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



ZHEJIANG SANHUA INTELLIGENT CONTROLS CO., LTD.

浙江三花智能控制股份有限公司

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

(Stock Code: 2050)

**REPURCHASE AND CANCELLATION OF
CERTAIN RESTRICTED SHARES
AMENDMENTS TO THE ARTICLES OF ASSOCIATION
2026 INTERIM PROFIT DISTRIBUTION PLAN
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening the EGM of the Company to be held at Meeting Room, Office Building, Sanhua Industrial Park, No. 219 Woxi Avenue, Chengtan Street, Xinchang, Shaoxing, Zhejiang Province, PRC on Tuesday, September 15, 2026, at 2:00 p.m. is set out on pages 10 to 12 of this circular.

The form of proxy for the EGM was distributed to the Shareholders who had indicated their wish to receive a printed copy on Thursday, August 27, 2026 and has also been published on the HKEXnews website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company's website (www.zjshc.com). If you are not able to attend the EGM, please complete and return the form of proxy in accordance with the instructions printed thereon as soon as practicable and in any event not less than 24 hours before the time appointed for the holding of the EGM, and deposit it together with the notarized power of attorney or other documents of authorization with the H Share Registrar, Computershare Hong Kong Investor Services Limited (for holders of H Shares). Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjournment thereof (as the case may be) in person should you so desire.

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

August 27, 2026

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DEFINITIONS

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

“A Share(s)”	the domestic ordinary share(s) with a par value of RMB1.00 each in the share capital of the Company, which are listed on the Shenzhen Stock Exchange and traded in RMB
“A Shareholder(s)”	holder(s) of the A Shares
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Board” or “Board of Directors”	the board of directors of the Company
“Company”	Zhejiang Sanhua Intelligent Controls Co., Ltd. (浙江三花智能控制股份有限公司), a joint stock limited company duly incorporated in the PRC with limited liability, the H Shares of which are listed on the Hong Kong Stock Exchange under stock code 02050 and the A Shares of which are listed on the Shenzhen Stock Exchange under stock code 002050
“Company Law”	the Company Law of the People’s Republic of China
“CSRC”	the China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“EGM” or “Extraordinary General Meeting”	the 2026 first extraordinary general meeting of the Company to be held at Meeting Room, Office Building, Sanhua Industrial Park, No. 219 Woxi Avenue, Chengtan Street, Xinchang, Shaoxing, Zhejiang Province, PRC on Tuesday, September 15, 2026 at 2:00 p.m.
“H Share(s)”	the overseas listed foreign share(s) with a par value of RMB1.00 each in the share capital of the Company, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
“H Share Registrar”	Computershare Hong Kong Investor Services Limited
“H Shareholder(s)”	holder(s) of the H Shares
“HK\$” or “Hong Kong dollars”	the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange” or the “Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Latest Practicable Date”	August 25, 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“PRC” or “China”	the People’s Republic of China, but for the purposes of this circular only, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Securities Law”	the Securities Law of the People’s Republic of China
“Share(s)”	the A Share(s) and/or the H Share(s)
“Shareholder(s)”	the shareholder(s) of the Company, including H Shareholder(s) and A Shareholder(s)

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

LETTER FROM THE BOARD



ZHEJIANG SANHUA INTELLIGENT CONTROLS CO., LTD.

浙江三花智能控制股份有限公司

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

(Stock Code: 2050)

Executive Directors:

Mr. Zhang Yabo (*Chairman of the Board*)

Mr. Wang Dayong

Mr. Ni Xiaoming

Mr. Chen Yuzhong

Registered office:

No. 219 Woxi Avenue

Chengtian Street, Xinchang

Shaoxing, Zhejiang Province

PRC

Non-executive Directors:

Mr. Zhang Shaobo

Mr. Ren Jintu

Mr. Shi Jianhui

*Principal place of business
in Hong Kong:*

46/F, Hopewell Centre

183 Queen's Road East

Wan Chai

Hong Kong

Independent Non-executive Directors:

Mr. Bao Ensi

Ms. Pan Yalan

Mr. Ge Jun

Mr. Shao Shuangquan

August 27, 2026

To the Shareholders

Dear Sir or Madam,

**REPURCHASE AND CANCELLATION OF
CERTAIN RESTRICTED SHARES
AMENDMENTS TO THE ARTICLES OF ASSOCIATION
2026 INTERIM PROFIT DISTRIBUTION PLAN
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you, as holders of H Shares, with the notice of the EGM (set out on pages 10 to 12 of this circular) and information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolutions or abstain from voting at the EGM.

