
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this 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 circular together with the accompanying form of proxy 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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(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2402)

- (1) THE 2023 PROFIT DISTRIBUTION AND CAPITAL RESERVE CAPITALIZATION PLAN, PROPOSED CHANGE OF REGISTERED CAPITAL AND AMENDMENTS TO THE ARTICLES OF ASSOCIATION;**
- (2) PROPOSED APPOINTMENT OF SUPERVISOR;**
- (3) PROPOSED CHANGE OF AUDITORS;**
- (4) GENERAL MANDATE TO ISSUE A SHARES UNDER SIMPLIFIED PROCEDURE;**
- (5) GENERAL MANDATE TO ISSUE H SHARES AND/OR A SHARES;**
- (6) NOTICE OF ANNUAL GENERAL MEETING; AND**
- (7) NOTICE OF H SHARE CLASS MEETING**

A letter from the Board is set out on pages 5 to 18 of this circular. The notices convening the AGM and the H Share Class Meeting 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 28, 2024 or any adjournment or postponement thereof had been published and be available for downloading on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.sinohytec.com).

Forms of proxy for use at the AGM and the H Share Class Meeting are also enclosed with this circular. Whether or not you propose to attend the AGM and/or the H Share Class Meeting, 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 and/or the H Share Class Meeting 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 and/or the H Share Class Meeting 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 and the H Share Class Meeting.

References to times and dates in this circular are to Hong Kong local times and dates.

June 7, 2024

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EXPECTED TIMETABLE

The expected timetable for the 2023 Profit Distribution and Capital Reserve Capitalization Plan (in respect of the issue of the new H Shares), which are subject to the Shareholders' approval at the AGM, the A Share Class Meeting and the H Share Class Meeting, as set forth below is indicative only and has been prepared on the assumption that all conditions of the 2023 Profit Distribution and Capital Reserve Capitalization Plan will be fulfilled. Any consequential changes to the expected timetable will be announced in a separate announcement by the Company as and when appropriate.

Latest time for lodging transfer documents of H Shares for entitlement to attend and vote at the AGM and the H Share Class Meeting (Note 2) 4:30 p.m., Friday, June 7, 2024

Record date and time for determining entitlement to attend and vote at the AGM and the H Share Class Meeting (Note 2) 4:30 p.m. Friday, June 7, 2024

Latest time for lodging proxy forms for the AGM and the H Share Class Meeting 2:00 p.m., Thursday, June 27, 2024

AGM 2:00 p.m., Friday, June 28, 2024

H Share Class Meeting 2:00 p.m. (or immediately after the conclusion or adjournment of the AGM and the A Share Class Meeting), Friday, June 28, 2024

Publication of the announcement of poll results of the AGM and the H Share Class Meeting Friday, June 28, 2024

Last day of dealings in H Shares on a cum-entitlement basis Wednesday, July 3, 2024

First day of dealings in H Shares on an ex-entitlement basis Thursday, July 4, 2024

Latest time for lodging transfer documents of H Shares for entitlement to the 2023 Profit Distribution and Capital Reserve Capitalization Plan 4:30 p.m., Friday, July 5, 2024

Record date and time for determining H Shareholders' entitlement to the 2023 Profit Distribution and Capital Reserve Capitalization Plan 4:30 p.m., Friday, July 5, 2024

EXPECTED TIMETABLE

Despatch of share certificate for the Capitalization H shares Friday, July 19, 2024

Dealing in the Capitalization H Shares commence 9:00 a.m., Monday,
July 22, 2024

Notes:

1. If there is/are a tropical cyclone warning signal number 8 or above, “extreme conditions” caused by super typhoons, or a black rainstorm warning: (a) in force in Hong Kong at any local time before 12:00 noon but no longer in force after 12:00 noon, the latest time for lodging transfer documents will remain at 4:30 p.m. on the same Business Day; (b) in force in Hong Kong at any local time between 12:00 noon and 4:30 p.m., the latest time for lodging transfer documents will be rescheduled to 4:30 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:30 p.m.
2. For the avoidance of doubt, any person(s) who become Shareholder(s) after 4:30 p.m., Friday, June 7, 2024 will not be entitled to attend and vote at the AGM and the H Share Class Meeting.

DEFINITIONS

Unless the context otherwise requires, the following expressions in this circular shall have the meanings set out below:

“2023 Profit Distribution and Capital Reserve Capitalization Plan”	the proposed profit distribution and capital reserve capitalization plan of the Company for the year of 2023
“A Share(s)”	domestic shares of the Company, with a nominal value of RMB1.00 each, which are listed on the SSE STAR Market and are traded in RMB
“A Share Class Meeting”	the 2024 second A Share class meeting of the Company to be convened and held at 2:00 p.m. (or immediately after the AGM to be convened and held on the same date and at the same place) on Friday, June 28, 2024 at Room C701, 7th Floor, Block C, Building B-6, Dongsheng Science Park, Zhongguancun, No. 66, Xixiaokou Road, Haidian District, Beijing, China, including any adjournments or postponement thereof
“A Share Listing Rules”	the Rules Governing the Listing of Stock on the SSE STAR Market, as amended from time to time
“A Shareholder(s)”	the holder(s) of the A Share(s)
“AGM”	the annual general meeting of the Company to be convened and held at 2:00 p.m. on Friday, June 28, 2024 at Room C701, 7th Floor, Block C, Building B-6, Dongsheng Science Park, Zhongguancun, No. 66, Xixiaokou Road, Haidian District, Beijing, China, including any adjournments or postponement thereof
“Articles of Association”	the Articles of Association of the Company currently in force (as amended, modified or otherwise supplemental from time to time)
“Audit Committee”	the audit committee of the Board
“BDO”	BDO China Shu Lun Pan Certified Public Accountants LLP
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are generally open for normal banking business
“Capitalization A Shares”	the new A Shares to be allotted and issued under the Capitalization Issue

DEFINITIONS

“Capitalization H Shares”	the new H Shares to be allotted and issued under the Capitalization Issue
“Capitalization Issue”	the issuance of 4 Capitalization Shares for every 10 Shares by way of capitalization of reserve under the 2023 Profit Distribution and Capital Reserve Capitalization Plan
“Capitalization Shares”	the new Shares to be allotted and issued under the Capitalization Issue
“CCASS”	Central Clearing and Settlement System
“Company”	Beijing SinoHytec Co., Ltd. (北京億華通科技股份有限公司), a joint stock company with limited liability incorporated in the PRC, the A Shares of which are listed on the SSE STAR Market and the H Shares of which are listed on the Main Board of the Stock Exchange
“Company Law”	the Company Law of the PRC
“CSDC”	China Securities Depository and Clearing Corporation Limited
“CSRC”	the China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“General Mandate under Simplified Procedure”	a general mandate to be granted to the Board to handle relevant matters in relation to the issue of A Shares to specific targets under simplified procedure, subject to the conditions set out in the resolution proposed at the AGM
“H Share(s)”	the overseas listed foreign share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is/are subscribed for and traded in HK\$ and listed on the Stock Exchange
“H Share Class Meeting”	the 2024 second H Share class meeting of the Company to be convened and held at 2:00 p.m. (or immediately after the AGM and the A Share Class Meeting to be convened and held on the same date and at the same place) on Friday, June 28, 2024 at Room C701, 7th Floor, Block C, Building B-6, Dongsheng Science Park, Zhongguancun, No. 66, Xixiaokou Road, Haidian District, Beijing, China, including any adjournments or postponement thereof
“H Shareholder(s)”	the holder(s) of H Share(s)

DEFINITIONS

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	June 4, 2024, being the latest practicable date for ascertaining certain information contained herein
“Listing”	the listing of the H Shares on the Main Board of the Stock Exchange
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“PRC”	The People’s Republic of China
“Proposed Amendments to the Articles of Association”	the proposed amendments to the Articles of Association
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the A Share(s) and the H Share(s)
“Shareholder(s)”	the holder(s) of the Share(s)
“SSE STAR Market”	the Shanghai Stock Exchange Science and Technology Innovation Board (上海證券交易所科創板)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company

DEFINITIONS

“treasury shares” has the meaning ascribed to it under the Listing Rules which will come into effect on June 11, 2024 and as amended from time to time

“%” per cent.

