounts for more than 50% of the audited net profit of the listed company in the latest financial year, and the absolute amount exceeds RMB5 million;
7. External investments that may constitute a transaction under “Notifiable Transactions” under Chapter 14 of the Hong Kong Listing Rules, and any applicable percentage ratio of such transaction is more than or equal to 25%;
8. Transactions that shall be considered and approved by the general meeting in accordance with the listing rules of the stock exchange where the Company’s shares are listed.

If the data involved in the calculation of the above indicators is negative, the absolute value of the data shall be taken. The term “more than” shall include the given figure.

- (III) If the external investment does not meet any of the above criteria, it shall be approved by the chairman of the board of directors under authorization from the board of directors of the Company.
- (IV) For investments involving related-party transactions or related-party transactions, the decision-making authority and procedures shall also comply with the listing rules of the securities exchange where the Company’s shares are listed and the provisions of the Company’s Management Measures of Related-party Transactions.

Article 8 Where the Company engages in entrusted wealth management, it shall select qualified professional wealth management institutions with good credit standing, sound financial conditions, no adverse credit record, and strong profitability as the entrusted party, and enter into a written contract with the entrusted party to specify the amount, term and type of investment of the entrusted wealth management, rights and obligations and legal liabilities of both parties. The board of directors of the Company shall authorize the finance department to follow up on the entrusted wealth management and investment security, and report in a timely manner when abnormal situations occur, so that the board of directors can take effective measures to recover funds immediately to avoid or reduce the Company’s losses.

Article 9 Where the Company engages in securities investment, the board of directors and the general meeting of the Company shall make prudential decisions on securities investment, reasonably arrange and use funds, remain committed to developing its principal business, and strictly control investment risks.

CHAPTER 4 ORGANIZATIONS AND RESPONSIBILITIES FOR EXTERNAL INVESTMENT

Article 10 The general meeting and the board of directors of the Company are the decision-making bodies for external investment of the Company, and shall make decisions on external investment of the Company within their respective scope of authority as prescribed in the Articles of Association and these rules. Except as otherwise required by relevant laws and regulations, normative documents, the listing rules of the stock exchange where the Company's shares are listed, the Articles of Association and these rules, no other departments or individuals are entitled to make any decision on external investment.

Article 11 The strategy management and ESG committee of the board of directors of the Company is a special deliberative body of the board of directors of the Company, providing professional opinions on the analysis and research of external investment projects.

Article 12 The head of the department responsible for the Company's external investment projects shall serve as the principal responsible person for the implementation of such investments. Their duties include collecting information, collating and organizing project evaluations for new investment projects, making investment proposals; in accordance with relevant regulations of the Company, preparing project application documents, organizing project initiation, submitting approval requests, carrying out project implementation after obtaining approval from the Company's external investment approval authorities (which include the general meeting, the board of directors, and the chairman authorized by the board of directors), monitoring project progress, and conducting post-implementation reviews; and they shall promptly report investment progress to the Company's external investment approval authorities.

Article 13 The finance department of the Company shall be responsible for the management of capital and financial matters in connection with external investments. Upon approval of an external investment project, the finance department shall be responsible for the preparation of budgets, fund-raising, accounting, allocation, and settlement of funds; shall coordinate with the relevant parties to complete the requisite procedures including capital contribution, industrial and commercial registration, tax registration, and the opening of bank accounts; and shall establish and enforce strict procedures governing borrowing, approval, and payment.

Article 14 The board of directors of the Company shall keep abreast of the progress and returns of major investment projects on a regular basis. In the event of any failure to invest as planned, failure to realize project benefits as expected, or investment losses, the board of directors of the Company shall find out the reasons, take effective measures in time, and hold relevant personnel accountable.

Article 15 The secretary to the board of directors and the office under the board of directors shall be responsible for discharging the Company's information disclosure obligations in respect of external investments in accordance with relevant laws and regulations, the listing rules of the stock exchange on which the Company's shares are listed, and the relevant provisions of the Articles of Association.

CHAPTER 5 IMPLEMENTATION AND MANAGEMENT OF EXTERNAL INVESTMENT

Article 16 The department in charge of the external investment project shall evaluate and conduct an internal review of the investment project, and shall be responsible for researching and analyzing the project, preparing feasibility study reports, and drafting relevant letters of intent or other related documents.

