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If you are in any doubt as to any aspect of this circular, or as to the action to be taken, you should consult your stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in X.J. Electrics (Hu Bei) Co., Ltd (湖北香江電器股份有限公司) (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, stockbroker or licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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X.J. ELECTRICS (HU BEI) CO., LTD **湖北香江電器股份有限公司**

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 2619)

(1) PROPOSED CHANGE OF COMPANY NAME; (2) PROPOSED ABOLITION OF THE BOARD OF SUPERVISORS; (3) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND PROPOSED AMENDMENTS TO THE RELATED CORPORATE GOVERNANCE POLICES; AND (4) NOTICE OF THE 2025 SECOND EXTRAORDINARY GENERAL MEETING

A letter from the Board is set out on pages 4 to 9 of this circular. A notice convening the 2025 second extraordinary general meeting of the Company (the “**2025 Second EGM**”) to be held at Meeting Room No. 5, on 7th Floor, Building 7, Shatoujiao Free Trade Zone, Haishan Road, Yantian District, Shenzhen, PRC at 10:00 a.m. on Friday, 12 December 2025, is set out on pages EGM-1 to EGM-3 of this circular.

Shareholders who are entitled to attend and vote at the 2025 Second EGM may appoint one or more proxies to attend and vote on their behalves. A proxy need not be a Shareholder. In order to be valid, the proxy form for the 2025 Second EGM must be deposited by hand or post, for holders of H shares of the Company, to the H share registrar of the Company, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 24 hours (i.e. not later than 10:00 a.m. on Thursday, 11 December 2025) before the time for holding the 2025 Second EGM (or any adjournment thereof) for taking the poll. If the proxy form is signed by a person under a power of attorney or other authority, a notarial copy of that power of attorney or authority shall be deposited at the same time as mentioned in the proxy form. Completion and return of the proxy form will not preclude Shareholders from attending and voting in person at the 2025 Second EGM or any adjourned meetings should they so wish.

24 November 2025

CONTENTS

	<i>Pages</i>
Definitions	1
Letter from the Board	4
Appendix I — Details of the Proposed Amendments to the Articles of Association	10
Appendix II — Revised Rules of Procedures for Board Meetings	34
Appendix III — Revised Rules of Procedures for Shareholders' Meetings	45
Appendix IV — Revised Rules of Independent Directors	64
Appendix V — Revised Rules of Connected Transactions Management	71
Notice of the 2025 Second Extraordinary General Meeting	EGM-1

DEFINITIONS

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

“Articles of Association”	the articles of association of the Company
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	the audit committee of the Company
“Board”	the board of Directors
“Board of Supervisors”	the board of supervisors of the Company
“Company”	X.J. Electrics (Hu Bei) Co., Ltd (湖北香江電器股份有限公司), a joint stock company established in the PRC with limited liability, whose H Shares are listed and traded on the Stock Exchange (stock code: 2619)
“EGM”	the 2025 second extraordinary general meeting of the Company to be convened and held on Friday, 12 December 2025 at 10:00 a.m. at Meeting Room No. 5, on 7th Floor, Building 7, Shatoujiao Free Trade Zone, Haishan Road, Yantian District, Shenzhen, PRC and any adjournment thereof
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign share(s) in the share capital of the Company with nominal value of RMB1.00 each, which is/are listed and traded on the Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended, modified or otherwise supplemental from time to time
“PRC”	The People’s Republic of China which shall, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

DEFINITIONS

“PRC Company Law”	the Company Law of the PRC as amended, modified or otherwise supplemental from time to time
“Proposed Abolition of the Board of Supervisors”	the proposed abolition of the Board of Supervisors
“Proposed Amendments to the Articles of Association”	the proposed amendments to the Articles of Association
“Proposed Amendments to the Related Corporate Governance Policies”	the proposed amendments to the Related Corporate Governance Policies
“Proposed Change of Company Name”	the proposed change of (i) the Chinese name of the Company from “湖北香江電器股份有限公司” to “湖北香江電器集團股份有限公司” and (ii) the English name of the Company from “X.J. Electrics (Hu Bei) Co., Ltd” to “X.J. Electrics (Hu Bei) Group Co., Ltd”
“Related Corporate Governance Policies”	the related corporate governance policies of the Company, including (i) the Rules of Procedures for Board Meetings, (ii) the Rules of Procedures for Shareholders’ Meetings, (iii) the Rules of Independent Directors and (iv) the Rules of Connected Transactions Management, which are proposed to be amended to align with the Proposed Amendments to the Articles of Association
“RMB”	Renminbi, the lawful currency of the PRC
“Rules of Connected Transactions Management”	the rules of connected transactions management of the Company
“Rules of Independent Directors”	the rules of independent Directors of the Company
“Rules of Procedures for Board Meetings”	the rules of procedures for Board meetings of the Company
“Rules of Procedures for Board of Supervisors’ Meetings”	the rules of procedures for Board of Supervisors’ meeting of the Company
“Rules of Procedures for Shareholders’ Meetings”	the rules of procedures for Shareholders’ meetings of the Company

DEFINITIONS

“Share(s)”	the H Share(s)
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

LETTER FROM THE BOARD

X.J. ELECTRICS (HU BEI) CO., LTD
湖北香江電器股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 2619)

Executive Directors:

Mr. Pan Yun (*Chairman*)
Ms. Ji Ying
Ms. Li Youxiang
Ms. Hu Yan
Mr. Guangshe Pan
Mr. Xu Xiping

Independent non-executive Directors:

Dr. Huang Hanxiong
Dr. Li Jiannan
Dr. Gu Zhaoyang

Registered Office in the PRC:

Kai Di Road
Li Shi Zhen Industrial Park
Qichun County
Hubei Province
PRC

Headquarters in the PRC:

7th Floor, Building 7
Shatoujiao Free Trade Zone
Haishan Road
Yantian District
Shenzhen
PRC

***Principal Place of Business
in Hong Kong:***

Unit 2703B, 27/F
148 Electric Road
North Point
Hong Kong

24 November 2025

To the Shareholders

Dear Sir or Madam,

- (1) PROPOSED CHANGE OF COMPANY NAME;
(2) PROPOSED ABOLITION OF THE BOARD OF SUPERVISORS;
(3) PROPOSED AMENDMENTS TO THE ARTICLES OF
ASSOCIATION AND PROPOSED AMENDMENTS TO
THE RELATED CORPORATE GOVERNANCE POLICES;
AND
(4) NOTICE OF THE 2025 SECOND
EXTRAORDINARY GENERAL MEETING**

LETTER FROM THE BOARD

1. INTRODUCTION

Reference is made to the Company's announcement dated 19 November 2025 in respect of, among other things, (i) the Proposed Change of Company Name; (ii) the Proposed Abolition of the Board of Supervisors; and (iii) the Proposed Amendments to the Articles of Association and the Proposed Amendments to the Related Corporate Governance Policies.

The purpose of this circular is to provide the Shareholders with information on, among other things, (i) the Proposed Change of Company Name; (ii) the Proposed Abolition of the Board of Supervisors; (iii) the Proposed Amendments to the Articles of Association and the Proposed Amendments to the Related Corporate Governance Policies; and (iv) a notice convening the 2025 Second EGM.

2. PROPOSED CHANGE OF COMPANY NAME

The Company proposes to change the Chinese name of the Company from “湖北香江電器股份有限公司” to “湖北香江電器集團股份有限公司” and the English name of the Company from “X.J. Electrics (Hu Bei) Co., Ltd” to “X.J. Electrics (Hu Bei) Group Co., Ltd”. The English stock short name and the Chinese stock short name of the Company will remain unchanged.

Reasons for the Proposed Change of Company Name

To enhance the Group's overall competitiveness and align with the Group's ongoing overseas expansion, the formal adoption of the “Group” designation will provide a more appropriate corporate image and identity. The Proposed Change of Company Name can better reflect the current business scale and strategic direction of the Company. Therefore, the Board is of the view that the Proposed Change of Company Name is in the interests of the Company and the Shareholders as a whole.

Conditions of the Proposed Change of Company Name

The Proposed Change of Company Name is subject to the following conditions:

- (i) the passing of the special resolutions by the Shareholders at the 2025 Second EGM approving the Proposed Change of Company Name and the Proposed Amendments to the Articles of Association; and
- (ii) the application for registration of change by the Company with the administrative authorities of the PRC for industrial and commercial administration, taxation and other related matters, and the obtaining of approval for registration.

Subject to the satisfaction of the conditions set out above, the Company will carry out the necessary filing procedures with the Companies Registry in Hong Kong.

LETTER FROM THE BOARD

Effect of the Proposed Change of Company Name

The Proposed Change of Company Name will not affect any rights of the Shareholders or the Company's daily business operation and its financial position (including the share price of the Company and the investors will not be misled).

All existing share certificates in issue bearing the existing names of the Company will, after the Proposed Change of Company Name, continue to be evidence of the title and be valid for trading, settlement, registration and delivery for the same number of shares in the new name of the Company. Once the Proposed Change of Company Name has become effective, new share certificates of the Company will be issued only in the new name of the Company and the securities of the Company will be traded on the main board of the Stock Exchange under the new name. There will not be any arrangement for exchange of the existing certificates of securities for new certificates bearing the new name of the Company.

3. PROPOSED ABOLITION OF THE BOARD OF SUPERVISORS

Pursuant to the PRC Company Law and the Relevant Transitional Arrangements for the Implementation of Supporting Systems and Rules for the New Company Law (《關於新〈公司法〉配套制度規則實施相關過渡期安排》), and with reference to the Guidelines on the Articles of Association of Listed Companies (as amended in 2025) and other applicable laws, regulations and normative documents, and having regard to the actual circumstances of the Company, the Board proposes to abolish the Board of Supervisors subject to the consideration and by the Shareholders at the 2025 Second EGM. The functions and powers of the Board of Supervisors as stipulated under the PRC Company Law will be assumed by the Audit Committee. From the effective date of the amended Articles of Association, the existing positions of the Supervisors shall be terminated, and the rules of procedures for the Board of Supervisors' meetings of the Company shall be repealed accordingly.

The Proposed Abolition of the Board of Supervisors will enable the Company to implement the latest legal and regulatory requirements, further improve its corporate governance structure and enhance the standard of regulated operations. Prior to the approval of the resolution of the Proposed Abolition of the Board of Supervisors at the 2025 Second EGM, the fifth session of the Board of Supervisors will continue to diligently perform its supervisory duties in strict compliance with the PRC Company Law and other applicable laws, regulations and normative documents, including supervising the Company's operations, financial position, and the compliance of the Directors and senior management of the Company in the performance of their duties, so as to safeguard the interests of the Company and the Shareholders.

LETTER FROM THE BOARD

4. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND PROPOSED AMENDMENTS TO THE RELATED CORPORATE GOVERNANCE POLICIES

As a result of the Proposed Change of Company Name and the Proposed Abolition of the Board of Supervisors, the Company intends to amend the Articles of Association by (i) updating the Company name; (ii) deleting all references to the “Supervisors” and the “Board of Supervisors”, and providing that certain functions and powers of the Board of Supervisors shall be exercised by the Audit Committee; and (iii) making other consequential amendments. In addition, the related Corporate Governance Policies, including (i) the Rules of Procedures for Board Meetings, (ii) the Rules of Procedures for Shareholders’ Meetings, (iii) the Rules of Independent Directors and (iv) the Rules of Connected Transactions Management, are proposed to be amended to align with the Proposed Amendments to the Articles of Association.