At the EGM, special resolutions will be proposed to approve (1) the repurchase and cancellation of certain restricted Shares; and (2) the amendments to the Articles of Association, and an ordinary resolution will be proposed to approve (3) the 2026 interim profit distribution plan.

LETTER FROM THE BOARD

1. Repurchase and Cancellation of Certain Restricted Shares

A special resolution will be proposed at the EGM to consider and approve the repurchase and cancellation of certain restricted Shares, the details of which are set out in the appendix to this circular.

The aforesaid resolution was considered and approved by the Board on July 17, 2026 and is hereby submitted to the EGM for consideration and approval.

2. Amendments to the Articles of Association

A special resolution will be proposed at the EGM to consider and approve the amendments to the Articles of Association.

As 81 participants were no longer qualified under the incentive scheme or failed to satisfy the individual performance assessment requirements for the second unlocking period, the Company proposes to repurchase and cancel an aggregate of 648,500 restricted A Shares under its 2024 Restricted Share Incentive Scheme. Upon completion of the repurchase and cancellation, the total number of issued Shares of the Company will be reduced from 4,208,013,935 Shares to 4,207,365,435 Shares, and the registered capital of the Company will be reduced from RMB4,208,013,935 to RMB4,207,365,435. Accordingly, the Board proposes to amend the relevant provisions of the Articles of Association (the “**Proposed Amendments**”).

The details of the Proposed Amendments are as follows:

Before amendment	After amendment
Article 6 The registered capital of the Company is RMB FOUR BILLION TWO HUNDRED EIGHT MILLION THIRTEEN THOUSAND NINE HUNDRED AND THIRTY-FIVE (4,208,013,935) .	Article 6 The registered capital of the Company is RMB FOUR BILLION TWO HUNDRED SEVEN MILLION THREE HUNDRED SIXTY-FIVE THOUSAND FOUR HUNDRED THIRTY-FIVE (4,207,365,435) .
Article 20 The number of shares in issue of the Company comprises 4,208,013,935 shares, all of which are ordinary shares, including 3,731,477,535 A ordinary shares, representing 88.68% of the total share capital of the Company, and 476,536,400 H ordinary shares, representing 11.32% of the total share capital of the Company.	Article 20 The number of shares in issue of the Company comprises 4,207,365,435 shares, all of which are ordinary shares, including 3,730,829,035 A ordinary shares, representing 88.67% of the total share capital of the Company, and 476,536,400 H ordinary shares, representing 11.33% of the total share capital of the Company.

Except for the Proposed Amendments, the other provisions of the Articles of Association remain unchanged. The Articles of Association are prepared in Chinese. In the event of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.

The Proposed Amendments to the Articles of Association are subject to the consideration and approval by the Shareholders by way of a special resolution at the EGM. The amended Articles of Association will take effect on the date of approval at the EGM. The final version of the Articles of Association shall be subject to the approval of the competent market supervision authority. The current Articles of Association shall remain in full force and effect until then.

LETTER FROM THE BOARD

The aforesaid resolution was considered and approved by the Board on July 17, 2026 and is hereby submitted to the EGM for consideration and approval.

3. 2026 Interim Profit Distribution Plan

An ordinary resolution will be proposed at the EGM to consider and approve the 2026 interim profit distribution plan.

The net profit attributable to Shareholders of the Company for the first half of 2026 was RMB2,044,064,626.07 (unaudited).

The parent Company achieved a net profit of RMB326,641,919.24 (unaudited) for the first half of 2026, which, plus the retained profit of RMB1,633,082,877.59 at the beginning of the year, minus the cash dividends for 2025 paid by the Company to all Shareholders in an amount of RMB1,175,905,615.92, and plus an adjustment for dividend distribution differences (being the difference between the proposed and actual dividend distributions) of RMB786,636, resulted in an actual profit available for distribution to Shareholders as at June 30, 2026 of RMB784,605,816.91. The Company's interim profit distribution plan is as follows: based on the share capital of 4,195,537,992 Shares, a cash dividend of RMB1.2 (tax inclusive) per 10 Shares will be distributed to all Shareholders, without issuance of bonus shares or conversion of capital reserves into share capital. A total of RMB503,464,559.04 will be distributed, and the Company's remaining undistributed profits will be carried forward to the next year.