The English names of the Chinese nationals, companies, entities, departments, facilities, certificates, titles and the like are translation of their Chinese names and are included in this circular for identification purposes only and should not be regarded as their official English translation. In the event of any inconsistency, the Chinese names prevail.

The English text of this circular shall prevail over the Chinese text in the event of inconsistency.

LETTER FROM THE BOARD



(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 7, 2024

To the Shareholders

Dear Sir/Madam,

- (1) 2023 PROFIT DISTRIBUTION AND CAPITAL RESERVE
CAPITALIZATION PLAN, PROPOSED CHANGE OF REGISTERED CAPITAL
AND AMENDMENTS TO THE ARTICLES OF ASSOCIATION;
(2) PROPOSED APPOINTMENT OF SUPERVISOR;
(3) PROPOSED CHANGE OF AUDITORS;
(4) GENERAL MANDATE TO ISSUE A SHARES UNDER SIMPLIFIED
PROCEDURE;
(5) GENERAL MANDATE TO ISSUE H SHARES AND/OR A SHARES;
(6) NOTICE OF ANNUAL GENERAL MEETING; AND
(7) NOTICE OF H SHARE CLASS MEETING**

INTRODUCTION

References are made to (1) the announcement of the Company dated April 26, 2024 in relation to the 2023 Profit Distribution and Capital Reserve Capitalization Plan, the proposed change of registered capital and the Proposed Amendments to the Articles of Association; (2) the announcement of the Company dated April 26, 2024 in relation to the change of Supervisors; (3) the announcement of the Company dated June 4, 2024 in relation to the postponement of the AGM and the H Share Class Meeting; and (4) the announcement of the Company dated June 7, 2024 in relation to the proposed change of auditors.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with further details of (1) the 2023 Profit Distribution and Capital Reserve Capitalization Plan, the proposed change of registered capital and the Proposed Amendments to the Articles of Association; (2) the proposed appointment of Supervisor; (3) the proposed change of auditors; (4) the General Mandate under Simplified Procedure; and (5) the general mandate to issue H Shares and/or A Shares, and to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the AGM and the H Share Class Meeting. For details of the proposed resolutions at the AGM and the H Share Class Meeting, please also refer to the notices of the AGM and the H Share Class Meeting enclosed with this circular.

2023 PROFIT DISTRIBUTION AND CAPITAL RESERVE CAPITALIZATION PLAN

The Board proposed the 2023 Profit Distribution and Capital Reserve Capitalization Plan, with issuance of 4 new Shares for every 10 existing Shares to Shareholders by way of capitalization of capital reserve, representing a total increase of 66,186,309 Shares, comprising of 55,939,177 A shares and 10,247,132 H Shares, based on the total share capital of the Company of 165,465,772 as of March 31, 2024, subject to any change of number of Shares until the record date for determining the Shareholders' entitlement to the 2023 Profit Distribution and Capital Reserve Capitalization Plan.

Upon completion of the Capitalization Issue, the total issued Shares will increase from 165,465,772 Shares, to 231,652,081 Shares, comprising 195,787,119 A Shares and 35,864,962 H Shares. In the event of change in the total issued share capital of the Company before the record date for profit distribution, the total number of new Shares to be issued out of capital reserve to all Shareholders will be adjusted accordingly.

The Capitalization Issue is subject to, amongst others, the following conditions:

1. approval by the Shareholders by way of special resolution(s) at the AGM, the H Share Class Meeting and the A Share Class Meeting, all to be held on Friday, June 28, 2024;
2. the Stock Exchange granting the listing of, and permission to deal in, the Capitalization H Shares; and
3. compliance with the relevant legal procedures and requirements under the Company Law to effect the Capitalization Issue.

There are no outstanding options, convertible bonds, warrants or other similar securities of the Company which are convertible into Shares, as of the Latest Practicable Date.

As of the Latest Practicable Date, the Company did not hold any treasury Shares. No treasury Shares would be subject to the 2023 Profit Distribution and Capital Reserve Capitalization Plan.

LETTER FROM THE BOARD

Reasons for the Capitalization Issue

As of December 31, 2023, the balance of capital reserve as shown at the financial statement of the Company amounted to approximately RMB3,237 million. The Company has sufficient capital reserve for the conversion of capital reserve into share capital under the 2023 Profit Distribution and Capital Reserve Capitalization Plan. Based on the expectations on the future development of the Company, and with reference to the overall financial status of the Company, the Board proposed the 2023 Profit Distribution and Capital Reserve Capitalization Plan. The Board believes that the Capitalization Issue will allow the Shareholders to enjoy a pro-rata increase in the number of Shares held by them in the Company without incurring any significant costs to them, and further afford the Shareholders with more flexibility in managing their own investment portfolios. For example, Shareholders may dispose of a portion of the Shares to realize a cash return to meet their own financial needs or to make a capital gain under favorable market condition whilst at the same time choosing to hold the remaining portion of the Shares for long term investment to receive more cash dividend in the future. Therefore, the Board expects that the Capitalization Issue would enhance the liquidity of the Shares in the market. Besides, it is expected that the trading price per Share traded after ex-entitlement to the Capitalization Shares would decrease after the Capitalization Issue. By way of illustration only, the closing price per Share as quoted on the Stock Exchange as of the Latest Practicable Date is HK\$32.950 and the board lot value of the Shares as of the Latest Practicable Date is HK\$1,647.5. As the number of Shares to be held by the Shareholders would increase by 40% had the Capitalization Issue taken place, the market value per board lot would theoretically decrease by approximately 28.57% after the Capitalization Issue. With reference to the aforementioned closing price per Share, the theoretical board lot value as a result of the Capitalization Issue would be approximately HK\$1,176.8. The decrease in trading price for each Share will reduce transaction costs incurred by the Shareholders and potential investors of the Company for acquiring each board lot of Shares in future, which may attract more investors to buy Shares on the Stock Exchange, and hence is expected to broaden the Shareholder base of the Company.

In determining the ratio of the Capitalization Issue on the basis of 4 new Shares for every 10 existing Shares, the Board has considered (i) the number of Capitalization Shares that the Company will issue (i.e. 66,186,309 Shares, comprising of 55,939,177 A Shares and 10,247,132 H Shares), (ii) the existing board lot size of 50 Shares, with a view to minimising the creation of odd lots and aggregation of fractional Shares as a result of the Capitalization Issue, (iii) the amount to be capitalised out of the capital reserve account of the Company as a result of the Capitalization Issue (i.e. approximately RMB66,186,309), and (iv) the requirement of the Shanghai Stock Exchange's Self-Regulatory Guidelines for Listed Companies on the Science and Technology Innovation Board, Provision No. 1 – Standardized Operations 《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》 that prohibits a company listed on the SSE STAR Market which has not yet generated any net profit for the most recent reporting period from conducting a capitalization issue at a high ratio, i.e. a ratio exceeding 5 capitalization shares for every 10 existing shares. Accordingly, the Directors believe that the Capitalization Issue will be in the interest of the Company and the Shareholders as a whole.

The Company has considered alternative methods, such as share subdivision and a change in board lot size. However, these alternative methods, when compared to the Capitalization Issue, involve more administrative procedures, such as arrangements for exchanging new share certificates for existing share certificates. As such, the Company is of the view that the Capitalization Issue is appropriate in the circumstances and is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

As of the Latest Practicable Date, the Company does not have any concrete plan to conduct any equity fundraising activity in the next 12 months.

