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## THIS SUPPLEMENTAL CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

**If you have sold or transferred** all your shares in Beijing SinoHytec Co., Ltd., you should at once hand this supplemental circular to the purchaser or the transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**亿华通 北京億華通科技股份有限公司**  
**SinoHytec Beijing SinoHytec Co., Ltd.**

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

**(Stock Code: 2402)**

### SUPPLEMENTAL CIRCULAR TO THE AGM CIRCULAR

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This supplemental circular should be read together with the circular of the Company dated May 29, 2025 (the “**AGM Circular**”).

A letter from the Board is set out on pages 1 to 6 of this supplemental circular. The notice convening the AGM to be held at Room C701, 7th Floor, Block C, Building B-6, Dongsheng Science Park, Zhongguancun, No. 66, Xixiaokou Road, Haidian District, Beijing, China on Friday, June 20, 2025 or any adjournment or postponement thereof is set out in the AGM Circular (the “**AGM Notice**”).

A form of proxy for use at the AGM is also enclosed with the AGM Circular. Whether or not you propose to attend the AGM, you are requested to complete and return the form(s) of proxy in accordance with the instructions printed thereon to the H share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event by not later than 24 hours before the time fixed for holding of the AGM (i.e. not later than 2:00 p.m. on Thursday, June 19, 2025) or any adjournment or postponement thereof. Completion and return of the form(s) of proxy shall not preclude you from attending and voting in person at the AGM or any adjourned or postponed meeting(s) if you so wish. For the avoidance of doubt, holders of treasury Shares, if any, shall abstain from voting at the AGM.

June 6, 2025

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## LETTER FROM THE BOARD

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**亿华通 北京億華通科技股份有限公司**  
**SinoHytec Beijing SinoHytec Co., Ltd.**

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

**(Stock Code: 2402)**

*Executive Directors:*

Mr. Zhang Guoqiang (張國強先生)

Ms. Song Haiying (宋海英女士)

Ms. Dai Dongzhe (戴東哲女士)

*Non-executive Directors:*

Ms. Teng Renjie (滕人杰女士)

Mr. Song Feng (宋峰先生)

*Independent Non-executive Directors:*

Mr. Liu Xiaoshi (劉小詩先生)

Mr. Ji Xuehong (紀雪洪先生)

Mr. Chan So Kuen (陳素權先生)

Mr. Li Zhijie (李志杰先生)

*Registered office:*

Room C701, 7th Floor, Block C

Building B-6, Dongsheng Science Park

Zhongguancun, No. 66, Xixiaokou Road

Haidian District

Beijing, China

*Principal place of business*

*in Hong Kong:*

40/F, Dah Sing Financial Centre

248 Queen's Road East

Wanchai, Hong Kong

June 6, 2025

*To the Shareholders*

Dear Sir/Madam,

### SUPPLEMENTAL CIRCULAR TO THE AGM CIRCULAR

#### I. INTRODUCTION

This supplemental circular shall be read in conjunction with the AGM Circular and the AGM Notice. Unless the context requires otherwise, capitalised terms used in this supplemental circular shall have the same meanings as those defined in the AGM Circular. Save as disclosed in this supplemental circular, all the information in the AGM Circular and the AGM Notice remain unchanged. This supplemental circular is supplemental to and should be read in conjunction with the AGM Circular and the AGM Notice and, in that connection, the existing English and Chinese versions of the AGM Circular and the AGM Notice in the form as they are now will continue to be valid.

In addition to the information provided in the AGM Circular, the Board would like to provide additional information on (i) the resolution in relation to the termination of the fundraising project for the issuance of A shares to specific entities through simplified procedure; (ii) the resolution in relation to the utilization of part of the over-subscription proceeds from A share offering for repayment of bank loans; (iii) the resolution in relation to the proposal on formulating the remuneration plan for the fourth session of the Board; and (iv) other resolutions proposed at the AGM.

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## LETTER FROM THE BOARD

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### **II. TERMINATION OF THE FUNDRAISING PROJECT FOR THE ISSUANCE OF A SHARES TO SPECIFIC ENTITIES THROUGH SIMPLIFIED PROCEDURE**

According to the “Approval on the Registration of the Issuance of Shares to Specific Entities by Beijing SinoHytec Co., Ltd.” issued by the China Securities Regulatory Commission on July 9, 2021, the Company was approved to issue 850,991 ordinary A Shares to specific entities through a non-public offering, with a par value of RMB1 per share and an issue price of RMB235.02 per share. The total amount of funds raised was RMB199,999,904.82. After deducting the relevant issuance expenses of RMB4,766,650.85 (excluding value-added tax), the actual net amount of funds raised was RMB195,233,253.97. The total amount of funds raised from the issuance, after deducting the issuance expenses, will be used entirely for the “Fuel Cell Comprehensive Testing and Evaluation Center Project” and to supplement working capital.

The Company intends to terminate the “Fuel Cell Comprehensive Testing and Evaluation Center Project”, which was originally planned to be invested RMB220 million (including RMB150 million in raised funds). The construction progress was delayed due to the epidemic, changes in the implementation entity and changes in the industry environment. As of May 2025, only RMB32.4355 million was invested, with a remaining RMB125 million. The reasons for termination include: the existing testing capabilities have met the core requirements; need to optimize the allocation of research and development resources; the improvement of third-party testing capabilities has reduced the necessity of self-construction. The remaining funds will be temporarily deposited in a special account for subsequent planning. This move will not affect the research and development and operation, and is conducive to the security of funds and the improvement of efficiency.

This matter has been considered and approved by the Board and the Supervisory Committee, and has undergone necessary review procedures. It still needs to be considered and approved by way of an ordinary resolution at the AGM. An ordinary resolution numbered 8 as set out in the AGM Notice will be proposed at the AGM to consider and approve the termination of the fundraising project for the issuance of A Shares to specific entities through simplified procedure.

### **III. UTILIZATION OF PART OF THE OVER-SUBSCRIPTION PROCEEDS FROM A SHARE OFFERING FOR REPAYMENT OF BANK LOANS**

The net amount of funds raised from the initial public offering of A Shares was RMB1,224.6693 million, with the planned amount of funds raised of RMB1,200 million, and the excess amount of funds raised of RMB24.6693 million. In order to improve the utilization efficiency of the raised funds and reduce financial costs, the Company intends to use RMB7.4 million of the excess raised funds (accounting for 29.9968% of the total excess raised funds) to repay bank loans. This move complies with PRC regulatory requirements (the cumulative usage within 12 months shall not exceed 30%) and does not affect the original fundraising and investment projects. As the Company used RMB7.4 million to repay loans on July 5, 2024, this operation will be arranged to be carried out after July 5, 2025.

This matter has been considered and approved by the Board and the Supervisory Committee, and has undergone necessary review procedures. It still needs to be considered and approved by way of an ordinary resolution at the AGM. An ordinary resolution numbered 9 as set out in the AGM Notice will be proposed at the AGM to consider and approve the utilization of part of the over-subscription proceeds from A Share offering for repayment of bank loans.

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## LETTER FROM THE BOARD

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### IV. PROPOSAL ON FORMULATING THE REMUNERATION PLAN FOR THE FOURTH SESSION OF THE BOARD

In accordance with the Company's relevant regulations such as the Articles of Association and the terms of reference of the remuneration and evaluation committee of the Board, combined with the actual situation such as the Company's business scale and with reference to the industry remuneration standards, after considered and approved by the remuneration and evaluation committee of the Board, the remuneration plan for the fourth session of the Board is as follows:

**(a) Applicable Targets of the Plan**

All Directors of the fourth session of the Board (including independent non-executive Directors).

**(b) Applicable Period of the Plan**

The plan will be implemented after considered and approved by the general meeting of the Company and shall automatically lapse upon the approval of the new remuneration plan.

**(c) Remuneration Plan**

1. Remuneration plan for executive Directors of the fourth session of the Board: executive Directors who hold senior management positions or other positions in the Company shall receive remuneration based on the management positions they hold in the Company, and no separate director allowances shall be issued;
2. Remuneration plan for non-executive Directors of the fourth session of the Board: non-executive Directors who do not hold positions in the Company will not receive remuneration from the Company;
3. Remuneration plan for independent non-executive Directors of the fourth session of the Board: the allowance standard for independent non-executive Directors of the Company is RMB 120,000 per year, and RMB10,000 per month will be paid to independent non-executive Directors starting from the beginning of the term of the fourth session of the Board.

**(d) Implementation Procedures**

This plan, after considered and approved by the Board, shall be submitted to the general meeting of the Company for consideration, and the general meeting of the Company shall be proposed to authorize the human resources department and finance department of the Company to take charge of the specific implementation of this plan.

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## LETTER FROM THE BOARD

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**(e) Miscellaneous**

1. The amounts of salary above are all pre-tax amounts. The Company will withhold and pay individual income tax, various social insurances, housing provident fund and other expenses in accordance with relevant regulations of the PRC and the Company.
2. The remuneration of the non-independent Directors, and its independent Directors' allowance is paid monthly. If a Director leaves office due to change of term, re-election or resignation during the term, etc., the remuneration or allowance will be calculated and paid based on his actual term of office.

Ordinary resolutions numbered 14.01, 14.02 and 14.03 as set out in the AGM Notice will be proposed at the AGM to consider and approve the remuneration plan of the executive Directors, the non-executive Directors, and the independent non-executive Directors for the fourth session of the Board, respectively.

**V. SUPPLEMENTAL INFORMATION TO OTHER RESOLUTIONS PROPOSED AT THE AGM**

The Board would like to provide the following supplemental information to the AGM Circular:

**(a) Proposed Amendments to the Articles of Association and the Abolition of the Supervisory Committee**

Details of the Proposed Amendments to the Articles of Association and the abolition of the Supervisory Committee are set out in the section headed "Proposed Amendments to the Articles of Association and the Abolition of the Supervisory Committee" in the Letter from the Board contained in the AGM Circular.

The Board would like to supplement that a special resolution numbered 10 as set out in the AGM Notice will be proposed at the AGM to consider and approve the Proposed Amendments to the Articles of Association and the abolition of the Supervisory Committee.

**(b) Proposed Amendments to the Governance Policies**

Details of the proposed amendments to the governance policies are set out in the section headed "Proposed Amendments to the Governance Policies" in the Letter from the Board contained in the AGM Circular, and Appendix IV to this supplemental circular.

The Board would like to supplement that ordinary resolutions numbered 11, 12 and 13 as set out in the AGM Notice will be proposed at the AGM to consider and approve (i) the proposed amendments to the rules of procedures of general meetings of the Company; (ii) the proposed amendments to the rules of procedures of Board meetings; and (iii) the proposed amendments to the other governance policies of the Company, respectively.

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## LETTER FROM THE BOARD

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**(c) Proposed Election of the Directors of the Fourth Session of the Board**

Details of the proposed election of the Directors of the fourth session of the Board are set out in the section headed “Proposed Election of the Directors of the Fourth Session of the Board” in the Letter from the Board contained in the AGM Circular.

The Board would like to supplement that (i) ordinary resolutions numbered 15.01, 15.02, 15.03 as set out in the AGM Notice will be proposed at the AGM to consider and approve the election of Mr. Zhang Guoqiang, Ms. Song Haiying and Ms. Dai Dongzhe as executive Directors; (ii) ordinary resolution numbered 15.04 as set out in the AGM Notice will be proposed at the AGM to consider and approve the election of Mr. Song Feng as non-executive Director; and (iii) ordinary resolutions numbered 16.01, 16.02 and 16.03 as set out in the AGM Notice will be proposed at the AGM to consider and approve the election of Mr. Ji Xuehong, Mr. Chan So Kuen and Mr. Li Zhijie as independent non-executive Directors.

**(d) Unrecovered Losses Amounting to One-third of the Total Paid-up Share Capital**

Details of the resolution on unrecovered losses amounting to one-third of the total paid-up share capital are set out in the section headed “Unrecovered Losses Amounting to One-third of the Total Paid-up Share Capital” in the Letter from the Board contained in the AGM Circular.

The Board would like to supplement that an ordinary resolution numbered 5 as set out in the AGM Notice will be proposed at the AGM to consider and approve the resolution on unrecovered losses amounting to one-third of the total paid-up share capital.

**(e) Profit Distribution Plan for the Year of 2024**

Details of the Company’s profit distribution plan for the year of 2024 are set out in the section headed “Profit Distribution Plan for the Year of 2024” in the Letter from the Board contained in the AGM Circular.

The Board would like to supplement that an ordinary resolution numbered 6 as set out in the AGM Notice will be proposed at the AGM to consider and approve the Company’s profit distribution plan for the year of 2024.

**(f) Others**

Ordinary resolutions numbered 1, 2, 3 and 4 as set out in the AGM Notice will be proposed at the AGM to consider and approve (i) the annual report of the Group for the year of 2024 and its abstract; (ii) the report of the Board for the year of 2024, the text of which is set out in Appendix I to this supplemental circular; (iii) the report of the Supervisory Committee for the year of 2024, the text of which is set out in Appendix II to this supplemental circular; and (iv) the financial accounts report of the Group for the year of 2024, the text of which is set out in Appendix III to this supplemental circular.

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## LETTER FROM THE BOARD

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The Board resolved to re-appoint BDO China Shu Lun Pan Certified Public Accountants LLP as the Company's auditor for the year 2025. It still needs to be considered and approved by way of an ordinary resolution at the AGM. An ordinary resolution numbered 7 as set out in the AGM Notice will be proposed at the AGM to consider and approve the re-appointment of BDO China Shu Lun Pan Certified Public Accountants LLP as the auditors of the Company for the year of 2025, for a term commencing from the date of approval at the AGM until the conclusion of the next annual general meeting of the Company, and authorize the management of the Company to fix their remuneration.

### VI. AGM

The AGM will be held at 2:00 p.m. on Friday, June 20, 2025 at Room C701, 7th Floor, Block C, Building B-6, Dongsheng Science Park, Zhongguancun, No. 66, Xixiaokou Road, Haidian District, Beijing, China to consider and, if appropriate, to pass the resolutions contained in the AGM Notice.

The proxy form enclosed with the AGM Circular (the “**Proxy Form**”) remains unchanged and valid for the AGM. For the avoidance of doubt, if a Shareholder has completed and deposited the Proxy Form in accordance with the instructions thereon, such Proxy Form will remain valid for the AGM and such Shareholder needs not re-submit the Proxy Form.

### VII. RESPONSIBILITY STATEMENT

This supplemental circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the 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 supplemental circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this supplemental circular misleading.

Yours faithfully,  
By order of the Board  
**Beijing SinoHytec Co., Ltd.**  
**ZHANG Guoqiang**  
*Chairman of the Board*

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## APPENDIX I      REPORT OF THE BOARD FOR THE YEAR OF 2024

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Dear Shareholders and proxies:

In 2024, the Board of Beijing SinoHytec Co., Ltd. (the “**Company**”) strictly abided by the provisions of the Company Law, the Securities Law and other laws and regulations, and conscientiously performed various duties assigned by the Articles of Association and the Rules of Procedures of the Board of Directors and other relevant regulations. In a responsible attitude towards Shareholders, and under the supervision and guidance of regulatory agencies, the Board strictly implemented resolutions of the general meeting, diligently and conscientiously carried out the work of the Board, effectively promoted the improvement of the Company’s governance, ensured the Company’s standardized operation, as well as promoted the continuous, healthy and stable development of the Company, thus effectively safeguarding the interests of the Company and its Shareholders. The work of the Board of the Company for the year of 2024 is now reported as follows:

### OPERATIONAL STATUS FOR THE YEAR OF 2024

In 2024, the Company achieved operating income amounting to RMB366.6714 million, representing a year-on-year decrease of 54.21%; sales volume of 742 sets fuel cell systems, representing a year-on-year decrease of 60.95%; total sales power of 98,800 KW, representing a year-on-year decrease of 47.84%, net profit attributable to owners of the listed company of RMB-456.4329 million, representing a year-on-year increase in loss of RMB213.2292 million, net cash flows from operating activities of RMB-18.6238 million, representing a year-on-year increase of RMB542.0143 million. This was mainly because under the current tensioned macroeconomic environment, the capital turnover pressure of upstream and downstream enterprises in the industrial chain has increased, affecting the advancement of industrial chain order projects. In addition, the fuel cell industry is still in the early stages of commercialization with a small overall market production and sales size. The intensified industry competition plus a lag in construction of supporting infrastructure have led to a sharp decline in the market demand for hydrogen energy batteries.