Article 17 The investment plan shall go through the approval procedures in accordance with the approval authority, and shall be approved by the external investment approval authority before it can be implemented.

Article 18 The department responsible for external investment projects shall manage and coordinate project implementation, assist the investment project in special audits, termination (or suspension) and liquidation and handover matters, and prepare a summary report on the investment project.

Article 19 A regular reporting system shall be implemented for investment projects. The department responsible for external investment projects shall promptly report to the Company's external investment approval authority on matters such as project progress, execution and utilization of the investment budget, status of involved parties, operating conditions, existing issues and recommendations. During the execution of the project investment and construction, the investment budget may be reasonably adjusted based on changing conditions. If additional investment is required indeed, the head of the department responsible for external investment projects shall resubmit an approval application to the Company's external investment approval authority based on the total cumulative investment amount after such increase.

Article 20 The finance department shall assist the department responsible for external investment projects in the receipt and disbursement of monetary funds, physical assets, intangible assets, and other funds in accordance with the provisions of the investment contract or agreement. If the investment project involves real estate or other property rights, the transfer of property rights and asset handover procedures shall be handled in accordance with the procedures stipulated in the contract.

Article 21 For major investment projects, experts or third-party professional institutions should be engaged to conduct relevant work such as assessment and verification.

Article 22 The execution and management procedures for investment in securities, entrusted wealth management and investment in derivatives of the Company shall be as follows:

- (I) The department responsible for the Company's external investment projects shall pre-select investment opportunities and investees, and prepare investment plans according to the profitability of the investees;
- (II) The finance department of the Company shall provide information on the capital flow of the Company;
- (III) The investment plan shall be implemented after going through the procedures for examination and approval according to the authority of examination and approval;

- (IV) The finance department is responsible for timely registration and accounting according to the investment type, quantity, unit price, accrued interest, purchase date, etc., and conducts relevant accounting treatment. The Company shall record the purchase of marketable securities under its name on the date of purchase. The finance department shall regularly review the utilization and balance of the funds invested in securities, and shall record the interest and dividends received in a timely manner;
- (V) For transactions involving marketable securities, at least two staff members shall jointly execute the operations. The personnel responsible for executing securities transactions shall be segregated from those responsible for fund and finance management to establish checks and balances. No individual shall have exclusive access to investment assets.

Article 23 The audit committee, the legal department and the finance department of the board of directors shall supervise the investment projects according to their duties, promptly put forward corrective opinions on violations, and submit them to the Company's external investment approval authority for review and handling.

Article 24 A sound system for the management of investment project archives shall be established. The archival data from the pre-selection to the completion and handover of the project (including its suspension) shall be collated and filed by the department responsible for external investment projects.

CHAPTER 6 TRANSFER AND WITHDRAWAL OF EXTERNAL INVESTMENT

Article 25 The Company may withdraw external investment upon occurrence of one of the following circumstances:

- (I) the term of operation of the investment project (enterprise) expires in accordance with the provisions of the Articles of Association;
- (II) the investment project (enterprise) is operated poorly and is unable to repay debts due, and is declared bankrupt according to the law;
- (III) the project (enterprise) is unable to continue its operation due to force majeure;
- (IV) other circumstances, as stipulated in the contract, under which the investment is terminated occur or happen.

Article 26 The Company may transfer its external investment upon occurrence of one of the following circumstances:

- (I) the investment projects are clearly inconsistent with the operational direction of the Company;
- (II) the investment projects have incurred continuous losses and show no prospect of recovery;

- (III) when supplementary funds are urgently needed due to insufficient funds for its own operations;
- (IV) other situations that the Company deems necessary.

Article 27 The transfer of investment shall be handled in strict accordance with the relevant provisions of the Company Law and the Articles of Association on the transfer of investment. The disposal of external investment must comply with the relevant provisions of relevant national laws, regulations and normative documents.

Article 28 The procedures and authority to approve the disposal of external investment shall be the same as those for approving the implementation of external investment.

CHAPTER 7 PERSONNEL MANAGEMENT OF EXTERNAL INVESTMENT

Article 29 Where the Company invests to establish a cooperative or joint venture company, it shall designate directors elected through its statutory procedures to participate in and supervise the operational decisions of the newly established company. Where the Company invests in cooperative projects, it shall designate project managers or company representatives to participate in the operation and management of the cooperative projects.