Status of the Capitalization Shares

The Capitalization Shares will, subject to the Articles of Association, rank *pari passu* in all respects with the Shares in issue on the date of the issue of the Capitalization Shares. Holders of the Capitalization Shares will be entitled to receive all future dividends and distributions (if any) which are declared, made or paid after the date on which the Capitalization Shares are allotted and issued. The Capitalization Issue should not result in any change to the rights of the Shares. The Capitalization Issue is non-renounceable.

Overseas H Shareholders

As of the Latest Practicable Date, according to the latest register of members available to the Company, none of the H Shareholders as recorded on the register of members of the Company had an address which is outside Hong Kong.

Upon the proposed Capitalization Issue becoming unconditional, the Company will consider if there are any overseas H Shareholders located in other jurisdictions, and if there are such overseas H Shareholders, then the Company will make enquiry regarding the legal restrictions (if any) under the laws of the relevant places and the requirements of the relevant regulatory bodies for the relevant overseas H Shareholders to be eligible to take part in the Capitalization Issue pursuant to the Listing Rules.

Taxation

According to the relevant provisions of the State Administration of Taxation of the PRC, the Capitalization Issue shall be proceeded by the capital reserve from equity, which will not be treated as income in the nature of dividends or bonuses for the investor. As a result, there will be no levy of PRC taxation in respect of the Capitalization Issue, and the Company will not withhold personal income tax or corporate income tax on behalf of the investor.

Trading in the new H Shares is subject to Hong Kong stamp duty.

Should the H Shareholders have any doubt in relation to the taxation arrangements, they are recommended to consult their tax advisors for relevant tax impact in the PRC, Hong Kong and other countries (regions) on the possession and disposal of the H Shares.

LETTER FROM THE BOARD

Effect to the Shareholding upon completion of the Capitalization of Issue

Set out below is the shareholding structure of the Company as of March 31, 2024 and immediately upon completion of allotment and issue of Capitalization Shares (assuming that no other Shares are allotted or issued and no existing Shares are repurchased or cancelled prior to the record date(s) in respect of holders of H Shares and A Shares by reference to their entitlements to the Capitalization Issue, upon satisfaction of the conditions set out above) for illustration only:

	As of March 31, 2024		Immediately upon completion of the Capitalization Issue	
	Number of Shares	Approximate percentage of total issued Shares	Number of Shares	Approximate percentage of total issued Shares
H Shares				
H Shareholders	25,617,830	15.48%	35,864,962	15.48%
Sub-total	25,617,830	15.48%	35,864,962	15.48%
A Shares				
Zhang Guoqiang	26,031,764	15.73%	36,444,470 ^(Note)	15.73%
Other A Shareholders	113,816,178	68.79%	159,342,649 ^(Note)	68.79%
Sub-total	139,847,942	84.52%	195,787,119	84.52%
Total	165,465,772	100.00%	231,652,081	100.00%

Note: The number of Shares held by Mr. Zhang Guoqiang and other A Shareholders immediately upon completion of allotment and issue of Capitalization Shares is subject to the registration results of CSDC.

Eligibility for Capitalization Shares of Shareholders trading through Southbound Trading and Northbound Trading

As of the Latest Practicable Date, the A Shares are eligible for investors of the Stock Exchange (including enterprises and individuals) to invest (the “**Northbound Trading**”) and the H Shares are eligible for investors of the Shanghai Stock Exchange and Shenzhen Stock Exchange (including enterprises and individuals) investing in the H Shares listed on the Stock Exchange (the “**Southbound Trading**”). Subject to compliance with the relevant laws or regulations in the PRC, Capitalization H Shares will be allotted to the H Shareholders in the PRC who are holding the H Shares through the Southbound Trading and Capitalization A Shares will be allotted to the A Shareholders in Hong Kong who are holding the A Shares through Northbound Trading under the Capitalization Issue.

LETTER FROM THE BOARD

Application for Listing

Application will be made by the Company to the Listing Committee for the approval for the listing of, and permission to deal in, the Capitalization H Shares. The Capitalization A Shares will be listed on the SSE STAR Market. Subject to the satisfaction of the conditions as set out in this circular (including but not limited to the granting of the aforesaid listing approval by the Stock Exchange), the Capitalization H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS. All necessary arrangements will be made by the Company for the Capitalization H Shares to be admitted into CCASS. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Aside from the Stock Exchange, the Capitalization H Shares will not be listed at or dealt in any other stock exchanges, and the Company is not currently seeking for or proposing to seek for the listing at or dealing in any other stock exchanges for the Capitalization H Shares.

Subject to the Capitalization Issue becoming unconditional, the certificates for the Capitalization H Shares will be despatched by ordinary post to the H Shareholders who are entitled thereto at their own risk. In case of joint shareholding, the certificates for the Capitalization H Shares will be posted to the first named person on the H Shareholder's register in respect of such joint shareholding. The Capitalization H Shares are expected to commence dealing on the Stock Exchange no later than Monday, July 22, 2024.

Record Date

The record date and time for determining the entitlement of the H Shareholders to the Capitalization Issue will be at 4:30 p.m. on Friday, July 5, 2024. For the purpose of determining the entitlement of the H Shareholders to the Capitalization Issue, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the H share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for H Shareholders), no later than 4:30 p.m. on Friday, July 5, 2024.

Fractional Capitalization Shares

The Capitalization H Shares will be issued on a pro rata basis and any fractional Shares (if any) will be rounded down to the nearest whole unit. No fractional Shares will be issued and distributed pursuant to the Capitalization Issue but will be aggregated and sold for the benefit of the Company.

In respect of A Shareholders, in accordance with requirements under the Guideline of the Shanghai Branch of China Securities Depository and Clearing Corporation Limited on Business of Security Issuers (《中國證券登記結算有限責任公司上海分公司證券發行人業務指南》), in the event of registration of fractional shares, CSDC requires that the fractional shares less than one share arising from the issuance of bonus shares or the issuance of shares by capitalization of capital reserve are sorted in descending order by the number of fractional shares held by shareholders, and if the numbers of fractional shares are same, they shall be sorted randomly by electronic settlement system. The CSDC shall register them as one share one by one according to the order until the issuance of bonus shares or the issuance of shares by capitalization of capital reserve is completed. Accordingly, no fractional Capitalization A Shares shall be allotted to A Shareholders under the Capitalization Issue.

LETTER FROM THE BOARD

The Capitalization H Shares arising from the Capitalization Issue may be allotted in odd lot (i.e. less than a board lot of 50 H Shares). No special dealing arrangements will be put in place by the Company to facilitate the trading or disposal of the Capitalization H Shares in odd lots. Shareholders should be aware that odd lots usually trade at a discount to the price of board lots.

Risk Warning for Trading in H Shares

H Shareholders should note that H Shares are expected to be traded on ex-entitlement basis commencing from Thursday, July 4, 2024. The Capitalization Issue will not be carried out until satisfaction of the conditions to the Capitalization Issue as set out in this circular. Any person who deals in H Shares on ex-entitlement basis prior to the satisfaction of the conditions and obtaining of the approval will be subject to the risk that the relevant proposal may not become unconditional or fail to proceed. Shareholders or potential investors shall seek professional advice from their own professional consultants should they have any doubt on their situations.