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## APPENDIX I      REPORT OF THE BOARD FOR THE YEAR OF 2024

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### DAILY WORK OF THE BOARD FOR THE YEAR OF 2024

#### Board meetings

In 2024, the Board conscientiously performed its duties and prudently exercised the powers granted by the Articles of Association and the general meeting. In combination with the actual business needs of the Company, the Board held a total of seven meetings, the convening of which complied with the requirements of the Company Law and the Articles of Association. The main details of each meeting of the Board are as follows:

Session of the meeting	Date of convening	Resolutions of the meeting
The 14th meeting of the third session of the Board	January 14, 2024	Proposal on the 2024 Estimated Quota of Ordinary Related Party Transactions Proposal on the Utilization of Part of the Over-subscription Proceeds for Repayment of Bank Loans Proposal on Amendments to the Articles of Association Proposal on Amendments to Some Governance Policies Proposal on Convening the 2024 First Extraordinary General Meeting, 2024 First A Share Class Meeting and 2024 First H Share Class Meeting
The 15th meeting of the third session of the Board	March 28, 2024	Proposal on the Unaudited Annual Results the Year ended December 31, 2023

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## APPENDIX I      REPORT OF THE BOARD FOR THE YEAR OF 2024

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Session of the meeting	Date of convening	Resolutions of the meeting
The 16th meeting of the third session of the Board	April 26, 2024	<p>Proposal on the 2023 Annual Report (and its Abstract)</p> <p>Proposal on the 2023 Work Report of the Board</p> <p>Proposal on the 2023 Work Report of Independent Non-executive Directors</p> <p>Proposal on Special Opinions of the Board on the Independence of Independent Non-executive Directors</p> <p>Proposal on the 2023 Report of the Performance of Duties by the Audit Committee</p> <p>Proposal on the 2023 Work Report of the General Manager</p> <p>Proposal on the Evaluation Report on the Performance of Duties by Accounting Firms in 2023</p> <p>Proposal on the Report on the Performance of the Supervisory Duties of the Audit Committee on Accounting Firms</p> <p>Proposal on the 2023 Final Accounts Report</p> <p>Proposal on the 2023 Internal Control Assessment Report of the Company</p> <p>Proposal on the 2023 Special Report on the Deposit and Use of Proceeds</p>

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## APPENDIX I      REPORT OF THE BOARD FOR THE YEAR OF 2024

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Session of the meeting	Date of convening	Resolutions of the meeting
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		Proposal on the 2023 Profit Distribution and Conversion of Capital Reserve to the Share Capital Plan of the Company
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		Proposal on the Uncovered Losses of the Company Reaching One-third of the Total Paid-in Share Capital
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		Proposal on the Re-appointment of Accounting Firms
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		Proposal on 2024 Special Action Plan for “Enhancing Quality, Increasing Efficiency and Emphasizing Returns”
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		Proposal on the Application to the General Meeting of Shareholders for Authorizing the Board to Issue Shares to Specific Targets through Simplified Procedures
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		Proposal on the Granting of General Mandate to the Board to Issue A Shares/H Shares
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		Proposal on Shareholding Reorganization of Majority-controlled Subsidiaries
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		Proposal on Determining the Remuneration of Senior Management
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		Proposal on the 2024 First Quarterly Report of the Company
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		Proposal on Convening the 2023 Annual General Meeting, 2024 Second A Share Class Meeting and 2024 Second H Share Class Meeting
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## APPENDIX I      REPORT OF THE BOARD FOR THE YEAR OF 2024

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Session of the meeting	Date of convening	Resolutions of the meeting
The 17th meeting of the third session of the Board	June 7, 2024	Proposal on Cancellation of Certain Proposals at the 2023 Annual General Meeting Proposal on Changes in the Proposed Appointment of Accounting Firms Proposal on the Increase of Comprehensive Credit Facilities and Provision of Guarantee Quota by the Company and its Subsidiaries for 2024
The 18th meeting of the third session of the Board	August 29, 2024	Proposal on the 2024 Interim Report (and its Abstract) and the Interim Results Announcement for the Six Months ended June 30, 2024 Proposal on the 2024 Interim Special Report on the Deposit and Use of Proceeds Proposal on the Amendments to Part of the Management System of the Company Interim Evaluation Report on the Company's 2024 Action Plan for "Enhancing Quality, Increasing Efficiency and Emphasizing Returns"
The 19th meeting of the third session of the Board	October 30, 2024	Proposal on the 2024 Third Quarterly Report of the Company Proposal on Connected Transactions
The 20th meeting of the third session of the Board	December 16, 2024	Proposal on Capital Increase and Related Transactions of Joint Ventures Proposal on the Temporary Replenishment of Liquidity by Utilizing Part of the Idle Proceeds from the Issue of Shares to Specific Targets through Simplified Procedures Proposal on Connected Transactions

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## APPENDIX I      REPORT OF THE BOARD FOR THE YEAR OF 2024

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### Convening of general meetings

In 2024, the Board of the Company proposed and held two general meetings. In accordance with the requirements of the Company Law, the Securities Law and other relevant laws and regulations as well as the Articles of Association, the Board of the Company strictly followed the resolutions and authorizations of the general meeting, conscientiously implemented the resolutions passed by the general meeting, and played the role of the Board in corporate governance. The main details of each of general meetings are as follows:

Session of the meeting	Date of convening	Resolutions of the meeting
2024 First Extraordinary General Meeting, 2024 First A Share Class Meeting and 2024 First H Share Class Meeting	January 30, 2024	Proposal on the 2024 Estimated Quota of Ordinary Related Party Transactions Proposal on the Utilization of Part of the Over- subscription Proceeds for Repayment of Bank Loans Proposal on Amendments to Certain Provisions of the Articles of Association Proposal on Amendments to Certain Provisions of the Articles of Association (I) Proposal on Amendments to Certain Provisions of the Articles of Association (II) Proposal on Amendments to Some Governance Policies Proposal on Amendments to Some Governance Policies (I) Proposal on Amendments to Some Governance Policies (II)

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## APPENDIX I      REPORT OF THE BOARD FOR THE YEAR OF 2024

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Session of the meeting	Date of convening	Resolutions of the meeting
2023 Annual General Meeting, 2024 Second A Share Class Meeting and 2024 Second H Share Class Meeting	June 28, 2024	Proposal on the 2023 Annual Report (and its Abstract) Proposal on the 2023 Work Report of the Board Proposal on the 2023 Work Report of the Supervisory Committee Proposal on the 2023 Final Accounts Report Proposal on the 2023 Work Report of Independent Non-executive Directors Proposal on the 2023 Profit Distribution and Conversion of Capital Reserve to the Share Capital Plan of the Company Proposal on the Uncovered Losses of the Company Reaching One-third of the Total Paid-in Share Capital Proposal on the Application to the General Meeting of Shareholders for Authorizing the Board to Issue Shares to Specific Targets through Simplified Procedures Proposal on the Granting of General Mandate to the Board to Issue A Shares/H Shares Proposal on Changes in the Proposed Appointment of Accounting Firms Proposal on Resignation of Supervisors and By-election of Supervisors Liu Wei

**Operation of special committees under the Board**

The Board of the Company has four special committees, including the strategy committee, the audit committee, the nomination committee, and the remuneration and appraisal committee. The main responsibility of each committee is to assist the Board in providing suggestions and consultation on the required decision-making matters. In 2024, the special committees of the Board convened a total of nine meetings, including six meetings of the audit committee, one meeting of the nomination committee, one meeting of the remuneration and appraisal committee, and one meeting of the strategy committee. The special committees of the Board have performed their duties in strict accordance with the provisions of the Articles of Association and the Rules of Procedures of the Board of Directors, put forward opinions and suggestions on related work, and assist the Board in making scientific decisions.

**Performance of duties by independent non-executive Directors**

The independent non-executive Directors of the Company strictly abided by the requirements of laws, regulations and the Company's internal rules and regulations, performed their duties conscientiously and diligently, attended relevant meetings and carefully reviewed various proposals, and expressed their opinions actively and objectively. The independent non-executive Directors maintained close contact with the Directors, senior management and relevant staff of the Company, ensuring that they were informed of the progress of major matters of the Company in a timely manner, and used their professional knowledge to make independent judgments.

**Information disclosure**

During the reporting period, the Board of the Company strictly abided by the relevant provisions on information disclosure and completed the disclosure of regular reports and ad hoc announcements on time in accordance with the relevant regulations of the China Securities Regulatory Commission and the Shanghai Stock Exchange. The Company's information disclosure was made in a true, accurate, complete, timely and fair manner, which could objectively reflect the relevant matters of the Company, ensuring that there were no false records, misleading statements or major omissions, and guaranteeing the accuracy, reliability and practicality of the disclosed information.

**Investor relations management**

During the reporting period, the Company actively carried out various investor relations work, such as holding results presentation; setting up an investor hotline, with dedicated personnel responsible for receiving calls and answering various questions from investors in a professional and patient manner; and assigning dedicated personnel to take charge of investor communication and exchange work on SSE e-Interaction, etc., which enhanced investors' understanding of the Company and effectively strengthened the protection of the rights and interests of small and medium-sized investors.

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## APPENDIX I      REPORT OF THE BOARD FOR THE YEAR OF 2024

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### Work Plan of the Board for the Year of 2025

In 2025, the Board of the Company will continue to uphold the principle of being accountable to all Shareholders to maintain diligent and responsible, and make scientific and efficient decisions on major matters. To ensure realization of the 2025 operational objectives, the Board of the Company will focus on the following work:

In 2025, the Board of the Company will continue to base on the long-term interests of all Shareholders and the Company's development, urge the Company's management to further implement the operational objectives assessment accountable system, further focus on the Company's principal business, and strive to create better returns for Shareholders. The Company will continue to give full play to its own advantages, continuously increase R&D innovation, expand the market, and actively achieve the 2025 operational objectives of the Company.

In 2025, on top of strengthening its principal business, the Company will accelerate the issuance of shares to purchase assets and raise supporting funds in accordance with the overall development strategy and planning goal, promote the further improvement of the Company's layout in the upstream and downstream of the hydrogen energy industry chain. The Company will further develop terminal application scenarios, give play to the business synergy of both parties in the field of hydrogen energy, and help the Company become a comprehensive clean energy supplier with fuel cells as the core, covering the entire chain of hydrogen "production-storage-transportation-processing-research-use", and that can extend to other green energy.

According to the relevant provisions of the new Company Law and the supporting rules of regulatory authorities, the Board will further improve the Company's corporate governance structure, enhance the Company's rules and regulations, and increase the level of standardized operations. At the same time, the Board will strengthen the construction of internal control systems, continuously improve the risk control system, optimize the Company's strategic planning, ensure the sustainable and healthy development of the Company, and effectively protect the legitimate rights and interests of all Shareholders and the Company's stakeholders.

The Board of the Company will actively organize the Directors, supervisors, and senior management of the Company to participate in various types of training, such as improving their job performance capabilities and publicizing and implementing laws and regulations, to further enhance their legal and compliant awareness and professional capabilities, and continuously increase the scientificity and standardization of decision-making, thereby ensuring the healthy development of the Company.

The Board will strictly abide by the provisions of relevant laws and regulations, conscientiously and consciously fulfill information disclosure obligations, and ensure that information disclosure is timely, true, accurate and complete; continuously improve the investor relations management mechanism, promote the long-term, stable and good interactive relations between the Company and investors, and establish a good image for the Company in the capital market.

The above is hereby reported.

Now the above is submitted to all Shareholders for consideration.

Dear Shareholders and proxies:

In 2024, the Supervisory Committee of Beijing SinoHytec Co., Ltd. (the “**Company**”) conscientiously performed its supervisory duties in accordance with the duties conferred by laws, regulations and normative documents such as the Company Law, the Securities Law, the Rules Governing the Listing of Stocks on the STAR Market of the Shanghai Stock Exchange, the Articles of Association and the Rules of Procedures of the Supervisory Committee, supervised and inspected the Company’s financial management, major decision-making, the convening procedures and resolution execution of the Board and general meetings, and the legality and compliance of the Directors and senior management officers of the Company in performing their duties, and actively safeguarded the interests of the Company and Shareholders. The main work of the Company’s Supervisory Committee for the year of 2024 is reported as follows:

#### WORK OF THE SUPERVISORY COMMITTEE DURING THE REPORTING PERIOD

In 2024, the Supervisory Committee held a total of 7 meetings. The convening, holding, consideration and voting procedures of the meetings were in compliance with the relevant provisions of the Company Law, the Articles of Association and other laws, regulations and normative documents. The details are as follows:

Session of the meeting	Resolutions of the meeting
The 10th meeting of the third session of the Supervisory Committee	Proposal on the Utilization of Part of the Over-subscription Proceeds for Repayment of Bank Loans
The 11th meeting of the third session of the Supervisory Committee	Proposal on the 2023 Annual Report (and its Abstract) Proposal on the 2023 Work Report of the Supervisory Committee Proposal on the 2023 Final Accounts Report Proposal on the 2023 Internal Control Assessment Report of the Company Proposal on the 2023 Profit Distribution and Conversion of Capital Reserve to the Share Capital Plan of the Company Proposal on the 2024 First Quarterly Report of the Company

**Session of the meeting****Resolutions of the meeting**

	Proposal on the Application to the General Meeting of Shareholders for Authorizing the Board to Issue Shares to Specific Targets through Simplified Procedures
	Proposal on the Granting of General Mandate to the Board to Issue A Shares/H Shares
	Proposal on the 2023 Special Report on the Deposit and Use of Proceeds
	Proposal on the Re-appointment of Accounting Firms
	Proposal on Resignation of Supervisors and By-election of Supervisors
The 12th meeting of the third session of the Supervisory Committee	Proposal on Changes in the Proposed Appointment of Accounting Firms
The 13th meeting of the third session of the Supervisory Committee	Proposal on the Election of the Chairman of the Supervisory Committee
The 14th meeting of the third session of the Supervisory Committee	Proposal on the 2024 Interim Report (and its Abstract) and the Interim Results Announcement for the Six Months ended June 30, 2024
	Proposal on the 2024 Interim Special Report on the Deposit and Use of Proceeds
The 15th meeting of the third session of the Supervisory Committee	Proposal on the 2024 Third Quarterly Report of the Company
The 16th meeting of the third session of the Supervisory Committee	Proposal on the Temporary Replenishment of Liquidity by Utilizing Part of the Idle Proceeds from the Issue of Shares to Specific Targets through Simplified Procedures

**OPINIONS OF THE SUPERVISORY COMMITTEE ON THE SUPERVISION AND INSPECTION  
OF RELEVANT MATTERS OF THE COMPANY FOR THE YEAR OF 2024****Operations of the Company in compliance with laws**

During the reporting period, the Company's supervisors attended the general meetings of the Company as required, and supervised the convening procedures, resolutions, implementation of meeting resolutions, and performance of duties by the Directors and senior management officers in accordance with relevant laws and regulations. The Company's Supervisory Committee was of the view that the convening and holding procedures and decision-making procedures of the Board and general meetings of the Company strictly complied with relevant laws and regulations, the resolutions were legal and valid, and the relevant information was disclosed in a timely and accurate manner. The Directors and senior management officers of the Company were able to perform their duties with diligence and commitment, and there was no violation of laws and regulations or the Articles of Association, nor any abuse of power, or behavior that would damage the interests of Shareholders and employees.

**Examination of the Company's financial condition and review of regular reports**

The Supervisory Committee carefully examined and reviewed the Company's financial condition and financial management. The Company's financial management was standardized and its financial system was sound. The financial reports during the reporting period reflected the Company's financial status and operating results in an objective, true and accurate manner, and well implemented relevant regulations such as the Accounting Law, the Accounting Standards for Business Enterprises and the Accounting System for Business Enterprises.

The Supervisory Committee reviewed the Company's regular reports and was of the view that the Company had a sound financial system, standardized financial operations and healthy financial condition, and that the regular reports reflected the Company's financial status and operating results in a true, accurate and objective manner. The Supervisory Committee issued a written review opinion on the regular reports, believing that the procedures for the Company's annual reports, half-year reports and quarterly reports prepared and reviewed by the Board were in compliance with laws, administrative regulations and the requirements of the China Securities Regulatory Commission, and that the contents of the reports gave a true, accurate and complete view of the actual situation of the Company and did not contain false statements, misleading representations or material omissions.

**Supervision of the management and utilization of the Company's proceeds**

During the reporting period, the Supervisory Committee reviewed the utilization and management of the Company's proceeds. The Supervisory Committee was of the view that the Company strictly utilized and managed the proceeds in accordance with the Rules Governing the Listing of Stocks on the STAR Market of the Shanghai Stock Exchange (《上海證券交易所科創板股票上市規則》), the Self-Regulatory Guideline No. 1-Standardized Operation of Listed Companies on the STAR Market of the Shanghai Stock Exchange (《上海證券交易所科創板上市公司自律監管指引第1號-規範運作》), the Articles of Association and the Management System of Proceeds, and there was no illegal utilization of the proceeds, no change in the investment direction and use of the proceeds, and no damage to the interests of Shareholders.

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## **APPENDIX II                      REPORT OF THE SUPERVISORY COMMITTEE FOR THE YEAR OF 2024**

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### **Internal control of the Company**

In 2024, the Supervisory Committee reviewed the 2023 Internal Control Assessment Report of the Company, and the establishment and operation of the Company's internal control system. The Supervisory Committee was of the view that the Company has assessed the effectiveness of its internal control in accordance with the relevant provisions of the Basic Norms for Corporate Internal Control (《企業內部控制基本規範》) and the Self-Regulatory Guideline No. 1 – Standardized Operation of Listed Companies on the Shanghai Stock Exchange (《上海證券交易所上市公司自律監管指引第1號—規範運作》) and other normative documents. The Company did not have any major defects in the internal control of financial reports in 2023. The Company maintained effective internal control of financial reports in all material aspects in accordance with the requirements of the corporate internal control regulated system and relevant regulations, and no major defects in internal control of non-financial reports were found.

### **Establishment and implementation of insider management systems of the Company**

The Supervisory Committee believes that the Company has established a relatively comprehensive Insider Management System and is able to strictly manage insider and register insiders in accordance with the requirements. The Directors, supervisors, senior management of the Company and other insiders have strictly complied with the insider management system. The Company and related personnel have not used inside information to illegally trade the Company's stocks, nor have they received any investigation or rectification from regulatory authorities.

### **WORK PROSPECTS OF THE SUPERVISORY COMMITTEE IN 2025**

In 2025, the Supervisory Committee will continue to strictly implement the relevant provisions of the Company Law, the Securities Law and the Articles of Association, conscientiously perform its supervisory and inspection duties, and actively attend general meetings and Board meetings to promptly understand the Company's financial positions. The Supervisory Committee will keep informed of all major decision-making matters and supervise the legality and compliance their implementation procedures, further improve the Company's standardized operation, prevent operational risks, and effectively safeguard the interests of Shareholders and small and medium-sized investors of the Company.

The above is hereby reported.

Now the above is submitted to all Shareholders for consideration.

In 2024, the Company realized operating income of RMB366.6714 million, representing a year-on-year decrease of 54.21%, a net profit attributable to shareholders of the listed company of RMB-456.4329 million, representing a year-on-year increase in loss of RMB213.2292 million, and net cash flow from operating activities of RMB-18.6238 million, representing a year-on-year increase of RMB542.0143 million. The specific details of financial accounts of the Company for the year of 2024 are as follows:

## I. AUDIT OF FINANCIAL STATEMENTS

The Company's 2024 financial statements have been audited by BDO China Shu Lun Pan Certified Public Accountants LLP, which issued the Audit Report with standard unqualified audit opinion (XKSBZ [2025] No. ZB10928). The audit opinion believes that the Company's financial statements have been prepared in accordance with the provisions of the Enterprise Accounting Standards in all material respects, which give a fair view of the state of the consolidated and the parent company's financial position of SinoHytec Company as at December 31, 2024, and of their consolidated and the parent company's operating results and cash flows for the year then ended.

