



**ZHEJIANG SANHUA INTELLIGENT CONTROLS CO., LTD.**

**浙江三花智能控制股份有限公司**

(A company incorporated in the People's Republic of China)  
(Stock Code: 2050)

**PROPOSED APPOINTMENT OF AN OVERSEAS AUDIT FIRM  
AND  
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

This announcement is made by the board of directors (the “**Board**”) of Zhejiang Sanhua Intelligent Controls Co., Ltd. (the “**Company**”) pursuant to Rule 13.51(1) and Rule 13.51(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) (the “**Listing Rules**”).

**I. PROPOSED APPOINTMENT OF AN OVERSEAS AUDIT FIRM**

The H shares of the Company were listed on the Main Board of the Hong Kong Stock Exchange on June 23, 2025. Confucius International CPA Limited (“**Confucius**”) acted as the reporting accountant for the Company’s issuance of overseas listed shares (H shares) and the listing on the Main Board of the Hong Kong Stock Exchange. In order to maintain the continuity of the audit work, the Board proposed to appoint Confucius as the Company’s overseas audit firm for the year 2025, responsible for auditing the Company’s 2025 financial statements, which are to be prepared in accordance with the International Financial Reporting Standards, for a term of one year. In addition, it is proposed that the general meeting of the Company authorize the management to negotiate and determine the relevant audit fees and sign the relevant agreements with Confucius, based on the specific audit requirements and scope for the year 2025.

The Company convened the third meeting of the audit committee (the “**Audit Committee**”) under the eighth session of the Board in 2025. At the meeting, the Audit Committee thoroughly reviewed the professional competence, investor protection capability, independence, and integrity of Confucius. It concluded that Confucius has the qualifications and capabilities to engage in financial audits, has no relationships with the Company’s shareholders and related parties that would affect its independence in the Company’s affairs, and therefore meets the Company’s audit requirements. Confucius has the experience and ability to provide audit services for listed companies, adheres to high professional and ethical standards, follows the principles of independence, objectivity, fairness and impartiality, and has a good practice performance. The Audit Committee thus agreed to appoint Confucius as the overseas audit firm for the year 2025.

The above proposal is subject to the consideration and approval of the Company's shareholders at the general meeting and shall become effective upon such approval. A circular containing, among other things, the details of the above proposal, together with the notice of the general meeting, will be published on the website of HKEXnews (www.hkexnews.hk) and the website of the Company (www.zjshc.com) in due course and will be dispatched to shareholders who have indicated their wish to receive a printed copy in due course.

## II. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Reference is made to the prospectus of the Company dated June 13, 2025 (the "**Prospectus**") and the announcement of the Company dated July 18, 2025 in relation to the full exercise of the Over-allotment Option, stabilizing actions and end of stabilization period.

Given that the Company has completed the issuance of H shares and the listing on the Main Board of the Hong Kong Stock Exchange, and the total number of overseas listed shares (H shares) issued under the offering amounted to 476,536,400 shares (after the full exercise of Over-allotment Option), the total share capital of the Company has increased to 4,208,925,935 shares, and the registered capital has increased to RMB4,208,925,935. As the Company proposed to repurchase and cancel 198,000 shares under the 2022 Restricted Share Incentive Scheme and 714,000 shares under the 2024 Restricted Share Incentive Scheme, the total share capital of the Company shall be reduced from 4,208,925,935 shares to 4,208,013,935 shares, and the registered capital shall be reduced from RMB4,208,925,935 to RMB4,208,013,935. In addition, the Company proposed to change its business scope. At the sixth extraordinary meeting of the eighth session of the Board of the Company, the Company proposed to amend the relevant provisions of the articles of association of Zhejiang Sanhua Intelligent Controls Co., Ltd. (the "**Articles of Association**") (the "**Proposed Amendments**"). Details are set out in the Appendix to this announcement. Save for the amendments set out in the Appendix, other provisions of the current Articles of Association shall remain unchanged. The English version of the Articles of Association is a translation of the Chinese version. In the event of any discrepancy between the Chinese version and the English version, the Chinese version shall prevail.