Statements to be Made on Acquisition of Shares

The Company shall ensure that all its listing documents and share certificates include the statements stipulated below and shall instruct and cause its share registrars not to register the subscription, purchase or transfer of any of its Shares in the name of any particular holder unless and until such holder delivers to such share registrar a signed form in respect of such Shares bearing statements to the following effect:

- (a) the acquirer of Shares agrees with the Company and each Shareholder, and the Company agrees with each Shareholder, to observe and comply with the Company Law, the Special Regulations on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies and the Articles of Association;
- (b) the acquirer of Shares agrees with the Company, each Shareholder, Director, supervisor, manager and officer of the Company, and the Company acting for itself and for each Director, supervisor, manager and officer agrees with each Shareholder, to refer all differences and claims arising from the Articles of Association or any rights or obligations conferred or imposed by the Company Law or other relevant laws and administrative regulations concerning the affairs of the Company to arbitration in accordance with the Articles of Association. Any reference to arbitration will be deemed to authorize the arbitration tribunal to conduct its hearing in open session and to publish its award. Such arbitration will be final and conclusive;
- (c) the acquirer of Shares agrees with the Company and the Shareholders that H Shares are freely transferable by the holder of such Shares; and
- (d) the acquirer of Shares authorizes the Company to enter into a contract on his/her/its behalf with each Director and officer whereby such Directors and officers undertake to observe and comply with their obligations to Shareholders stipulated in the Articles of Association.

LETTER FROM THE BOARD

In light of the proposed change in the registered capital of the Company, the Board proposed to make relevant amendments to the Articles of Association. Particulars of the Proposed Amendments to the Articles of Association are as follows:

Existing Articles	Revised Articles
<p>Article 6</p> <p>The registered capital of the Company is RMB165,465,772. The Company is a joint stock limited company with perpetual existence.</p>	<p>Article 6</p> <p>The registered capital of the Company is RMB231,652,081. The Company is a joint stock limited company with perpetual existence.</p>
<p>Article 22</p> <p>Before the issuance of H Shares, the total number of shares of the Company was 99,891,387, all being RMB ordinary shares.</p> <p>The Company issued 18,298,450 H shares upon approval of CSRC in 2023. After the abovementioned issuance, the total number of shares of the Company is 118,189,837, all being ordinary shares, including 99,891,387 shares of domestically listed domestic shares (A shares), accounting for 84.52% of the total share capital of the Company; 18,298,450 shares are overseas-listed foreign shares (H shares), accounting for 15.48% of the total share capital of the Company.</p> <p>The Company issued 39,956,555 A Shares and 7,319,380 H Shares upon approval at the annual general meeting of the Company for 2022. After the abovementioned issuance, the total number of shares of the Company is 165,465,772, all being ordinary shares, including 139,847,942 shares of domestically listed domestic shares (A shares), accounting for 84.52% of the total share capital of the Company; 25,617,830 shares are overseas-listed foreign shares (H shares), accounting for 15.48% of the total share capital of the Company.</p>	<p>Article 22</p> <p>Before the issuance of H Shares, the total number of shares of the Company was 99,891,387, all being RMB ordinary shares.</p> <p>The Company issued 18,298,450 H shares upon approval of CSRC in 2023. After the abovementioned issuance, the total number of shares of the Company is 118,189,837, all being ordinary shares, including 99,891,387 shares of domestically listed domestic shares (A shares), accounting for 84.52% of the total share capital of the Company; 18,298,450 shares are overseas-listed foreign shares (H shares), accounting for 15.48% of the total share capital of the Company.</p> <p>The Company issued 39,956,555 A Shares and 7,319,380 H Shares upon approval at the annual general meeting of the Company for 2022. After the abovementioned issuance, the total number of shares of the Company is 165,465,772, all being ordinary shares, including 139,847,942 shares of domestically listed domestic shares (A shares), accounting for 84.52% of the total share capital of the Company; 25,617,830 shares are overseas-listed foreign shares (H shares), accounting for 15.48% of the total share capital of the Company. The Company issued 55,939,177 A Shares and 10,247,132 H Shares upon approval at the annual general meeting of the Company for 2023. After the abovementioned issuance, the total number of shares of the Company is 231,652,081, all being ordinary shares, including 195,787,119 shares of domestically listed domestic shares (A shares), accounting for 84.52% of the total share capital of the Company; 35,864,962 shares are overseas-listed foreign shares (H shares), accounting for 15.48% of the total share capital of the Company.</p>

LETTER FROM THE BOARD

Except for the abovementioned, other provisions of the Articles of Association remain unchanged. The English version of the Proposed Amendments to the Articles of Association is an unofficial translation of its Chinese version. In case of any discrepancies, the Chinese version shall prevail.

The Company proposed that the Board be authorized to further authorize the Chairman or other persons as further authorized by him to handle relevant filing and registration procedures with competent authorities in relation to the Proposed Amendments to the Articles of Association.

A special resolution will be proposed at each of the AGM and the H Share Class Meeting to consider and approve the 2023 Profit Distribution and Capital Reserve Capitalization Plan, the proposed change of registered capital and Proposed Amendments to the Articles of Association and the relevant authorization as aforementioned.

PROPOSED APPOINTMENT OF SUPERVISOR

An ordinary resolution will be proposed at the AGM to consider and approve the appointment of Mr. Liu Wei (“**Mr. Liu**”) as a Supervisor. The biographical details of Mr. Liu are as follows:

Liu Wei, aged 36, obtained a master’s degree in Beijing University of Posts and Telecommunications. He joined the Company in August 2012. Mr. Liu served as a software engineer of the control development department from 2012 to 2015, the manager of the control development department from 2015 to 2021, and has served as the control strategy engineer of the Company since 2021. He has been primarily responsible for the development of fuel cell control systems of the Company. Mr. Liu obtained the qualification of senior engineer in 2023.

Subject to the approval of the Shareholders at the AGM, the Company will enter into a service contract with Mr. Liu. The initial term of service will commence on the date on which the ordinary resolution regarding the appointment of Mr. Liu is passed at the AGM and expire at the expiration of the third session of the Supervisory Committee. Mr. Liu will not receive remuneration for his capacity as a Supervisor, but he will receive basic salary of RMB365,226 per annum (taxes inclusive) for his post as the control strategy engineer of the Company, as well as contribution to social insurance and housing provident fund pursuant to laws and regulations of PRC. The remuneration of Mr. Liu has been determined with reference to his duties and responsibilities with the Company and the prevailing market condition.

As of the Latest Practicable Date, save as disclosed above, Mr. Liu (i) has not held any other position with the Company or other members of the Group; (ii) has not held any directorships in other public companies, the securities of which are listed on any securities market in Hong Kong or overseas, in the last three years; (iii) has no other major appointments or professional qualifications; and (iv) does not have any relationships with any Director, Supervisor, member of senior management, substantial shareholder or controlling shareholder (having the meaning ascribed to it under the Listing Rules) of the Company. He does not have any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, there is no other information in relation to the appointment of Mr. Liu which is required to be disclosed under Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules, nor there is any other matter relating to his appointment which needs to be brought to the attention of the Shareholders.

LETTER FROM THE BOARD

PROPOSED CHANGE OF AUDITORS

With the recommendation of the Audit Committee, the Board has proposed the appointment of BDO as the auditors of the Company for the year ending December 31, 2024, with the term of office commencing from the date of approval of Shareholders at the AGM until the conclusion of the next annual general meeting of the Company.

The Audit Committee has considered a number of factors when recommending BDO as the new auditors of the Company to the Board, including (i) its experience in providing audit services for companies listed on the Stock Exchange and the SSE STAR Market, its industry knowledge, technical competence and its familiarity with the requirements of the Listing Rules, the Listing Rules of the SSE STAR Market, and the PRC Accounting Standards for Business Enterprises; (ii) its resources and capability including manpower and time; (iii) its independence, objectivity and integrity; (iv) its audit fee; (v) its investor protection capability; and (vi) the guidelines issued by the Accounting and Financial Reporting Council.

An ordinary resolution will be proposed at the AGM to consider and approve the appointment of BDO as the auditors of the Company.