## II. MAJOR ACCOUNTING DATA AND FINANCIAL INDICATORS

### (I) Major Accounting Data

Unit: RMB0'000

Major Accounting Data	2024	2023		Increase/ decrease as compared with the same period last year (%)	2022	
		Post- adjustment	Pre- adjustment		Post- adjustment	Pre- adjustment
Operating income	36,667.14	80,070.19	80,070.19	-54.21	73,811.66	73,811.66
Operating income after deducting income not related to principal business and income without commercial substance	34,762.73	78,074.44	78,074.44	-55.47	72,234.13	72,234.13
Net profit attributable to shareholders of the listed company	-45,643.29	-24,320.37	-24,320.37	-	-16,673.34	-16,645.43
Net profit attributable to shareholders of the listed company after deducting non-recurring profit or loss	-54,275.70	-30,113.28	-28,783.84	-	-18,479.41	-18,451.50
Net cash flows from operating activities	-1,862.38	-56,063.82	-56,063.82	-	-33,211.17	-33,211.17

	End of 2024	End of 2023	Increase/ decrease as compared with the end of last year (%)	End of 2022 Post- adjustment	Pre- adjustment
Net assets attributable to shareholders of the listed company	256,103.29	304,485.03	-15.89	234,210.31	234,262.20
Total assets	477,896.89	494,572.08	-3.37	378,395.63	377,897.66

**(II) Key Financial Indicators**

Key Financial Indicators	2024	2023		Increase/ decrease as compared with the same period last year (%)	2022	
		Post- adjustment	Pre- adjustment		Post- adjustment	Pre- adjustment
Basic earnings per share (RMB/share)	-1.97	-1.48	-1.48	-	-1.19	-1.67
Diluted earnings per share (RMB/share)	-1.97	-1.48	-1.48	-	-1.19	-1.67
Basic earnings per share after non-recurring profit or loss (RMB/share)	-2.34	-1.84	-1.76	-	-1.32	-1.85
Weighted average return on net assets (%)	-16.19	-7.93	-7.93	Decrease by 8.26 percentage points	-6.87	-6.86
Weighted average return on net assets after non- recurring profit or loss (%)	-19.25	-9.82	-9.39	Decrease by 9.43 percentage points	-7.61	-7.60
Proportion of R&D investment in operating income (%)	37.99	21.31	21.31	Increase by 16.68 percentage points	21.65	21.65

**Note:** During the reporting period, the Company implemented equity distribution by converting capital reserve into share capital, and the indicator of earnings per share in the same period last year has been adjusted based on the latest share capital.

During the reporting period, basic earnings per share and diluted earnings per share was RMB-1.97, representing a decrease of 33.13% as compared with the same period of previous year; basic earnings per share after deducting non-recurring profit or loss was RMB-2.34; weighted average return on net assets was -16.19%, representing a decrease of 8.26 percentage points as compared with the same period of previous year; weighted average return on net assets after deducting non-recurring profit or loss was -19.25%, representing a decrease of 9.43 percentage points as compared with the same period of previous year; proportion of R&D investment in operating income was 37.99%, representing an increase of 16.68 percentage points as compared with the same period of previous year.

The main reasons for the changes in the above major accounting data and financial indicators are as follows:

- (1) During the reporting period, the hydrogen energy industry entered a periodic adjustment cycle, and the Company fell into the dilemma of “taking orders” and “financial security”. Although the top-level policy blueprint was clear, the uncertainty of the macro environment exacerbated the industry dilemma. The Company’s capital turnover pressure is on the rise, forcing the Company to adopt a cautious market expansion strategy, resulting in a year-on-year decrease in the Company’s operating income during the reporting period;
- (2) During the reporting period, the Company’s fuel cell system sales declined, resulting in a slowdown in the decline in product costs, but the selling price of the fuel cell system continued to decline due to the pressure of market competition during the same period, the combination of the above two factors led to the decline of gross profit margin in the reporting period compared with the last year;
- (3) The Company made additional provisions for expected credit risk losses on receivables for the sake of prudence, and the provision for credit impairment loss of RMB201 million in 2024, representing a year on-year increase of 102.2%, is also an important driver of for the decline of profit in the current period.

## III. ASSETS AND LIABILITIES, OPERATING RESULTS AND CASH FLOWS OF THE COMPANY

## (I) Assets and Liabilities

Unit: RMB

Item name	Closing balance of current period	Percentage of total assets at the end of the period (%)	Closing balance of previous period	Percentage of total assets at the end of the previous period (%)	Change in amount at the end of the period over the end of the previous period (%)		Explanation
Bills receivable	14,478,407.04	0.30	50,790,598.92	1.03	-71.49		1
Receivables financing	2,592,424.40	0.05	31,009,909.60	0.63	-91.64		2
Prepayments	4,723,114.27	0.10	27,845,110.18	0.56	-83.04		3
Contract assets	1,249,340.20	0.03	16,711,351.68	0.34	-92.52		4
Other non-current financial assets	4,096,500.00	0.09	2,800,000.00	0.06	46.30		5
Construction in progress	15,004,992.89	0.31	21,651,097.39	0.44	-30.70		6
Development expenditure	49,754,133.69	1.04	35,604,953.79	0.72	39.74		7
Bills payable	19,260,918.00	0.40	39,683,502.69	0.80	-51.46		8
Advances from customers			27,522.85	0.00	-100.00		9
Contract liabilities	62,510,456.52	1.31	6,444,858.63	0.13	869.93		10
Taxes payable	6,742,876.92	0.14	2,934,806.59	0.06	129.76		11
Other payables	158,033,221.89	3.31	18,742,209.30	0.38	743.19		12
Other current liabilities	10,852,649.97	0.23	6,507,783.13	0.13	66.76		13
Lease liabilities	12,329,805.18	0.26	21,299,220.60	0.43	-42.11		14
Long-term payables	2,062,150.49	0.04	5,911,814.94	0.12	-65.12		15
Deferred income tax liabilities	2,987,008.30	0.06	33,204,233.23	0.67	-91.00		16
Share capital	231,652,081.00	4.85	165,465,772.00	3.35	40.00		17
Special reserve	10,194,879.88	0.21	7,707,807.00	0.16	32.27		18

Other explanation:

1. The bills receivable decreased by 71.49% as compared with the end of the previous period, mainly due to a decrease in transaction volume caused by the macroeconomic downturn. At the same time, the Company accelerated the discounting of bills receivable to ease financial pressure and use them to pay suppliers, resulting in a decrease in book balance.
2. Receivables financing decreased by 91.64% as compared with the end of the previous period, mainly due to a decrease in transaction volume caused by the macroeconomic downturn. At the same time, the Company accelerated the discounting of bills receivable to ease financial pressure and use them to pay suppliers, resulting in a decrease in book balance.
3. Prepayments decreased by 83.04% as compared with the previous period, mainly due to a decline in product sales during the reporting period, and the Company proactively reduced its procurement scale.
4. Contract assets decreased by 92.52% as compared with the end of the previous period, mainly due to a decrease in the Company's sales order volume during the reporting period, and the reclassification of warranty deposits expected to be recovered over one year to other non-current assets at the end of the reporting period.
5. Other non-current financial assets increased by 46.30% from the end of the previous period, mainly due to the capital appreciation of financial assets held during the reporting period.
6. Construction in progress decreased by 30.70% as compared with the end of the previous period, mainly due to the conversion to fixed assets after the completion of the project during the reporting period.
7. Development expenditure increased by 39.74% as compared with the end of the previous period, mainly due to the Company's new investment in capitalization projects during the reporting period.
8. Bills payable decreased by 51.46% as compared with the end of the previous period, mainly due to the partial payment of bills payable at maturity in the current period, the amount of new bills payable in the current period was smaller than that in the previous period, which resulted in a decrease in the balance of bills payable at the end of current period.

9. Advances from customers decreased by 100% as compared with the end of the previous period, mainly due to the fact that the advance receipts at the beginning of the period had been converted into income during the reporting period.
10. Contract liabilities increased by 869.93% as compared with the end of the previous period, mainly due to the inflow of contract payments from project orders signed in current period.
11. Taxes payable increased by 129.76% as compared with the end of the previous period, mainly due to the increase in corporate income tax caused by the profitability of subsidiaries.
12. Other payables increased by 743.19% as compared with the end of the previous period, mainly due to the project subsidies received by the Company during the reporting period that had to be transferred to other units.
13. Other current liabilities increased by 66.76% as compared with the end of the previous period, mainly due to the accounting treatment for bank bills with low credit rating endorsed that have not been derecognised during the reporting period.
14. Lease liabilities decreased by 42.11% as compared with the previous period, mainly due to the reclassification of the portion due within the next year to other non-current liabilities.
15. Long-term payables decreased by 65.12% as compared with the end of the previous period, mainly due to a decrease in the financial leasing payables during the reporting period.
16. Deferred income tax liabilities decreased by 91.00% as compared with the end of the previous period, mainly due to the use of the net method to account for deferred income tax assets and deferred income tax liabilities during the reporting period.
17. Share capital increased by 40% as compared with the previous period, mainly due to the Company's implementation of conversion of capital reserve to the share capital in 2024.
18. Special reserve increased by 32.27% as compared with the end of the previous period, mainly due to the provision of special reserve based on the previous year's operating income, and the operating income in 2023 increased by 8.48% as compared with 2022, directly leading to a corresponding increase in the provision of special reserves in the year.

## (II) Operating Results and Cash Flows

Unit: RMB

Item	Current period	Previous period	Percentage of change (%)
Operating income	366,671,355.92	800,701,885.77	-54.21
Operating cost	320,955,128.57	552,190,945.49	-41.88
Financial expenses	1,982,243.23	-16,056,462.99	112.35
Research and development expenses	97,013,572.48	140,907,189.33	-31.15
Other income	51,772,241.34	24,856,478.84	108.28
Investment income	6,148,454.03	-34,186,331.54	117.99
Income from changes in fair value	19,923,161.29	33,050,692.03	-39.72
Losses on credit impairment	-201,142,245.18	-99,482,634.25	-102.19
Gains from asset disposal	713,481.04	44,136.58	1,516.53
Non-operating income	3,059,559.09	632,535.42	383.70
Non-operating expenses	2,062,832.97	13,603,125.91	-84.84
Income tax expense	8,690,382.05	-19,487,444.93	144.59
Net cash flows from operating activities	-18,623,817.28	-560,638,150.79	-
Net cash flows from investing activities	-20,135,793.35	-754,636,153.44	-
Net cash flows from financing activities	161,860,205.26	1,276,801,074.12	-87.32

Other explanation:

1. Explanation on changes in operating income: The Company's operating income decreased by 54.21% as compared with the same period of previous year, mainly due to a sharp decline in the sales volume of the Company's product fuel cell system during the reporting period.
2. Explanation on changes in operating costs: The Company's operating costs decreased by 41.88% as compared with the same period of previous year, mainly due to a significant decline in the sales volume of the Company's product fuel cell system during the reporting period.
3. Explanation on changes in financial expenses: The Company's financial expenses increased by RMB18.0387 million as compared with the same period of previous year, mainly due to the increase in borrowing interest and the decrease in exchange gains of the Company during the reporting period.
4. Explanation on changes in R&D expenses: The Company's R&D expenses decreased by 31.15% as compared with the same period of previous year, mainly due to reduced investment in R&D projects as a result of the Company's optimization of R&D structure during the reporting period.
5. Explanation on changes in other income: The Company's other income increased by 108.28% as compared with the same period of previous year, mainly due to the increase in government subsidies during the reporting period.
6. Explanation on changes in investment income: The Company's investment income increased by RMB40.3348 million as compared with the same period of previous year, mainly due to the income recognized from the external transfer of equity interests in subsidiaries during the reporting period.
7. Explanation on changes in gains from changes in fair value: The Company's changes in fair value decreased by 39.72% as compared with the same period of previous year, mainly due to the decline in wealth management income during the reporting period.
8. Explanation on changes in credit impairment losses: The Company's credit impairment losses increased by RMB101.6596 million as compared with the same period of previous year, mainly due to the provision for bad debts made by the Company as it took a prudent attitude towards accounts receivable during the reporting period.

9. Explanation on changes in gains from disposal of assets: The Company's gains from disposal of assets increased by 1,516.53% as compared with the same period of previous year, mainly due to the gains generated from the disposal of assets during the reporting period.
10. Explanation on changes in non-operating income: The Company's non-operating income increased by 383.70% as compared with the same period of previous year, mainly because that the Company carried out a series of failure analysis of hydrogen fuel cell products and initiated claims against the responsible party after clarifying the root cause of the failure.
11. Explanation on changes in non-operating expenses: The Company's non-operating expenses decreased by 84.84% as compared with the same period of previous year, mainly due to the decrease in maintenance compensation paid to customers during the reporting period as compared with the same period of previous year.
12. Explanation on changes in income tax expenses: The Company's income tax expenses increased by RMB28.1778 million as compared with the same period of previous year, mainly due to the expiration of the loss recovery period, resulting in the discontinuation of recognizing deferred income tax assets.
13. Explanation on changes in net cash flows from operating activities: The Company's net cash flows from operating activities increased by RMB542.0143 million as compared with the same period of previous year, mainly due to the Company's enhanced customer credit management and optimized expenditure structure, resulting in an increase of 68.20% year-on-year in the amount of customers' repayment and a decrease of 24.86% year-on-year in the daily operating cash outflows during the reporting period.
14. Explanation on changes in net cash flows from investing activities: The Company's net cash flows from investing activities increased by RMB734.5004 million as compared with the same period of previous year, mainly due to the large cash outflows as a result of the purchase of special wealth management products in the same period of previous year.
15. Explanation on changes in net cash flows from financing activities: The Company's net cash flows from financing activities decreased by 87.32% as compared with the same period of previous year, mainly due to the receipt of proceeds raised upon the Company's completion of listing on the Main Board of the Hong Kong Stock Exchange in the same period of previous year.

This appendix sets out the proposed amendments to the governance policies of the Company. The parts of the policies that have not been modified are indicated by "...". Due to the addition or deletion of articles, the serial numbers of the relevant articles of the policies are also adjusted accordingly and are not listed one by one. As the Company proposes to abolish the Supervisory Committee, all expressions involving "supervisors" or "Supervisory Committee" have been deleted and are not listed one by one. In accordance with the proposed amendments, all expressions related to "股東大會" are changed to "股東會" in the Chinese version, but there is no change in the English version. Such amendments to expressions are not listed one by one because they do not involve substantive changes.

Set out below are the details of the proposed amendments to rules of procedures of general meetings of the Company.

### RULES OF PROCEDURES OF SHAREHOLDERS' MEETINGS

No.	Before Amendment	After Amendment
System name	Rules of Procedure of General Meetings of Beijing SinoHytec Co., Ltd.	Rules of Procedure of <b>Shareholders' Meetings</b> of Beijing SinoHytec Co., Ltd.
1.	Newly added	<b>Article 2 These rules shall apply to the convening, proposals, notification and holding of the Company's shareholders' meetings.</b>
2.	Article 5  ...  <del>The related party transaction referred to in this Article means any transaction of capital or income nature, whether or not it is conducted in the ordinary course of business.</del> The market value referred to in this article refers to the arithmetic average of the closing market values of the ten trading days prior to the transaction.  ...	Article 6  ...  The market value referred to in this article refers to the arithmetic average of the closing market values of the ten trading days prior to the transaction.  ...
3.	Article 9 The independent non-executive directors have the right to propose to the board of directors to convene an extraordinary general meeting. ...	Article 10 <b>With the approval of more than half of all independent non-executive directors,</b> the independent non-executive directors have the right to propose to the board of directors to convene an extraordinary general meeting. ...

No.	Before Amendment	After Amendment
4.	<p>Article 10 The Supervisory Committee has the right to propose to the board of directors to convene an extraordinary general meeting, and the proposal to the board of directors shall be in writing. ...</p> <p>When the board of directors agrees to convene an extraordinary general meeting, it shall serve a notice of such meeting within 5 days after the resolution is made by the Board. Changes in the original proposal in the notice shall be subject to the approval of the Supervisory Committee.</p> <p>When the board of directors does not agree to convene an extraordinary general meeting or does not provide feedback within 10 days upon receipt of the written proposal, the board of directors shall be considered to be unable or fail to perform the duty of convening an extraordinary general meeting. The Supervisory Committee can convene and preside over the meeting on its own.</p>	<p>Article 11 When the <b>audit committee</b> proposes to the board of directors to convene an extraordinary general meeting, the proposal to the board of directors shall be in writing. ...</p> <p>When the board of directors agrees to convene an extraordinary general meeting, it shall serve a notice of such meeting within 5 days after the resolution is made by the Board. Changes in the original proposal in the notice shall be subject to the approval of the <b>audit committee</b>.</p> <p>When the board of directors does not agree to convene an extraordinary general meeting or does not provide feedback within 10 days upon receipt of the written proposal, the board of directors shall be considered to be unable or fail to perform the duty of convening an extraordinary general meeting. The <b>audit committee</b> can convene and preside over the meeting on its own.</p>

No.	Before Amendment	After Amendment
5.	<p>Article 11 ... When the board of directors does not agree to convene an extraordinary general meeting or does not provide feedback within 10 days upon receipt of the request, shareholders who individually or collectively hold 10% or more (including 10%) of the shares with voting rights at the proposed meeting have the right to propose to the Supervisory Committee to convene an extraordinary general meeting, and shall submit a request to the Supervisory Committee in writing.</p> <p>When the Supervisory Committee agrees to convene an extraordinary general meeting, it shall serve a notice of such meeting within 5 days after the receipt of such request. Changes in the original request in the notice shall be subject to the approval of the shareholders.</p> <p>When the Supervisory Committee fails to serve a notice of the shareholders' meeting within the prescribed time limit, it shall be deemed that the Supervisory Board does not convene and preside over the shareholders' meeting. Shareholders who individually or collectively hold 10% or more (including 10%) of the Company's issued voting shares for more than 90 consecutive days may convene and preside over the meeting on their own.</p>	<p>Article 12 ... When the board of directors does not agree to convene an extraordinary general meeting or does not provide feedback within 10 days upon receipt of the request, shareholders who individually or collectively hold 10% or more (including 10%) of the shares with voting rights at the proposed meeting have the right to propose to the <b>audit committee</b> to convene an extraordinary general meeting, and shall submit a request to the <b>audit committee</b> in writing.</p> <p>When the <b>audit committee</b> agrees to convene an extraordinary general meeting, it shall serve a notice of such meeting within 5 days after the receipt of such request. Changes in the original request in the notice shall be subject to the approval of the shareholders.</p> <p>When the <b>audit committee</b> fails to serve a notice of the shareholders' meeting within the prescribed time limit, it shall be deemed that the <b>audit committee</b> does not convene and preside over the shareholders' meeting. Shareholders who individually or collectively hold 10% or more (including 10%) of the Company's issued voting shares for more than 90 consecutive days may convene and preside over the meeting on their own.</p>

No.	Before Amendment	After Amendment
6.	<p>Article 12 When the Supervisory Committee or the shareholders decide to convene the general meeting, they must notify the board of directors in writing and at the same time submit the relevant documentation to the stock exchange.</p> <p>Before the resolution of the shareholders' meeting is made, the shareholding ratio of the convening shareholders shall not be less than ten percent.</p> <p>The Supervisory Committee and the convening shareholders shall submit relevant supporting documents to the stock exchange when serving the notice of the shareholders' meeting and publishing the announcement regarding the shareholders' meeting resolutions.</p>	<p>Article 13 When the <b>audit committee</b> or the shareholders decide to convene the general meeting, they must notify the board of directors in writing and at the same time submit the relevant documentation to the stock exchange.</p> <p>The <b>audit committee</b> and the convening shareholders shall submit relevant supporting documents to the stock exchange when serving the notice of the shareholders' meeting and publishing the announcement regarding the shareholders' meeting resolutions.</p> <p><b>Before the publication of the shareholders' meeting resolution, the shareholding ratio of the convening shareholders shall not be less than ten percent.</b></p>
7.	<p>Article 13 The board of directors and the secretary to the board of directors shall align with the general meeting convened by the Supervisory Committee or the shareholders on their own. ...</p>	<p>Article 14 The board of directors and the secretary to the board of directors shall align with the general meeting convened by the <b>audit committee</b> or the shareholders on their own. ...</p>
8.	<p>Article 14 If the Supervisory Committee or shareholders convene the general meeting on their own, the Company shall bear the reasonable expenses incurred thereby.</p>	<p>Article 15 If the <b>audit committee</b> or shareholders convene the general meeting on their own, the Company shall bear the reasonable expenses incurred thereby.</p>