Note: The total share capital of the Company is 4,208,013,935 Shares (comprising 3,731,477,535 A Shares and 476,536,400 H Shares). The number of A Shares repurchased is 12,475,943 Shares. In accordance with the Company Law, Shares held by the Company through its share repurchase account are not entitled to profit distribution or the conversion of capital reserves into share capital.

If the total share capital of the Company changes prior to the implementation of the distribution plan due to repurchases of Shares, vesting of equity incentives, listing of new Shares for refinancing or other reasons, the total distribution amount will be adjusted accordingly provided that the distribution ratio remains unchanged. The cash dividends will be denominated and declared in RMB, with dividends on A Shares paid in RMB and dividends on H Shares paid in Hong Kong dollars. The actual amount of the dividends on H Shares distributed in Hong Kong dollars will be calculated based on the average central parity rate between RMB and Hong Kong dollars published by The People's Bank of China five business days prior to the date of the EGM.

The aforesaid resolution was considered and approved by the Board on August 26, 2026 and is hereby submitted to the EGM for consideration and approval.

LETTER FROM THE BOARD

The Company will pay the 2026 interim dividend of RMB1.2 (inclusive of tax) per 10 Shares to holders of H Shares on Thursday, October 29, 2026. To determine the entitlement of H Shareholders to the 2026 interim dividend, the H Share register of members of the Company will be closed from Thursday, September 24, 2026 to Tuesday, September 29, 2026 (both days inclusive). The H Shareholders whose names appear on the H Share register of members of the Company on Tuesday, September 29, 2026 are entitled to the 2026 interim dividend. In order to qualify for receiving the 2026 interim dividend, all transfer documents accompanied by relevant share certificates must be lodged for registration with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited (for H Shareholders) at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Wednesday, September 23, 2026.

Individual Income Tax

In accordance with the provisions of the Notice of the State Administration of Taxation on Individual Income Tax Collection Issues Following the Repeal of the Document with the Number of Guo Shui Fa 1993 No. 045 (Guo Shui Han 2011 No. 348) (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)), withholding and remitting obligor will withhold and remit individual income tax as per item of "interest, dividends and bonus income" for dividends and bonuses income of overseas resident individual shareholders from the domestic non-foreign-funded enterprises that issue shares in Hong Kong. When the domestic non-foreign-funded enterprise issues shares in Hong Kong, its overseas resident individual shareholders will enjoy relevant tax preference in accordance with the tax convention signed by China and the country of his residential identity and tax arrangement of Mainland China and Hong Kong (Macau). In general, the tax rate for dividend is 10% in accordance with relevant tax convention and provisions on tax arrangement. To simplify tax collection and management, when a domestic non-foreign funded enterprise that has issued shares in Hong Kong distributes dividends and bonuses, individual income tax will be generally withheld and remitted at the tax rate of 10% and application is not necessary. If the tax rate for dividends is not 10%, the following provisions shall apply: (1) for residents from countries which have entered into tax treaties with a tax rate of lower than 10%, the withholding agents will file applications on their behalf to seek entitlement of the relevant agreed preferential treatments, and upon approval by the competent tax authorities, the excess tax amounts withheld will be refunded; (2) for residents from countries which have entered into tax treaties with a tax rate of higher than 10% but lower than 20%, the withholding agents will withhold the individual income tax at the effective tax rate under the treaties when distributing dividends without application; (3) for residents from countries without tax treaties or otherwise, the withholding agents will withhold the individual income tax at a tax rate of 20% when distributing dividends.

For dividends received by mainland individual investors from investing in H Shares of the Company, the Company will withhold and pay individual income tax payable by such mainland individual investors at the rate of 20% on their behalf.