GENERAL MANDATE UNDER SIMPLIFIED PROCEDURE

A special resolution will be proposed at the AGM to consider and approve the granting of the General Mandate under Simplified Procedure to the Board to handle relevant matters in relation to the issue of A Shares, the number of which shall not exceed 20% of the total number of A Shares in issue as of the date of passing of the proposed special resolution at the AGM and the amount of proceeds of which shall not exceed RMB300 million and 20% of net assets at the end of the most recent financial year to specific targets in accordance with relevant laws and regulations. The General Mandate under Simplified Procedure shall be valid from the date of passing of the proposed special resolution at the AGM until the date of which the next annual general meeting of the Company is held. The Board may issue shares to specific targets through simplified procedures only subject to compliance with the Listing Rules, the Articles of Association and the relevant provisions of applicable laws and regulations of the PRC, as amended from time to time, and having fulfilled the relevant procedures. For the avoidance of doubt, subject to the approval of the Shareholders at the AGM, when exercising its power pursuant to the General Mandate under Simplified Procedure, the Board shall also be subject to the general mandate to issue H Shares and/or A Shares as mentioned below. Further details of the General Mandate under Simplified Procedure are set out in Appendix I to this circular.

LETTER FROM THE BOARD

GENERAL MANDATE TO ISSUE H SHARES AND/OR A SHARES

A special resolution will be proposed at the AGM to consider and approve the granting of a general mandate to the Board to issue, allot and deal with H Shares and/or A Shares or similar rights (including any sale and transfer of treasury Shares) not exceeding 20% of each of the total number of the H Shares and A Shares, respectively in issue as of the date of passing of the proposed resolution (excluding any treasury Shares), and to authorize the Board and/or its delegates, namely the management of the Company, to make amendments to the Articles of Association as it thinks fit so as to reflect the new share capital structure upon the issue or allotment of additional Shares pursuant to the general mandate and to handle relevant matters as follows:

- (a) subject to paragraph (d) and in accordance with the relevant requirements of the listing rules of the stock exchanges where the Shares are listed, the Articles of Association and relevant laws and regulations of the PRC, the exercise by the Board during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue or deal with, either separately or concurrently, additional H Shares and/or A Shares and to make or grant offers, agreements, options and rights of exchange or conversion which might be required for the exercise of such powers (including any sale and transfer of treasury Shares) be hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorize the Board to make and implement specific issuance plans under the general mandate, including but not limited to deciding the class of Shares to be issued, pricing policy and/or offer/conversion/exercise price (including price range), method of issuance, issue size, target subscribers, use of proceeds, schedule and period of issuance, and whether to issue Shares to existing Shareholders;
- (c) the approval in paragraph (a) above shall authorize the Board during the Relevant Period to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers after the expiration of the Relevant Period, and to engage the services of professional advisers for share issuance related matters, and to approve and execute all acts, agreements, documents or other matters necessary, appropriate or required for share issuance;
- (d) each of the total number of H Shares and/or A Shares allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with (whether by an option or otherwise) (including any sale and transfer of treasury Shares) by the Board pursuant to the approval granted in paragraph (a) shall not exceed 20% of each of the total number of H Shares and A Shares respectively in issue as of the date of passing this proposed resolution (excluding any treasury Shares);
- (e) the approval in paragraph (a) above shall authorize the Board to review, approve and execute on behalf of the Company any documents in relation to the issue of Shares and make submission to the relevant regulatory authorities, and to perform relevant approval procedures and make required filings and registrations with regulatory authorities in accordance with the relevant laws and regulations;

LETTER FROM THE BOARD

- (f) the Board will only exercise the above powers in accordance with the Company Law of the PRC and the relevant listing rules of the stock exchanges where the Shares are listed and when all necessary approvals from the CSRC and/or other relevant PRC government authorities are obtained; and
- (g) for the purpose of this proposal:

“Relevant Period” means the period from the date of passing this proposed resolution at the AGM until earliest of:

- i. the conclusion of the next annual general meeting of the Company;
- ii. the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or other applicable laws to be held; or
- iii. the date of revocation or variation of the authority given under this proposal by a special resolution by the Shareholders at a general meeting.

Subject to the approval of the Shareholders at the AGM, the Company shall only sell or transfer treasury Shares after the amendments to the Listing Rules relating to treasury shares become effective. For the avoidance of doubt, subject to the approval of the Shareholders at the AGM, when exercising its power pursuant to the general mandate to issue A Shares, the Board shall also comply with the Regulations on the Securities Issuance and Registration of Listed Companies (《上市公司證券發行註冊管理辦法》), the Securities Issuance and Listing Review Rules of Shanghai Stock Exchange for Listed Companies (《上海證券交易所上市公司證券發行上市審核規則》), the Implementing Rules of Securities Issuance and Underwriting of Shanghai Stock Exchange for Listed Companies (《上海證券交易所上市公司證券發行與承銷業務實施細則》), the Listing Rules and other relevant regulations, and shall be subject to the General Mandate under Simplified Procedure.

As of the Latest Practicable Date, the issued share capital of the Company comprised 25,617,830 H Shares and 139,847,942 A Shares. Subject to the passing of the resolution related to the granting of the general mandate and on the basis that no further Shares will be issued before the AGM, the Company will be allowed to allot, issue or deal with a maximum of 5,123,566 H Shares and 27,969,588 A Shares in accordance with the general mandate and the relevant laws and regulations (including any sale and transfer of treasury Shares).

AGM AND H SHARE CLASS MEETING

The AGM will be held at 2:00 p.m. on Friday, June 28, 2024 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 thought fit, approve, among others, (i) the 2023 Profit Distribution and Capital Reserve Capitalization Plan, the proposed change of registered capital and the Proposed Amendments to the Articles of Association; (ii) the appointment of Mr. Liu Wei as the Supervisor; (iii) appointment of BDO as the auditors of the Company for the year of 2024; (iv) the General Mandate under Simplified Procedure; and (v) the general mandate to issue H Shares and/or A Shares. The abovementioned resolutions will be proposed by way of special resolutions at the AGM to be approved by the Shareholders, save for the resolution in relation to the appointment of the Supervisor, which will be proposed by way of an ordinary resolution.

LETTER FROM THE BOARD

The H Share Class Meeting will be held at 2:00 p.m. (or immediately after the AGM and the A Share Class Meeting to be convened and held on the same date and at the same place), on Friday, June 28, 2024 at Room C701, 7th Floor, Block C, Building B-6, Dongsheng Science Park, Zhongguancun, No. 66, Xixiaokou Road, Haidian District, Beijing, China. for the H Shareholders to consider and, if thought fit, approve the 2023 Profit Distribution and Capital Reserve Capitalization Plan, the proposed change of registered capital and the Proposed Amendments to the Articles of Association. The abovementioned resolution will be proposed by way of a special resolution at the H Share Class Meeting to be approved by the H Shareholders.

The notices of the AGM and H Share Class Meeting are set out on pages 24 to 29 of this circular and published and be available on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.sinohytec.com). Forms of proxy for use at the AGM and the H Share Class Meeting are enclosed with this circular.

Whether or not you propose to attend the AGM and/or H Share Class Meeting, you are requested to complete and return the form(s) of proxy in accordance with the instructions 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 and H Share Class Meeting (i.e. not later than 2:00 p.m. on Thursday, June 27, 2024) or any adjournment thereof. Completion and return of the form(s) of proxy shall not preclude you from attending and voting in person at the AGM and/or the H Share Class Meeting or any adjourned meeting(s) if you so wish.