Details of the Proposed Amendments to the Articles of Association are set out in Appendix I to this circular, and the revised Rules of Procedures for Board Meetings, the revised Rules of Procedures for Shareholders’ Meetings, the revised Rules of Independent Directors and the revised Rules of Connected Transactions Management are set out in Appendices II to V to this circular.

The legal advisers to the Company as to Hong Kong laws and PRC laws have confirmed, respectively, that the Proposed Amendments to the Articles of Association comply with the applicable requirements of the Listing Rules and do not violate PRC laws. The Company also confirms that there is nothing unusual about the proposed amendments for a joint stock company incorporated in the PRC and listed on the Stock Exchange. The proposed amendments shall be subject to approval by Shareholders by way of special resolution at the 2025 Second EGM (in respect of amendments to the Articles of Association) and ordinary resolutions (in respect of amendments to the Rules of Procedures for Board Meetings, the Rules of Procedures for Shareholders’ Meetings, the Rules of Independent Directors and the Rules of Connected Transactions Management).

5. CLOSURE OF BOOKS

In order to determine the Shareholders who are entitled to attend the 2025 Second EGM, the register of members of the Company will be closed from 9 December 2025 to 12 December 2025 (both days inclusive), during which period no transfer of Shares can be registered. In order to be qualified to attend and vote at the 2025 Second EGM, all transfer documents accompanied by the relevant share certificate(s) must be lodged with the Company’s shares registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on 8 December 2025. Shareholders whose names appear on the register of members of the Company at the close of business on 12 December 2025 are entitled to attend and vote at the 2025 Second EGM.

LETTER FROM THE BOARD

6. EGM

A notice convening the 2025 Second EGM to be held at Meeting Room No. 5, on 7th Floor, Building 7, Shatoujiao Free Trade Zone, Haishan Road, Yantian District, Shenzhen, PRC at 10:00 a.m. on Friday, 12 December 2025 is set out on pages EGM-1 to EGM-3 of this circular.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has any material interest in (i) the Proposed Change of Company Name; (ii) the Proposed Abolition of the Board of Supervisors; and (iii) the Proposed Amendments to the Articles of Association and the Proposed Amendments to the Related Corporate Governance Policies, and therefore, no Shareholder will be required to abstain from voting on the aforesaid resolutions.

Shareholders who are entitled to attend and vote at the 2025 Second EGM may appoint one or more proxies to attend and vote on their behalves. A proxy need not be a Shareholder. In order to be valid, the proxy form for the 2025 Second EGM must be deposited by hand or post, for Shareholders, to the share registrar of the Company, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 24 hours (i.e. no later than 10:00 a.m. on Thursday, 11 December 2025) before the time for holding the 2025 Second EGM (or any adjournment thereof) for taking the poll. If the proxy form is signed by a person under a power of attorney or other authority, a notarial copy of that power of attorney or authority shall be deposited at the same time as mentioned in the proxy form. Completion and return of the proxy form will not preclude Shareholders from attending and voting in person at the 2025 Second EGM or any adjourned meetings should they so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, all votes at the 2025 Second EGM will be taken by poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

7. 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.

LETTER FROM THE BOARD

8. RECOMMENDATION

The Directors consider that (i) the Proposed Change of Company Name; (ii) the Proposed Abolition of the Board of Supervisors; and (iii) the Proposed Amendments to the Articles of Association and the Proposed Amendments to the Related Corporate Governance Policies are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the aforesaid resolutions set out in the notice of the 2025 Second EGM.

Yours faithfully

For and on behalf of the Board

X.J. Electrics (Hu Bei) Co., Ltd

Pan Yun

Chairman and Executive Director

APPENDIX I

DETAILS OF THE PROPOSED AMENDMENTS TO
THE ARTICLES OF ASSOCIATION

No.	Before Amendments	After Amendments
1	Name of the Articles of Association: X.J. ELECTRICS (HU BEI) CO., LTD Articles of Association	Name of the Articles of Association: X.J. ELECTRICS (HU BEI) GROUP CO., LTD Articles of Association
2	Article 4 The registered name of the Company: 湖北香江電器股份有限公司. English name: X.J. Electrics (Hu Bei) Co., Ltd.	Article 4 The registered name of the Company: 湖北香江電器集團股份有限公司. English name: X.J. ELECTRICS (HU BEI) GROUP CO., LTD
3	Article 10 The Articles of Association shall, from the date on which they take effect, be the legally binding document that regulates the organization and activities of the Company and the relationship of rights and obligations as between the Company and the shareholders and among the shareholders, and shall be legally binding on the Company, the shareholders, the directors, the supervisors , managers and other senior management. In accordance with these Articles, shareholders may take legal action against other shareholders; shareholders may take legal action against directors, supervisors and senior management of the Company; shareholders may take legal action against the Company; the Company may take legal action against shareholders, directors, supervisors and senior management.	Article 10 The Articles of Association shall, from the date on which they take effect, be the legally binding document that regulates the organization and activities of the Company and the relationship of rights and obligations as between the Company and the shareholders and among the shareholders, and shall be legally binding on the Company, the shareholders, the directors, managers and other senior management. In accordance with these Articles, shareholders may take legal action against other shareholders; shareholders may take legal action against directors and senior management of the Company; shareholders may take legal action against the Company; the Company may take legal action against shareholders, directors and senior management.

No.	Before Amendments	After Amendments
4	Article 26 Shares of the Company that were issued prior to a public issue shall not be transferred within one year from the date on which shares of the Company are listed and traded on the Main Board of the Hong Kong Stock Exchange. Directors, supervisors and senior management of the Company shall report to the Company their holdings of shares of the Company and the changes thereof. During their term of office as determined at the time of taking office, the shares transferred by any of them each year shall not exceed 25% of the total shares of the Company held by them. The above personnel shall not transfer the shares of the Company held by them within half a year after they terminate service with the Company. If the above personnel leave their posts before the expiration of their terms, they shall continue to comply with the aforementioned restrictive provisions during the term confirmed when they took office and within six months after the expiration of their terms. The shares of the Company held by the aforesaid persons shall not be transferred within one year from the date on which the shares of the Company are listed and traded. If the securities regulatory rules of the place where the shares of the Company are listed have other provisions on matters related to the restrictions on the transfer of the shares of the Company, such provisions shall prevail.	Article 26 Shares of the Company that were issued prior to a public issue shall not be transferred within one year from the date on which shares of the Company are listed and traded on the Main Board of the Hong Kong Stock Exchange. Directors and senior management of the Company shall report to the Company their holdings of shares of the Company and the changes thereof. During their term of office as determined at the time of taking office, the shares transferred by any of them each year shall not exceed 25% of the total shares of the Company held by them. The above personnel shall not transfer the shares of the Company held by them within half a year after they terminate service with the Company. If the above personnel leave their posts before the expiration of their terms, they shall continue to comply with the aforementioned restrictive provisions during the term confirmed when they took office and within six months after the expiration of their terms. The shares of the Company held by the aforesaid persons shall not be transferred within one year from the date on which the shares of the Company are listed and traded. If the securities regulatory rules of the place where the shares of the Company are listed have other provisions on matters related to the restrictions on the transfer of the shares of the Company, such provisions shall prevail.

No.	Before Amendments	After Amendments
5	Article 27 Where shareholders, directors, supervisors and senior management holding 5% or above shares of the Company sell the shares of the Company or other securities with an equity nature within 6 months after purchasing the same, or purchase the shares of the Company or other securities with an equity nature as held within 6 months after selling the same, the earnings arising therefrom shall belong to the Company, and the board of the Company shall recover such earnings. However, the restriction shall not be applicable to a securities company holding 5% or above of the shares of the Company as a result of its purchase of the remaining unsold shares underwritten by it and other circumstances stipulated by the CSRC. The share certificates or other equity securities held by directors, supervisors, senior management, and natural person shareholders mentioned in the preceding paragraph include the share certificates or other equity securities held by their spouses, parents, children and those held by using others' accounts.	Article 27 Where shareholders, directors and senior management holding 5% or above shares of the Company sell the shares of the Company or other securities with an equity nature within 6 months after purchasing the same, or purchase the shares of the Company or other securities with an equity nature as held within 6 months after selling the same, the earnings arising therefrom shall belong to the Company, and the board of the Company shall recover such earnings. However, the restriction shall not be applicable to a securities company holding 5% or above of the shares of the Company as a result of its purchase of the remaining unsold shares underwritten by it and other circumstances stipulated by the CSRC. The share certificates or other equity securities held by directors, senior management, and natural person shareholders mentioned in the preceding paragraph include the share certificates or other equity securities held by their spouses, parents, children and those held by using others' accounts.
6	Article 30 Shareholders of the Company shall enjoy the following rights: (6) to inspect and copy these Articles, register of members (the Company may be allowed to temporarily close the register of members on terms equivalent to section 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), minutes of general meetings, resolutions of board meetings, resolutions of meetings of the supervisory committee and the published financial reports; shareholders who meet the regulations may review the Company's accounting books and accounting vouchers; 	Article 30 Shareholders of the Company shall enjoy the following rights: (6) to inspect and copy these Articles, register of members (the Company may be allowed to temporarily close the register of members on terms equivalent to section 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), minutes of general meetings, resolutions of board meetings and the published financial reports; shareholders who meet the regulations may review the Company's accounting books and accounting vouchers;

No.	Before Amendments	After Amendments
7	Article 34 In the event of any loss caused to the Company as a result of violation of any laws, administrative regulations or these Articles by directors and senior management when performing their duties, the shareholders holding 1% or more shares of the Company individually or jointly for over 180 consecutive days may legally submit a written request to the supervisory committee to file an action with the people's court. Where the supervisory committee violates the laws, administrative regulations or these Articles when performing their duties and causes loss to the Company, shareholders may submit a written request to the board of directors to file an action with the people's court in accordance with the laws. In the event that the supervisory committee or the board of directors refuses to file an action upon receipt of the shareholders' written request specified in the preceding paragraph, or fails to file an action within 30 days upon receipt of such request, or in the event that the failure to immediately file an action in an emergency case will cause irreparable damage to the interests of the Company, the shareholders specified in the preceding paragraph may, in their own name, directly file an action with the people's court for the interests of the Company. 	Article 34 In the event of any loss caused to the Company as a result of violation of any laws, administrative regulations or these Articles by directors and senior management (other than members of the Audit Committee) when performing their duties, the shareholders holding 1% or more shares of the Company individually or jointly for over 180 consecutive days may legally submit a written request to the Audit Committee to file an action with the people's court. Where the members of Audit Committee violates the laws, administrative regulations or these Articles when performing their duties and causes loss to the Company, shareholders may submit a written request to the board of directors to file an action with the people's court in accordance with the laws. In the event that the Audit Committee or the board of directors refuses to file an action upon receipt of the shareholders' written request specified in the preceding paragraph, or fails to file an action within 30 days upon receipt of such request, or in the event that the failure to immediately file an action in an emergency case will cause irreparable damage to the interests of the Company, the shareholders specified in the preceding paragraph may, in their own name, directly file an action with the people's court for the interests of the Company.