No.	Before Amendment	After Amendment
9.	Newly added	<b>Article 16</b> The contents of the proposals submitted to the shareholders' meeting shall fall within the scope of the shareholders' meeting's powers, have clear agenda and specific resolutions, and comply with the relevant provisions of laws, administrative regulations and these articles of association.
10.	<p>Article 15 When the Company convenes the general meeting, the board of directors, the Supervisory Committee and shareholders holding more than 3% of the shares of the Company individually or jointly are entitled to submit proposals to the Company.</p> <p>The shareholders individually or jointly holding more than 3% of the shares of the Company may raise provisional proposals and submit them to the convener in writing 10 days before the general meeting is held. The convener shall, within 2 days after the receipt of the proposals, issue a supplementary notice of the general meeting and announce the contents of the provisional proposals.</p> <p>...</p>	<p><b>Article 17</b> The shareholders individually or jointly holding more than 1% of the shares of the Company may raise provisional proposals and submit them to the convener in writing 10 days before the general meeting is held. The convener shall, within 2 days after the receipt of the proposals, issue a supplementary notice of the general meeting and announce the contents of the provisional proposals, and submit the temporary proposals to the shareholders' meeting for deliberation. However, this article does not apply if the provisional proposal violates the provisions of laws, administrative regulations or the company's articles of association, or is not within the scope of the shareholders' meeting's powers. The Company shall not increase the shareholding ratio of shareholders who can submit provisional proposals.</p> <p>...</p>

No.	Before Amendment	After Amendment
11.	<p>Article 17 The notice of the general meeting shall include the following:</p> <p>(I) the date, place and duration of the meeting;</p> <p>(II) matters and proposals to be submitted to the meeting for consideration;</p> <p>(III) contain an explicit statement that all shareholders are entitled to participate in the general meeting and they may appoint in writing one or more proxies to attend and vote at such meeting on their behalf and such proxy or proxies need not be shareholder(s) of the Company;</p> <p>(IV) the date of record for the shareholders who are entitled to attend the general meeting;</p> <p>(V) contain the name and telephone number of the regular contact person for the meeting;</p> <p>(VI) time and procedure for voting online or through other means.</p> <p>The notice and the supplementary notice of the general meeting shall adequately and completely disclose the specific contents of all proposals, and all the materials or explanations necessary for the shareholders to make reasonable judgments on the matters to be discussed. If the matters to be discussed require opinions from independent non-executive directors, the opinions and reasons of independent non-executive directors will be disclosed at the time when the notice of the general meeting or the supplementary notice is issued.</p> <p>The interval between the date of record and the date of the meeting shall be no more than 7 business days. Once the date of record is confirmed, it shall not be changed.</p>	<p>Article 19 <b>The notice and the supplementary notice of the general meeting shall adequately and completely disclose the specific contents of all proposals, and all the materials or explanations necessary for the shareholders to make reasonable judgments on the matters to be discussed.</b></p> <p><b>The notice of the shareholders' meeting shall state the time and place of the meeting and determine the date of record. The interval between the date of record and the date of the meeting shall be no more than 7 business days. Once the date of record is confirmed, it shall not be changed.</b></p>

<b>No.</b>	<b>Before Amendment</b>	<b>After Amendment</b>
12.	Article 18 When proposing proposals involving major investments, major property disposals, mergers and acquisitions, etc., the basic circumstances of the matter should be explained, such as the amount involved, price (or valuation method), book value of assets, impact on the Company, approval status, whether related transactions are involved, etc. If an asset appraisal, audit or independent financial advisor report is required, the proposer shall also disclose the asset appraisal, audit results or independent financial advisor report to the shareholders at the same time.	Deleted
13.	Article 19 If a proposal is made to increase the investment amount or change the use of the raised funds, the reasons for increasing the raised funds, an overview of the new project and its impact on the Company's future should be stated in the notice of convening the general meeting of shareholders.	Deleted

No.	Before Amendment	After Amendment
14.	<p>Article 20 After the board of directors reviews and approves the Company's annual report, it shall make a resolution on the profit distribution plan and submit it as a proposal to the annual general meeting of shareholders.</p> <p>When the board of directors proposes a plan to convert capital reserves into share capital, it must explain the reasons for the increase in detail and disclose it to the Company's shareholders.</p> <p>When announcing a share distribution or capital reserve conversion plan, the board of directors should disclose to the Company's shareholders the earnings per share and net assets per share before and after the distribution or conversion, as well as the impact on the Company's future development.</p>	Deleted
15.	<p>Article 21 When a proposal is made to dismiss or not to renew the contract with an accounting firm, the accounting firm should be notified 30 days in advance and the reasons thereof should be explained to the shareholders' meeting. The accounting firm has the right to express its opinions to the general meeting of shareholders.</p> <p>If the accounting firm proposes to resign, the board of directors should explain the reason at the next shareholders' meeting.</p>	Deleted

No.	Before Amendment	After Amendment
16.	<p>Article 22 The list of candidates for directors and shareholder supervisors shall be submitted to the shareholders' meeting for resolution in the form of a proposal. The nomination method and procedure are as follows:</p> <p>The Company's board of directors or shareholders who individually or jointly hold more than 3% of the Company's shares may propose director candidates. After the board of directors reviews their qualifications, the board of directors shall submit the proposal to the shareholders' meeting for voting.</p> <p>The Company's board of directors, the Supervisory Committee, and shareholders who individually or jointly hold more than 1% of the Company's shares may propose candidates for independent non-executive directors. After the board of directors reviews their qualifications, the board of directors shall submit the proposal to the shareholders' meeting for voting.</p> <p>The Company's Supervisory Committee or shareholders who individually or jointly hold more than 3% of the Company's shares may propose candidates for shareholder representative supervisors. After the Supervisory Committee reviews their qualifications, the Supervisory Committee shall submit the proposal to the shareholders' meeting for voting.</p> <p>Employee supervisors are democratically elected by the Company's employees through the employee (representative) conference.</p>	Deleted

<b>No.</b>	<b>Before Amendment</b>	<b>After Amendment</b>
17.	Article 24 When the Company elects an independent non-executive director, the nominator of the independent non-executive director shall obtain the consent of the nominee before nomination. The nominator should have a full understanding of the nominee's occupation, academic qualifications, professional titles, detailed work experience, all part-time jobs, whether there is any major breach of trust or other negative records, and express his or her opinion on whether the nominee meets the independence and other requirements for serving as an independent non-executive director. The nominee should make a public statement that he or she meets the independence and other requirements for serving as an independent non-executive director.	Deleted

No.	Before Amendment	After Amendment
18.	<p>Article 26 The venue of the Company’s general meeting of shareholders shall be subject to the notice of each general meeting of shareholders</p> <p>A meeting venue shall be established for the general meeting, and meetings will take the form of a physical meeting. According to the laws, administrative regulations, China Securities Regulatory Commission or the Company’s articles of association, the Company shall use safe, economical and convenient Internet and other means to facilitate shareholders to attend the general meeting of shareholders. The shareholders shall be deemed as present when participating in the general meeting via the above-mentioned methods.</p> <p>The Company shall clearly state the voting time and voting procedures of the Internet or other means in the notice of the general meeting of shareholders. The start time of voting for the shareholders’ meeting via the Internet or other means shall not be earlier than 3:00 p.m. on the day before the physical shareholders’ meeting and shall not be later than 9:30 a.m. on the day of the physical shareholders’ meeting. The end time shall not be earlier than 3:00 p.m. on the day the physical shareholders’ meeting ends.</p>	<p>Article 22 <b>The Company shall hold its shareholders’ meeting at the Company’s domicile or at the place specified in its articles of association.</b></p> <p><b>A meeting venue shall be established for the general meeting, and meetings will take the form of a physical meeting. According to the laws, administrative regulations, China Securities Regulatory Commission or the Company’s articles of association, the Company shall use safe, economical and convenient Internet and other means to facilitate shareholders.</b></p> <p><b>Shareholders may attend shareholders’ meetings in person or authorize others to attend on their behalf and exercise their voting rights within the scope of authorization.</b></p>

No.	Before Amendment	After Amendment
19.	<p>Article 28 Shareholders of the Company or their proxies shall be entitled to attend the general meetings and exercise their voting rights in accordance with relevant laws, administrative regulations, departmental rules and the Articles of Association.</p> <p>Shareholders may attend the general meeting in person, and also may appoint a proxy to attend and vote on his/her behalf.</p>	<p>Article 25 <b>All shareholders of the Company recorded in the register as at the shareholding record date or their proxies shall have the right to attend the general meeting, which shall not be rejected by the Company and the convenor for any reason. Shareholders attending a general meeting shall have one vote for each share held, except for class shareholders. Shares of the Company held by the Company shall have no voting rights.</b></p> <p><b>Matters that may affect the rights of shareholders of the class shares as provided for in paragraph 3 of Article 116 of the Company Law and by the CSRC shall, in addition to a special resolution at a general meeting, be approved by more than two-thirds of the votes held by shareholders present at the meeting of shareholders of the class shares.</b></p> <p><b>The matters to be resolved by the shareholders of the class shares and the number of voting rights shall be in compliance with the provisions of the laws, administrative regulations, the CSRC and the Articles of Association.</b></p>

No.	Before Amendment	After Amendment
20.	<p>Article 29 An individual shareholder who attends the meeting in person shall present his/her own ID card or other valid documents or proof evidencing his/her identity. If a proxy is appointed to attend the meeting on his or her behalf, such proxy shall produce his/her own valid proof of identity and the power of attorney from the shareholder.</p> <p>Corporate shareholders shall attend the meeting by legal representatives or proxies appointed by legal representatives. When the legal representative attends the meeting, he/she shall present his/her ID card, the valid evidence that proves his/her qualification as the legal representative; a proxy attending the meeting on behalf of the legal representative shall present his/her identity card and the written power of attorney lawfully issued by the legal representative of the corporate shareholder.</p>	<p><b>Article 26 Shareholders shall attend the general meeting with their own ID cards or other valid documents or proof evidencing their identity. A proxy shall also produce the power of attorney from the shareholder and his/her own valid proof of identity.</b></p>

No.	Before Amendment	After Amendment
21.	<p>Article 30 The power of attorney issued by a shareholder to appoint a proxy to attend the general meeting shall contain the following information:</p> <p>(I) the name of the proxy;</p> <p>(II) whether or not the proxy has the voting right;</p> <p>(III) separate instructions as to whether to cast affirmative, negative or abstention votes on each and every matter under consideration listed on the agenda of the general meeting;</p> <p>(IV) the date of issue and validity period of the power of attorney;</p> <p>(V) signature by the principal or the agent he/she entrusts in writing. If the principal is a legal person, the corporate seal shall be affixed or signed by its director or duly appointed agent.</p> <p>The power of attorney shall specify whether the proxy may vote as he/she thinks fit in the absence of specific instructions from the shareholder.</p>	<p>Article 27 The power of attorney issued by a shareholder to appoint a proxy to attend the general meeting shall contain the following information:</p> <p><b>(I) the name of the principal, the class and number of shares held in the Company;</b></p> <p><b>(II) the name of the proxy;</b></p> <p><b>(III) specific instructions from shareholders, including whether to cast affirmative, negative or abstention votes on each and every matter under consideration listed on the agenda of the general meeting, etc.;</b></p> <p><b>(IV) the date of issue and validity period of the power of attorney;</b></p> <p><b>(V) signature (or seal) by the principal. If the principal is a corporate shareholder, the corporate entity seal shall be affixed or signed by its director or duly appointed agent.</b></p>

No.	Before Amendment	After Amendment
22.	Article 31 If the power of attorney for proxy voting is signed by the authorized person of the principal, ... <del>If the principal is a legal person, its legal representative or the person authorized by the board of directors or other decision-making authorities shall attend the general meeting of the Company on its behalf.</del>	Article 29 If the power of attorney for proxy voting is signed by the authorized person of the principal,...
23.	Article 35.....At the general meeting convened by the Supervisory Committee, the chairman of the Supervisory Committee shall preside over the meeting. When the chairman of the Supervisory Committee is unable or fails to perform his/her duty, a supervisor jointly elected by more than half of the supervisors shall preside over the meeting. ...	Article 32 ... At the general meeting convened by the <b>Audit Committee</b> , the <b>convenor of the Audit Committee</b> shall preside over the meeting. If the <b>convenor of the Audit Committee</b> is unable or fails to perform his/her duty, <b>a member of the Audit Committee</b> jointly elected by more than half of the <b>members of the Audit Committee</b> shall preside over the meeting. ...

No.	Before Amendment	After Amendment
24.	<p>Article 36 At the annual general meeting, the board of directors and the Supervisory Committee shall report on their works in the past year to the general meeting.</p> <p>Each independent non-executive director shall submit a report on performance of duty to the annual general meeting of the Company, which shall include the following contents:</p> <p>(I) the number of times attended and votes cast at the board of director and general meetings in the previous year;</p> <p>(II) the expression of independent opinions;</p> <p>(III) other work in performing the duties of an independent non-executive director, such as proposing the convening of a board of directors meeting, proposing the appointment or dismissal of an accounting firm, and independently engaging an external audit and consulting organizations.</p>	<p>Article 33 At the annual general meeting, the board of directors shall report on their works in the past year to the general meeting.</p> <p>Each independent non-executive director shall submit a report on performance of duty to the annual general meeting of the Company, which shall include the following contents:</p> <p><b>(I) the number of times and manner of attending and voting at the board of directors meetings, and the number of times attending the general meetings;</b></p> <p><b>(II) participation in the special committees of the board of directors and special meetings of independent non-executive directors;</b></p> <p><b>(III) considerations on matters within the terms of reference of the independent non-executive directors and the exercise of special powers of the independent non-executive directors;</b></p> <p><b>(IV) the significant matters, methods and results of communication with the internal audit organization and the accounting firm undertaking the Company's audit business with respect to the Company's financial and business conditions;</b></p> <p><b>(V) communication with minority shareholders;</b></p> <p><b>(VI) the time and content of on-site work at the listed company;</b></p> <p><b>(VII) other circumstances of fulfillment of duties.</b></p> <p><b>The annual report on performance of duty of the independent non-executive directors shall be disclosed no later than the listed company's issuance of the notice of the annual general meeting.</b></p>

No.	Before Amendment	After Amendment
25.	Article 45 The convener shall ensure that the general meeting is held continuously until the final resolution is made. If the general meeting is suspended or the resolution cannot be made due to force majeure or other special causes, necessary measures shall be taken to resume the general meeting as soon as possible or directly terminate the general meeting, and an announcement shall be made promptly. Meanwhile, the convener shall report to the local office of the CSRC in the locality of the Company as well as the stock exchange.	Deleted
26.	Article 47 The following matters shall be passed by way of an ordinary resolution of the general meeting:  ... <del>(IV) the Company's annual financial budget plans, final accounting plans, balance sheet, income statement and other financial statements;</del>  ...	Article 43 The following matters shall be passed by way of an ordinary resolution of the general meeting:  ...
27.	Article 49 Shareholders (including proxies) shall exercise their voting rights by the number of voting shares they represent, and each share shall carry one voting right. ...	Article 45 <b>Shareholders shall exercise their voting rights by the number of voting shares they represent, and each share shall carry one voting right, except for class shareholders.</b> ...

No.	Before Amendment	After Amendment
28.	<p>Article 52 The list of candidates for directors and supervisors shall be submitted by way of proposal for voting at the general meeting. The board of directors shall announce to the shareholders the biographies and basic information of the directors and supervisors to be elected.</p> <p>...</p>	<p>Article 47 The list of candidates for directors <b>(except for employee directors)</b> shall be submitted by way of proposal for voting at the general meeting. The board of directors shall announce to the shareholders the biographies and basic information of the directors to be elected.</p> <p>...</p>
29.	<p>Article 53 Means and procedures for nomination of directors and supervisors:</p> <p>(I) candidates for independent non-executive directors shall be nominated by the board of directors, Supervisory Committee or shareholders individually or jointly holding more than 1% of shares issued by the Company. Candidates for other directors shall be nominated by the board of directors or the shareholders individually or jointly holding more than 3% of shares of the Company; the candidates for the post of Shareholder Representative Supervisor shall be nominated by the Supervisory Committee or the shareholders individually or jointly holding 3% or more of the shares of the Company carrying voting rights.</p> <p>(II) the staff representatives of the Supervisory Committee are elected by the staff of the Company at the staff representative meeting, staff meeting, or by other democratic means.</p>	<p>Article 48 Means and procedures for nomination of directors:</p> <p>(I) candidates for independent non-executive directors shall be nominated by the board of directors, <b>Audit Committee</b> or shareholders individually or jointly holding more than 1% of shares issued by the Company. Candidates for other directors <b>(except for employee directors)</b> shall be nominated by the board of directors or the shareholders individually or jointly holding more than 3% of shares of the Company;</p> <p><b>(II) the employee directors are elected by the staff of the Company at the staff representative meeting, staff meeting, or by other democratic means.</b></p>

No.	Before Amendment	After Amendment
30.	Article 64 After all the proposals at the general meeting have been considered and resolved, ... the voting results on each proposal and the details of each of the resolutions passed. ...	Article 59 After all the proposals at the general meeting have been considered and resolved, ... the voting results on each proposal and the details of each of the resolutions passed. ... <b>The Company shall compile statistics and make public announcements on the attendance and voting of domestic shareholders and holders of foreign shares, holders of ordinary shares (including holders of preferred shares whose voting rights have been restored) and class shareholders, respectively.</b> ...
31.	Newly added	<b>Article 63 The convenor shall ensure that the general meeting is held on an ongoing basis until a final resolution is reached. In the event that a general meeting is suspended or a resolution cannot be reached due to special reasons such as force majeure, the convenor shall take necessary measures to resume the general meeting as soon as possible or directly terminate the general meeting and make a timely announcement. At the same time, the convenor shall report to the local office of the CSRC in the locality of the Company as well as the stock exchange.</b>

<b>No.</b>	<b>Before Amendment</b>	<b>After Amendment</b>
32.	Newly added	<b>Article 64</b> If the general meeting approves the proposal for the election of directors, the new directors shall take office in accordance with the provisions of the Articles of Association.
33.	Newly added	<b>Article 65</b> In the event that the Company repurchases ordinary shares for the purpose of reducing registered capital and issues preferred shares to unspecified parties, and repurchases ordinary shares from specific shareholders of the Company by issuing preferred shares to specific parties as a means of payment, the resolution on the repurchase of ordinary shares at a general meeting shall be approved by more than two-thirds of the votes held by shareholders present at the meeting.  The Company shall announce the resolution on the repurchase of ordinary shares on the day following the day on which the resolution on the repurchase of ordinary shares is made at the general meeting.