Article 30 For the holding subsidiaries established for external investment, the Company shall designate directors elected through its statutory procedures and assign corresponding operation and management personnel (including the chief financial officer) to play a significant role in the operation and decision-making of the holding subsidiaries.

Article 31 The assigned personnel shall, in accordance with the provisions of the laws and regulations, the Company's relevant system and the articles of association of the invested company, effectively perform their duties, safeguard the interests of the Company in the operation and management activities of the newly established company and the cooperative project, and realize the preservation and appreciation of the Company's investment.

Article 32 The personnel appointed by the Company as directors of the investee entity shall actively seek more information regarding the investee entity through attendance at board meetings and other forms, and shall report the status of the investment to the Company's management in a timely manner.

CHAPTER 8 FINANCIAL MANAGEMENT AND AUDIT OF EXTERNAL INVESTMENT

Article 33 The finance department of the Company shall keep comprehensive and complete financial records of the Company's external investment activities, make detailed accounting, establish separate accounts for each investment project and record relevant information in detail. The accounting methods for external investment shall comply with the provisions of accounting standards and accounting systems.

Article 34 The financial operations of the holding subsidiary of external investment shall be under the vertical management of the Company's finance department. To meet analysis and management requirements, the finance department shall obtain the financial reports of holding subsidiaries on a monthly basis for the purpose of consolidating the Company's financial statements, analyzing the financial status of the subsidiaries, safeguarding the Company's rights and interests, and ensuring that the Company's interests are not impaired.

Article 35 The Company's internal audit department shall conduct regular or special audits of the Company's investment projects and subsidiaries in accordance with the requirements of the audit committee and the Company's management.

Article 36 The accounting methods and accounting policies, accounting estimates and changes adopted in the financial management of the subsidiaries of the Company shall comply with the relevant provisions of the accounting management system of the Company.

Article 37 Subsidiaries of the Company shall submit monthly financial and accounting statements to the finance department of the Company, and timely submit accounting statements and provide accounting materials in accordance with the requirements for the preparation of consolidated financial statements by the Company.

Article 38 The Company may designate a chief financial officer to a subsidiary to supervise the authenticity and legality of the financial position of that company to which the chief financial officer is assigned.

Article 39 For all investment assets of the Company, other personnel who are not involved in the investment business shall conduct regular inventory or check with the entrusted custodian institution to check whether they are owned by the Company, and check the inventory records with the book records to confirm consistency.

CHAPTER 9 INFORMATION DISCLOSURE OF EXTERNAL INVESTMENT

Article 40 The Company shall strictly comply with the Company Law, the Securities Listing Rules, the Hong Kong Listing Rules, other relevant laws, regulations, normative documents and the Articles of Association in performing its information disclosure obligations with respect to external investments.

Article 41 When the Company engages in external investments, the department responsible for such projects and any relevant subsidiaries shall, to the extent required by the information disclosure rules of the Shenzhen Stock Exchange and Hong Kong Stock Exchange, promptly, truthfully, accurately, and completely notify the secretary to the board of directors and the office under the board of directors of the relevant investment matters after the formal establishment and completion of the project, with a view to enabling the Company to fully discharge its external information disclosure obligations.

CHAPTER 10 SUPPLEMENTARY PROVISIONS

Article 42 For violations in the decision-making, implementation, and management of external investments, where the expected returns on investment projects deviate significantly from actual returns, resulting in losses to the Company, and where factors such as investment project conditions and resources are not properly implemented, the Company shall impose corresponding penalties on the relevant enterprises and responsible personnel in accordance with the severity of the circumstances.

Article 43 In case of matters not covered herein, relevant laws, regulations, normative documents, the listing rules of the stock exchange(s) where the shares of the Company are listed, the Articles of Association and other relevant provisions shall apply. In the event of any conflict between these rules and any laws, regulations and normative documents promulgated hereafter, the listing rules of the stock exchange where the Company's shares are listed, or the Articles of Association of the Company as amended under lawful procedures, the relevant laws and regulations, normative documents, the listing rules of the stock exchange where the Company's shares are listed, and the Articles of Association shall prevail.

Article 44 These rules shall be amended and interpreted by the board of directors of the Company.

Article 45 These rules shall take effect on the date of consideration and approval by the general meeting of the Company, and the same shall apply when they are amended.

Zhejiang Sanhua Intelligent Controls Co., Ltd.