No.	Before Amendments	After Amendments
8	Article 38 The shareholders' meeting is the organ of authority of the Company and shall exercise the following duties and powers in accordance with laws: (1) to elect and replace directors or supervisors and to determine matters relating to the remuneration of the directors or supervisors; (2) to consider and approve the reports of the board; Transactions in which the Company unilaterally obtains benefits, including receipt of cash assets as gifts, debt relief, guarantees and subsidies, may be exempted from the shareholders' meeting agenda as stipulated in item 40 under the first paragraph in this Article. Transactions between the Company and its controlling subsidiaries within the scope of its consolidated statements or among the above controlling subsidiaries are exempted from the shareholders' meeting agenda as set in item 40 under the first paragraph in this Article, unless otherwise stipulated or damaging the legitimate rights and interests of shareholders.	Article 38 The shareholders' meeting is the organ of authority of the Company and shall exercise the following duties and powers in accordance with laws: (1) to elect and replace directors and to determine matters relating to the remuneration of the directors; Transactions in which the Company unilaterally obtains benefits, including receipt of cash assets as gifts, debt relief, guarantees and subsidies, may be exempted from the shareholders' meeting agenda as stipulated in item 9 under the first paragraph in this Article. Transactions between the Company and its controlling subsidiaries within the scope of its consolidated statements or among the above controlling subsidiaries are exempted from the shareholders' meeting agenda as set in item 9 under the first paragraph in this Article, unless otherwise stipulated or damaging the legitimate rights and interests of shareholders.

No.	Before Amendments	After Amendments
9	Article 41 The shareholders' meetings are classified into annual shareholders' meetings and interim shareholders' meetings. The annual shareholders' meetings shall be convened once a year within six months from the end of the previous fiscal year. The Company shall convene an interim shareholders' meeting within two months from the date of occurrence of any of the following circumstances: (1) where the number of directors is less than two thirds of the number as provided for by laws or these Articles; (2) when the uncovered loss of the Company reaches one-third of its total share capital; (3) upon request(s) by shareholder(s) individually or collectively holding 10% or above of the shares of the Company; (4) when the board deems it necessary; (5) when the supervisory committee proposes such a meeting be held; (6) when the number of independent non-executive directors is less than the statutory minimum requirement; (7) other circumstances required by the applicable laws, administrative regulations, departmental rules, normative documents, the Hong Kong Listing Rules, other securities regulatory rules of the place where the shares of the Company are listed or these Articles. 	Article 41 The shareholders' meetings are classified into annual shareholders' meetings and interim shareholders' meetings. The annual shareholders' meetings shall be convened once a year within six months from the end of the previous fiscal year. The Company shall convene an interim shareholders' meeting within two months from the date of occurrence of any of the following circumstances: (1) where the number of directors is less than two thirds of the number as provided for by laws or these Articles; (2) when the uncovered loss of the Company reaches one-third of its total share capital; (3) upon request(s) by shareholder(s) individually or collectively holding 10% or above of the shares of the Company; (4) when the board deems it necessary; (5) when the Audit Committee proposes such a meeting be held; (6) when the number of independent non-executive directors is less than the statutory minimum requirement; (7) other circumstances required by the applicable laws, administrative regulations, departmental rules, normative documents, the Hong Kong Listing Rules, other securities regulatory rules of the place where the shares of the Company are listed or these Articles.

No.	Before Amendments	After Amendments
10	Article 44 The supervisory committee shall have the right to propose to the board in writing to convene an interim shareholders' meeting. The board shall, in accordance with relevant laws, administrative regulations and these Articles, give a written response on whether or not it agrees to convene such an interim general meeting within 10 days after the receipt of the proposal. If the board agrees to convene an interim general meeting, it shall give a notice convening such meeting within 5 days after it has so resolved. Any changes to be made to the original request in the notice shall be subject to approval of the supervisory committee. If the board does not agree to convene an interim general meeting or fails to give a response within 10 days after the receipt of the proposal, it is deemed that the board of directors is unable to perform or fails to perform its duty to convene a general meeting, and the supervisory committee may convene and preside over such meeting on its own.	Article 44 The Audit Committee shall have the right to propose to the board in writing to convene an interim shareholders' meeting. The board shall, in accordance with relevant laws, administrative regulations and these Articles, give a written response on whether or not it agrees to convene such an interim general meeting within 10 days after the receipt of the proposal. If the board agrees to convene an interim general meeting, it shall give a notice convening such meeting within 5 days after it has so resolved. Any changes to be made to the original request in the notice shall be subject to approval of the Audit Committee. If the board does not agree to convene an interim general meeting or fails to give a response within 10 days after the receipt of the proposal, it is deemed that the board of directors is unable to perform or fails to perform its duty to convene a general meeting, and the Audit Committee may convene and preside over such meeting on its own.

No.	Before Amendments	After Amendments
11	Article 45 Shareholders that hold, individually or collectively, 10% or more of the shares in the Company shall have the right to request in writing the board to convene an interim shareholders' meeting. The board and the supervisory committee shall, in accordance with relevant laws, administrative regulations, the Hong Kong Listing Rules and these Articles, give a written response to shareholders on whether or not it agrees to convene such an interim shareholders' meeting within 10 days after the receipt of the proposal. If the board agrees to convene an interim general meeting, it shall give a notice convening such meeting within 5 days after it has so resolved. Any changes to be made to the original request in the notice shall be subject to approval of the relevant shareholders. If the board does not agree to convene an interim general meeting or fails to give a response within 10 days after the receipt of the proposal, the shareholders that hold, individually or collectively, 10% or more of the shares of the Company shall have the right to propose to the supervisory committee to convene an interim shareholders' meeting, and such proposal shall be made in writing. If the supervisory committee agrees to convene an interim shareholders' meeting, it shall give a notice convening such meeting within 5 days after the receipt of the proposal. Any changes to be made to the original request in the notice shall be subject to approval of the relevant shareholders. If the supervisory committee fails to give the notice convening such meeting within the period specified herein above, it shall be deemed to have failed to convene and preside over such meeting. The shareholders that hold, individually or collectively, 10% or more of the shares in the Company for over 90 consecutive days or more consecutively may convene and preside over such meeting on their own. Before the announcement of the shareholders' meeting resolution, the total shareholding ratio of the shareholders convening the shareholders' meeting shall not be less than 10%.	Article 45 Shareholders that hold, individually or collectively, 10% or more of the shares in the Company shall have the right to request in writing the board to convene an interim shareholders' meeting. The board shall, in accordance with relevant laws, administrative regulations, the Hong Kong Listing Rules and these Articles, give a written response to shareholders on whether or not it agrees to convene such an interim shareholders' meeting within 10 days after the receipt of the proposal. If the board agrees to convene an interim general meeting, it shall give a notice convening such meeting within 5 days after it has so resolved. Any changes to be made to the original request in the notice shall be subject to approval of the relevant shareholders. If the board does not agree to convene an interim general meeting or fails to give a response within 10 days after the receipt of the proposal, the shareholders that hold, individually or collectively, 10% or more of the shares of the Company shall have the right to propose to the Audit Committee to convene an interim shareholders' meeting, and such proposal shall be made in writing. If the Audit Committee agrees to convene an interim shareholders' meeting, it shall give a notice convening such meeting within 5 days after the receipt of the proposal. Any changes to be made to the original request in the notice shall be subject to approval of the relevant shareholders. If the Audit Committee fails to give the notice convening such meeting within the period specified herein above, it shall be deemed to have failed to convene and preside over such meeting. The shareholders that hold, individually or collectively, 10% or more of the shares in the Company for over 90 consecutive days or more consecutively may convene and preside over such meeting on their own. Before the announcement of the shareholders' meeting resolution, the total shareholding ratio of the shareholders convening the shareholders' meeting shall not be less than 10%.

No.	Before Amendments	After Amendments
12	Article 47 The supervisory committee or shareholders that decide to convene a general meeting by itself or themselves shall notify the board of directors in writing. The shareholders that convene the general meeting shall hold at least 10% of the shares of the Company prior to the conclusion of general meeting. Supervisory committee or shareholders convening the meeting shall provide relevant evidences to the securities regulatory authority of the place where the shares of the Company are listed and the stock exchange where the shares of the Company are listed in accordance with applicable regulations (if necessary) when issuing the notice of shareholders' meeting and announcing resolutions of the shareholders' meeting.	Article 47 The Audit Committee or shareholders that decide to convene a general meeting by itself or themselves shall notify the board of directors in writing. The Audit Committee or shareholders convening the meeting shall provide relevant evidences to the securities regulatory authority of the place where the shares of the Company are listed and the stock exchange where the shares of the Company are listed in accordance with applicable regulations (if necessary) when issuing the notice of shareholders' meeting and announcing resolutions of the shareholders' meeting.
13	Article 48 Where the supervisory committee or the shareholder(s) convene a shareholders' meeting on its or their own, the board and the secretary to the board shall provide assistance. The board will provide the register of members as of the date of the share registration.	Article 48 Where the Audit Committee or the shareholder(s) convene a shareholders' meeting on its or their own, the board and the secretary to the board shall provide assistance. The board will provide the register of members as of the date of the share registration.
14	Article 49 Any necessary expenses incurred in connection with the convening and holding of the shareholders' meeting by the supervisory committee or the shareholder(s) on its or their own shall be borne by the Company.	Article 49 Any necessary expenses incurred in connection with the convening and holding of the shareholders' meeting by the Audit Committee or the shareholder(s) on its or their own shall be borne by the Company.
15	Article 51 When the Company convenes a shareholders' meeting, the board, the supervisory committee or shareholders that hold, individually or collectively, 1% or more of the shares of the Company shall have the right to propose resolutions.	Article 51 When the Company convenes a shareholders' meeting, the board, the Audit Committee or shareholders that hold, individually or collectively, 1% or more of the shares of the Company shall have the right to propose resolutions.

No.	Before Amendments	After Amendments
16	Article 53 A notice of a shareholders' meeting shall include the following: (4) if any director, supervisor, general manager, or other senior management have a significant interest in the matter to be discussed, the nature and extent of their interest shall be disclosed; if the impact of the discussed matter on the director, supervisor, general manager, and other senior management as shareholders differs from its impact on other shareholders of the same category, the difference should be explained; 	Article 53 A notice of a shareholders' meeting shall include the following: (4) if any director, general manager, or other senior management have a significant interest in the matter to be discussed, the nature and extent of their interest shall be disclosed; if the impact of the discussed matter on the director, general manager, and other senior management as shareholders differs from its impact on other shareholders of the same category, the difference should be explained;
17	Article 54 If the proposal for the election of directors and supervisors is submitted to the general meeting, the notice of such general meeting shall fully disclose the details of the candidates for directors and supervisors, and shall at least include the following particulars: A separate proposal shall be submitted for each director or supervisor candidate.	Article 54 If the proposal for the election of directors is submitted to the general meeting, the notice of such general meeting shall fully disclose the details of the candidates for directors and shall at least include the following particulars: A separate proposal shall be submitted for each director candidate.
18	Article 65 A general meeting shall be presided over by chairman of the board. Where the chairman of the board is unable or fails to perform his/her duties, the meeting shall be presided over by a director jointly elected by more than half of the directors. A general meeting convened by the supervisory committee shall be presided over by the chairman of the supervisory committee. Where the chairman of the supervisory committee is unable or fails to perform his/her duties, the meeting shall be presided over by a supervisor jointly elected by more than half of the supervisors.	Article 65 A general meeting shall be presided over by chairman of the board. Where the chairman of the board is unable or fails to perform his/her duties, the meeting shall be presided over by a director jointly elected by more than half of the directors. A general meeting convened by the Audit Committee shall be presided over by the chairman of the Audit Committee. Where the chairman of the Audit Committee is unable or fails to perform his/her duties, the meeting shall be presided over by a member jointly elected by more than half of the members of the Audit Committee.