LETTER FROM THE BOARD

Enterprise Income Tax

In accordance with the provisions of the Notice on Relevant Issues that PRC Resident Enterprises Distribute Dividends to Overseas Non-resident Enterprise Shareholders of H shares and Withhold and Remit Enterprise Income Tax (Guo Shui Han 2008 No. 897) (《關於中國居民企業向境外 H 股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)), when PRC resident enterprises distribute dividends for 2008 and future years to overseas non-resident enterprise shareholders of H shares, they will withhold and remit enterprise income tax at the tax rate of 10%. Upon receipt of such dividends, an overseas non-PRC resident enterprise shareholder may apply to the competent tax authorities for relevant treatment under the tax treaties (arrangements) in person or through a proxy or a withholding agent and provide evidence in support of its status as a beneficial owner as defined in the tax treaties (arrangements). Upon verification by the competent tax authorities, the difference between the tax levied and the amount of tax payable as calculated at the tax rate under the tax treaties (arrangements) will be refunded.

Hong Kong Stock Connect

In accordance with provisions of the Notice on Tax Policies about Inter-communication Pilot of Shanghai-Hong Kong Stock Exchange Mechanism (Cai Shui 2014 No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)) and the Notice on Tax Policies about Inter-communication Pilot of Shenzhen-Hong Kong Stock Exchange Mechanism (Cai Shui 2016 No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)) issued by the Ministry of Finance, the State Taxation Administration, and the China Securities Regulatory Commission, listed companies will withhold individual income tax at the tax rate of 20% for dividend and bonus of individual investors in Mainland China who invest in H shares listed on the Hong Kong Stock Exchange via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect. Individual income tax will be collected with reference to the above provisions for dividends and bonuses income of the securities investment fund in Mainland China which invests in listed shares of the Hong Kong Stock Exchange via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect. H-share companies will not withhold dividend and bonus income tax for dividends and bonuses of enterprise investors in Mainland China who invest in listed shares of the Hong Kong Stock Exchange via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and the payable tax will be paid by the enterprise investors in Mainland China themselves. Dividends and bonuses income obtained by resident enterprises in Mainland China as they have continuously held H shares for 12 months will be exempted from enterprise income tax according to laws.

LETTER FROM THE BOARD

EGM

The EGM will be held at Meeting Room, Office Building, Sanhua Industrial Park, No. 219 Woxi Avenue, Chengtan Street, Xinchang, Shaoxing, Zhejiang Province, PRC on Tuesday, September 15, 2026 at 2:00 p.m. The notice of the EGM is set out on pages 10 to 12 of this circular.

The H Share register of members of the Company will be closed from Thursday, September 10, 2026 to Tuesday, September 15, 2026 (both days inclusive). Holders of Shares whose names appear on the H Share register of members of the Company on Tuesday, September 15, 2026 are entitled to attend the EGM and vote in respect of all resolutions to be proposed at the EGM. In order to attend the EGM, holders of H Shares should ensure that all transfer documents, accompanied by relevant share certificates, are lodged with the H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, before 4:30 p.m. on Wednesday, September 9, 2026.

The form of proxy for the EGM was distributed to the Shareholders who had indicated their wish to receive a printed copy on Thursday, August 27, 2026 and has also been published on the HKEXnews website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company's website (www.zjshc.com).

To be valid, for holders of H Shares, the form of proxy and notarized power of attorney or other documents of authorization must be delivered to the H Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 24 hours before the time appointed for the EGM (i.e. before 2:00 p.m. on Monday, September 14, 2026). Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjournment thereof (as the case may be) in person if you so wish.

HONG KONG LISTING RULES REQUIREMENT

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

As at the Latest Practicable Date, to the best knowledge of the Directors, no Shareholder will be required to abstain from voting in respect of any of the resolutions at the EGM.

RESPONSIBILITY STATEMENT

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

LETTER FROM THE BOARD

RECOMMENDATION

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

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendix to this circular.

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

NOTICE OF EXTRAORDINARY GENERAL MEETING



ZHEJIANG SANHUA INTELLIGENT CONTROLS CO., LTD.