October 2025

ZHEJIANG SANHUA INTELLIGENT CONTROLS CO., LTD. MANAGEMENT RULES FOR EXTERNAL GUARANTEE

CHAPTER 1 GENERAL PROVISIONS

Article 1 In order to protect the interests of investors, regulate the external guarantee behavior of Zhejiang Sanhua Intelligent Controls Co., Ltd. (浙江三花智能控制股份有限公司) (the “**Company**”), control the Company’s asset operation risks, ensure the Company’s asset security, and promote the Company’s healthy and stable development, the Company has formulated these rules in accordance with the requirements of the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Civil Code of the People’s Republic of China, the Guidelines for the Supervision of Listed Companies No. 8 – Regulatory Requirements on Capital Transactions and External Guarantees of Listed Companies, the Rules Governing the Listing of Securities on the Shenzhen Stock Exchange, the Self-regulatory Guidelines for the Companies Listed on the Shenzhen Stock Exchange No. 1 – Standardized Operation of the Companies Listed on the Main Board, and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”), as well as the Articles of Association of Zhejiang Sanhua Intelligent Controls Co., Ltd. (the “**Articles of Association**”).

Article 2 The external guarantees as mentioned in these rules shall mean the guarantees, asset mortgages, pledges and other guarantee matters provided by the Company with its own assets or creditworthiness in the capacity of third party for the benefit of others, including the guarantees provided by the Company for its holding subsidiaries.

Article 3 These rules shall not be applicable to the guarantees provided by the Company and its holding subsidiaries for their own debts.

Article 4 When a holding subsidiary of the Company provides external guarantees, and the guaranteed party is a holding subsidiary within the scope of the Company’s consolidated financial statements, the Company shall promptly fulfill its interim information disclosure obligations after the holding subsidiary completes its review procedures, except for guarantee matters requiring submission to the general meeting of the Company for consideration as stipulated in Article 17 of these rules. Where the guaranteed party is a holding subsidiary not included in the Company’s consolidated financial statements, it shall be treated as an external guarantee by the Company, and the Company shall fulfill the corresponding review procedures and information disclosure obligations.

Article 5 No external guarantees shall be provided by the Company without approval of the board of directors or the general meeting of the Company.

Article 6 The management on external guarantees of the Company and its holding subsidiaries shall be subject to a multi-level review and supervision system, involving the following relevant departments of the Company and their responsibilities: the finance department serves as the review and daily management department for the Company’s external guarantees, responsible for accepting and reviewing all guarantee applications submitted by the guaranteed parties and the daily management and continuous risk control of external guarantees; the office of

the board of directors shall be responsible for organizing and implementing the approval procedures of the board of directors or general meeting, and fulfilling relevant information disclosure obligations; the internal audit department serves as the oversight and inspection department for the Company's external guarantees, responsible for verifying the effective implementation of internal control systems for guarantee operations.

Article 7 The Company and its holding subsidiaries shall not provide guarantees for enterprises without any ownership relationship. When the Company and its holding subsidiaries provide guarantees for non-wholly-owned subsidiaries, other shareholders of such holding subsidiaries shall provide equivalent guarantees or other risk control measures in proportion to their capital contributions. If such shareholders fail to provide equivalent guarantees or other risk control measures to the Company or its holding subsidiaries in proportion to their capital contributions, the main reasons shall be disclosed, and based on an analysis of the operating conditions and debt repayment capabilities of the guaranteed parties, a full explanation shall be provided regarding whether the guarantee risk is controllable and whether it harms the interests of the Company.

Where the Company provides guarantees for a non-wholly-owned subsidiary, and the other shareholders of such subsidiary are the Company's controlling shareholders, de facto controllers and their related parties, the Company shall require such related shareholders to provide equivalent guarantees or counter-guarantees in proportion to their capital contributions to ensure the Company's interests are not harmed.

Article 8 When providing guarantees for related parties, the Company shall strengthen control over associated guarantee risks, implement practical and effective counter-guarantee measures, and require the guaranteed party or a third party to provide counter-guarantees of equivalent value using their assets or other effective means.