No.	Before Amendments	After Amendments
19	Article 67 The directors, supervisors and senior management shall make explanation and interpretation on the inquiry and suggestions raised by shareholders at the general meeting.	Article 67 The directors and senior management shall make explanation and interpretation on the inquiry and suggestions raised by shareholders at the general meeting.
20	Article 69 Minutes of the general meeting shall be kept by the secretary of board of directors and specify the following details: (2) the names of the chairman of the meeting, and the directors, supervisors , senior management attending or present at the meeting; 	Article 69 Minutes of the general meeting shall be kept by the secretary of board of directors and specify the following details: (2) the names of the chairman of the meeting, and the directors and senior management attending or present at the meeting;
21	Article 70 A convener shall ensure that the minutes of a meeting shall be true, accurate and complete. The minutes shall be signed by the attending or presenting directors, supervisors , the secretary of board of directors, convener or his/her representative, and the chairman of the meeting. The minutes of the meeting together with the attendance record signed by the attending shareholders, the proxy forms and the valid information relating to voting shall be kept for at least 10 years.	Article 70 A convener shall ensure that the minutes of a meeting shall be true, accurate and complete. The minutes shall be signed by the attending or presenting directors, the secretary of board of directors, convener or his/her representative, and the chairman of the meeting. The minutes of the meeting together with the attendance record signed by the attending shareholders, the proxy forms and the valid information relating to voting shall be kept for at least 10 years.
22	Article 73 The following matters shall be passed by ordinary resolutions at a general meeting: (1) work reports of the board and the supervisory committee ; (2) profit distribution plans and plans for recovery of losses formulated by the board; (3) appointment and dismissal of members of the board and the supervisory committee , their remunerations and methods of payment; 	Article 73 The following matters shall be passed by ordinary resolutions at a general meeting: (1) work reports of the board; (2) profit distribution plans and plans for recovery of losses formulated by the board; (3) appointment and dismissal of members of the board, their remunerations and methods of payment;

No.	Before Amendments	After Amendments
23	Article 76 When a related (connected) transaction is considered at a general meeting, the related (connected) shareholders shall refrain from voting and the number of voting shares that they represent shall not be counted the total number of valid voting shares. Announcement of resolutions of the general meeting shall fully disclose the voting of non-related (non-connected) shareholders. Announcement of resolutions of the general meeting shall fully disclose the voting of nonrelated (non-connected) shareholders.	Article 76 When a related (connected) transaction is considered at a general meeting, the related (connected) shareholders shall refrain from voting and the number of voting shares that they represent shall not be counted the total number of valid voting shares. Announcement of resolutions of the general meeting shall fully disclose the voting of non-related (non-connected) shareholders.
24	Article 78 List of candidates for directors or supervisors shall be submitted to the general meeting by way of proposal. The method and procedure for the nomination of directors or supervisors are: (1) The nomination of candidates for non-employees' representative director shall be made in the following way: 1. Nominated by the board of directors of the Company; 2. Nominated by shareholders individually or jointly holding 1% or more of voting shares of the Company, provided that the number of candidates nominated shall not exceed the number of directors to be elected or changed.	Article 78 List of candidates for directors shall be submitted to the general meeting by way of proposal. The method and procedure for the nomination of directors are: (1) The nomination of candidates for non-employees' representative director shall be made in the following way: 1. Nominated by the board of directors of the Company; 2. Nominated by shareholders individually or jointly holding 1% or more of voting shares of the Company, provided that the number of candidates nominated shall not exceed the number of directors to be elected or changed.

No.	Before Amendments	After Amendments
	(2) The nomination of candidates for non-employees' representative supervisor shall be made in the following way: 1- Nominated by the supervisory committee of the Company; 2- Nominated by shareholders individually or jointly holding 1% or more of voting shares of the Company, provided that the number of candidates nominated shall not exceed the number of supervisors to be elected or changed. (3) The nominee shall submit the candidate's biographical details and basic information in writing to the secretary of the board of directors of the Company 10 days prior to the general meeting. Candidates for directors shall give a written undertaking (which may be by any means of notification) prior to the general meeting that they agree to accept the nomination, that the information disclosed is true and complete and that they undertake to effectively fulfil their duties as directors if elected. The board of directors is responsible for formulating proposals to be submitted to the general meeting for the nomination of directors, and the supervisory committee is responsible for formulating proposals to be submitted to the general meeting for the nomination of supervisors. (4) The employee representatives of the board supervisors shall be elected by the employee representatives' meeting, employee meeting or otherwise democratically.	(2) The nominee shall submit the candidate's biographical details and basic information in writing to the secretary of the board of directors of the Company 10 days prior to the general meeting. Candidates for directors shall give a written undertaking (which may be by any means of notification) prior to the general meeting that they agree to accept the nomination, that the information disclosed is true and complete and that they undertake to effectively fulfil their duties as directors if elected. The board of directors is responsible for formulating proposals to be submitted to the general meeting for the nomination of directors. (3) The employee representative Director shall be elected by the employee representatives' meeting, employee meeting or otherwise democratically.

No.	Before Amendments	After Amendments
25	Article 83 Before voting takes place on a proposal at the general meeting, two shareholder representatives shall be elected to count and scrutinize the votes. In the event that a shareholder is interested in the resolution to be considered, the relevant shareholder and his/her proxy shall not participate in counting and scrutinizing of the votes. When a proposal is voted at a general meeting, shareholders representatives and supervisor representatives shall be jointly responsible for counting and scrutinizing votes, and the poll results shall be announced at the general meeting and included in the meeting minutes. In the event that a shareholder is interested in the resolution to be considered, the relevant shareholder and his/her proxy shall not participate in counting and scrutinizing of the votes.	Article 83 Before voting takes place on a proposal at the general meeting, two shareholder representatives shall be elected to count and scrutinize the votes. In the event that a shareholder is interested in the resolution to be considered, the relevant shareholder and his/her proxy shall not participate in counting and scrutinizing of the votes. When a proposal is voted at a general meeting, shareholders representatives and the Audit Committee representatives shall be jointly responsible for counting and scrutinizing votes, and the poll results shall be announced at the general meeting and included in the meeting minutes. In the event that a shareholder is interested in the resolution to be considered, the relevant shareholder and his/her proxy shall not participate in counting and scrutinizing of the votes.
26	Article 87 Where a proposal on the election of directors and supervisors is passed at a general meeting, the term of office of the newly appointed directors and supervisors shall commence at the time determined in the resolution of the shareholders' meeting. In the event of a general election of the board of directors and the supervisory committee, the newly appointed directors and supervisors shall take office on the date of expiration of the term of office of the previous directors and supervisors.	Article 87 Where a proposal on the election of directors is passed at a general meeting, the term of office of the newly appointed directors shall commence at the time determined in the resolution of the shareholders' meeting. In the event of a general election of the board of directors, the newly appointed directors shall take office on the date of expiration of the term of office of the previous directors.

No.	Before Amendments	After Amendments
27	Article 91 …… Where any of the near relatives of the directors, supervisors or senior management, or any of the enterprises directly or indirectly controlled by the directors, supervisors or senior management or any of their near relatives, or any of the related (connected) parties who has any other related- (connected-) party relationship with the directors, supervisors or senior management, concludes a contract or conducts a transaction with the Company, the provisions of the preceding paragraph (4) shall apply.	Article 91 …… Where any of the near relatives of the directors or senior management, or any of the enterprises directly or indirectly controlled by the directors or senior management or any of their near relatives, or any of the related (connected) parties who has any other related- (connected-) party relationship with the directors or senior management, concludes a contract or conducts a transaction with the Company, the provisions of the preceding paragraph (4) shall apply.
28	Article 92 …… When performing their duties, they shall, for the best interests of the Company, exercise the reasonable care that shall be generally possessed by a manager. …… (5) Directors shall provide accurate information and materials to the supervisory committee and shall not obstruct the supervisory committee or individual supervisors from performing its or their duties; ……	Article 92 …… When performing their duties, they shall, for the best interests of the Company, exercise the reasonable care that shall be generally possessed by a manager. …… (5) Directors shall provide accurate information and materials to the Audit Committee and shall not obstruct the Audit Committee from performing its or their duties; ……
29	Article 99 The Company has established a board which shall be accountable to the shareholders' meetings. The board shall comprise nine directors, three of whom are independent non-executive directors. The board shall have one chairman. Directors are elected or replaced by the general meeting.	Article 99 The Company has established a board which shall be accountable to the shareholders' meetings. The board shall comprise nine directors, three of whom are independent non-executive directors and one employee representative Director. Non-employee representative Directors are elected or replaced by the general meeting. The employee representative Director is democratically elected by the employees of the Company through the employee representative congress, the employee congress or other forms, and does not need to be submitted to the shareholders' meeting for deliberation.

APPENDIX I

DETAILS OF THE PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Before Amendments	After Amendments
30	Article 107 The board shall hold at least four meetings per year, approximately once a quarter, which shall be convened by the chairman and all directors—and supervisors shall be notified in writing 14 days before the meeting.	Article 107 The board shall hold at least four meetings per year, approximately once a quarter, which shall be convened by the chairman and all directors shall be notified in writing 14 days before the meeting.
31	Article 108 Shareholders representing more than one-tenth of the voting rights, more than half of the independent non-executive directors, more than one-third of the directors or the supervisory committee, may propose to convene an interim board meeting. The chairman of the board shall convene and preside over the interim meeting within 10 days from the receipt of the proposal.	Article 108 Shareholders representing more than one-tenth of the voting rights, more than half of the independent non-executive directors, more than one-third of the directors or the Audit Committee , may propose to convene an interim board meeting. The chairman of the board shall convene and preside over the interim meeting within 10 days from the receipt of the proposal.
32	Article 109 The board shall notify all directors and supervisors in writing 3 days before convening the interim meeting of the board. A board meeting can be convened immediately with the consent of all directors.	Article 109 The board shall notify all directors in writing 3 days before convening the interim meeting of the board. A board meeting can be convened immediately with the consent of all directors.
33	Article 112 When a director, supervisor, general manager and other senior management of the Company has a material interest, directly or indirectly, in a contracts, transactions or arrangements entered into or planned by the Company (except for the employment contract between the Company and the director, supervisor, general manager and other senior management), they shall disclose the nature and extent of the interest as soon as possible to the board of directors, regardless of whether the relevant matter requires the board of directors' approval and consent under normal circumstances.	Article 112 When a director, general manager and other senior management of the Company has a material interest, directly or indirectly, in a contracts, transactions or arrangements entered into or planned by the Company (except for the employment contract between the Company and the director, general manager and other senior management), they shall disclose the nature and extent of the interest as soon as possible to the board of directors, regardless of whether the relevant matter requires the board of directors' approval and consent under normal circumstances.
34	Article 130 The working rules for the manager shall contain the following details: (3) the authority to use the funds and assets and execute material contracts, and the system of reporting to the board of directors and—the supervisory committee; 	Article 130 The working rules for the manager shall contain the following details: (3) the authority to use the funds and assets and execute material contracts, and the system of reporting to the board of directors;

No.	Before Amendments	After Amendments
35	CHAPTER VII SUPERVISORY COMMITTEE Section 1 Supervisors Article 134 The circumstances of disqualification for directors prescribed in Article 89 of these Articles shall be applicable to supervisors. Directors, managers, and other senior management shall not concurrently act as supervisors. The spouses and immediate family members of the directors and senior management shall not concurrently serve as supervisors of the Company during their term of office. Article 135 Supervisors should possess relevant professional knowledge or work experience and have the capability to effectively perform their duties. Supervisors shall comply with laws, administrative regulations and these Articles and shall assume the duties of honesty and due diligence towards the Company and shall also exercise the reasonable care normally expected of a manager in the best interests of the Company in the performance of their duties. Supervisors shall not receive bribes or other illegal income in abuse of the position or authority, or embezzle the Company's assets. Article 136 A supervisor shall serve for a term of 3 years and may serve consecutive terms if re-appointed upon expiry of a term.	