浙江三花智能控制股份有限公司

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

(Stock Code: 2050)

NOTICE OF THE 2026 FIRST EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2026 first extraordinary general meeting (the “**EGM**”) of Zhejiang Sanhua Intelligent Controls Co., Ltd. (the “**Company**”) will be held at Meeting Room, Office Building, Sanhua Industrial Park, No. 219 Woxi Avenue, Chengtan Street, Xinchang, Shaoxing, Zhejiang Province, the People's Republic of China on Tuesday, September 15, 2026 at 2:00 p.m., and any adjournment thereof, for the purpose of considering and, if thought fit, passing the following resolutions. Unless otherwise specified, terms used in this notice shall have the same meanings as defined in the circular (the “**Circular**”) of the Company dated August 27, 2026.

SPECIAL RESOLUTIONS:

1. To consider and approve the resolution on repurchase and cancellation of certain restricted Shares
2. To consider and approve the resolution on amendments to the Articles of Association

ORDINARY RESOLUTION:

3. To consider and approve the 2026 interim profit distribution plan of the Company

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

Hong Kong, August 27, 2026

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. Eligibility for attending the EGM and the record date for H Shareholders

The H Share register of members of the Company will be closed from Thursday, September 10, 2026 to Tuesday, September 15, 2026 (both days inclusive). Holders of Shares whose names appear on the H Share register of members of the Company on Tuesday, September 15, 2026 are entitled to attend and vote in respect of all resolutions to be proposed at the EGM. In order to attend the EGM, holders of H Shares should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, before 4:30 p.m. on Wednesday, September 9, 2026.

2. Proposed distribution of the 2026 interim dividend and the record date for H Shareholders

The Company will pay the 2026 interim dividend of RMB1.2 (inclusive of tax) per 10 Shares to holders of H Shares on Thursday, October 29, 2026. To determine the entitlement of H Shareholders to the 2026 interim dividend, the H Share register of members of the Company will be closed from Thursday, September 24, 2026 to Tuesday, September 29, 2026 (both days inclusive). The H Shareholders whose names appear on the H Share register of members of the Company on Tuesday, September 29, 2026 are entitled to the 2026 interim dividend. In order to qualify for receiving the 2026 interim dividend, all transfer documents accompanied by relevant share certificates must be lodged for registration with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited (for H Shareholders) at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Wednesday, September 23, 2026.

3. Proxy

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

To be valid, for holders of H Shares, the form of proxy and notarized power of attorney or other documents of authorization must be delivered to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 24 hours before the time appointed for the EGM (i.e. before 2:00 p.m. on Monday, September 14, 2026).

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

4. Registration procedures for attending the EGM

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

5. Voting by poll

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

6. Miscellaneous

- (1) The EGM is expected to be held for no more than half a day. Shareholders who attend the meeting in person or by proxy shall bear their own travelling and accommodation expenses.
- (2) Contact telephone: 0571-28020008
Email: shc@zjshc.com
Contact person: Zhang Yuqing (張宇青)
- (3) For details of the resolutions submitted to the EGM for consideration and approval, please refer to the circular of the Company dated August 27, 2026.

As at the date of this notice, the Board comprises: (i) Mr. Zhang Yabo, Mr. Wang Dayong, Mr. Ni Xiaoming and Mr. Chen Yuzhong as executive Directors; (ii) Mr. Zhang Shaobo, Mr. Ren Jintu and Mr. Shi Jianhui as non-executive Directors; and (iii) Mr. Bao Ensi, Ms. Pan Yalan, Mr. Ge Jun and Mr. Shao Shuangquan as independent non-executive Directors.

I. REASONS FOR REPURCHASE AND CANCELLATION, NUMBER OF SHARES INVOLVED, REPURCHASE PRICE AND BASIS FOR PRICING**1. Reasons for Repurchase and Cancellation and Number of Shares Involved**

In accordance with relevant laws and regulations including the Measures for the Administration of Equity Incentives of Listed Companies (the “**Administrative Measures**”), as well as relevant provisions including the 2024 Restricted Share Incentive Scheme of Zhejiang Sanhua Intelligent Controls Co., Ltd. (Draft) (the “**2024 Restricted Share Incentive Scheme**”), as 75 participants are no longer eligible under the incentive scheme due to their resignations, the Company has agreed to repurchase and cancel all of the 633,500 restricted Shares held by them that have been granted but not been unlocked; as three participants received a “D” rating in their performance appraisals, thus failing to meet the unlocking conditions for the second unlocking period, the Company has agreed to repurchase and cancel part of the 4,500 restricted Shares held by them that have been granted but not been unlocked; as three participants are no longer eligible under the incentive scheme due to non-work-related fatalities, the Company has agreed to repurchase and cancel all of the 10,500 restricted Shares held by them that have been granted but not been unlocked. In summary, the Company has agreed to repurchase and cancel a total of 648,500 restricted Shares under the 2024 Restricted Share Incentive Scheme.