CHAPTER 2 EXAMINATION AND CONTROL OF GUARANTEES

Section 1 Guaranteed Parties

Article 9 The Company may provide guarantees for legal entities with corporate status. The legal entities guaranteed by the Company must simultaneously meet the following conditions:

- (I) Entities that have mutual guarantee relationships with the Company due to business needs, or entities that have actual or potential significant business relationships with the Company;
- (II) Possess sustainable operation capacity, debt repayment capability and sound credit standing;
- (III) Not be subject to restructuring or bankruptcy liquidation proceedings, insolvency, or suffering losses for three consecutive years or more with negative operating net cash flow, thereby lacking sustainable operational capacity.

The Company shall not provide guarantees for the debts of any non-legal entity or individual, except as required by laws, regulations, rules and policies, or as necessary for the Company's normal business operations.

Article 10 Although the conditions stated in the preceding article are not met, if the Company deems it necessary to provide guarantees and the associated risks are relatively low, the guarantees can be provided upon approval by the Company's board of directors or general meeting.

Section 2 Examination and Approval of Guarantees

Article 11 Before deciding to provide a guarantee, the Company shall know the credit status of the applicant for guarantee. The finance department is responsible for conducting investigation and assessment of the credit of the applicant for guarantee, and fully analyzing and demonstrating the risks of the guarantee. The finance department of the Company shall require the applicant for guarantee to provide, including but not limited to, the following information for review and analysis:

- (I) Basic information of the applicant for guarantee (including corporate name, registered address, legal representative, scope of business, connected relationship or other relationships with the Company);
- (II) Recent audited financial reports and analysis of repayment ability, asset quality, financial position, operation, industry prospect and credit of the applicant for guarantee;
- (III) the name of the creditor;
- (IV) Guarantee method, term and amount, etc.;
- (V) Legitimacy of the project for which the guarantee is applied, and copies of major contracts relating to the guarantee contract;
- (VI) Information on the comprehensive assessment of the immovable property, movable property and attribution of rights, etc. of the counter-guarantee and third-party guarantee of the applicant for guarantee, if any;
- (VII) Any record on non-performing loans in major account opening banks;
- (VIII) Other important information.

Article 12 When a guarantee application is made (excluding guarantee matters covered under Articles 18 and 19 herein), the Company's finance department shall investigate and analyze the materials provided by the applicant unit, verify the authenticity of the information, and submit the application to the board of directors for consideration after review and approval by the chief financial officer and the chief executive officer.

Article 13 The board of directors shall carefully review the conditions of guarantee applicants based on the relevant information. In principle, it shall not provide guarantees for applicants who fall under any of the following circumstances or who fail to provide sufficient information:

- (I) The property rights are unclear or fail to comply with national laws, regulations, or national industrial policies;
- (II) Providing false financial statements and other information;
- (III) The Company has previously guaranteed for it, which was subject to overdue bank loans, defaulted interest and other circumstances, while these debts have not been repaid or effective solutions have not been implemented as of the time of this guarantee application;
- (IV) Enterprises whose operating conditions have deteriorated, have a poor reputation, and show no signs of improvement;
- (V) Enterprises that incurred losses in the previous year or are projected to incur losses in the current year;
- (VI) Enterprises that have failed to secure effective assets for counter-guarantee purposes;
- (VII) Enterprises that do not comply with the provisions herein;
- (VIII) Other circumstances under which the board of directors deems it inappropriate to provide guarantees.

Article 14 The counter-guarantee or other effective risk-control measures provided by the applicant for guarantee must match the guaranteed amount. Where the assets pledged as counter-guarantees by the applicant for guarantee are prohibited from circulation or transfer under laws and regulations, the guarantee shall be refused.

The Company shall investigate the operational status and creditworthiness of the guaranteed party. The board of directors shall carefully review and analyze the financial position, operating condition, industry prospect and credit status of the guaranteed party, and make decisions prudently in accordance with the law. The Company may engage external professional institutions to assess the risks of implementing external guarantees as a basis for decision-making by the board of directors or the general meeting.

Article 15 External guarantees provided by the Company must first be reviewed by the board of directors. When submitting external guarantees for board review, the consent from more than two-thirds of the directors present at the board meeting must be obtained.

For related-party guarantees, the related directors shall not exercise voting rights on the resolutions, nor shall they act as proxies for other directors in exercising voting rights. If less than three unrelated directors are present at the board meeting, the matter shall be submitted to the general meeting for review.