No.	Before Amendments	After Amendments
	Article 137 Where a re-election fails to be carried out in a timely manner upon the expiry of the term of office of a supervisor, or in the event that the resignation of the supervisor during his/her term of office results in the number of members of the supervisory committee falling below the statutory minimum requirement, such supervisor shall continue to perform his/her duties as a supervisor in accordance with the laws, administrative regulations and these Articles until the newly elected supervisor assumes the office. Article 138 Supervisors may attend the board meetings and raise inquiries or suggestions concerning the matters subject to resolutions to be adopted by the board. If supervisors find that directors, senior management and the Company have violated laws and regulations, departmental rules, business rules, the Hong Kong Listing Rules, other securities regulatory rules of the place where the shares of the Company are listed, these Articles or resolutions passed at shareholders' meeting, which have already caused or may cause significant losses to the Company, they should promptly report to the board and supervisory committee, requesting the board and senior management to rectify. Supervisors have the right to understand the Company's operation. The Company should take measures to safeguard the right to information of the supervisors and provide necessary assistance for the supervisors to perform their duties normally. No one shall interfere or obstruct.	

No.	Before Amendments	After Amendments
	Article 139 Supervisors shall not take advantage of the related (connected) relationships to harm the interests of the Company and shall be liable for compensation. Article 140 Where any supervisor violates any law, administrative regulation, departmental rules or these Articles during the performance of duties and causes any loss to the Company, he/she shall be liable for compensation. Section 2 Supervisory Committee Article 141 The Company shall have a supervisory committee. The supervisory committee comprises three supervisors, including 1 employee representative shall be elected by employees at the employee representatives' meeting, employee meeting or otherwise democratically. The other two supervisors elected or replaced by shareholders' meeting. Article 142 The supervisory committee shall appoint a chairman. The chairman of the supervisory committee shall be elected by more than half of the supervisors. The chairman of the supervisory committee shall convene and preside over the meetings of supervisory committee. Where the chairman of the supervisory committee is unable or fails to perform his/her duties, a supervisor elected by more than half of the supervisors shall convene and preside over such meetings.	

No.	Before Amendments	After Amendments
	Article 143 The supervisory committee shall understand the operation of the Company, review the Company's financial positions, supervise the legal compliance of the Company's directors and senior management in the performance of their duties, exercise other functions and powers stipulated in these Articles, and safeguard the legitimate rights and interests of the Company and its shareholders. The supervisory committee may independently engage intermediary agencies to provide professional advice. The supervisory committee shall exercise the following duties and powers: (1) to review the periodic reports of the Company prepared by the board and express its written review opinion; (2) to check the financial condition of the Company; (3) to monitor the performance of duties in the Company by directors and senior management and propose dismissal of directors and senior management who have violated laws, administrative regulations, departmental regulations, business rules, the Hong Kong Listing Rules, other securities regulatory rules of the place where the shares of the Company are listed, these Articles or the resolutions of shareholders' meetings; (4) to require directors and senior management to rectify if their conduct has damaged the interests of the Company; (5) to supervise the implementation of the special committee of the board and inspect whether the members of the special committee of the board fulfil their duties in accordance with the rules of procedure;	

No.	Before Amendments	After Amendments
	(6) to propose the convening of interim shareholders' meetings and, in the event that the board fails to perform the obligations to convene and preside over the shareholders' meetings in accordance with the Company Law, to convene and preside over the shareholders' meetings; (7) to propose proposals to the general meetings; (8) to file lawsuit against directors and senior management in accordance with the relevant requirement of the Company Law; (9) in case of any irregularity identified in the operations of the Company, investigations may be conducted, and if necessary, professional institutions such as accounting firms and law firms may be engaged to assist in their work at the expense of the Company; (10) other authorities prescribed in laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the place where the shares of the Company are listed and these Articles. Article 144 The supervisory committee shall convene at least one meeting every six months. Supervisors may propose to convene an interim supervisory meeting. The chairman of the supervisory committee shall convene the meeting within three days upon receipt of the proposal. In convening the regular or interim meetings of the supervisory committee, supervisory committee shall give the notice of the meetings to all supervisors 5 days and 3 days in advance, respectively.	

No.	Before Amendments	After Amendments
	Supervisors shall attend meetings of the supervisory committee in person. If any supervisor is unable to attend the meeting for any reason, he/she may by a written power of attorney appoint another supervisor to attend the meeting on his/her behalf. The power of attorney shall include the name of the proxy, the subject, scope of authorisation and validity period, which shall be signed or officially sealed by the appointing supervisor. The supervisor so appointed to attend the meeting shall exercise the rights of supervisor within the scope of authority conferred by the appointing supervisor. Where a supervisor does not attend a supervisory meeting in person and does not appoint a proxy to attend the meeting on his/her behalf, he/she shall be deemed to have waived his/her voting right at the meeting. The quorum of a supervisory meeting shall consist of more than half of all supervisors. When voting on the resolutions of the supervisory meeting, each supervisor shall have one vote. Resolutions of the supervisory committee shall be subject to the approval of more than half of all supervisors. Article 145 The supervisory committee shall formulate the rules of procedures of the supervisory committee and specify the discussion methods and voting procedures of the supervisory committee, to ensure the work efficiency and scientific decision-making of the supervisory committee. The rules of procedure for the supervisory committee shall be annexed to the Articles of Association and shall be drafted by the supervisory committee and approved by the general meeting.	

No.	Before Amendments	After Amendments
	Article 146 Minutes shall be prepared in respect of matters considered at the supervisory committee and the supervisors attending the meeting shall endorse such minutes by signature. Supervisors have the right to request inclusion of explanations in the minutes regarding the views they have expressed at the meeting. Minutes of meetings of the supervisory committee shall be kept as the files of the Company for a period of at least 10 years. Article 147 A notice of the meeting of supervisory committee shall include the followings: (1) the date, venue and duration of the meeting; (2) the reasons and matters for discussion; (3) the date of the notice; (4) the convener and chairman of the meeting, persons submitting proposals at interim meeting and the written proposals; (5) materials necessary for supervisors voting; (6) requirements with regard to meeting attendance by supervisors in person; (7) contact person and contact information; (8) other contents stipulated by the laws, administrative regulations, departmental rules or normative legal documents, the Hong Kong Listing Rules, and other securities regulatory rules of the place where the shares of the Company are listed.	

APPENDIX I**DETAILS OF THE PROPOSED AMENDMENTS TO
THE ARTICLES OF ASSOCIATION**

No.	Before Amendments	After Amendments
36	Article 165 The notice of convening meetings of the supervisory committee shall be delivered to supervisors by hand, mail, fax, and email.	Article 151 The notice of convening meetings of Special Committees of the Board of Directors shall be delivered to committee members by hand, mail, fax, and email.
37	Article 195 The annexes hereof shall include the rules of procedure for the general meeting, the rules of procedure for board meetings and the rules of procedure for the supervisory committee.	Article 181 The annexes hereof shall include the rules of procedure for the general meeting and the rules of procedure for board meetings.
38	Article 196 These Articles shall be subject to the consideration and approval at the general meeting and shall be effective and come into force from the date on which H shares of the Company are filed with the CSRC and listed on the Stock Exchange of Hong Kong Limited. The original articles of association of the Company shall automatically become void from the effective date of these Articles.	Article 182 These Articles shall be subject to the consideration and approval at the general meeting, and shall come into force on the date of such approval.

**THE RULES OF PROCEDURE FOR THE BOARD OF
DIRECTORS OF X.J. ELECTRICS (HU BEI) GROUP CO., LTD**

Article 1 Purpose

To further regulate the discussion methods and decision-making procedures of the board of directors (the “Board”) of X.J. Electrics (Hu Bei) Group Co., Ltd (hereinafter referred to as the “Company”), facilitate the directors and the Board to effectively perform their duties and improve the standard operation and scientific decision-making level of the Board, these rules are formulated in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Securities Law of the People’s Republic of China, the Interim Measures for the Administration of Overseas Securities Offering and Listing by Domestic Enterprises, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”) and other relevant laws, administrative regulations, normative documents and the Articles of Association of X.J. Electrics (Hu Bei) Group Co., Ltd (hereinafter referred to as the “Articles of Association”).

Article 2 Board Office

The Board office is established under the Board to handle the day-to-day affairs of the Board.

The Board secretary shall serve concurrently as the officer in charge of the Board office responsible for the custody of the seals of the Board and the Board office.

The Board secretary shall be nominated by the chairman of the Board and be appointed or dismissed by the Board. A director or other senior management personnel of the Company may serve concurrently as the Board secretary.

Article 3 Regular Meetings

Board meetings shall be divided into regular meetings and extraordinary meetings.

The Board shall convene at least four meetings a year, approximately once per quarter, which shall be convened by the chairman of the Board, with written notice issued to all directors 14 days before convening the meeting.

Article 4 Proposals of Regular Meetings

Prior to issuing the notice on convening a regular Board meeting, the Board secretary shall fully solicit the opinions from each director to form a preliminary proposal for the meeting and submit it to the chairman of the Board for finalizing.

APPENDIX II REVISED RULES OF PROCEDURES FOR BOARD MEETINGS

Before finalizing the proposal, the chairman of the Board shall, as necessary, solicit opinions from the general manager and other senior management personnel.

Proposals by the Board shall meet the following conditions:

- (1) the content shall not conflict with any provisions of the laws, regulations, normative documents and the Articles of Association, and falls within the terms of reference of the Board;
- (2) there shall be clear subjects and specific matters to be resolved.

The agenda of regular meetings of the Board and related documents shall be fully submitted to all directors in a timely manner, and shall be delivered at least three days (or within other agreed time periods) before the intended date of the Board meeting or meeting(s) of any Board committees.