2. Repurchase Price and Basis for Pricing

In accordance with the provisions of the 2024 Restricted Share Incentive Scheme, where the Company pays a dividend, the repurchase price shall be adjusted as follows: $P = P_0 - V$, where P is the adjusted repurchase price per restricted Share, V is the dividend per Share and P_0 is the grant price per restricted Share or the repurchase price per restricted Share prior to the adjustment. After adjustment for the payment of dividend, P shall still be greater than 1.

The adjusted repurchase price under the 2024 Restricted Share Incentive Scheme is $P = [RMB11.40 - RMB0.1197314] - RMB0.2793733 \approx RMB11.00$ per Share.

In summary, the repurchase price under the 2024 Restricted Share Incentive Scheme is RMB11.00 per Share, and the total funds to be used for the repurchase of the 2024 restricted Shares amounts to approximately RMB7.1335 million, which will be financed by the Company’s internal financial resources.

II. CHANGES IN SHARE CAPITAL STRUCTURE FOLLOWING THE REPURCHASE AND CANCELLATION

The proposed repurchase and cancellation of the aforementioned Shares will result in a reduction of 648,500 Shares in the total number of Shares of the Company. The Company will promptly disclose the changes in its total number of Shares and its share capital structure upon completion of the repurchase and cancellation of the restricted Shares.

III. IMPACT OF THE REPURCHASE AND CANCELLATION ON THE COMPANY'S PERFORMANCE

The repurchase and cancellation of certain restricted Shares will not have a material impact on the Company's financial condition or operating results, nor will it affect the incentive and stability of the Company's management team. The Company's management team will continue to act with diligence and dedication, conscientiously fulfill their duties and create value for Shareholders.

IV. REVIEW BY THE REMUNERATION AND EVALUATION COMMITTEE OF THE BOARD

The Remuneration and Evaluation Committee of the Board of the Company reviewed the unlocking conditions for the second unlocking period under the 2024 Restricted Share Incentive Scheme of the Company and verified the participants' resignation status and their performance appraisal results. The committee concluded that, for the second unlocking period under the 2024 Restricted Share Incentive Scheme, a total of 648,500 restricted Shares, which comprise all or part of the restricted Shares granted to 81 participants, shall be cancelled. Among them, 75 participants are no longer eligible under the incentive scheme due to their resignations, three participants received a "D" rating in their performance appraisals, thus failing to meet the unlocking conditions for the second unlocking period, and three participants are no longer eligible under the incentive scheme due to non-work-related fatalities. In accordance with relevant laws and regulations including the Administrative Measures, as well as relevant provisions including the 2024 Restricted Share Incentive Scheme, the proposed cancellation of certain restricted Shares is fully justified and will be conducted in compliance with procedures. There will be no circumstances that would harm the interests of the Company and the Shareholders. The Remuneration and Evaluation Committee of the Board has agreed to proceed with the proposed cancellation in accordance with relevant regulations.

V. CONCLUSIONS OF THE LEGAL OPINION MADE BY ZHONG LUN LAW FIRM

1. As at the date of the legal opinion, the adjustment and the repurchase and cancellation have obtained the approvals and authorizations required at this stage and comply with relevant provisions including the Company Law, the Securities Law, the Administrative Measures, the Articles of Association and the 2024 Restricted Share Incentive Scheme. The proposed repurchase and cancellation shall be subject to consideration and approval by the Company's general meeting. The Company shall fulfill its relevant disclosure obligations in accordance with the Administrative Measures and the relevant normative documents of the Shenzhen Stock Exchange and apply to the Shenzhen Stock Exchange and the securities registration and clearing institution to complete the procedures for the cancellation of the relevant Shares and the reduction of its share capital;
2. Reasons for the repurchase and cancellation, the number of Shares involved and the repurchase price comply with the relevant provisions of the Administrative Measures and the 2024 Restricted Share Incentive Scheme.