No.	Before Amendment	After Amendment
34.	<p data-bbox="325 293 472 321">Article 68 ...</p> <p data-bbox="325 368 847 683">If the procedures for convening, or the method of voting at, a general meeting violate the laws, administrative regulations or the Articles of Association, or the contents of a resolution violate the Articles of Association, shareholders shall have the rights to submit a petition to the People's Court to revoke such resolution within 60 days from the date on which such resolution is adopted.</p>	<p data-bbox="873 293 1019 321">Article 66 ...</p> <p data-bbox="873 368 1394 832">If the procedures for convening, or the method of voting at, a general meeting violate the laws, administrative regulations or the Articles of Association, or the contents of a resolution violate the Articles of Association, shareholders shall have the rights to submit a petition to the People's Court to revoke such resolution within 60 days from the date on which such resolution is adopted; <b>provided that there are only minor defects in the procedures for convening the meeting or the manner of voting at the general meeting, which do not materially affect the resolution.</b></p> <p data-bbox="873 874 1394 1449"><b>In the event that the board of directors, shareholders and other relevant parties have disputes over the qualifications of the convenor, the convening procedures, the legality of the contents of the proposal and the validity of the resolution of the general meeting, they shall promptly file a lawsuit with the People's Court. Prior to a judgment or ruling by the People's Court, such as revocation of the resolution, the relevant parties shall execute the resolution of the general meeting. The Company, directors and senior management shall fulfill their duties and execute the resolutions of the general meeting in a timely manner to ensure the normal operation of the Company.</b></p> <p data-bbox="873 1491 1394 1953"><b>If the People's Court makes a judgment or ruling on the relevant matters, the Company shall fulfill its obligation to disclose information in accordance with the laws, administrative regulations, the requirements of the CSRC and the stock exchange, fully explain the impact, and actively cooperate with the enforcement of the judgment or ruling after it has come into effect. Where corrections to previous matters are involved, the Company shall handle them in a timely manner and fulfill its information disclosure obligations accordingly.</b></p>

No.	Before Amendment	After Amendment
35.	Article 70 The board of directors shall be responsible for the implementation of the resolutions of the general meeting, and the General Manager of the Company shall organize the relevant personnel to implement the resolutions in accordance with the contents of the resolutions. <del>Matters required to be handled by the Supervisory Committee by resolution of the general meeting shall be directly implemented by the Supervisory Committee. The board of directors and the Supervisory Committee shall report to the next general meeting on the implementation of the resolutions.</del>	Article 68 The board of directors shall be responsible for the implementation of the resolutions of the general meeting, and the General Manager of the Company shall organize the relevant personnel to implement the resolutions in accordance with the contents of the resolutions.

Set out below are the details of the proposed amendments to rules of procedures of Board meetings.

### RULES OF PROCEDURES OF BOARD MEETINGS

No.	Before Amendment	After Amendment
1.	<p>Article 3 The board of directors is composed of 9 Directors, including 4 independent non-executive Directors. The independent non-executive Directors are required to demonstrate an acceptable standard of competence and adequate commercial or professional expertise to ensure that the interests of the general body of shareholders will be adequately represented. Independent non-executive Directors shall account for at least one third of the number of members of the board of directors, and be no less than three. At least one of the independent non-executive Directors shall have suitable professional qualification or have suitable accounting or relevant financial management expertise, and there shall be at least one independent non-executive Director who generally resides in Hong Kong.</p> <p>The board of directors shall have one chairman.</p>	<p>Article 3 <b>The board of directors is composed of 8 Directors, including 3 independent non-executive Directors. The independent non-executive Directors are required to demonstrate an acceptable standard of competence and adequate commercial or professional expertise to ensure that the interests of the general body of shareholders will be adequately represented. At least one of the independent non-executive Directors shall have suitable professional qualification or have suitable accounting or relevant financial management expertise, and there shall be at least one independent non-executive Director who generally resides in Hong Kong.</b></p> <p>The board of directors shall have one chairman.</p>
2.	<p>Article 4 The board of directors shall perform the following duties and powers:</p> <p>...</p> <p><del>(IV) to formulate the annual financial budget plans and final accounting plans of the Company;</del></p> <p>...</p>	Delete paragraph (4)

No.	Before Amendment	After Amendment
3.	Newly added	<p><b>Article 21 Shareholders representing 1/10 or more of the voting rights, Directors (including independent non-executive Directors) of the Company and members of the audit committee may submit proposals to the board of directors. Proposals to the board of directors shall meet the following requirements:</b></p> <p><b>(I) the contents shall not be in breach of the provisions of laws, regulations and the Articles of Association of the Company, and they shall be within the scope of the business activities of the Company and the scope of authority of the board of directors;</b></p> <p><b>(II) the proposals shall contain a clear subject for discussion and specific matters;</b></p> <p><b>(III) the proposals must be made in writing.</b></p>
4.	<p>Article 21 Under one of the following circumstances, the board of directors shall convene an extraordinary board meeting:</p> <p>...</p> <p>(III) proposed by the Supervisory Committee;</p> <p>...</p>	<p>Article 22 Under one of the following circumstances, the board of directors shall convene an extraordinary board meeting:</p> <p>...</p> <p><b>(III) proposed by the audit committee;</b></p> <p>...</p>

<b>No.</b>	<b>Before Amendment</b>	<b>After Amendment</b>
5.	<p data-bbox="279 300 671 327">Article 27 Convening of Meetings</p> <p data-bbox="279 374 309 395">...</p> <p data-bbox="279 449 823 740"><del>Supervisors may attend Board meetings without voting rights</del>; the general manager and the secretary of the Board who do not serve concurrently as director shall attend Board meetings without voting rights. The chairman of the meeting may, where he/she deems necessary, may notify other relevant persons to attend Board meetings without voting rights.</p>	<p data-bbox="847 300 1240 327">Article 28 Convening of Meetings</p> <p data-bbox="847 374 877 395">...</p> <p data-bbox="847 449 1391 704">The general manager and the secretary of the Board who do not serve concurrently as director shall attend Board meetings without voting rights. The chairman of the meeting may, where he/she deems necessary, may notify other relevant persons to attend Board meetings without voting rights.</p>

No.	Before Amendment	After Amendment
6.	<p>Article 28 Attending in Person or by Proxy</p> <p>...</p> <p>The power of attorney shall contain:</p> <p>...</p> <p>(IV) the validity period of the power of attorney;</p> <p>(V) signature by the principal, and date, etc..</p> <p>...</p> <p><del>If a Director attends less than two-thirds of the Board meetings in person within one year, the Supervisory Committee of the listed company shall review his/her performance of duties and make a resolution and announcement on whether he/she has exercised due diligence.</del></p> <p><del>If a Director attends less than one half of the Board meetings in person within one year, without the special reasons such as disease, overseas work or study, etc., the Shanghai Stock Exchange will publicly determine that he/she is not suitable to serve as a Director of the listed company.</del></p> <p>...</p>	<p>Article 29 Attending in Person or by Proxy</p> <p>...</p> <p>The power of attorney shall contain:</p> <p>...</p> <p>(IV) signature by the principal, and date, etc.</p> <p>...</p>

No.	Before Amendment	After Amendment
7.	<p>Article 29 Limitations on Authorizing Others to Attend</p> <p>When a Director authorizes other Director or is authorized to attend the Board meeting, the following principles shall be followed:</p> <p>...</p> <p>(IV) One Director shall not accept the authorizations of more than two Directors or authorize the Director who has been authorized by other two Directors to attend the meeting.</p>	<p>Article 30 Limitations on Authorizing Others to Attend</p> <p>When a Director authorizes other Director or is authorized to attend the Board meeting, the following principles shall be followed:</p> <p>...</p> <p><b>(IV) One Director shall not accept the authorizations of more than two Directors at one Board meeting or authorize the Director who has been authorized by other two Directors to attend the meeting.</b></p> <p><b>(V) The responsibility of the Director for voting matters remains even when another Director represents him/her.</b></p>

No.	Before Amendment	After Amendment
8.	<p>Article 31 Deliberation Procedures of the Meeting</p> <p>The chairman of the meeting shall seek clear opinions on each proposal from the participating Directors on the Board meeting.</p> <p>The following matters shall be submitted to the Board for approval with the agree of a majority of all independent non-executive Directors.</p> <p>...</p> <p>(IV) other matters as prescribed by laws, administrative regulations and provision of the CSRC and the Articles of Association of the Company.</p> <p>When any Director hinders the normal proceeding of the meeting or affects other Directors to speak, the chairman of the meeting 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 the trustors.</p>	<p>Article 32 Deliberation Procedures of the Meeting</p> <p><b>The following matters shall be submitted to the Board for approval with the agree of a majority of all independent non-executive Directors.</b></p> <p>...</p> <p><b>(IV) other matters as prescribed by laws, administrative regulations and provision of the CSRC, the Shanghai Stock Exchange, SFC, the Stock Exchange of Hong Kong Limited and the Articles of Association of the Company.</b></p>

No.	Before Amendment	After Amendment
9.	<p>Article 33 Voting on Meetings</p> <p>...</p> <p>“One person, one vote” is performed for the vote on resolutions of the board of directors. Voting shall be conducted by open ballot or a show of hands. The extraordinary meeting of the Board may be convened and voted by means of communication, with signature of the participating Directors, provided that all Directors can fully express their opinions.</p> <p>...</p>	<p>Article 34 Voting on Meetings</p> <p>...</p> <p><b>“One person, one vote” is performed for the vote on resolutions of the board of directors. Voting shall be conducted by open ballot, a show of hands (including email), fax, communication (including telephone, voice, video, etc.), electronic communication voting or other forms specified in these Articles of Association. The extraordinary meeting of the Board may be convened and voted by means of communication, with signature of the participating Directors, provided that all Directors can fully express their opinions.</b></p> <p>...</p>

No.	Before Amendment	After Amendment
10.	<p>Article 35 Formation of Resolutions</p> <p>....</p> <p>The following matters shall be approved by ordinary resolution of the board of directors:</p> <p>(I) to convene general meetings and report to general meetings;</p> <p>(II) to implement the resolutions of the general meeting;</p> <p>(III) to determine business operation plans and investment plans of the Company;</p> <p><del>(IV) to formulate the annual financial budget plans and final accounting plans of the Company;</del></p> <p>(V) to formulate the profit distribution plans and loss recovery plans of the Company;</p> <p>...</p> <p>The following matters shall be approved by special resolution of the board of directors:</p> <p>...</p> <p>(III) to formulate the amendment to the Articles of Association of the Company.</p> <p>The resolution on external guarantee matters made by the board of directors, in addition to being required to be passed by exceeding half of all Directors, requires also the approval of more than two-thirds of Directors present at the Board meetings.</p>	<p>Article 36 Formation of Resolutions</p> <p>...</p> <p>The following matters shall be approved by ordinary resolution of the board of directors:</p> <p>(I) to convene general meetings and report to general meetings;</p> <p>(II) to implement the resolutions of the general meeting;</p> <p>(III) to determine business operation plans and investment plans of the Company;</p> <p>(IV) to formulate the profit distribution plans and loss recovery plans of the Company;</p> <p>...</p> <p>The following matters shall be approved by special resolution of the board of directors:</p> <p>...</p> <p><b>(III) to formulate the amendment to the Articles of Association of the Company.</b></p> <p><b>The resolution on external guarantee matters made by the board of directors requires the approval of more than two-thirds of Directors present at the Board meetings.</b></p>

No.	Before Amendment	After Amendment
11.	<p>Article 40 Suspension of Voting</p> <p>If more than half of the Directors attending the meeting deem the proposals unclear or unspecific, or that documents of the meeting are so inadequate that they are unable to make a judgement on the relevant matters, the presider shall ask the meeting to suspend the vote on such proposals.</p> <p>The Directors who suggest suspending the voting shall put forward specific requirements necessary for the resubmission of a proposal.</p>	<p>Article 41 Suspension of Voting</p> <p><b>If two or more independent non-executive Directors consider that the meeting materials are incomplete, insufficiently demonstrated or not provided in a timely manner, they may propose in writing to the Board to postpone the convening of the meeting or postpone the consideration of the matter, which shall be adopted by the Board. The Company shall disclose the relevant circumstances in a timely manner.</b></p>
12.	<p>Article 42 Resolutions of the Board meetings shall include the following:</p> <p>(I) The time and method of issuing the meeting notice;</p> <p>(II) The time, place and method of the meeting to be convened, and explanations on whether it is in compliance with the relevant laws, administrative regulations, departmental rules and provisions of the Articles of Association;</p> <p>(III) The number and names of Directors present by proxy and who are absent from the meetings, reasons thereof and names of Directors entrusted;</p> <p>(IV) The number of votes for and against each proposal and the number of abstentions, and the reasons for Directors' objections or abstentions;</p> <p>(V) If related-party transactions are involved, the names of Directors who should abstain from voting, the reasons thereof and the particulars of their abstention;</p> <p>(VI) Specific matters to be considered in the meetings and resolutions passed at the meetings.</p>	Deleted

No.	Before Amendment	After Amendment
13.	Article 44 At each Board meeting, directors have the right to question the relevant executors on the implementation of previous board resolutions.	Deleted
14.	<p>Article 46 Meeting Minutes</p> <p>...The meeting minutes shall include the following contents:</p> <p>(I) the session of the meeting, the date, time, location and manner of its convening;</p> <p>(II) the issuance of meeting notices;</p> <p>(III) the convener and host of the meeting;</p> <p>(IV) the attendance of directors in person and by proxy, the names of directors attending the meetings and the names of directors (proxies) attending the meetings on behalf of others;</p> <p>(V) meeting agenda;</p> <p>(VI) the proposals to be considered at the meeting, the key points and opinions of the speeches of each director on the relevant matters, and the voting intention on the proposals;</p> <p>(VII) the voting method and voting results for each proposal (specifying the specific number of votes in favor, against and abstentions);</p> <p>(VIII) other matters that the directors attending the meeting believe should be recorded.</p>	<p>Article 45 Meeting Minutes</p> <p>...The meeting minutes shall include the following contents:</p> <p><b>(I) the date, time, location and convener of the meeting convening;</b></p> <p><b>The names of directors attending the meetings and the names of directors (proxies) attending the meetings on behalf of others;</b></p> <p><b>(III) meeting agenda;</b></p> <p><b>(IV) key points of the speeches of directors;</b></p> <p><b>(V) the voting method and voting results for each proposal (specifying the specific number of votes in favor, against and abstentions);</b></p> <p><b>(VI) other matters that the directors attending the meeting believe should be recorded.</b></p>

No.	Before Amendment	After Amendment
15.	<p>Article 47 Meeting Summaries and Records of Resolutions</p> <p>In addition to the meeting minutes, the secretary to the board of directors may also arrange for the office staff of the board of directors to prepare a concise meeting summaries as needed, and prepare a separate record of the resolutions formed at the meeting based on the voting results counted. After the Board meeting, the first and final drafts of the meeting minutes should be sent to all directors within a reasonable period of time. The first draft is for directors to express their opinions, and the final draft is for their records.</p>	Deleted
16.	<p>Article 48 Signature of Directors</p> <p>The directors attending the meeting shall sign and confirm the meeting minutes and records of resolutions on their behalf and on behalf of the directors who have entrusted them to attend the meeting. If a director has different opinions on the meeting minutes and records of resolutions, he/she may make a written explanation when signing. If necessary, he/she <del>shall report to the regulatory authorities in a timely manner or</del> may also make a public statement.</p>	<p>Article 46 Signature of Directors</p> <p>The directors attending the meeting shall sign and confirm the meeting minutes and records of resolutions on their behalf and on behalf of the directors who have entrusted them to attend the meeting. If a director has different opinions on the meeting minutes and records of resolutions, he/she may make a written explanation when signing. If necessary, he/she may also make a public statement.</p>

No.	Before Amendment	After Amendment
17.	<p>Article 49 Decision-making procedures of the board of directors:</p> <p>...</p> <p><del>(H) Financial budget and final accounting work procedures: The board of directors entrusts the general manager to formulate the annual financial budget plans and final accounting plans, profit distribution plans and loss recovery plans of the Company, and submit them to the board of directors; the board of directors formulates the plan and submits it to the general meeting for consideration and approval, and the general manager organizes its implementation.</del></p> <p>(III) Personnel appointment and dismissal procedures: Based on the personnel appointment and dismissal nominations proposed by the board of directors and the general manager within their respective powers, the board of directors shall discuss and make a resolution, and the chairman shall issue the appointment and dismissal documents.</p> <p>...</p>	<p>Article 47 Decision-making procedures of the board of directors:</p> <p>...</p> <p>(II) Personnel appointment and dismissal procedures: Based on the personnel appointment and dismissal nominations proposed by the board of directors and the general manager within their respective powers, the board of directors shall discuss and make a resolution, and the chairman shall issue the appointment and dismissal documents.</p> <p>...</p>
18.	<p>Article 50 Implementation of Resolutions</p> <p>The chairman shall urge relevant personnel to implement the resolutions of the board of directors, check the implementation of the resolutions, and report on the implementation of the resolutions that have been made at subsequent Board meetings.</p>	Deleted

No.	Before Amendment	After Amendment
19.	<p data-bbox="277 293 788 325">Article 51 Preservation of Meeting Archives</p> <p data-bbox="277 370 823 704">The archives of Board meetings, including meeting notices and materials, sign-in book, power of attorney of directors who entrust others to attend on their behalf, audio-recorded materials, voting ballots, acknowledgement of notices confirmed by signatures of the directors attending the meetings, meeting minutes, meeting summaries, and records of resolutions, etc., shall be kept by the secretary to board of directors.</p> <p data-bbox="277 746 823 810">The meeting archives of the board of directors shall be kept for ten years.</p>	<p data-bbox="845 293 1356 325">Article 48 Preservation of Meeting Archives</p> <p data-bbox="845 370 1391 704">The archives of Board meetings, including meeting notices and materials, sign-in book, power of attorney of directors who entrust others to attend on their behalf, audio-recorded materials, voting ballots, <b>meeting minutes and records of resolutions confirmed by signatures of the directors attending the meetings, etc.,</b> shall be kept by the secretary to board of directors.</p> <p data-bbox="845 746 1391 810">The meeting archives of the board of directors shall be kept for ten years.</p>
20.	<p data-bbox="277 836 823 974">Article 52 In these rules, “above”, “below” and “within” include the number itself, while “exceed”, “less than” and “more than half” do not include the number itself.</p>	<p data-bbox="845 836 1391 974">Article 49 <b>In these rules, “above” includes the number itself, while “exceed”, “less than” and “more than half” do not include the number itself.</b></p>

Set out below are the details of the proposed amendments to the Code of Conduct for Controlling Shareholders and Actual Controllers (控股股東、實際控制人行為規範).