Article 5 Extraordinary Meetings

The Board shall convene an extraordinary meeting under any of the following circumstances:

- (1) when proposed by shareholders representing more than one-tenth of the voting rights;
- (2) when jointly proposed by more than one-third of the directors;
- (3) when proposed by the Audit Committee;
- (4) when proposed by more than half of the independent non-executive directors;
- (5) other circumstances stipulated in the Articles of Association.

Article 6 Proposal Procedures for Extraordinary Meetings

When proposing to convene an extraordinary meeting of the Board as stipulated in the preceding article, a written proposal signed (sealed) by the proposer shall be submitted through the Board office or to the chairman of the Board directly. The written proposal shall contain the following matters:

- (1) name(s) of the proposer(s);
- (2) reason(s) for the proposal or the objective reasons for which the proposal is based;
- (3) time or duration, venue and the convening method of the proposed meeting;
- (4) clear and specific proposal(s);

- (5) contact information of the proposer(s) and the date of the proposal, etc.

The content of the proposal shall fall within the scope of the terms of reference of the Board as specified in the Articles of Association of the Company, and shall be submitted together with the materials relevant to the proposal.

Upon receiving the aforementioned written proposal and relevant materials, the Board office shall present them to the chairman of the Board on the same day. If the chairman of the Board deems the proposal not clear and specific, or the related materials inadequate, he/she may request the proposer(s) to make modifications or supplementations.

The chairman of the Board shall convene and preside over the Board meeting within ten days after receiving the proposal or upon the request of the securities regulatory authorities.

Article 7 Convening and Presiding over the Meeting

Board meetings shall be convened and presided over by the chairman of the Board, or a director jointly recommended by more than half of the directors where the chairman of the Board is unable to or fails to perform his/her duties.

Article 8 Meeting Notice

For convening a regular meeting or an extraordinary meeting of the Board, the Board office shall give a written meeting notice to all directors, managers and the Board secretary 14 days and 3 days in advance, respectively, through direct delivery, fax, email or other means. If not directly delivered, confirmation shall also be made via telephone, and corresponding records shall be made.

When an extraordinary meeting of the Board needs to be convened as soon as possible in case of an emergency, the meeting notice may be issued via telephone or in other verbal forms at any time, but the convener shall provide an explanation at the meeting.

Article 9 Contents of the Meeting Notice

A written notice of the meeting shall include the following information:

- (1) date and venue of the meeting;
- (2) convening method of the meeting;
- (3) duration of the meeting;
- (4) reasons to convene the meeting and matters to be discussed;

- (5) where any director has material interests in the matters to be discussed, the nature and extent of his/her interest shall be disclosed;
- (6) necessary meeting materials for voting of directors;
- (7) date on which the notice is issued;
- (8) other content as required by laws, administrative regulations, departmental rules or normative documents, the Hong Kong Listing Rules and other securities regulatory rules of the place where the Company's shares are listed.

Verbal meeting notices shall at least include the contents of items (1) and (2) above, as well as a description of the necessity of convening an extraordinary Board meeting as soon as possible in an emergency.

Article 10 Changes in Meeting Notices

After the written notice of the regular Board meeting has been issued, if it is necessary to change the meeting date, venue or other matters, or to add, change or cancel the meeting proposals, a change notice shall be given in writing three days prior to the originally scheduled meeting date to specify the situation and the related contents of the new proposal as well as the relevant materials. Where the change notice is issued in less than three days, the meeting date shall be postponed accordingly, or convened on schedule upon the approval of all the attending directors.

After the notice of the extraordinary Board meeting has been issued, if it is necessary to change the meeting date, venue or other matters, or to add, change or cancel the meeting proposals, prior approval from all the attending directors shall be obtained and the corresponding records shall be made.

Article 11 Convening the Meetings

Board meetings are held only when more than half of the directors are present.

The general manager and the Board secretary shall attend the Board meeting if not concurrently serving as directors. When the presider of the meeting deemed it necessary, other relevant personnel may be notified to attend the meeting.

Article 12 Attending in Person and by proxies

The directors shall attend the Board meetings in person. If a director is unable to attend for any reason, he/she may appoint another director to attend the meeting on his/her behalf by a written power of attorney specifying the name of proxy, the matters to be proxied, the scope of authorization and the validity period, and shall be signed or sealed by the appointer. The director attending the meeting on behalf shall exercise the rights of directors within the scope of authorization. Where voting matters are involved, the principal shall clearly state his/her agreement, disagreement or abstention on each matter in the power of attorney. A director shall not make or accept a proxy without voting intentions, discretionary proxy or a proxy with an unclear scope of authorization. A director's responsibility for voting matters shall not be exempted due to the presence of another director by proxy.

If a director neither attends the Board meeting nor appoints a proxy to attend, he/she shall be deemed to have waived his/her right to vote at that meeting.

If a director appoints another director to sign the written confirmation for regular reports on his/her behalf, he/she shall make a special authorization in the power of attorney.

The appointed director on behalf shall submit the written power of attorney to the convener and explain the attendance on behalf of others on the attendance book of the meeting.

Article 13 Limitations on Authorizing Others to Attend

When a director authorizes another director and is authorized to attend the Board meeting, the following principles shall be complied:

- (1) when considering connected transactions, the non-connected directors shall not appoint the connected directors to attend the meeting on his/her behalf, the connected directors shall not accept the appointment of the non-connected directors either;
- (2) an independent non-executive director shall not appoint a non-independent non-executive director to attend on his/her behalf, a non-independent non-executive director shall not accept the appointment of an independent non-executive director either;
- (3) where voting matters are involved, the principal shall clearly express his/her agreement, disagreement or abstention on each matter in the power of attorney.
- (4) a director shall not give other directors *carte blanche* to attend the meeting on his/her behalf without stating his/her personal opinions and voting intent on the proposals, and the relevant director shall also not accept the *carte blanche* and any appointment of unclear authorization.

- (5) a director shall not accept appointments from more than two directors, and a director shall not appoint a director who has accepted the appointments from two other directors to attend the meeting.

Article 14 Methods of Convening Meetings

Board meetings shall be convened on-site in principle. Where necessary and with the assurance of the directors can fully express their opinions, meetings can be convened via video conference, telephone, fax or email voting with the consent of the convener (presider) and the proposer. Board meetings may also be convened by adopting on-site and other methods concurrently.

If the meeting is not convened on-site, the number of directors who attended the meeting shall be calculated based on the directors who appeared on video, the directors who expressed opinions during telephone conference, valid votes actually received by fax, email or other methods within the prescribed period, or the written confirmation letters submitted by the directors afterwards confirming their attendance of the meeting.

Article 15 Consideration Procedures of Meetings

The meeting presider shall request the directors present at the Board meetings to express clear opinions on each proposal.

For proposals requiring prior approval by the independent non-executive directors as per regulations, the meeting presider shall designate an independent non-executive director to read out the written approval agreed by the independent non-executive directors before discussing the relevant proposal.

If any director hinders the normal proceedings of the meetings or affects the speech of other directors (such as making speeches on the same proposal repeatedly or making speeches beyond the proposal scope, etc.), the meeting presider shall promptly stop him/her.

Unless with the unanimous consent of all participating directors, the proposals not included in the meeting notice shall not be put to a vote in the Board meetings. Directors who accepted the appointment of other directors to attend the Board meetings shall not vote on the proposals not included in the meeting notice on behalf of other directors.

The chairman of the Board shall encourage directors holding dissenting opinions to voice their concerns, allow sufficient time for the discussions on such matters and ensure that the Board decisions are fair representations of the Board consensus. The chairman of the Board shall ensure that appropriate steps have been taken to maintain effective communications with shareholders, and that the opinions of shareholders are conveyed to the Board in its entirety. The chairman of the Board shall ensure that all directors at the Board meetings are properly informed of the current issues.

Article 16 Expressing Opinions

The Board shall discuss and establish procedures to allow the directors, upon reasonable request and in appropriate circumstances, to seek independent professional advice at the Company's expense. The Board shall resolve to provide separate independent professional advice to the directors to assist them in discharging his/their duties to the Company.

The directors shall carefully read the relevant meeting materials, and express their opinions independently and prudently based on a full understanding of the situation.

The directors may inquire with the Board office, the meeting convener, the general manager and other senior management personnel, various special committees, accounting firms, law firms, as well as other relevant personnel and organizations for the information necessary for decision-making prior to the meeting. The directors may also, during the meeting, suggest to the presider that the aforementioned personnel and the organization representatives to attend the meeting to explain the relevant situations.

Article 17 Voting at the Meetings

When each proposal has been fully discussed, the presider shall timely request the participating directors to vote.

Voting at the meetings shall be conducted on a one-person-one-vote basis by way of registered poll or in writing.

Directors' voting intentions shall be divided into agreement, opposition and abstention. The participating directors shall choose one of the aforementioned intentions. Where no choice has been made or two or more choices has been made concurrently, the presider of the meeting shall request the director concerned to choose again. Directors who refuse to choose shall be deemed to have abstained from voting. Directors who leave the meeting venue halfway and do not return and have not voted without making a choice shall be deemed to have abstained from voting. In the event of the aforementioned circumstances during the meetings convened by way of any forms other than on-site meetings, the meeting convener or the Board secretary may request the directors concerned to choose again within reasonable period. Those who failed to choose again within the reasonable period shall be deemed as an abstention.

Article 18 Statistics on Voting Results

After voting by the participating directors is completed, the Board secretary and the relevant staff of the Board office shall promptly collect the votes of the directors and submit them to the Board secretary for statistics under the supervision of one independent non-executive Director.

APPENDIX II REVISED RULES OF PROCEDURES FOR BOARD MEETINGS

For meetings convened on-site, the presider of the meeting shall announce the statistics results on the spot; otherwise, the presider of the meeting shall request the Board secretary to inform the directors of the voting results prior to the next working day upon conclusion of the stipulated voting deadline.

If a director cast his/her vote after the meeting presider's announcement on the voting results or after the stipulated voting deadline, his/her vote shall not be counted in the calculation results.

Article 19 Formation of Resolutions

Except for the circumstances specified in Article 20 of these Rules, for the Board to review and approve a meeting proposal and form a relevant resolution, more than half of all the Company's directors must vote in favor of the proposal. Where the laws, administrative regulations, the Hong Kong Listing Rules, other securities regulatory rules of the listing place of the Company's shares and the Articles of Association stipulates that the consent of additional directors is necessary for the Board to form the resolutions, the relevant provision shall apply.

In accordance with the provisions of the Articles of Association of the Company, for the Board to resolve guarantee matters within its scope of authorization, in addition to the consent from more than half of all directors of the Company, consent from more than two-thirds of the directors attending the meeting must also be obtained.

In case of any contradictions between different resolutions in content and meanings, the resolutions which formed later shall prevail.

Article 20 Withdraw from Voting

In the event of the following circumstances, a director shall withdraw from voting on the relevant proposals, and shall not exercise voting rights on behalf of other directors:

- (1) circumstances where a director shall withdraw from voting in accordance with the regulatory rules of the stock exchange;
- (2) circumstances where the director personally considers that he/she should withdraw from voting;
- (3) other circumstances where the director is connected or interested in an enterprise connected to the meeting proposal and is required to withdraw from voting as stipulated by the Articles of Association.