Article 16 The following external guarantees shall be subject to the approval at the general meeting after being considered and approved by the board of directors:

- (I) Any single guarantee with an amount exceeds 10% of the Company's latest audited net assets;
- (II) Any guarantee to be provided after the total amount of external guarantees provided by the Company and its holding subsidiaries exceeds 50% of the Company's latest audited net assets;
- (III) Any guarantee to be provided after the total amount of external guarantees provided by the Company and its holding subsidiaries exceeds 30% of the Company's latest audited total assets;
- (IV) Any guarantee to be provided to a guarantee party whose gearing ratio exceeds 70% according to its latest financial statements;
- (V) Any guarantee where the cumulative guarantee amounts over the past 12 months exceeds 30% of the Company's latest audited total assets;
- (VI) Any guarantee to be provided to shareholders, de facto controllers and their related parties;
- (VII) Other circumstances stipulated by the Shenzhen Stock Exchange, the Hong Kong Listing Rules or in the Articles of Association.

When a guarantee matter mentioned in item (V) above is considered at the general meeting of the Company, it shall be passed by more than two-thirds of the voting rights held by the shareholders present at the meeting.

Article 17 Where the Company provides guarantees for its holding subsidiaries and such guarantees occur frequently within a year, making it difficult to submit each guarantee agreement to the board of directors or the general meeting for consideration due to the need of entering into guarantee agreements on a recurring basis, the Company may estimate the total additional guarantee amount for the next twelve months separately for subsidiaries whose latest financial statements show a gearing ratio of 70% or above and for those below 70%, and submit the same to the general meeting for consideration.

Where the Company and its holding subsidiaries provide guarantees for joint ventures or associated companies and all of the following conditions are met, and such guarantees occur frequently within a year, making it difficult to submit each guarantee agreement to the board of directors or the general meeting for consideration due to the need of entering into guarantee agreements on a recurring basis, the Company may make a reasonable estimate of the specific targets and corresponding additional guarantee amounts for the next twelve months and submit the same to the general meeting for consideration:

- (I) The guaranteed party is not the Company's director, senior management member, shareholder holding 5% or more of the shares, de factor controller, or any legal person or other organization controlled by such person;

(II) All shareholders of the guaranteed party provide equivalent guarantees or counter-guarantees or adopt other risk control measures in proportion to their capital contributions.

The outstanding balance of guarantees at any point in time shall not exceed the guarantee limit considered and approved by the general meeting.

Article 18 When the Company estimates the guarantee limits for its joint ventures or associated companies and all of the following conditions are met, adjustments of available guarantee limits may be made between the guaranteed parties:

- (I) The guarantee limits of any single adjustment for the concerned party shall not exceed 10% of the Company's latest audited net assets;
- (II) Where the gearing ratio of the guarantee party exceeds 70% at the time of adjustment, it may only receive guarantee limits from other guarantee parties whose gearing ratios also exceeded 70% at the time when the guarantee limit was considered by the general meeting;
- (III) The concerned party does not have any overdue and unpaid debts or other similar circumstances at the time of adjustment;
- (IV) All shareholders of the concerned party provide equivalent guarantees or counter-guarantees and other such risk control measures in proportion to their capital contributions.

When the aforementioned adjustments actually occur, the Company shall carry out the review procedures in accordance with the authorization granted by the general meeting and disclose the information in a timely manner.

Within the authorized guarantee limits, when a guarantee matter occurs, the Company's internal approval procedures shall be followed. After being approved by the chief executive officer, the corresponding disclosure obligations shall be fulfilled.

Article 19 Upon maturity of the debt in respect of which external guarantees have been provided, the Company shall procure the guaranteed party to fulfill its repayment obligations within the stipulated timeframe. Should the guaranteed party fail to perform its obligations on time, the Company shall promptly adopt necessary remedial measures.

If the guaranteed debt needs to be extended after maturity and the Company is required to continuously provide the guarantee, it shall be regarded as a new external guarantee, and the guarantee application, review and approval procedures must be performed in accordance with the procedures stipulated in these rules.

In case of any change in the principal debt contract for which the Company has provided an external guarantee, the board of directors of the Company shall decide whether to continue assuming the guarantee liability.

Section 3 Conclusion of Guarantee Contract

Article 20 Upon approval by the board of directors or general meeting of the Company, the written guarantee contract shall be signed externally by the Company's legal representative or authorized representative.

After the external guarantee matters of the Company's holding subsidiary have been approved by the relevant departments of the Company or the general meeting, the legal representative of the holding subsidiary or his/her authorized representative shall sign the guarantee contract externally.