## APPENDIX

No.	Before Amendment	After Amendment
1	<p><b>Article 3</b> On May 24, 2005, as approved by the China Securities Regulatory Commission (the “CSRC”) under the document Zheng Jian Fa Xing Zi [2005] No. 19, the Company made an initial public offering of 30,000,000 ordinary shares denominated in renminbi (“RMB”) to the general public. All shares issued to domestic investors shall be subscribed in RMB, of which 24,000,000 shares were listed on the Shenzhen Stock Exchange on June 7, 2005. Upon filing with the CSRC on [•••], the Company issued [•••] overseas-listed ordinary shares (the “H Shares”) through overseas public offering, and the H Shares were listed on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) on [•••].</p>	<p><b>Article 3</b> On May 24, 2005, as approved by the China Securities Regulatory Commission (the “CSRC”) under the document Zheng Jian Fa Xing Zi [2005] No. 19, the Company made an initial public offering of 30,000,000 ordinary shares denominated in renminbi (“RMB”) to the general public. All shares issued to domestic investors shall be subscribed in RMB, of which 24,000,000 shares were listed on the Shenzhen Stock Exchange on June 7, 2005. Upon filing with the CSRC on <b>May 8, 2025</b>, the Company issued <b>414,379,500</b> overseas-listed ordinary shares (<b>before the full exercise of the over-allotment option</b>) (the “H Shares”) through overseas public offering, and the H Shares were listed on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) on <b>June 23, 2025</b>.</p>
2	<p><b>Article 6</b> The registered capital of the Company is RMB[•••] ([•••]).</p>	<p><b>Article 6</b> The registered capital of the Company is RMB <b>FOUR BILLION TWO HUNDRED EIGHT MILLION THIRTEEN THOUSAND NINE HUNDRED AND THIRTY-FIVE (4,208,013,935)</b>.</p>

No.	Before Amendment	After Amendment
3	<p><b>Article 13</b> As approved by the company registration authority, the business scope of the Company covers: research and development of household appliances; manufacturing of refrigeration and air conditioning equipment; manufacturing of household appliances; manufacturing of general purpose valves and plugs (exclusive of special equipment); general purpose parts and components; manufacturing of special equipment; manufacturing of pumps and vacuum equipment; manufacturing of electric motors, manufacturing of blowers and fans; inspection and testing services; import and export of goods and technology. (Activities subject to approval in accordance with laws shall be carried out upon the approval by relevant authorities)</p>	<p><b>Article 13</b> As approved by the company registration authority, the business scope of the Company covers: research and development of household appliances; manufacturing of refrigeration and air conditioning equipment; manufacturing of household appliances; manufacturing of general purpose valves and plugs (exclusive of special equipment); general purpose parts and components; manufacturing of special equipment; manufacturing of pumps and vacuum equipment; manufacturing of electric motors, manufacturing of blowers and fans; inspection and testing services; import and export of goods and technology; <b>power generation business, power transmission business, power supply (distribution) business.</b> (Activities subject to approval in accordance with laws shall be carried out upon the approval by relevant authorities)</p>
4	<p><b>Article 19</b> Upon the completion of the initial public offering of H Shares (assuming over-allotment option is not exercised), the total share capital of the Company comprises [•••] shares, all of which are ordinary shares, including [•••] A ordinary shares, representing [•••]% of the total share capital of the Company, and [•••] H ordinary shares, representing [•••]% of the total share capital of the Company.</p>	<p><b>Article 19</b> The number of shares in issue of the Company comprises <b>4,208,013,935</b> shares, all of which are ordinary shares, including <b>3,731,477,535</b> A ordinary shares, representing <b>88.68%</b> of the total share capital of the Company, and <b>476,536,400</b> H ordinary shares, representing <b>11.32%</b> of the total share capital of the Company.</p>