APPENDIX II REVISED RULES OF PROCEDURES FOR BOARD MEETINGS

Under the circumstances where a director withdraws from voting, such Board meeting may be held if more than half of the non-connected directors are present, and the resolutions formed shall be passed by more than half of the non-connected directors. If the number of non-connected directors present at the meeting is less than three, such proposals shall not be voted on, and shall be put forward to the shareholders' meeting for consideration instead.

In case of any additional restrictions on the directors' participation in and voting at the Board meetings imposed by laws, regulations and the securities regulatory rules of the listing place of the Company's shares, such provisions shall prevail.

The presider of the meeting shall decide whether the resolution of the Board shall be passed based on the voting results, and shall announce the voting results during the meeting. The voting results of the resolutions are recorded in the meeting minutes.

Article 21 Not Acting Beyond Authority

The Board shall act strictly in accordance with the authorization of the shareholders' meetings and the Articles of Association, and shall not exceed authority to form resolutions.

Article 22 Special Provisions for Profit Distribution

If matters concerning the Company's profit distribution need to be resolved on the Board meetings, the distribution plan to be submitted to the Board for reviewing may first be notified to the certified public accountant, who shall be required to issue a draft audit report accordingly (other financial data have been confirmed except for those related to the profit distribution). After the Board makes a resolution on the distribution, the certified public accountant shall be required to issue a formal audit report, and the Board shall then make resolutions for the relevant matters based on the formal audit report issued by the certified public accountant.

Article 23 Handling of Proposals Not Passed

If a proposal is not passed, such proposal with the same content shall not be considered at the Board meeting within one month, provided that there have been no significant changes to the relevant conditions and factors.

Article 24 Suspension of Voting

If more than half of the participating directors or more than two independent non-executive directors are of the view that the proposal is unclear, unspecific or for other reasons such as insufficient meeting materials which has made their judgment on the items concerned impossible, the presider of the meeting shall request for the suspension of voting on that proposal.

The director requesting the suspension of voting shall produce clear requirements on the conditions that shall be met for the resubmission of proposal.

Article 25 Audio/Video Recording of Meetings

Board meetings convened on-site or by way of video, telephone and etc., may be fully audio or video recorded as needed.

Article 26 Meeting Minutes

The Board secretary shall arrange staff members of the Board office to take minutes of the Board meeting. The minutes shall include the following information:

- (1) date and venue of the meeting convened and the name of the convener;
- (2) names of attending directors and names of directors (proxies) attending the Board Meeting on behalf of others;
- (3) agenda of the meeting;
- (4) key points of directors' statements;
- (5) the voting method and result for each resolution (the voting result shall set out the numbers of votes for or against the resolution or abstention);
- (6) other content required by laws, administrative regulations, departmental rules or normative legal documents, the Hong Kong Listing Rules, and the regulatory rules of the listing place of the Company's shares.

The attending directors, the Board secretary and the recorder of the meeting shall sign on the meeting minutes.

Meeting minutes of the Board and its committees shall be kept by a duly appointed secretary for the meeting, and such minutes shall be made available for inspection at any reasonable time upon reasonable notice from any director.

Article 27 Meeting Summary and Resolution Records

In addition to meeting minutes, the Board secretary may, where necessary, arrange staff from the Board office to prepare a concise summary of the meeting, and compile separate minutes according to the voting results.

Article 28 Signatures of Directors

The participating directors shall sign on the meeting minutes and resolution record for confirmation on behalf of themselves and on behalf of the directors who authorize them to attend on their behalf. Where directors hold different opinions over the meeting minutes or resolution records, he/she may attach written remarks when signing.

APPENDIX II REVISED RULES OF PROCEDURES FOR BOARD MEETINGS

If a director neither signs and confirms as per the preceding provision nor provides a written statement of his/her different opinions, the said director shall be deemed as fully agreeing with the contents of the meeting minutes and the resolutions.

Article 29 Resolution Announcements

Announcements of Board resolutions shall be handled by the Board secretary pursuant to the regulatory rules of the stock exchange where the Company's shares are listed. Prior to the disclosure of resolution announcements, the attending directors, attendees, the recording and service staff shall be obliged to keep the contents of the resolutions confidential.

Article 30 Execution of Resolutions

Upon making a resolution, the Board will distinguish between different situations, or submit the relevant matter or proposal to the shareholders' meeting for consideration and approval, or assign relevant resolutions to the general manager to organize the management level for execution. The general manager shall report the status of implementation to the Board. In case of recess of the Board, the general manager may directly report to the chairman of the Board, and the Board secretary shall be responsible for sending written report materials to the directors.

Article 31 Keeping Meeting Archives

Archives of Board meetings, including meeting notices, meeting documents, attendance book, powers of attorney for proxy directors, audio record of the meeting, votes, meeting minutes signed by the attending directors for confirmation, resolutions, etc., shall be kept by the Board secretary.

The archives of Board meetings shall be kept for a period of more than 10 years.

Article 32 Supplementary Provisions

Any matters that are not covered in these Rules are implemented in accordance with the relevant provisions of related national laws, regulations and normative documents, the Hong Kong Listing Rules, other securities regulatory rules of the listing place of the Company's shares and the Articles of Association. In the event of any inconsistency between these Rules and the relevant provisions of laws, regulations, normative documents, securities regulatory rules of listing place of the Company's shares and the Articles of Association, the provisions of relevant laws, regulations, normative documents, securities regulatory rules of the listing place of the Company's shares and the Articles of Association shall prevail.

In these Rules, the meaning of "more than" includes the number itself.

These Rules shall take effect and be implemented from the date of approval at shareholders' meeting of the Company.

These Rules shall be interpreted by the Board.

**X.J. ELECTRICS (HU BEI) GROUP CO., LTD
RULES OF PROCEDURES FOR SHAREHOLDERS' MEETING**

CHAPTER I GENERAL PROVISIONS

Article 1 To safeguard the legitimate rights and interests of the shareholders of X.J. Electrics (Hu Bei) Group Co., Ltd (hereinafter referred to as the “Company”), clarify the duties and powers of the shareholders’ meeting, and ensure the lawful exercise of powers during the shareholders’ meeting, these Rules are formulated in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Securities Law of the People’s Republic of China, the Interim Measures for the Administration of Overseas Securities Offering and Listing by Domestic Enterprises, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”), and other relevant provisions of relevant laws, administrative regulations and regulatory documents and the Articles of Association of X.J. Electrics (Hu Bei) Group Co., Ltd (hereinafter referred to as the “Articles of Association”).

Article 2 The Company shall convene shareholders’ meetings strictly in accordance with the laws, regulations, the Articles of Association and the relevant provisions of these Rules to ensure that the shareholders exercise their rights lawfully. The board of directors (“Board”) of the Company shall faithfully perform their duties to organize shareholders’ meetings in a conscientiously and in a timely manner. All directors of the Company shall act diligently and responsibly to ensure that the shareholders’ meetings are properly convened and their functions and powers are exercised lawfully.

Article 3 The shareholders’ meeting is the highest authority of the Company and shall exercise its powers lawfully within the scope prescribed by the Company Law and other relevant laws, regulations, normative documents, the securities regulatory rules of the listing place of the Company’s shares as well as the Articles of Association.

Article 4 Shareholders’ meetings shall be divided into annual shareholders’ meetings and extraordinary shareholders’ meetings.

The annual shareholders’ meeting shall be convened once per year and within six months after the end of each financial year. The extraordinary shareholders’ meeting shall be convened from time to time, and in the event of any circumstance specified in Article 5 of these Rules, it shall be convened within 2 months.

Article 5 The extraordinary shareholders' meeting shall be convened from time to time, and an extraordinary shareholders' meeting shall be convened within two months from the date of occurrence of any of the following events:

- (1) the number of directors is less than the minimum number required by the Company Law or less than two-thirds of the number stipulated in the Articles of Association;
- (2) where the unrecovered loss of the Company reaches one-third of the Company's total share capital;
- (3) where requested by shareholder(s) who, individually or jointly, holds more than 10% of the Company's shares;
- (4) where the Board considers it necessary;
- (5) where proposed by the Audit Committee;
- (6) the number of independent non-executive directors falls below the statutory minimum number;
- (7) other circumstances as stipulated in the applicable laws, administrative regulations, departmental rules, normative documents, the Hong Kong Listing Rules, other securities regulatory rules of the listing place of the Company's shares or the Articles of Association.

The number of shares held as prescribed in the item (3) above shall be calculated based on the number of shares held by the shareholders at the close of trading on the day that written request is made or, if that day is not a trading day, the preceding trading day that the shareholders' written request is made.

CHAPTER II CONVENING SHAREHOLDERS' MEETINGS

Article 6 The Board shall convene the shareholders' meeting within the time limit stipulated in Article 4 of these Rules.

Article 7 Independent non-executive Directors have the right to propose the Board to convene extraordinary shareholders' meetings. The Board shall provide a written response regarding the acceptance or refusal to convene an extraordinary shareholders' meeting within 10 days upon receiving the request in accordance with the requirements of laws, administrative regulations and the Articles of Association.

If the Board agrees to convene extraordinary shareholders' meeting, a notice convening the meeting shall be issued within 5 days after the Board resolves to do so. If the Board disagrees with convening the extraordinary shareholders' meeting, reasons shall be provided and announced.

Article 8 The Audit Committee has the right to propose the Board to convene an extraordinary shareholders' meeting, and such proposal shall be made by way of written request. The Board shall provide a written response regarding the acceptance or refusal to convene an extraordinary shareholders' meeting within 10 days upon receiving the request in accordance with the requirements of the laws, administrative regulations and the Articles of Association.

If the Board agrees to convene an extraordinary shareholders' meeting, a notice convening the extraordinary shareholders' meeting shall be issued within 5 days upon receiving the request. Any alterations to the original proposal in the notice shall be subject to the consent from the Audit Committee.

If the Board does not agree to convene the extraordinary shareholders' meeting or does not provide a written response within 10 days upon receiving the request, the Board will be deemed as unable or failed to perform its duty to convene shareholders' meetings and the Audit Committee may convene and preside over the meeting by itself.

Article 9 The request of shareholders individually or collectively holding more than 10% of the Company's shares to convene an extraordinary shareholders' meeting shall be made to the Board in writing. The Board shall decide whether to convene an extraordinary shareholders' meeting within 10 days upon receiving the request and provide a written response to the shareholders in accordance with the requirements of the laws, administrative regulations, the Hong Kong Listing Rules and the Articles of Association.

If the Board agrees to convene an extraordinary shareholders' meeting, a notice convening the meeting shall be issued within 5 days after the Board resolves to do so. Any alterations to the original proposal in the notice shall be subject to the consent of related shareholders.

If the Board does not agree to convene the extraordinary shareholders' meeting or does not reply within 10 days upon receiving the request, shareholders individually or collectively holding more than 10% of the Company's shares have the right to request the Audit Committee to convene an extraordinary shareholders' meeting. The request to the Audit Committee shall be made by way of writing.

If the Audit Committee agrees to convene the extraordinary shareholders' meeting, a notice convening the shareholders' meeting shall be issued within 5 days upon receiving the request. Any alterations to the original proposal in the notice shall be subject to the consent of related shareholders.

If the Audit Committee does not issue a notice of convening the shareholders' meeting within the prescribed period, it will be regarded as that the Audit Committee will not convene and preside over the shareholders' meeting, shareholders individually or collectively holding more than 10% of the Company's shares for 90 consecutive days have the right to convene and preside over the meeting by themselves.