Article 21 The guarantee contract shall comply with the relevant legal norms and clearly specify the contract terms. For important guarantee business contracts, it is necessary to seek the opinions of relevant professionals before their conclusion.

The Company shall properly manage guarantee contracts and related original documents, promptly conduct clean-up and inspection, and regularly reconcile with banks and other relevant institutions to ensure the completeness, accuracy and effectiveness of archived data, and pay attention to the validity and term of the guarantee. In the process of contract management, if any abnormal contract not approved through review procedures by the board of directors or the general meeting is found, it shall be promptly reported to the board of directors.

Article 22 When entering into a guarantee form contract, all mandatory clauses shall be strictly examined according to the creditworthiness of the guaranteed entity. Where the mandatory clauses may cause unforeseen risks to the Company, the guarantee shall be refused.

Article 23 The following clauses shall be established in a guarantee contract:

- (I) The creditor and the debtor;
- (II) The type and amount of the creditor's right of guaranteed parties;
- (III) The agreed period for the debtor to perform its obligations to the creditor;
- (IV) The form of guarantee;
- (V) The scope of guarantee;
- (VI) The term of guarantee;
- (VII) Rights, obligations and default liabilities of the parties;
- (VIII) Other matters deemed as necessary to be agreed upon by the parties.

Article 24 When accepting a counter-guarantee mortgage or counter-guarantee pledge, the finance department of the Company, together with the legal department of the Company, shall promptly handle the registration procedures for the establishment of mortgages or pledges (if necessary).

CHAPTER 3 MANAGEMENT OF GUARANTEE RISKS

Article 25 The finance department of the Company shall be the functional management department for the Company's guarantee activities, which is responsible for registering and deregistering guarantee matters. Upon entering into a guarantee contract, it shall be securely retained and shall be reported to the audit committee and secretary to the board of directors in a timely manner. The finance department of the Company shall designate personnel to be responsible for the management, centralize and properly keep the relevant secured property and proof of rights, and regularly review the existence and value of the property to promptly deal with any problem found. A record system for guarantee business shall be established to keep a record of the objects, amount, duration and items used for mortgage and pledge, rights and other relevant matters. Before the maturity of the debt guaranteed by the Company, the person in charge of the operation shall work to urge the guaranteed person to fulfill the repayment obligation within an agreed period of time.

Article 26 The person in charge of the operation shall continuously monitor the status of the guaranteed person, collect its latest financial information and audit reports, regularly analyze its financial condition and debt repayment capacity and pay attention to the change of the guaranteed entity in production and operation and assets and liabilities and the change of external guarantees and other debts, separation, merger, legal representatives and changes in external business reputation, especially the return by maturity, etc. The person in charge of the operation shall establish relevant financial files, submit regular reports to the board of directors in a timely manner, conduct pre-research of and analyze the possible risks and report them to the finance department of the Company considering the realities. For the guarantee of successive claims for which no guarantee period has been agreed upon, if the person in charge of the operation finds out that there is a greater risk of continuing the guarantee and that it is necessary to terminate the guarantee contract, he or she should report to the finance department of the Company in a timely manner.

Article 27 Conduct inspections of guaranteed entities and guaranteed projects. The finance department may adopt the following methods given the realities:

- (I) Participating in conferences, talks and meetings of the guaranteed entity in relation to the guaranteed project;
- (II) Reviewing the implementation progress and financial position of the guaranteed project;
- (III) When deemed necessary by the guarantee entity, it may send its staff to work in the guaranteed entity, and the guaranteed entity shall provide convenience and support.

Based on the above circumstances, the finance department shall adopt effective measures, propose corresponding solutions for any potential risks, and submit the same to the Company's chief financial officer and chief executive officer. The guaranteed entity shall be required to work to resolve the risks in an abnormal situation in a timely manner.

Article 28 The finance department of the Company shall promptly understand the debt repayment of the guaranteed person, and report to the Company's chief financial officer and chief executive officer in a timely manner upon learning about the situation when it is found that the guaranteed entity has failed to fulfill its repayment obligations after the maturity of the debt, or when the guaranteed entity is bankrupt, liquidated, or when the creditor claims that the guaranteed entity has fulfilled its guarantee obligations, etc.