The record date for determining the entitlement of the Shareholders to attend and vote at the AGM and the H Share Class Meeting will be on Friday, June 7, 2024. For the purpose of determining the entitlement of the Shareholders to attend and vote at the AGM and H Share Class Meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the H share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for H Shareholders), no later than 4:30 p.m. on Friday, June 7, 2024. For the avoidance of doubt, any person(s) who become Shareholder(s) after 4:30 p.m., Friday, June 7, 2024 will not be entitled to attend and vote at the AGM and the H Share Class Meeting.

In accordance with Rule 13.39(4) of the Listing Rules, any vote of Shareholders at the AGM and H Share Class Meeting will be taken by poll. An announcement on the poll results will be published by the Company after the AGM and H Share Class Meeting in the manner prescribed under the Listing Rules.

For the avoidance of doubt, holders of treasury Shares, if any, shall abstain from voting at the AGM and the H Share Class Meeting.

RECOMMENDATION

The Board considers that the resolutions set out in the notices of the AGM and the H Share Class Meeting are in the interests of the Company and the Shareholders as a whole. As such, the Board recommends the Shareholders to vote in favor of the resolutions to be proposed at the AGM and the H Share Class Meeting.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This 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 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 circular misleading.

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

I. SUMMARY OF THE AUTHORIZATION

Under the Regulations on the Securities Issuance and Registration of Listed Companies (《上市公司證券發行註冊管理辦法》), the Securities Issuance and Listing Review Rules of Shanghai Stock Exchange for Listed Companies (《上海證券交易所上市公司證券發行上市審核規則》), the Implementing Rules of Securities Issuance and Underwriting of Shanghai Stock Exchange for Listed Companies (《上海證券交易所上市公司證券發行與承銷業務實施細則》), the Listing Rules and other relevant regulations, the Company held the 16th meeting of the third session of the Board on April 26, 2024, at which, the Proposal Concerning the Application to the General Meeting of Shareholders for Authorizing the Board to Issue Shares to Specific Targets through Simplified Procedures was considered and passed, allowing the Board to apply to the general meeting of the Company for authorizing the Board to issue Shares to specific targets in a total amount of not exceeding RMB300 million and not exceeding 20% of the net assets as of the end of last year, the number of which shall not exceed 20% of the total number of A Shares in issue as of the date of passing of the proposed special resolution at the AGM, for the period from the date of approval by the AGM to the date of which the next annual general meeting of the Company is held.

The proposal shall be subject to consideration and approval by the general meeting of the Company.

II. DETAILS OF THE AUTHORIZATION

This application for authorization includes but not limited to:

(I) Confirmation whether the Company is eligible for issuing Shares to specific targets through simplified procedures

In compliance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Regulations on the Securities Issuance and Registration of Listed Companies, and other legal and nominative documents and requirements, and the Articles of Association, the Board is authorized to self-inspect and demonstrate the actual conditions of the Company, to confirm whether the Company is eligible for issuing Shares to specific targets through simplified procedures.

(II) Category and nominal value of the Shares to be issued

Under this issuance, RMB ordinary Shares (A Shares) are to be issued at the nominal value of RMB1.00 per Share.

(III) Manner and time of issuance

The Shares shall be issued to specific targets through simplified procedures, which will be started in due time as deemed appropriate by the Board within the effective period authorized by the general meeting of the Company.

(IV) Targets and arrangement for placing Shares to the original shareholders

The Shares shall be issued by means of non-public offering to specific targets being not more than 35 specific targets such as corporate entities, natural persons or other lawful investors that comply with the requirements of the regulatory authorities. A securities investment fund management firm, securities firm, eligible overseas institutional investor, or RMB eligible overseas institutional investor subscribing by two or more products under their management will be deemed as one single target. A trust company being a target can only subscribe with its own funds. Final targets will be determined through negotiation by and between the Board and the sponsor (lead underwriter) with the authority of the general meeting of the Company, according to the subscription price quotation. All targets shall subscribe for Shares in cash under this issuance.

(V) Pricing reference date, issue price and pricing principles

The method of inquiry issuance is adopted, and the pricing reference date of this issuance is the first day of issuance. The issue price shall be not lower than the 80% of the average trading price of Shares on the first 20 trading days before the pricing reference date. After the application for issuing to specific targets has obtained the CSRC registration documents, the final issue price shall be determined by and between the Board and the sponsor (lead underwriter) with the authority of the general meeting of the Company, at the requirements of relevant laws, regulations and regulators, according to the subscribing price quotation, in the principle of price priority, which shall be at no occasion lower than the foregoing bottom issue price. A target in any of the circumstances under Section 57.2 of the Regulations on the Securities Issuance and Registration of Listed Companies shall not participate in the price inquiry process in this issuance, but accept the results of other targets' bidding and subscribe Shares at the same price with other targets.

The average trading price in the first 20 trading days before pricing reference date = total trading amount in the first 20 trading days before pricing reference date/total trading volume in the first 20 trading days before pricing reference date. In case the share price is adjusted due to dividends, bonus shares, allotments, capital reserve conversion to share capital and other ex-right and ex-dividend events within 20 trading days, the trading price in the trading days before such adjustment shall be calculated at the price after such ex-right and ex-dividend adjustment.

Within the period from pricing reference date to issuance date, in case of dividends, bonus shares, allotments, capital reserve conversion to share capital and other ex-right and ex-dividend events, the bottom issue price shall be adjusted accordingly.

(VI) Issuing Quantity

The total financing amount under this issuance shall not exceed RMB300 million and shall not exceed 20% of the net assets as of the end of last year. The number of Shares to be issued which shall not exceed 20% of the total number of A Shares in issue as of the date of passing of the proposed special resolution at the AGM. The number of Shares under this issuance shall be determined to be the total amount of raised funds divided by the issue price.

(VII) Lockup Period

The Shares subscribed by a target shall not be transferred within 6 months from the date of completion of this issuance (that is, the day when such Shares are registered under such target's name); a target in any of the circumstances under Section 57.2 of the Regulations on the Securities Issuance and Registration of Listed Companies shall not transfer its Shares so subscribed within 18 months from the date of completion of this issuance (that is, the day when such Shares are registered under such target's name).

(VIII) Use of proceeds

The Company intends to use the proceeds for projects related to its main business and supplement its working capital, and the proportion used for supplementing the working capital shall comply with the relevant regulations of the regulatory authorities. In addition, the use of proceeds shall comply with the following provisions:

1. Invest in the field of scientific and technological innovation business;
2. Comply with national industrial policies and relevant laws and administrative regulations on environmental protection and land management;
3. After the implementation of the projects funded by the proceeds, there will be no related transactions involving trade competition and obviously unfair with the controlling shareholder, the actual controller and other enterprises under their control that may cause material adverse impact or seriously affect the independence of business operations of the Company;
4. The proceeds raised from the issuance of shares by the listed companies on the SSE STAR Market shall be invested in the business in the field of scientific and technological innovation.

(IX) Arrangement of profits accumulated before issuance

After the completion of the issuance, the Company's undistributed profits accumulated before such issuance shall be shared by the new and existing Shareholders after the completion of such issuance in proportion to their shareholding after the issuance.

(X) Location of listing

The Shares to be issued will be listed and traded on the SSE STAR Market.