**CODE OF CONDUCT FOR CONTROLLING SHAREHOLDERS AND  
ACTUAL CONTROLLERS OF BEIJING SINOHYTEC CO., LTD.**

No.	Before Amendment	After Amendment
1.	Article 1 ... Implementation Rules for Shareholders of Listed Companies on the STAR Market of the Shanghai Stock Exchange to Reduce Shareholdings by way of Inquiry Transfer and Placement of Shares to Targeted Institutional Investors (《上海證券交易所科創板上市公司股東以向特定機構投資者詢價轉讓和配售方式減持股份實施細則》) and other relevant laws and regulations ...	Article 1 ... <b>The Self-Regulatory Guideline No. 4 – Inquiry Transfer and Placement of Listed Companies on the STAR Market of the Shanghai Stock Exchange</b> (《上海證券交易所科創板上市公司自律監管指引第4號-詢價轉讓和配售》) and other relevant laws and regulations ...
2.	Article 4 The controlling shareholders or actual controllers shall take practical measures to ensure the integrity of assets, personnel independence, financial independence, institutional independence and business independence of the listed company, and shall not affect the independence of the Company in any way.  <del>If the Company has no controlling shareholders or actual controllers, the Company's largest shareholder and its ultimate controller shall comply with the provisions of this article in the same manner as the controlling shareholders or actual controllers.</del>	Article 4 The controlling shareholders or actual controllers shall take practical measures to ensure the integrity of assets, personnel independence, financial independence, institutional independence and business independence of the listed company, and shall not affect the independence of the Company in any way.
3.	Article 6 The controlling shareholders, actual controllers and other enterprises controlled by them shall not, directly or indirectly, embezzle the funds and assets of the listed company by means of related transactions, asset restructuring, capital occupation, external investment, guarantees, profit distribution and others, prejudice the legitimate rights and interests of the listed company and other Shareholders, or seek business opportunities for the listed company.	Deleted

No.	Before Amendment	After Amendment
4.	Article 7 The controlling shareholders and actual controllers who are responsible for illegal acts of the listed company shall take the initiative to compensate small and medium-sized investors with the equity interest and other assets held by them in the Company in accordance with the law.	Deleted
5.	Article 8 The controlling shareholders or actual controllers shall clearly undertake that if the controlling shareholders, actual controllers and their related parties occupy the funds of the listed company or require the Company to provide guarantees in violation of laws and regulations, they shall not transfer the shares of the Company held or controlled by them before all the occupied funds are returned and all illegal guarantees are released in full, and authorize the Company's Board to handle procedures for lock-up of shares. The Board of the Company shall handle the lock-up procedures for the Company's shares held by the relevant parties within five trading days from the date of becoming aware of the fact that the controlling shareholders, actual controllers and their related parties occupy the Company's funds and the Company provides guarantees in violation of laws and regulations.	Deleted
6.	Article 9 The controlling shareholders or actual controllers shall pay attention to their own business and financial conditions and evaluate their performance capabilities. If they fail to or are likely to fail to perform their undertakings due to deterioration of their business and financial conditions, changes in the guarantor or performance collateral, etc., they shall promptly inform the Company and disclose the information, explaining the specific circumstances that affect the performance of undertakings meanwhile providing new performance guarantees.	Deleted

No.	Before Amendment	After Amendment
7.	<p>Article 12 The controlling shareholders, actual controllers and their related parties shall ensure the financial independence of the Company, shall not interfere with the Company's financial or accounting activities, nor affect the financial independence of the listed company by any of the following means:</p> <p>...</p> <p><del>If the controlling shareholders or actual controllers provide daily financial services to the Company through their subordinate financial company, it shall, in accordance with the relevant laws and regulations, urge the financial company and relevant parties to cooperate with the Company in fulfilling the decision-making procedures and information disclosure obligations for related transactions, supervise the financial company's standardized operation, ensure the safety of the Company's funds deposited in the financial company, and shall not use its dominant position to force the Company to accept the services of the financial company.</del></p>	<p>Article 8 The controlling shareholders, actual controllers and their related parties shall ensure the financial independence of the Company, shall not interfere with the Company's financial or accounting activities, nor affect the financial independence of the listed company by any of the following means:</p> <p>...</p>
8.	<p>Article 14 The controlling shareholders or actual controllers shall support and cooperate with the Company in establishing an independent production and operation model and shall not compete with the Company in terms of business scope, business nature, customer targets, product substitutability, etc. that may prejudice the interests of the Company, ...</p>	<p>Article 11 The controlling shareholders or actual controllers shall <b>maintain the independence of the Company's business</b>, support and cooperate with the Company in establishing an independent production and operation model and shall not compete with the Company in terms of business scope, business nature, customer targets, product substitutability, etc. that may prejudice the interests of the Company, ...</p>
9.	<p>Article 15 The controlling shareholders or actual controllers shall fully protect the rights of small and medium-sized Shareholders such as proposal rights, voting rights, and the rights to nominate directors, and shall not restrict or obstruct the exercise of their legal rights for any reason.</p>	Deleted

No.	Before Amendment	After Amendment
10.	Article 16 When controlling shareholders or actual controllers make a proposal, they should fully consider and understand the impact of the proposal on the interests of the Company and small and medium-sized Shareholders. The controlling shareholders or actual controllers shall cooperate with the Company to protect the proposal rights, voting rights and others of other Shareholders through online voting, cumulative voting, solicited voting and other systems, and shall not restrict or obstruct the exercise of the legitimate rights of other Shareholders for any reason or in any way.	Deleted
11.	Transactions between controlling shareholders, actual controllers and the listed company should follow the principles of equality, voluntariness, equivalence and compensation. They shall not influence the Company's independent decision-making in any way, nor prejudice the legitimate rights and interests of the Company and small and medium-sized Shareholders through fraud, false statements or other improper behaviors.	Deleted
12.	The controlling shareholders or actual controllers shall not use their controlling position over the listed company to seek business opportunities belonging to the Company.	Deleted

No.	Before Amendment	After Amendment
13.	<p>In case of any of the following circumstances, the controlling shareholders or actual controllers shall publish a warning announcement two trading days before the first sale when selling the shares of the listed company held by it through the securities trading system:</p> <p>(I) It is expected that the shares sold in the next six months may reach or exceed 5% of the total number of shares of the Company;</p> <p>(II) The controlling shareholders or actual controllers have been publicly reprimanded or critically punished twice or more by the exchange in the past twelve months;</p> <p>(III) The Company's stock is issued a delisting risk warning;</p> <p>(IV) Other circumstances recognized by the exchange.</p>	Deleted

No.	Before Amendment	After Amendment
14.	<p>Article 38 If the controlling shareholders or actual controllers of the listed company reduce their holdings of pre-IPO shares after the lock-up period expires, they shall clarify and disclose the arrangements of the Company's control to ensure the continued stable operation of the listed company.</p>	<p><b>Article 31 A major Shareholder of the Company shall not reduce its shareholding in the Company under any of the following circumstances:</b></p> <p><b>(I) Within six months after the Shareholders have been investigated by the CSRC or a judicial authority, or have been administratively punished or sentenced to a prison term, for suspected securities and futures violations related to the Company;</b></p> <p><b>(II) Within three months after the Shareholders have been publicly reprimanded by the stock exchange due to the violations of laws and regulations related to the Company;</b></p> <p><b>(III) The Shareholders have been administratively punished by the CSRC for securities and futures violations, and have not yet paid the full amount of the forfeited funds, except for laws, administrative regulations or reduce the capital used to pay the fine;</b></p> <p><b>(IV) Other circumstances prescribed by laws, regulations and business rules of the stock exchange.</b></p>

No.	Before Amendment	After Amendment
15.	<p>Article 39 Under any of the following circumstances, the controlling shareholders or actual controllers shall not reduce their shareholding:</p> <p>(I) The listed company or a controlling shareholder or actual controller is suspected of securities or futures violations or crimes and is under investigation by the CSRC or a judicial authority, or it has not been six months since an administrative penalty decision or criminal judgment is made.</p> <p>(II) The controlling shareholders or actual controllers have been publicly reprimanded by the stock exchange for violating the stock exchange rules for less than three months.</p> <p>(III) Where the Company has committed a major violation as provided for in Section 2 of Chapter 12 of the Listing Rules and has met the delisting criteria, the controlling shareholders or actual controllers shall not reduce their holdings of the Company's shares from the date on which the relevant administrative penalty decision or judicial judgment is made until the Company's shares are delisted.</p> <p>(IV) Other circumstances prescribed by the CSRC or the exchange.</p>	<p><b>Article 32 Where the Company is in any of the following circumstances, the controlling shareholders or actual controllers of the Company shall not reduce their shareholdings in the Company:</b></p> <p><b>(I) Within six months after the Company have been investigated by the CSRC or a judicial authority, or have been administratively punished or sentenced to a prison term, for suspected securities and futures violations;</b></p> <p><b>(II) Within three months after the Company has been publicly reprimanded by the stock exchange;</b></p> <p><b>(III) Where the Company may be subject to the circumstances of mandatory delisting due to material violations of law as stipulated in the business rules of the stock exchange, from the date of issuance of the relevant prior notification of administrative penalty or judicial adjudication until the occurrence of any of the following circumstances:</b></p> <p><b>1. Termination of listing and delisting of the Company's shares;</b></p> <p><b>2. The Company has received the corresponding administrative penalty decision from the relevant administrative authorities or the effective judicial adjudication of the People's Court, indicating that the listed company has not been subject to mandatory delisting for material breach of law;</b></p> <p><b>(IV) Other circumstances prescribed by laws, regulations and business rules of the stock exchange.</b></p>

No.	Before Amendment	After Amendment
16.	<p>Article 40 The controlling shareholders or actual controllers shall not increase their holdings of the Company's shares under the following circumstances:</p> <p>(I) Within 10 days before the Company's periodic report is disclosed; if the Company postpones the announcement date of the periodic report due to special reasons, during the period which is from 10 days before the original scheduled announcement date to the actual announcement date of the periodic report;</p> <p>(II) Within 10 days before the disclosure of the Company's preliminary results or forecast results;</p> <p>(III) Within two trading days from the time when they become aware of occurrence of an event that may have a significant impact on the Company's share trading price or which is under decision until the time when the event is disclosed in accordance with the law;</p> <p>(IV) The controlling shareholders or actual controllers undertake not to deal with the Company's shares within a certain period of time and within that period of time;</p> <p>(V) Circumstances specified in Article 44 and Article 63 of the Securities Law;</p> <p>(VI) Other circumstances stipulated or recognized by relevant laws and regulations.</p>	<p><b>Article 33 Where the Company is in any of the following circumstances, the controlling shareholders or actual controllers shall not reduce their shareholding through centralized bidding transactions or block transactions on the stock exchange, except where the reduction plan has been disclosed in accordance with regulations or the CSRC has otherwise provided:</b></p> <p><b>(I) No cash dividends were distributed in the three most recent accounting years for which the audited annual reports have been disclosed, or the cumulative amount of cash dividends distributed was less than 30% of the average annual net profit attributable to the Shareholders of the Company during the same period, provided that the accounting years in which the net profit was negative shall not be included in the calculation;</b></p> <p><b>(II) If the closing price of the shares on any day (compounded backward) during the most recent twenty trading days is lower than the net asset per share attributable to the Shareholders of the Company at the end of the most recent accounting year or the most recent financial reporting period.</b></p>

No.	Before Amendment	After Amendment
17.	Newly added	<p><b>Article 34</b> If the closing price of the shares on any day (compounded backward) during the most recent twenty trading days is lower than the issue price of the shares at the time of the initial public offering, the controlling shareholders, actual controllers and their persons acting in concert at the time of the Company's initial public offering shall not reduce their shareholdings through centralized bidding transactions or block trading on the stock exchange, unless they have disclosed the reduction plan in accordance with regulations or otherwise stipulated by the CSRC.</p>
18.	Newly added	<p><b>Article 35</b> If a shareholder is in any of the circumstances where he is not allowed to reduce his/her shareholdings as stipulated in the Interim Measures on the Management of Shareholding Reduction by Shareholders of Listed Companies and the Self-Regulatory Guidelines No. 15 for the Listed Companies on the Shanghai Stock Exchange – Shareholding Reduction by Shareholders, Directors and Senior Management (the “Shareholding Reduction Guidelines”), he/she shall not conduct any inquiry transfer.</p> <p>If the Company is in the circumstances specified in Article 7 of the Shareholding Reduction Guidelines, the controlling shareholders, actual controllers and their persons acting in concert shall not conduct any inquiry transfer; if the Company is in the circumstances specified in Article 8 of the Shareholding Reduction Guidelines, the controlling shareholders, actual controllers and their persons acting in concert at the time of the Company's initial public offering shall not conduct any inquiry transfer.</p>

Set out below are the details of the proposed amendments to the Special System for Preventing the Occupation of Company Funds by Controlling Shareholders and Affiliated Parties (防範控股股東及關聯方佔用公司資金專項制度).

**SPECIAL SYSTEM FOR PREVENTING THE OCCUPATION OF  
COMPANY FUNDS BY CONTROLLING SHAREHOLDERS AND  
AFFILIATED PARTIES OF BEIJING SINOHYTEC CO., LTD.**

No.	Before Amendment	After Amendment
1.	<p>Article 1</p> <p>...</p> <p>the Notice on Regulating Capital Transactions between Listed Company and Connected Parties and Certain Issues on External Guarantees of Listed Company (《關於規範上市公司與關聯方資金往來及上市公司對外擔保若干問題的通知》)</p> <p>...</p>	<p>Article 1</p> <p>...</p> <p><b>the Regulatory Guidelines for Listed Companies No. 8 – Regulatory Requirements for Capital Transactions and External Guarantees of Listed Companies (《上市公司監管指引第8號—上市公司資金往來、對外擔保的監管要求》)</b></p> <p>...</p>
2.	<p>Article 4</p> <p>The Company is not allowed to directly or indirectly provide funds to the controlling shareholders, actual controllers and connected persons in the following manners:</p> <p>...</p>	<p>Article 4</p> <p>The Company is not allowed to directly or indirectly provide funds to the controlling shareholders, actual controllers and <b>other</b> connected persons in the following manners:</p> <p>...</p>

No.	Before Amendment	After Amendment
3.	Where the Board neglects to perform such duties, <del>more than half of</del> the independent non-executive Directors, <del>the Supervisory Committee</del> , or a Shareholder individually or Shareholders jointly holding more than 10% total number of voting shares in the Company shall have the right to report to the securities regulatory authorities and request to convene an extraordinary general meeting to decide on relevant matters in accordance with the provisions of the Articles of Association. When such extraordinary general meeting is reviewing relevant matters, the controlling shareholders of the Company shall legally avoid voting, and the total number of voting shares held by it or him shall not be counted in the total number of valid voting shares of such general meeting.	Article 15 Where the Board neglects to perform such duties, <b>a majority</b> of all of the independent non-executive Directors, <b>the audit committee</b> , or a Shareholder individually or Shareholders jointly holding more than 10% total number of voting shares in the Company shall have the right to report to the securities regulatory authorities and request to convene an extraordinary general meeting to decide on relevant matters in accordance with the provisions of the Articles of Association. When such extraordinary general meeting is reviewing relevant matters, the controlling shareholders of the Company shall legally avoid voting, and the total number of voting shares held by it or him shall not be counted in the total number of valid voting shares of such general meeting.
4.	Newly added	<b>Article 22 Any matters not covered herein shall be implemented in accordance with the relevant provisions of the relevant laws, regulations, regulatory documents and the Articles of Association. In case of conflicts between the system and the aforesaid laws and regulations, it shall be implemented in accordance with the laws and regulations.</b>

Set out below are the details of the proposed amendments to the Working System for Independent Non-Executive Directors (獨立非執行董事工作制度):

#### WORKING SYSTEM FOR INDEPENDENT NON-EXECUTIVE DIRECTORS

No.	Before Amendment	After Amendment
1.	<p>Article 4 An independent non-executive Director of the Company shall fulfill the following basic conditions of service:</p> <p>...</p> <p>(II) Possesses the independence required by the Measures for the Administration of Independent Directors and the Hong Kong Listing Rules;</p> <p>(III) Have basic knowledge of operation of the company and being familiar with relevant laws, administrative regulations, rules and regulations;</p> <p>...</p>	<p>Article 4 An independent non-executive Director of the Company shall fulfill the following basic conditions of service:</p> <p>...</p> <p>(II) <b>Comply with the independence requirements stipulated in</b> the Measures for the Administration of Independent Directors and the Hong Kong Listing Rules;</p> <p>(III) Have basic knowledge of operation of the <b>listed</b> company and being familiar with relevant laws, administrative regulations, rules and regulations;</p> <p>...</p>
2.	<p>Article 11 The nominator of an independent non-executive Director shall obtain the consent of the nominee prior to nomination. The nominator shall fully understand the nominee's occupation, education, job title, detailed work experience, all part-time jobs, etc., and expresses opinions on nominee's qualifications and independence as an independent non-executive Director. The nominee shall make a public statement that there is no relationship between him/her and the Company that may affect his/her independent and objective judgment.</p> <p>...</p>	<p>Article 11 The nominator of an independent non-executive Director shall obtain the consent of the nominee prior to nomination. The nominator shall fully understand the nominee's occupation, education, job title, detailed work experience, all part-time jobs, etc., and expresses opinions <b>that the nominee meets the independence and other conditions for serving as an independent Director</b>. The nominee shall make a public statement that <b>he/she meets the independence and other conditions for serving as an independent Director</b>.</p> <p>...</p>

No.	Before Amendment	After Amendment
3.	<p>Article 17 ...</p> <p>If the proportion of independent non-executive Directors on the board of directors of the Company does not comply with the provisions of this work system, the Listing Rules, the Hong Kong Listing Rules, the Measures for the Administration of Independent Directors and the Articles of Association due to the resignation of independent non-executive Directors, or there is a lack of accounting professionals among the independent non-executive Directors, <del>the board of directors shall immediately notify the Shanghai Stock Exchange and the Hong Kong Stock Exchange and publish an announcement disclosing the relevant details and reasons thereof.</del> The independent non-executive Director who intends to resign shall continue to perform his/her duties until the date on which a new independent non-executive Director is elected. The Company shall complete the by-election within sixty days from the date on which the independent non-executive Director submits his/her resignation.</p> <p>...</p>	<p>Article 17 ...</p> <p>If the proportion of independent non-executive Directors on the board of directors of the Company <b>or its special committees</b> does not comply with the provisions of this work system, the Listing Rules, the Hong Kong Listing Rules, the Measures for the Administration of Independent Directors and the Articles of Association due to the resignation of independent non-executive Directors, or there is a lack of accounting professionals among the independent non-executive Directors. The independent non-executive Director who intends to resign shall continue to perform his/her duties until the date on which a new independent non-executive Director is elected. The Company shall complete the by-election within sixty days from the date on which the independent non-executive Director submits his/her resignation.</p> <p>...</p>

Set out below are the details of the proposed amendments to the Administrative Measures for External Guarantees (對外擔保管理辦法):

## ADMINISTRATIVE MEASURES FOR EXTERNAL GUARANTEES

No.	Before Amendment	After Amendment
1.	Article 4 When a controlled subsidiary of the company provides guarantees to entities outside the scope of the consolidated financial statements of the Company, it shall be approved by the Board or the general meeting of shareholders of the Company in accordance with the authority specified in these Measures. A Director or senior management officer assigned by the Company to a controlled subsidiary shall not participate in the consideration and voting of external guarantee matters of the controlled subsidiary before obtaining the approval of the Board or the general meeting of the Company.	Article 4 When a controlled subsidiary of the company provides guarantees to entities outside the scope of the consolidated financial statements of the Company, <b>such guarantees shall be deemed as guarantees provided by the Company, and shall be executed in accordance with the Rules.</b> A Director or senior management officer assigned by the Company to a controlled subsidiary shall not participate in the consideration and voting of external guarantee matters of the controlled subsidiary before obtaining the approval of the Board or the general meeting of the Company.
2.	Article 14 ...  (IV) any guarantee with the accumulated amount exceeds 30% of the Company's latest audited total assets within 12 consecutive months;  ...	Article 14 ...  (IV) any guarantee <b>provided to others</b> with the accumulated amount exceeds 30% of the Company's latest audited total assets within 12 consecutive months;  ...
3.	Article 17 When the Company provides guarantee to a related party, it should be based on reasonable commercial grounds, timely disclosure is required after the consideration and approval of board of directors, and submit it to the general meeting for consideration.  ...	Article 17 When the Company provides guarantee to a related party, <b>in addition to approval by more than half of all not related directors, the guarantee shall also be approved by more than two-thirds of the not related directors attending the board meeting, and a resolution should be made and submitted to the general meeting for review.</b>  ...