Article 29 When a guaranteed creditor asserts a claim against the Company due to the failure of the guaranteed entity to fulfill its obligations, the Company shall immediately initiate counter-guarantee recovery procedures and report them to the board of directors at the same time.

Article 30 When the Company acts as a general guarantor, it shall not assume the guarantee liability for the debtor without the approval of the board of directors of the Company until the dispute over the guarantee contract is resolved through litigation or arbitration, and the debtor is unable to fulfill the debt despite the enforcement of the law on the debtor's property.

Article 31 When the creditor waives or neglects to claim the guarantee for subject matter, the creditor shall not decide to fulfill all of the guarantee liability without the approval of the board of directors of the Company.

Article 32 After the people's court accepts the bankruptcy case of the guaranteed entity, the responsible person shall request the Company to participate in the distribution of bankruptcy property and exercise the right of recovery in advance if the creditor has not declared its claim.

Article 33 Where there are more than two guarantors in the guarantee contract and it is agreed with the creditor to bear the guarantee responsibility according to the share, the Company shall refuse to bear the guarantee responsibility beyond the share.

CHAPTER 4 LIABILITY AND PENALTIES

Article 34 If the Company's directors, chief executive officer or other management personnel fail to act in accordance with the provisions of these rules and sign a guarantee contract beyond their authority, causing damage to the Company, the liabilities of the relevant officer shall be investigated.

Article 35 Where a responsible person violates laws or the provisions of these rules and, disregarding risks, provides a guarantee without authorization, causing losses, such person shall bear liability for compensation to the Company.

Article 36 Where a responsible person neglects to perform its duties, thereby causing loss to the Company, they may be subject to the disciplinary action according to the seriousness of the circumstances and bear liability for compensation. Where a responsible person, without the consent of the Company's board of directors, assumes liability for which the guarantor is not required to be liable under law, they shall be subject to disciplinary action and bear liability for compensation.

Article 37 The board of directors the Company shall have the right to decide on appropriate disciplinary action against the responsible person, taking into account the extent of the Company's loss, the magnitude of the risk, and the seriousness of the circumstances.

Article 38 Where a responsible person violates the provisions of the Criminal Law in the course of the Company's guarantee activities, the Company shall refer the matter to the judicial authorities for criminal liability to be pursued according to law.

Article 39 The Company shall establish and improve the supervision and inspection systems for the control of external guarantees. The department responsible for internal control auditing of the Company employs compliance testing or other methods to inspect whether the control systems for guarantee business are completed and whether all requirement are being effectively implemented.

Article 40 The control, supervision and inspection of guarantee business mainly include:

- (I) The placement of positions and personnel related to the guarantee business, with a focus on inspecting whether there is any mixing of incompatible duties in the guarantee business;
- (II) The authorisation and approval mechanism of the guarantee business and its implementation, with a focus on inspecting whether the guarantee parties complies with the regulations, whether the assessment of guarantee business is scientific and reasonable, whether the approval procedures of the guarantee business are in compliance with the regulations, and whether there is any ultra vires authorization act;
- (III) The implementation of the monitoring and reporting mechanism of the guarantee business, with a focus on inspecting whether the daily monitoring is conducted on the capital flow of the guarantee entities and the guarantee projects, and whether the operation and management situation of the guaranteed entity is regularly understood and reports are formed;
- (IV) The implementation of the guarantee property custody and the guarantee business record system, with a focus on inspecting whether the certificates of property and ownership are properly kept, and whether the records and files and documents of the guarantee business are complete.

Article 41 For weak links in the internal control of guarantees discovered during the supervision and inspection process, the Company shall promptly take measures to rectify and improve them.

CHAPTER 5 SUPPLEMENTARY PROVISIONS

Article 42 Matters not covered by these rules shall be governed by the relevant laws, regulations, rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association. Should any provision of these rules conflict with or be inconsistent with the prevailing laws, regulations, normative documents, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, the prevailing laws, regulations, normative documents, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association shall prevail.

Article 43 For the purposes of these rules, the terms "above" and "below" are inclusive of the number specified, while "exceeding" are exclusive of the number specified.

Article 44 These rules shall be amended and interpreted by the board of directors of the Company.

Article 45 These rules shall be implemented from the date when they are considered and passed by the general meeting, and the same shall apply when they are amended.

Zhejiang Sanhua Intelligent Controls Co., Ltd.

October 2025