(XI) Authorizing the Board to handle specific matters concerning the issuance of Shares to specific targets through simplified procedures

The Board is hereby authorized, subject to the proposal and relevant laws and regulations, to at its sole discretion handle all matters relating to the issuance of Shares to specific targets through simplified procedures, including but not limited to:

1. In accordance with relevant laws and regulations, normative documents or provisions or requirements of the securities regulatory authorities, and in light of the actual situation of the Company, make appropriate adjustments and supplements to the issuance plan, determine the final plan of the issuance and handle the specific implementation, including but not limited to the implementation time, quantity, price, targets, specific subscription methods, subscription ratio, and scale of the raised funds of this issuance and other matters related to the issuance plan;
2. Handle matters related to the construction of the projects funded by the proceeds and the use of proceeds, and make appropriate adjustments to the projects funded by the proceeds and its specific arrangements according to the relevant laws and regulations, normative documents and resolutions made by the general meeting of shareholders, combined with the actual situation of the securities market, the implementation and actual progress of the projects funded by the proceeds, as well as the actual amount of proceeds;
3. Handle the declaration matters relating to this issuance, including but not limited to, according to the requirements of the regulatory authorities, prepare, modify, sign, submit, supplement, implement and announce the materials related to the issuance, reply to the feedback of the relevant regulatory authorities, and handle the information disclosure matters related to the issuance in accordance with the regulatory requirements;
4. Sign, amend, supplement, submit, present and execute all agreements relating to the issuance, including but not limited to the share subscription agreements, material contracts and documents relating to the issuance;
5. Set up a special account for the proceeds raised from such issuance, and handle related matters concerning the use of proceeds;
6. Proceed the registration or filing of industrial and commercial changes related to the change of registered capital and the Articles of Association in accordance with relevant laws and regulations, regulatory requirements and the actual situation of this issuance;
7. Handle the registration, locking and listing of the new Shares on the Shanghai Stock Exchange and the Shanghai branch of CSDC after the completion of such issuance;

8. Make appropriate adjustments to the specific plan of this issuance according to the new regulations and requirements if there are new provisions or policies in laws, regulations and normative documents related to this issuance, changes in the market or other specific requirements of the securities regulatory authorities. For the avoidance of doubt, subject to the approval of the Shareholders at the AGM, when exercising its power pursuant to the General Mandate under Simplified Procedure, the Board shall also be subject to the general mandate to issue H Shares and/or A Shares;
9. Determine and engage the relevant securities service intermediaries for this offering and handle other associated matters;
10. Decide at its discretion to postpone the implementation or terminate the offering plan in the event of force majeure or other circumstances that make it difficult to implement the offering, or if it can be implemented, but will bring adverse consequences to the Company;
11. Handle other matters related to this issuance within the scope permitted by laws, regulations, normative documents and the Articles of Association.

(XII) Term of proposal

From the date of approval by the AGM to the date of which the next annual general meeting of the Company is held.

III. RISK WARNING

The disclosure regarding the Company's request to the general meeting of shareholders to authorize the Board to issue Shares to specific targets through simplified procedures does not represent the substantive judgment, confirmation or approval of the approval and registration authorities on matters related to such issuance, and the authorization mentioned in the proposal shall be subject to consideration and approval by the AGM. The Company shall, after the approval of the specific issuance plan and implementation of the issuance of Shares to specific targets through simplified procedures by the Board authorized by the AGM, submit the application documents to the Shanghai Stock Exchange within the prescribed time limit for its consideration and approval and shall register the same with the CSRC.

Investors are advised to pay attention to investment risks.

NOTICE OF THE AGM

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this notice, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this notice.



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

(Stock Code: 2402)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “AGM”) of Beijing SinoHytec Co., Ltd. (the “Company”) will be held at 2:00 p.m. on Friday, June 28, 2024 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 thought fit, approve the following resolutions:

ORDINARY RESOLUTIONS

1. To consider and approve the annual report of the Company and its subsidiaries for the year of 2023 and its abstract;
2. To consider and approve the report of the board of directors of the Company for the year of 2023;
3. To consider and approve the report of the supervisory committee of the Company for the year of 2023;
4. To consider and approve the financial accounts report of the Company and its subsidiaries for the year of 2023;
5. To consider and approve the report of independent non-executive directors of the Company for the year of 2023;

SPECIAL RESOLUTION

6. To consider and approve the profit distribution and capital reserve capitalization plan of the Company for the year of 2023, the proposed change of registered capital and amendments to the articles of association of the Company;

ORDINARY RESOLUTION

7. To consider and approve the Company's unrecovered losses reaching one third of the total paid-in capital;

NOTICE OF THE AGM

SPECIAL RESOLUTIONS

8. To consider and approve the proposed grant of the general mandate under simplified procedure to the board of directors of the Company to issue A Shares, the total number of which shall not exceed 20% of the A Shares in issue as of the date of the passing of this proposed resolution at the AGM, and the total proceeds of which shall not exceed RMB300 million and not exceeding 20% of the net assets at the end of the most recent year during a period from the date of passing this proposed resolution at the AGM until the date of which the next annual general meeting of the Company is held, and to authorize the board of directors of the Company and its delegates to approve, execute and do, or procure to be executed and done, all such documents, deeds and things as it may consider necessary in connection with the general mandate under simplified procedure.
9. To consider and approve the proposed grant of general mandate to the board of directors of the Company to issue, allot and deal with additional H Shares and/or A Shares (including sale and transfer of any treasury shares of the Company) not exceeding 20% of each of the total number of the H Shares and A Shares respectively in issue as of the date of passing this proposed resolution (excluding any treasury shares of the Company) for a period from the date of passing of this proposed resolution at the AGM until earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or other applicable laws to be held; or (iii) the date of revocation or variation of the authority given under this proposal by a special resolution by the Shareholders at a general meeting, and to authorize the board of directors of the Company and its delegates (i) to make amendments to the articles of association of the Company as it thinks fit so as to reflect the new share capital structure upon the issue or allotment of additional shares of the Company pursuant to the general mandate; and (ii) to execute and implement all such documents, do all such acts and things or take any steps in connection with and to give effect to the general mandate to the extent permitted by applicable laws and regulations;

ORDINARY RESOLUTIONS

10. To consider and approve the appointment of BDO China Shu Lun Pan Certified Public Accountants LLP as the auditors of the Company for the year of 2024, 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, sign the relevant service agreements, and handle other related matters; and

NOTICE OF THE AGM

11.00 To consider and approve the proposed appointment of supervisor of the Company:

11.01 To consider and approve the proposed appointment of Mr. Liu Wei as a supervisor of the Company.

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

Beijing, the PRC, June 7, 2024

As of the date of this notice, the board of directors of the Company comprises Mr. Zhang Guoqiang, Ms. Song Haiying and Ms. Dai Dongzhe as executive directors, Ms. Teng Renjie and Mr. Song Feng as non-executive directors, Mr. Liu Xiaoshi, Mr. Ji Xuehong, Mr. Chan So Kuen and Mr. Li Zhijie as independent non-executive directors.

Notes:

1. Pursuant to the Rule 13.39(4) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), voting on all resolutions at a general meeting shall be by way of poll. The poll results of the AGM will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.sinohytec.com) in accordance with the requirements of the Listing Rules. For the avoidance of doubt, holders of treasury shares of the Company, if any, shall abstain from voting at the AGM.
2. The record date for determining the entitlement of the shareholders of the Company (the “**Shareholders**”) to attend and vote at the AGM will be at 4:30 p.m. on Friday, June 7, 2024. For the purpose of determining the entitlement of the Shareholders to attend and vote at the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the H share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for H Shareholders), no later than 4:30 p.m. on Friday, June 7, 2024. For the avoidance of doubt, any person(s) who become Shareholder(s) after 4:30 p.m., Friday, June 7, 2024 will not be entitled to attend and vote at the AGM.
3. Any Shareholder who is entitled to attend and vote at the AGM may appoint one or more proxies to attend and vote on his/her behalf. A proxy needs not be a Shareholder. If the Shareholder appoints more than one proxy, his/her proxies may only vote by poll.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorized in writing. If the Shareholder is a legal entity, then the relevant appointing document must be either under seal or under the hand of its director or attorney duly authorized. If the instrument appointing a proxy is signed by a person duly authorized by the Shareholder, the powers of attorney or other instruments of authorization shall be notarized. For H Shareholders, the aforementioned documents must be lodged with 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 27, 2024) 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.
5. Shareholders shall produce their identification documents when attending the AGM.
6. If a proxy attends the AGM on behalf of a Shareholder, he/she should produce his/her identification document and the power of attorney or other documents signed by the appointor or his/her attorney, which specifies the date of its issuance. If a representative of a corporate Shareholder attends the AGM, such representative shall produce his/her identification document and the notarized copy of the resolution passed by the board of directors or other authority or notarized copy of any authorization documents issued by such corporate Shareholder.