No.	Before Amendment	After Amendment
4.	<p>Article 40 ...</p> <p>If senior management officers of the Company provide guarantees in violation of the provisions of these Measures, the Board or the Supervisory Committee shall order them to rectify the violation; if losses are caused to the Company, the relevant senior management officers shall compensate for the losses and bear joint and several liability; if the circumstances are serious, the Board of Directors shall remove them from their corresponding positions and, depending on the circumstances, pursue their corresponding legal responsibilities.</p> <p>...</p>	<p>Article 40 ...</p> <p>If senior management officers of the Company provide guarantees in violation of the provisions of these Measures, the Board or the <b>audit committee</b> shall order them to rectify the violation; if losses are caused to the Company, the relevant senior management officers shall compensate for the losses and bear joint and several liability; if the circumstances are serious, the Board of Directors shall remove them from their corresponding positions and, depending on the circumstances, pursue their corresponding legal responsibilities.</p> <p>...</p>

Set out below are the details of the proposed amendments to the System for the Administration and Decision-Making on Related Transactions (關聯交易管理和決策制度):

**SYSTEM FOR THE ADMINISTRATION AND DECISION-MAKING ON  
RELATED-PARTY TRANSACTIONS**

No.	Before Amendment	After Amendment
1.	<p>Article 3 The transaction between the Company and its related party(ies) shall be conducted under the following fundamental principles:</p> <p>...</p> <p>(VII) Independent non-executive directors shall be required to express their independent opinions on significant related-party transaction;</p> <p>...</p>	<p>Article 3 The transaction between the Company and its related party(ies) shall be conducted under the following fundamental principles:</p> <p>...</p> <p><b>(VII) The board of directors of the Company shall assess whether the related-party transaction is beneficial to the Company based on objective standards;</b></p> <p>...</p>
2.	<p>Article 5 Where the Company intends to conduct a related-party transaction that is required to be submitted to the general meeting for consideration, it shall obtain the prior approval of the independent non-executive directors before submitting the matter to the board of directors for consideration. The prior approval of the independent non-executive directors shall require the consent of more than half of all independent non-executive directors.</p>	<p>Article 5 <b>The related-party transaction of the Company that meets the disclosure threshold shall be considered by a special meeting of independent directors, and shall be submitted to the board of directors for consideration and disclosed in a timely manner after obtaining the consent of more than half of all independent directors.</b></p>

No.	Before Amendment	After Amendment
3.	<p>Article 6 The assets of the Company shall be owned by the Company. The Company shall adopt effective measures to ensure strict implementation of these administrative measures to prevent shareholders and their related parties from illegally appropriating or transferring the Company's funds, assets and other resources through related-party transaction. Particular attention shall be paid to preventing non-operating fund appropriation by shareholders and their related parties.</p> <p><del>The Company shall not directly or indirectly provide loans to directors, supervisors or senior management that are unrelated to the Company's business.</del></p>	<p>Article 6 The assets of the Company shall be owned by the Company. The Company shall adopt effective measures to ensure strict implementation of these administrative measures to prevent shareholders and their related parties from illegally appropriating or transferring the Company's funds, assets and other resources through related-party transaction. Particular attention shall be paid to preventing non-operating fund appropriation by shareholders and their related parties.</p>
4.	<p>Article 9 According to the regulations of the Shanghai Stock Exchange, the natural persons, legal persons or other organizations that meet one of the following conditions are the related parties of the Company:</p> <p>...</p> <p>(V) Legal persons or other organizations that directly hold more than 5% of the Company's shares;</p> <p>...</p> <p>(VIII) Legal persons or other organizations that indirectly hold more than 5% of the Company's shares;</p>	<p>Article 9 According to the regulations of the Shanghai Stock Exchange, the natural persons, legal persons or other organizations that meet one of the following conditions are the related parties of the Company:</p> <p>...</p> <p>(V) Legal persons or other organizations <b>and their parties acting in concert</b> that directly hold more than 5% of the Company's shares;</p> <p>...</p> <p>(VIII) Legal persons or other organizations <b>and their parties acting in concert</b> that indirectly hold more than 5% of the Company's shares;</p> <p>...</p>

No.	Before Amendment	After Amendment
5.	<p>Article 11 Directors, supervisors, senior management, shareholders holding more than 5% of the Company's shares and their parties acting in concert, and de facto controllers shall proactively inform the Company of the related parties with whom they have related-party relationship in a timely manner.</p> <p>The Company shall determine the list of related parties with reference to the above standards and regularly send it to the aforesaid persons for confirmation or update. Before engaging in transaction activities, the Company and its controlled subsidiary(ies) shall review the above list of related parties, carefully make judgement whether a related-party transaction is constituted, and fulfill corresponding approval and reporting obligations in accordance with the authority levels specified in the Company's articles of association.</p>	<p>Article 11 Directors, senior management, shareholders holding more than 5% of the Company's shares and their parties acting in concert, and de facto controllers shall proactively inform the Company of the related parties with whom they have related-party relationship in a timely manner.</p> <p>The Company shall determine the list of related parties with reference to the above standards and regularly send it to the aforesaid persons for confirmation or update. Before engaging in transaction activities between the Company and its controlled subsidiary(ies), the <b>relevant responsible person</b> shall review the above list of related parties, carefully make judgement whether a related-party transaction is constituted. <b>If a related-party transaction is constituted,</b> the relevant responsible person shall fulfill corresponding approval and reporting obligations in accordance with the authority levels specified in the Company's articles of association.</p>

No.	Before Amendment	After Amendment
6.	<p>Article 12 The related party transactions as mentioned herein refer to events in which resources or obligations are transferred between the Company or its holding subsidiaries and related parties of the Company, including but not limited to:</p> <p>...</p> <p>(II) external investment (except for the purchase of wealth management products of banks);</p> <p>...</p> <p>(V) provision of guarantee;</p> <p>(X) provision of financial assistance;</p> <p>(XI) purchase of raw materials, fuel and power;</p> <p>...</p>	<p>Article 12 The related party transactions as mentioned herein refer to events in which resources or obligations are transferred between the Company or its holding subsidiaries and related parties of the Company, including but not limited to:</p> <p>...</p> <p>(II) external investment (except for the purchase of <b>low-risk</b> wealth management products of banks);</p> <p>(V) provision of guarantee (<b>including guarantees for holding subsidiaries, etc.</b>);</p> <p>(X) provision of financial assistance (<b>including interest bearing or non-interest bearing loans and entrusted loans, etc.</b>);</p> <p>(XI) waiver of rights (<b>including waiver of pre-emptive right, the right of first offer, etc.</b>);</p> <p>...</p>

No.	Before Amendment	After Amendment
7.	<p>Article 20 When the Board of Directors of the Company reviews the related party transactions, the related directors shall avoid the voting, and shall not exercise the voting right on behalf of other directors.</p> <p>The meeting of the Board of Directors should be attended by a majority of the non-related directors and any resolution made at the meeting shall be subject to the approval of more than half of the non-related directors. If the number of non-related directors attending the meeting of the Board of Directors is less than three, the Company shall submit the transaction to the general meeting for review.</p> <p>...</p>	<p>Article 20 <b>If a director of the Company has a connected relationship with an enterprise or individual involved in a matter on which a resolution is to be made at a meeting of the Board of Directors, such director shall promptly report in writing to the Board of Directors. A director who has a connected relationship shall not exercise his or her right to vote regarding such resolution, nor shall he or she exercise the voting right on behalf of other directors. The meeting of the Board of Directors shall not be held unless a majority of the non-related directors attend the meeting, and any resolution made at the meeting of the Board of Directors shall be subject to the approval of more than half of the non-related directors. If the number of non-related directors attending the meeting of the Board of Directors is less than three, the matter shall be submitted to the general meeting of the listed company for review.</b></p> <p>...</p>

No.	Before Amendment	After Amendment
8.	<p>Where a related party transaction is considered at the general meeting of the Company, the related shareholders shall abstain from voting in accordance with Article 31 and shall not exercise voting rights on behalf of other shareholders. The related shareholders of the Company include the following shareholders or the shareholders in any of the following circumstances:</p> <p>...</p> <p>(VI) a shareholder whose voting right is restricted and affected because of incomplete performance of equity transfer agreement or other agreement with the counterparty or related parties thereof;</p> <p>...</p>	<p>Article 22 <b>A shareholder shall abstain from voting for the matters to be considered at the general meeting with which he is connected and the number of voting shares represented by them shall be excluded from the total number of shares carrying voting rights attending the general meeting. The related shareholders of the Company include the following shareholders or the shareholders in any of the following circumstances:</b></p> <p>...</p> <p>(VI) being a close family member of the counterparty or its direct or indirect controller;</p> <p>...</p>
9.	<p>Article 28 Where the Company shall in prudent manner in the provision of financial assistance or entrusted asset management with the related parties; in the event that there is necessity, the transaction amount shall be used as the standard for disclosure, and shall be aggregated in 12 consecutive months and scrutinized by the Board of Directors or the general meeting in accordance with the requirements set out in Article 26 or Article 27 herein. If the relevant obligations have been fulfilled in accordance with the Article 26 or Article 27 herein, they shall no longer be included in the relevant cumulative calculation scope</p>	<p>Article 28 <b>The Company shall not provide financial assistance to its related parties, unless the financial assistance is provided to a related investee company not controlled by the controlling shareholder or de facto controller of the Company and that other shareholders of the investee company also provide such financial assistance under the same conditions in proportion to their capital contribution.</b></p> <p><b>When the Company provides financial assistance to the related investee company as specified in the preceding paragraph, it shall be approved by more than half of all non-related directors, by more than two-thirds of non-related directors present at the meeting of the Board of Directors, and submitted to the general meeting for review.</b></p>

No.	Before Amendment	After Amendment
10.	<p>Article 29 The Company shall apply the provisions of Article 26 or Article 27 of the System, respectively, to the following transactions based on the principle of cumulative calculation over a consecutive 12-month period:</p> <p>...</p> <p>(II) Transactions involving the similar category of subject matter conducted with different connected persons.</p> <p>The term “same connected person” mentioned above includes any legal person or other organization that is controlled by the same ultimate controlling party as such connected person, or has an equity control relationship with such connected person, or has the same individual serving as a director or senior executive officer.</p> <p>Transactions for which the relevant obligations have already been fulfilled in accordance with the System shall no longer be included in the cumulative calculation.</p>	<p>Article 29 The Company shall apply the provisions of Article 26 or Article 27 of the System, respectively, to the following transactions based on the principle of cumulative calculation over a consecutive 12-month period:</p> <p>...</p> <p>(II) Transactions involving <b>subject matters of the identical category</b> conducted with different connected persons.</p> <p><b>The term “same connected person” mentioned above includes any other connected party that is under the control of the same ultimate controlling party as such connected person or in a mutual equity control relationship with such connected person.</b></p>
11.	<p>Article 31 When reviewing the aforementioned connected transactions, the general meeting shall ...</p> <p>(IV) approve the resolution regarding the connected transaction by a simple majority of the voting shares held by non-connected shareholders present at the meeting;</p>	<p>Article 31 When reviewing the aforementioned connected transactions, the general meeting shall ...</p> <p>(IV) approve the resolution regarding the connected transaction by a simple majority of the voting shares held by non-connected shareholders present at the meeting; <b>if the transaction falls under the scope of special resolutions, it shall require approval by at least two-thirds of the voting shares held by non-connected shareholders present at the meeting.</b></p>

No.	Before Amendment	After Amendment
12.	Article 34 Directors and senior management officers of the Company have the obligation to monitor whether the Company faces any infringement of its interests, such as fund misappropriation by related parties. The Audit Committee shall review the Company's fund transfers with related parties at least quarterly to ascertain whether controlling shareholders and their related parties have misappropriated or transferred company funds, assets or other resources. If any irregularities are identified, the Committee shall promptly request the Board of Directors to take appropriate remedial actions.	Article 34 Directors and senior management officers of the Company have the obligation to monitor whether the Company faces any infringement of its interests, such as fund misappropriation by related parties. The Audit Committee shall <b>review</b> the Company's fund transfers with related parties <b>at least once every quarter</b> to ascertain whether controlling shareholders and their related parties have misappropriated or transferred company funds, assets or other resources. If any irregularities are identified, the Committee shall promptly request the Board of Directors to take appropriate remedial actions.
13.	Article 35 If the Supervisory Committee identifies any connected transaction resolution adopted by the Board of Directors that is detrimental to the interests of the Company or its shareholders, it may raise inquiries to the Board and report the matter to the general meeting.	Deleted
14.	<p>Article 37 The following transactions conducted between the Company and its related parties may be exempted from the deliberation procedures required for connected transactions:</p> <p>(I) transactions where one party subscribes for, in cash, the shares, corporate bonds or enterprise bonds, convertible bonds, or other derivative instruments publicly issued by the other party;</p> <p>(II) transactions where one party, as a member of the underwriting syndicate, underwrites the shares, corporate bonds or enterprise bonds, convertible bonds, or other derivative instruments publicly issued by the other party;</p> <p>...</p>	<p>Article 36 The following transactions conducted between the Company and its related parties may be exempted from the deliberation procedures required for connected transactions:</p> <p><b>(I) transactions where one party subscribes for, in cash, the shares, convertible bonds or other derivative instruments issued to unspecified investors, and the corporate bonds (including enterprise bonds) publicly issued by the other party;</b></p> <p><b>(II) transactions where one party, as a member of the underwriting syndicate, underwrites the shares, convertible bonds or other derivative instruments issued to unspecified investors, and the corporate bonds (including enterprise bonds) publicly issued by the other party;</b></p> <p>...</p>

Set out below are the details of the proposed amendments to the System for the Administration of the Repurchase of Shares (回購股份管理制度):

**THE SYSTEM FOR THE ADMINISTRATION OF  
THE REPURCHASE OF SHARES**

No.	Before Amendment	After Amendment
1.	Article 2 The Company may not purchase its own shares, except in any of the following circumstances:  ...	Article 2 <b>Under the following circumstances, the Company may purchase its own shares in accordance with the provisions of laws, administrative regulations, departmental rules and the Articles of Association:</b>  ...  Except for the above circumstances, the Company shall not purchase its own shares.
2.	Article 5 The Company, in undertaking a share repurchase, shall formulate a detailed operational plan to prevent the occurrence of insider trading and other unfair trading practices. The repurchase of shares shall not be utilized to manipulate the share price or facilitate the transfer of benefits to directors, supervisors, senior management officers (hereinafter referred to as “Directors, Supervisors, Senior Management Officers”), controlling shareholders, actual controllers, etc.	Article 5 The Company, in undertaking a share repurchase, shall establish a sound and effective internal control system and formulate a detailed operational plan to prevent the occurrence of insider trading and other unfair trading practices. The repurchase of shares shall not be utilized to manipulate the share price or facilitate the transfer of benefits to directors, senior management officers, controlling shareholders, actual controllers, etc.
3.	Article 11 The Company’s repurchase of shares shall meet the following conditions:  ...  (IV) Other conditions prescribed by the CSRC.  ...	Article 11 The Company’s repurchase of shares shall meet the following conditions:  ...  (IV) Other conditions prescribed by the CSRC and <b>the stock exchanges</b> .  ...

No.	Before Amendment	After Amendment
4.	<p>Article 12 The Company shall repurchase its shares in accordance with the law by one of the following methods:</p> <p>...</p>	<p>Article 12 The Company shall repurchase its shares in accordance with the law by one of the following methods:</p> <p>...</p> <p><b>If the Company repurchases shares by way of a tender offer, it shall refer to the provisions on tender offers in the Administrative Measures for Acquisition of Listed Companies for implementation.</b></p>
5.	<p>Article 13 Where the Company repurchases shares due to the circumstances specified in (I) of the first paragraph of Article 2 of this System...</p>	<p>Article 13 Where the Company repurchases shares due to the circumstances specified in (I) of the first paragraph of Article 2 of this System...</p> <p><b>Where the Company repurchases its shares due to the circumstances specified in (IV) of the first paragraph of Article 2 of this System, it may sell them through centralized bidding transactions in accordance with the conditions and procedures specified by the stock exchange and after fulfilling its pre-disclosure obligations.</b></p>
6.	<p>Article 19 When the Company repurchases shares, it shall reasonably arrange the number of shares to be repurchased daily. If the Company repurchases shares due to the circumstances specified in (I), (II) and (III) of the first paragraph of Article 2 of this System, the number of shares repurchased every 5 trading days shall not exceed 25% of the sum of the trading volumes of the shares in the 5 trading days before the date on which the first repurchase of shares occurs, except where the number of shares repurchased every 5 trading days does not exceed 1 million shares.</p>	Deleted

No.	Before Amendment	After Amendment
7.	Article 29 If the Company encounters the situation described in (I) of the second paragraph of Article 2 of this System, the board of directors shall promptly understand whether there are any major events or other matters that may have a significant impact on the share price, and shall actively communicate and exchange with shareholders, especially minority shareholders, through various channels, and fully listen to the opinions and demands of shareholders on whether the Company should implement measures such as share repurchases.	Deleted
8.	Article 32 The board of directors of the Company shall fully evaluate its operations...	<p>Article 30 The board of directors of the Company shall fully evaluate its operations...</p> <p><b>If the Company meets the conditions stipulated in the second paragraph of Article 2 of this System, the board of directors shall promptly understand whether there are any major events or other factors that may have a significant impact on the share price, and shall actively communicate and exchange with shareholders, especially minority shareholders, through various channels, and fully listen to the opinions and demands of shareholders on whether the Company should implement a share repurchase.</b></p>
9.	<p>Article 36 The Company's share repurchase plan shall include the following contents:</p> <p>...</p> <p>(VII) The purchase and sale of the Company's shares by the Company's Directors, Supervisors, Senior Management Officers, controlling shareholders, and actual controllers within six months before the board of directors made the resolution to repurchase the shares, and whether there were plans to increase sales during the repurchase period;</p> <p>...</p>	<p>Article 34 The Company's share repurchase plan shall include the following contents:</p> <p>...</p> <p><b>(VII) The purchase and sale of the Company's shares by the Company's directors, senior management officers, controlling shareholders, and actual controllers within six months before the board of directors made the resolution to repurchase the shares, whether they engaged in insider trading or market manipulation alone or in conjunction with others, and whether they had plans to increase or decrease their holdings during the repurchase period;</b></p> <p>...</p>

No.	Before Amendment	After Amendment
10.	<p>Chapter III Company Merger and Share Buyback by Dissenting Shareholders</p> <p>Article 52 If the Company repurchases its shares in accordance with (V) and (VI) of Article 2 of this System, the provisions of this Chapter shall apply.</p>	Deleted
11.	<p>Article 53 If the Company repurchases its shares due to the circumstances specified in (V) of first paragraph of Article 2 of this System, it shall be subject to a resolution of the general meeting and shall be approved by more than two-thirds of the voting rights held by the shareholders attending the meeting.</p>	Deleted
12.	<p>Article 54 After the Company repurchases shares due to the circumstances described in (V) and (VI) of Article 2 of this System, it shall transfer or cancel the shares within six months.</p>	Deleted
13.	<p>Article 55 If the Company repurchases shares due to the circumstances described in (V) and (VI) of Article 2 of this System, it shall perform its information disclosure obligations in accordance with the Company Law, the Securities Law, the Stock Listing Rules and other laws, regulations and normative documents regarding company mergers, divisions and other relevant provisions.</p>	Deleted

Set out below are the details of the proposed System for the Administration of Remuneration for Directors and Senior Management (董事和高級管理人員薪酬管理制度).

**SYSTEM FOR THE ADMINISTRATION OF  
REMUNERATION FOR DIRECTORS AND SENIOR MANAGEMENT**

**CHAPTER I GENERAL PROVISIONS**

**Article 1** To further improve the remuneration management for the directors and senior management of Beijing SinoHytec Co., Ltd. (the “**Company**”), establish a scientific and effective incentive and restraint mechanism, effectively motivate the directors and senior management of the Company and enhance its operational efficiency, this remuneration policy is formulated in accordance with the Company Law of the People’s Republic of China (the “**Company Law**”) and other relevant laws and regulations, as well as the Articles of Association of Beijing SinoHytec Co., Ltd. (the “**Articles of Association**”).

**Article 2** This policy applies to:

(I) Directors;

(II) senior management of the Company, including the general manager, deputy general managers, secretary to the board of directors (the “**Board**”), chief financial officer, and other senior management as stipulated in the Articles of Association.

**Article 3** The Company’s remuneration policy adheres to the following principles:

(I) Fairness principle: Remuneration levels shall align with the Company’s scale and performance, while remaining competitive with external market standards;

(II) Unity of responsibility, authority and benefit principle: Remuneration shall reflect the value of the position and the extent of responsibilities and obligations undertaken;

(III) Long-term development principle: Remuneration shall be in line with the Company’s goals for sustainable and healthy growth;

(IV) Balance of incentives and constraints principle: Remuneration shall be linked to performance evaluations, reward/penalty and incentive mechanisms.

**CHAPTER II REMUNERATION MANAGEMENT AUTHORITY**

**Article 4** The Remuneration and Evaluation Committee of the Board shall be responsible for assessing, formulating and reviewing the remuneration policies and programs for directors and senior management such as the remuneration determination mechanism, decision-making process, payment and withholding and recovery arrangements.

**Article 5** The human resources department and finance department of the Company shall cooperate with the Remuneration and Evaluation Committee of the Board to carry out the specific implementation of the Company’s remuneration programs for directors and senior management.

**CHAPTER III REMUNERATION STANDARDS**

**Article 6** The independent non-executive directors of the Company shall be subject to an allowance system, the remuneration standards of other directors and senior management shall be determined based on their positions and job responsibilities in the Company, and the non-independent directors who do not hold positions other than directorships in the Company shall not be granted any remuneration.

**Article 7** The remuneration of the Company's directors and senior management consists of an annual basic salary and a variable bonus. The total amount of the actual annual remuneration shall be affected by factors such as the achievement of the Company's performance indicators and individual performance (performance evaluation results) for the year.

**CHAPTER IV PAYMENT OF REMUNERATION**

**Article 8** Allowances for independent non-executive directors shall be paid on a monthly basis.

**Article 9** The time and manner of payment of remuneration to the Company's senior management and directors serving in the Company shall be determined in accordance with the salary payment system implemented by the Company.

**Article 10** The remunerations of the Company's directors and senior management are all pre-tax amounts. In accordance with the relevant stipulations of the state and the Company, the following items will be withheld from the salaries and bonuses by the Company before they are distributed to the relevant individuals. The items to be withheld and paid by the Company include, but are not limited to, the following:

- (I) Withholding and payment of individual income tax;
- (II) The portion of various types of social insurance costs and other fees to be borne by individuals;
- (III) The portion of other payments to be borne by individuals according to the relevant stipulations of the state or the Company.

**Article 11** If a director or senior management of the Company leaves his/her office due to Board renewal, re-election or resignation during his/her term of office, his/her remuneration shall be calculated and paid according to his/her actual term of office and actual performance.

**CHAPTER V REMUNERATION ADJUSTMENT**

**Article 12** The remuneration structure shall serve the Company's business strategy and be adjusted according to the ever changing business situation of the Company, so as to cope with the needs of the Company's further development.

**Article 13** The basis for adjusting the remuneration of the Company's directors and senior management shall be:

(I) The level of salary increase in the same industry. Salary data of the same industry shall be collected annually through market salary reports or publicly available salary data and summarized and analyzed as a reference basis for the Company's salary adjustment;

(II) Inflation level. As a reference basis for the Company's salary adjustment, reference is made to the level of inflation so that the actual purchasing power of our salaries is not undermined;

(III) The profitability of the Company;

(IV) The Company's development strategy or organizational restructuring.

**Article 14** Upon consideration and approval by the Remuneration and Evaluation Committee of the Board of the Company, special incentives or penalties may be established on a temporary basis for specialized matters as a supplement to the remuneration of the directors and senior management serving in the Company.

**CHAPTER VI MISCELLANEOUS**

**Article 15** During their personal leave (for any reason), sick leave, work injury leave and on-the-job study, the salaries and benefits of the Company's directors and senior management shall be distributed in accordance with the relevant rules of the Company.

**Article 16** Matters not covered in this policy shall be carried out in accordance with provisions of the relevant laws and regulations of the state and the Articles of Association; in the event that this policy contradicts with the laws and regulations enacted by the state at a later date or the Articles of Association as amended through lawful procedures, the provisions of the relevant laws and regulations of the state and the Articles of Association shall prevail.

**Article 17** This policy shall be interpreted by the Board of the Company.

**Article 18** This policy shall enter into force on the date of its consideration and approval by the shareholders' general meeting.

Beijing SinoHytec Co., Ltd.  
May 2025

Set out below are the details of the proposed System for the Selection and Engagement of Accounting Firms:

## **SYSTEM FOR THE SELECTION AND ENGAGEMENT OF ACCOUNTING FIRMS**

### **CHAPTER 1 GENERAL PROVISIONS**

**Article 1** In order to standardize the behavior of Beijing SinoHytec Co., Ltd. (the “**Company**”) in selecting accounting firms, effectively safeguard the interests of Shareholders and improve the quality of financial information, this system is formulated in accordance with the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Administrative Measures for the Selection of Accounting Firms by State-owned Enterprises and Listed Companies and other relevant laws, regulations, normative documents and the Articles of Association of Beijing SinoHytec Co., Ltd. (the “**Articles of Association**”), and in combination with the actual situation of the Company.

**Article 2** The term “selecting accounting firms” as used in this system refers to the behavior of the Company employing an accounting firm to express an audit opinion on the financial accounting report and issue an audit report in accordance with the requirements of relevant laws and regulations.

**Article 3** If the Company employs an accounting firm to carry out other statutory audit engagements other than the audit of financial accounting reports, it may follow this system.

**Article 4** The Company’s employment or dismissal of an accounting firm should be considered and approved by the audit committee, then submitted to the Board for consideration, and decided by the general meeting.

### **CHAPTER 2 REQUIREMENTS FOR PRACTICE QUALITY OF ACCOUNTING FIRMS**

**Article 5** The accounting firm selected by the Company shall meet the following conditions:

(I) Have independent legal person status and possess professional qualifications necessary for carrying out securities and futures related businesses as prescribed by the national industry regulatory authorities and the China Securities Regulatory Commission (the “**CSRC**”);

(II) Have a fixed workplace, a sound organizational structure and comprehensive internal management and control systems;

(III) Be familiar with the state’s laws, regulations, rules and policies on financial accounting;

(IV) Have certified public accountants capable of completing audit tasks and ensuring audit quality;

(V) Conscientiously implement the laws, regulations, rules and policies on financial auditing and have a good social reputation and record of practice quality;

(VI) Other conditions prescribed by the CSRC.

**CHAPTER 3 PROCEDURES FOR SELECTION AND ENGAGEMENT OF  
ACCOUNTING FIRMS**

**Article 6** When selecting an accounting firm, the Company should adopt competitive negotiation, open bidding, invited bidding and other selection methods that can fully understand the accounting firm's competence to ensure that the selection work is conducted fairly and impartially.

**Article 7** If a competitive negotiation, open bidding, invited bidding or other public selection methods are adopted, the selection documents shall be released through public channels such as the Company's official website. The selection documents shall contain basic selection information, evaluation factors, specific scoring standards, etc. The Company shall determine the response time for accounting firms to submit application documents after the selection documents are released in accordance with the law to ensure that accounting firms have sufficient time to obtain selection information and prepare application materials. The Company shall not restrict or exclude potential accounting firms with unreasonable conditions, nor tailor selection conditions for an individual accounting firm. The selection results shall be announced in a timely manner, and the announcement shall include the accounting firms to be selected and the audit fees.

The evaluation factors for selecting an accounting firm should at least include the audit fee quotation, as well as the qualifications, practice record, quality management level, work plan, allocation of human and other resources, information security management, and risk-bearing capacity of the accounting firm.

The Company shall evaluate and score each valid application document separately and summarize the scores of each evaluation factor. Among them, the score weight of the quality management level shall not be less than 40%, and the score weight of the audit fee quotation shall not be higher than 15%. The Company shall record and preserve the evaluation opinions of personnel involved in the evaluation.

**Article 8** When the Company evaluates the quality management level of an accounting firm, it should focus on evaluating the quality management system and its implementation, including policies and procedures in project consulting, resolution of differences of opinion, project quality review, project quality inspection, and identification and rectification of quality management deficiencies.

**Article 9** In principle, the Company shall not set a maximum price for selecting an accounting firm. If it is necessary to set a maximum price, the basis for determining the maximum price and its rationality shall be stated in the selection documents.

During the term of employment, the Company may reasonably adjust the audit fees based on factors such as changes in the consumer price index or social average wage level, and changes in business scale and complexity.

If the audit fees decrease by more than 20% (inclusive) compared with the previous year, the Company shall explain the amount, pricing principles, changes and reasons for the changes in the information disclosure documents as required.

**Article 10** The audit committee is responsible for selecting accounting firms and supervising their performance of audit. The audit committee should earnestly perform the following duties:

(I) Formulate the policies, procedures and relevant internal control systems for selecting accounting firms in accordance with the authorization of the Board;

(II) Propose to initiate the work related to selection of an accounting firm;

(III) Review the selection documents, determine the evaluation factors and specific scoring criteria, and supervise the selection process;

(IV) Make recommendations on the proposed accounting firms and audit fees and submit the same to the decision-making body for decision;

(V) Supervise and evaluate the audit work of accounting firm;

(VI) Submit to the Board periodically (at least annually) a performance evaluation report of the employed accounting firm and a report on the performance of the audit committee's supervisory duties;

(VII) Responsible for other matters concerning the selection of accounting firms as authorized by laws, regulations, the Articles of Association and the Board.

**Article 11** The audit committee should be highly cautious over and pay attention to the following situations:

(I) Where the accounting firm is changed after the balance sheet date until the issuance of annual report, the accounting firm is changed for two consecutive years, or the accounting firm is changed multiple times in the same year;

(II) The accounting firm to be employed has been repeatedly subject to administrative penalties for its practice quality in the past three years or has multiple audit projects under investigation;

(III) The original audit team to be employed is transferred to other accounting firms;

(IV) During the term of employment, the audit fees undergo a significant change compared to the previous year, or the concluded price for selection is significantly lower than the benchmark price;

(V) The accounting firm fails to substantially rotate the audit project partners or signing certified public accountants as required.

**Article 12** The basic procedures for selecting an accounting firm are as follows:

(I) The audit committee shall propose the selection of an accounting firm, and the Company's finance department shall cooperate in the preliminary preparation, investigation, data collation and other related work;

(II) The accounting firms participating in the selection shall submit relevant materials to the finance department for preliminary review and compilation within the prescribed time, which shall form a written report and submitted to the audit committee;

(III) The audit committee shall review qualifications of the accounting firms participating in the competitive selection;

(IV) After reviews and approves the above, the audit committee shall propose an accounting firm to undertake the audit and submit the same to the Board;

(V) After reviews and approves the above, the Board shall report to the Company's general meeting for approval, and the Company shall promptly fulfill its obligation to disclose information;

(VI) Pursuant to the resolution of the general meeting, the Company shall enter into an employment agreement with the accounting firm.

**Article 13** When selecting, the Company shall strengthen its review of the capabilities of an accounting firm on information security management, set up separate clauses in the employment agreement to clarify information security protection responsibilities and requirements, and strengthen management and control of confidential and sensitive information when providing documents and materials to the accounting firm to effectively prevent information leakage risks. The accounting firm should fulfill its information security protection obligations and regulate information and data processing activities in accordance with laws, regulations and contracts.

**Article 14** The employed accounting firm shall perform its obligations in accordance with the provisions of relevant engagement agreement and complete the audit engagement within the stipulated time.

**Article 15** The Company and the employed accounting firm shall properly archive and preserve the selection, application, evaluation, employment documents and related decision-making materials, and shall not forge, alter, conceal or destroy any of the above. The preservation period of the documents and materials shall be at least 10 years from the date of completion of the selection.

**CHAPTER 4 PROCEDURES FOR CHANGE OF ACCOUNTING FIRMS**

**Article 16** If the Company changes an accounting firm, it shall complete the selection before the end of the fourth quarter of the audited year.

**Article 17** When reviewing the proposal to change an accounting firm, the audit committee may meet with the former and proposed accounting firms, carefully investigate the practice quality and integrity of the proposed accounting firm, make a reasonable evaluation of the practice quality of both parties, and issue a review opinion based on the judgment of the sufficiency of reasons for the change. If the audit committee approves the change of the accounting firm, it shall select the proposed accounting firm in accordance with the procedures for selecting accounting firms.

**Article 18** After the Board considers and approves a resolution to change the accounting firm, a notice of the general meeting shall be issued. The former accounting firm may state its own opinions at the general meeting, and the Company's Board should provide facilities for the former accounting firm to state its opinions at the general meeting.

**Article 19** The Company shall not change the accounting firm that performs the audit engagement of annual report during the annual report audit period, unless there are major defects in the practice quality of the accounting firm, the audit personnel and time arrangement cannot ensure the Company's timely disclosure of the annual report, as well as the accounting firm requests to terminate its audit engagement with the Company.

**Article 20** If the Company intends to change an accounting firm, it may disclose the reasons for dismissing the accounting firm, the opinions of the audit committee, the communication between the former and subsequent accounting firms, etc. in the announcements of change of accounting firm.

**Article 21** If an accounting firm proactively requests to terminate its audit engagement with the Company, the audit committee shall obtain detailed information from the relevant accounting firm regarding the reasons and make a written report to the Board. The Company shall perform the change procedure in accordance with the above provisions.

**CHAPTER 5 INFORMATION DISCLOSURE, SUPERVISION AND PUNISHMENT**

**Article 22** The Company shall disclose such information as the accounting firm, audit project partners, length of service of the signing certified public accountant, and audit fees in its annual financial accounts report or annual report.

**Article 23** The Company shall disclose a performance evaluation report of the accounting firm and a report of the audit committee's performance of supervisory duties on the accounting firm every year as required. If it involves a change in the accounting firm, the Company shall also disclose the situation of the former accounting firm and the audit opinion for the previous year, the reasons for changing the accounting firm, and the communication with the former and subsequent accounting firms.

**Article 24** The audit committee shall urge external audit institutions to be honest, trustworthy, diligent and responsible, to strictly abide by business rules and industry self-discipline norms, strictly implement internal control systems, and verify the Company's financial accounting reports.

#### **CHAPTER 6 SUPPLEMENTARY PROVISIONS**

**Article 25** The Company's Board is responsible for revising and interpreting this system.

**Article 26** Matters not covered in this system shall be implemented in accordance with the provisions of relevant laws, administrative regulations, normative documents and the Articles of Association. In the event of any inconsistency between this system and the provisions of relevant laws, administrative regulations, normative documents and the Articles of Association, the laws, administrative regulations, normative documents and the Articles of Association shall prevail.

**Article 27** This system shall come into effect and be implemented from the date of approval by the resolution of the general meeting.

Beijing SinoHytec Co., Ltd.  
May 2025