NOTICE OF THE AGM

7. The H share registrar of the Company in Hong Kong is Tricor Investor Services Limited and its address and contact information are as follows:

17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong
Email: is-enquiries@hk.tricorglobal.com
Tel: (852) 2980 1333
Fax: (852) 2810 8185

8. The address and contact information of the office of the Board located at the registered office of the Company in the PRC are as follows:

Room C701, 7th Floor, Block C
Building B-6, Dongsheng Science Park
Zhongguancun, No. 66, Xixiaokou Road
Haidian District
Beijing, China
Contact person: Kang Zhi (康智)
Tel: +86 10 62927176
Email: sinohtec@autoht.com

9. Pursuant to the articles of association of the Company, in respect of any joint Shareholder of any share of the Company, only the joint Shareholders whose name stands first in the register of Shareholders has the rights to receive this notice or other document of the Company, and any notice given to such person shall be deemed to have been given to all joint Shareholders in respect of the shares. Any of the joint Shareholders may sign the form of proxy, but if more than one joint Shareholder is present in person or by proxy, a vote by the joint Shareholder in priority, whether in person or by proxy, shall be accepted as the sole vote on behalf of the remaining joint Shareholders. For this purpose, the order of precedence of the joint Shareholders shall be determined by the rank of such joint Shareholders in the register of Shareholders in relation to the shares concerned.

10. Cumulative voting method will be adopted for resolution numbered 11.01. Explanation of the voting method for electing directors, independent non-executive directors and supervisors using the cumulative voting is as follows:

- The election of director candidates, the election of independent non-executive director candidates, and the election of supervisor candidates at the general meeting shall be numbered as resolution groups, respectively. Investors should vote for each candidate under each resolution group.
- The number of declared shares represents the number of votes in the election. For each resolution group, for each share held by shareholders, the total number of votes equal to the number of directors or supervisors to be elected under the resolution group. If a shareholder holds 100 shares of a listed company, 10 directors should be elected at the general meeting, and there are 12 director candidates, then the shareholder has 1,000 votes for the election resolution group of the Board.
- Shareholders shall vote within the limit of the number of votes of each resolution group. Shareholders can vote according to their own wishes. They can vote for one candidate in a centralized manner, or they can vote for different candidates in any combination. After the voting is over, number of votes received will be calculated for each resolution, respectively.

NOTICE OF THE H SHARE CLASS MEETING

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this notice, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this notice.



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

(Stock Code: 2402)

NOTICE OF 2024 SECOND H SHARE CLASS MEETING

NOTICE IS HEREBY GIVEN that the 2024 second H Share Class Meeting (the “**H Share Class Meeting**”) of Beijing SinoHytec Co., Ltd. (the “**Company**”) will be held at 2:00 p.m. on Friday, June 28, 2024 at Room C701, 7th Floor, Block C, Building B-6, Dongsheng Science Park, Zhongguancun, No. 66, Xixiaokou Road, Haidian District, Beijing, China (or immediately after the annual general meeting of the Company and the 2024 second A Share class meeting of the Company to be convened and held on the same date and at the same place) to consider and, if thought fit, approve the following resolution:

SPECIAL RESOLUTION

1. To consider and approve the profit distribution and capital reserve capitalization plan of the Company for the year of 2023, the proposed change of registered capital and amendments to the articles of association of the Company.

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

Beijing, the PRC,
June 7, 2024

As of the date of this notice, the board of directors of the Company comprises Mr. Zhang Guoqiang, Ms. Song Haiying and Ms. Dai Dongzhe as executive directors, Ms. Teng Renjie and Mr. Song Feng as non-executive directors, Mr. Liu Xiaoshi, Mr. Ji Xuehong, Mr. Chan So Kuen and Mr. Li Zhijie as independent non-executive directors.

Notes:

1. Pursuant to the Rule 13.39(4) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), voting on all resolutions at a general meeting shall be by way of poll. The poll results of the H Share Class Meeting will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.sinohytec.com) in accordance with the requirements of the Listing Rules. For the avoidance of doubt, holders of treasury shares of the Company, if any, shall abstain from voting at the H Share Class Meeting.

NOTICE OF THE H SHARE CLASS MEETING

2. The record date for determining the entitlement of the shareholders of the Company (the “Shareholders”) to attend and vote at the H Share Class Meeting will be at 4:30 p.m. on Friday, June 7, 2024. For the purpose of determining the entitlement of the Shareholders to attend and vote at the H Share Class Meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the H share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for H Shareholders), no later than 4:30 p.m. on Friday, June 7, 2024. For the avoidance of doubt, any person(s) who become Shareholder(s) after 4:30 p.m., Friday, June 7, 2024 will not be entitled to attend and vote at the H Share Class Meeting.
3. Any Shareholder who is entitled to attend and vote at the H Share Class Meeting may appoint one or more proxies to attend and vote on his/her behalf. A proxy needs not be a Shareholder. If the Shareholder appoints more than one proxy, his/her proxies may only vote by poll.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorized in writing. If the Shareholder is a legal entity, then the relevant appointing document must be either under seal or under the hand of its director or attorney duly authorized. If the instrument appointing a proxy is signed by a person duly authorized by the Shareholder, the powers of attorney or other instruments of authorization shall be notarized. For H Shareholders, the aforementioned documents must be lodged with 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 H Share Class Meeting (i.e. not later than 2:00 p.m. on Thursday, June 27, 2024) 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 H Share Class Meeting or any adjourned or postponed meeting(s) if you so wish.
5. Shareholders shall produce their identification documents when attending the H Share Class Meeting.
6. If a proxy attends the H Share Class Meeting on behalf of a Shareholder, he/she should produce his/her identification document and the power of attorney or other documents signed by the appointor or his/her attorney, which specifies the date of its issuance. If a representative of a corporate Shareholder attends the H Share Class Meeting, such representative shall produce his/her identification document and the notarized copy of the resolution passed by the board of directors or other authority or notarized copy of any authorization documents issued by such corporate Shareholder.
7. The H share registrar of the Company in Hong Kong is Tricor Investor Services Limited and its address and contact information are as follows:

17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong
Email: is-enquiries@hk.tricorglobal.com
Tel: (852) 2980 1333
Fax: (852) 2810 8185
8. The address and contact information of the office of the Board located at the registered office of the Company in the PRC are as follows:

Room C701, 7th Floor, Block C
Building B-6, Dongsheng Science Park
Zhongguancun, No. 66, Xixiaokou Road
Haidian District
Beijing, China
Contact person: Kang Zhi (康智)
Tel: +86 10 62927176
Email: sinohtec@autoht.com
9. Pursuant to the articles of association of the Company, in respect of any joint Shareholder of any share of the Company, only the joint Shareholders whose name stands first in the register of Shareholders has the rights to receive this notice or other document of the Company, and any notice given to such person shall be deemed to have been given to all joint Shareholders in respect of the shares. Any of the joint Shareholders may sign the form of proxy, but if more than one joint Shareholder is present in person or by proxy, a vote by the joint Shareholder in priority, whether in person or by proxy, shall be accepted as the sole vote on behalf of the remaining joint Shareholders. For this purpose, the order of precedence of the joint Shareholders shall be determined by the rank of such joint Shareholders in the register of Shareholders in relation to the shares concerned.