Article 10 The Audit Committee or shareholders, if decided to convene shareholders' meetings on their own, shall inform the Board in writing.

Prior to the announcement of the shareholders' resolutions, the shareholding proportion of the convening shareholders shall not be less than 10%.

When issuing the notice of shareholders' meeting and releasing the announcement of shareholders' meeting resolutions, the Audit Committee and convening shareholders shall provide relevant evidence to the securities regulatory authority of the place where the Company is registered and the stock exchange where the Company's shares are listed in accordance with applicable regulations (if necessary).

Article 11 Where a shareholders' meeting is convened by the Audit Committee or the shareholders on its/their own, the Board and the Board secretary shall work in cooperation. The Board shall provide the register of members of the record date. If the Board fails to provide the register of members, the convener may apply to the securities registration and clearing authority with the relevant announcement regarding to the notice convening the shareholders' meeting to obtain the same. The register of members obtained by the convener shall not be used for purposes other than convening shareholders' meetings.

Article 12 The necessary costs of convening the shareholders' meetings by the Audit Committee or by the shareholders on their own shall be borne by the Company.

CHAPTER III PROPOSALS AND NOTICES OF SHAREHOLDERS' MEETINGS

Article 13 The contents of the proposal shall fall within the terms of reference of the shareholders' meeting, with clear subjects and specific matters to be resolved, and shall comply with the relevant provisions of laws, administrative regulations, the Hong Kong Listing Rules, other securities regulatory rules of the listing place of the Company's shares and the Articles of Association.

Article 14 When the Company convenes a shareholders' meeting, the Board, the Audit Committee and shareholders individually or collectively holding more than 1% of the Company's shares shall have the right to put forth proposals.

Shareholders individually or collectively holding more than 1% of the Company's shares shall be entitled to put forth provisional proposals and submit to the convener in writing 10 days before convening the meeting. The convener shall dispatch a supplementary notice of the shareholders' meeting and announce the contents of the provisional proposals within 2 days upon receiving the proposals. If the shareholders' meeting is to be postponed due to the issuance of the supplemental notice of the shareholders' meeting as required by the securities regulatory rules of the listing place of the Company's shares, the convening of the shareholders' meeting shall be postponed in accordance with the provisions of the securities regulatory rules of the listing place of the Company's shares.

Save as provided in the preceding paragraph, the convener shall not amend the proposals listed in the notice of shareholders' meeting or add new proposals subsequent to the dispatch of the notice of the shareholders' meeting. The shareholders' meeting shall not vote and make resolutions on any proposals that is not listed in the notice of the shareholders' meeting or not complying with Article 13 in these Rules.

Article 15 The convener shall notify each shareholder 21 days prior to convening an annual shareholders' meeting by way of announcement, and 10 working days or 15 days' (whichever is longer) prior to convening an extraordinary shareholders' meeting by way of announcement. Where otherwise stipulated in the laws, regulations and by the securities regulatory authorities of the listing place of the Company's shares, such provisions shall prevail.

In calculating the aforementioned notice period, the date on which the meeting is convened shall be excluded. With the consent of more than two-thirds of the voting rights held by the shareholders (including their proxies) present at the meeting, the period of advance notice which shall be set out in the meeting minutes may be waived and the resolution adopted at such shareholders' meeting shall be lawful and valid.

Any proposals not listed in the notice of the shareholders' meeting and supplementary notices or not complying with the provisions of these Rules shall not be voted and make resolutions during the shareholders' meeting.

Article 16 A notice of shareholders' meeting shall include the following content:

- (1) the time, venue and duration of the meeting;
- (2) method of convening the meeting;
- (3) matters and proposals to be submitted to the meeting for consideration;

- (4) if any director, general manager, or other senior management personnel have material interests in the matters to be discussed, the nature and extent of their interests shall be disclosed; if the impact of the matters to be discussed on the director, general manager, and other senior management in his/her/their capacity as shareholders differs from the impact on other shareholders of the same category, the difference shall be explained;
- (5) meeting materials necessary for shareholders to vote;
- (6) a clear written statement that all shareholders are entitled to attend shareholders' meeting and may appoint a proxy in writing to attend and vote at the meeting. Such proxy need not be a shareholder of the Company;
- (7) the delivery time and location of the proxy forms for voting at the meeting;
- (8) the name and telephone number of the regular contact person for the meeting;
- (9) time and procedures for voting online or by other means;
- (10) the shareholding record date for shareholders entitled to attend the shareholders' meeting;
- (11) other contents stipulated by laws, regulations, normative legal documents, the Hong Kong Listing Rules and other securities regulatory rules of the listing place of the Company's shares. The interval between the shareholding record date and the date of the meeting shall be no more than 7 business days. Once confirmed, the shareholding record date shall not be changed.

The notice of shareholders' meeting and the supplementary notice shall fully and completely disclose all specific contents of all proposals, as well as all the information or explanations necessary to enable shareholders to make reasonable judgements on the matters to be discussed. If the matters to be discussed require the opinions of the independent non-executive directors, the opinions of the independent directors and the reasons will be disclosed simultaneously when the notice of shareholders' meeting or supplementary notice is issued.

Article 17 Where a shareholders' meeting is to discuss the election of directors, the notice of shareholders' meeting shall fully disclose the details of director candidates, which at least include the following content:

- (1) personal particulars such as educational background, work experience and part-time positions;

- (2) any associated (connected) relationships with the Company or its controlling shareholders and de facto controllers;
- (3) disclosures of the number of the Company's shares;
- (4) whether there are any circumstances specified in Article 178 of the Company Law;
- (5) whether he/she has been subject to any penalty by the China Securities Regulatory Commission (the "CSRC") and other relevant authorities and any disciplinary actions by stock exchanges.
- (6) other contents specified by laws, regulations, normative legal documents, the Hong Kong Listing Rules, the securities regulatory rules of the listing place of the Company's shares and the Articles of Association.

Each director candidate shall be submitted as a separate proposal.

The methods and procedures for nomination of directors are as follows:

- (1) candidates for non-employees' representative directors shall be nominated by the following means:
 - 1. Nominated by the Board of the Company;
 - 2. Nominated by shareholders individually or collectively holding more than 1% of the shares of the Company with voting rights, provided that the number of nominated candidates shall not exceed the number of directors to be elected or changed.
- (2) Nominees shall submit the biographical details and basic information of the candidates in writing to the Board secretary of the Company 10 days prior to the shareholders' meeting. Candidates for director shall give a written undertaking (which may be in any means of notice) prior to the shareholders' meeting, agreeing to accept the nomination, undertaking that the information disclosed is true and complete and guaranteeing to faithfully fulfil their duties as directors if elected. The Board shall be responsible for formulating the proposals to be submitted to the shareholders' meeting for nomination of directors.
- (3) The employee representative directors shall be elected by the employee representatives' meeting, employees' meeting or other democratic means.

Article 18 The Board shall provide shareholders with the biographical details and basic information of the director candidates. After the notice of shareholders' meeting has been issued, the shareholders' meeting shall not be postponed or cancelled, and the proposals stated in the notice of shareholders' meeting shall not be cancelled without justifiable reasons. In the event of any circumstances for postponement or cancellation of the shareholders' meeting, the convener shall issue an announcement and provide the reasons thereof at least 2 working days prior to the original date of the meeting. For a shareholders' meeting postponed, the convening date of the postponed meeting shall also be included in the notice. If the securities regulatory rules of the listing place of the Company's shares contain special provisions on the procedures for postponed or cancelling a shareholders' meeting, such provisions shall prevail to the extent that they do not contravene the regulatory requirements in China.

CHAPTER IV HOLDING OF SHAREHOLDERS' MEETINGS

Article 19 The shareholders' meeting of the Company shall be convened at the address of the Company or other venues stipulated in the Articles of Association.

A meeting venue shall be established for the shareholders' meeting and shall be held on site, and comply with the provisions of laws, administrative regulations, CSRC or the Articles of Association. The Company may provide convenience for shareholders to participate in the meeting by using online voting means. Shareholders participating in the shareholders' meeting by the aforesaid means shall be deemed as attended the meeting.

Shareholders may attend the shareholders' meeting in person or appoint a proxy to attend and exercise voting rights within the scope of authorization on their behalf. The Shareholders shall appoint proxy in writing under the hand of the appointer or his attorney duly authorised in writing; if the appointer is a body corporate or unincorporated organisation, the same shall be affixed with the seal of such body corporate or unincorporated organisation or signed by a duly authorised attorney.

Each shareholder has the right to appoint a proxy, but such proxy need not be a shareholder of the Company. The proxy of such shareholder may, in accordance with the mandate from such shareholder, exercise the following rights:

- (1) the right to speak at the shareholders' meeting of the shareholder;
- (2) the right to demand a poll individually or in conjunction with others;
- (3) the right to exercise voting rights by a show of hands or by poll, except for otherwise provided for in the relevant laws, administrative regulations, the listing rules of the stock exchange where the Company's shares are listed or other securities laws and regulations.

Article 20 In the event that the shareholders' meeting of the Company adopts online voting, the time and procedures for voting via online voting shall be specified in the notice of shareholders' meeting.

Article 21 The Board of the Company and other conveners shall take necessary measures to ensure the orderly conduct of the shareholders' meeting, and shall take steps to prevent any acts of interfering in the shareholders' meeting, provoking trouble or infringing the legitimate rights and interests of shareholders, and shall be promptly reported to the relevant authorities for investigation and handling.

Article 22 All shareholders as at the record date for the registration of shareholding or their proxies shall have the right to attend the shareholders' meeting, and shall be entitled to exercise their voting rights in accordance with the relevant laws, regulations, the securities regulatory rules of the listing place of the Company's shares and the Articles of Association. The Company and the convener shall not refuse for any reason.

Article 23 Individual shareholders attending the meeting in person shall their identity card or other identification proofs or certificate that can prove their identity and share certificate. Proxies appointed to attend the meeting shall present valid proof of their identities, the power of attorney from the appointing shareholder and share certificate.

Corporate shareholders shall attend the meeting by its legal representative or by proxies appointed by the legal representative. Legal representatives attending the meeting shall present their identity card, valid certificates proving their qualifications as legal representatives, and the corresponding share certificate. Where the meeting is attended by proxy, the proxy shall present his/her own identity card, the original written power of attorney issued by the legal representative of the corporate shareholder in accordance with the laws (except where the shareholder is a recognized clearing house or its nominee as defined in the relevant regulations in force from time to time under the laws of Hong Kong or the securities regulatory rules of the listing place of the Company's shares are listed) as well as the corresponding share certificate.

Shareholders of unincorporated associations shall attend the meeting by the person-in-charge (if shareholders of unincorporated associations are partnerships, the person-in-charge shall be the managing partner if the managing partner is a legal person, and the person-in-charge shall be the appointed representative of the managing partner if the managing partner is a legal person or an unincorporated association, the same shall apply hereinafter), or by a proxy appointed by the person-in-charge. If the person-in-charge attends the meeting, he/she shall present his/her identity card, a valid proof proving his/her qualification as a person-in-charge and the corresponding share certificate; If the appointed proxy attends the meeting, he/she shall present his/her identity card, the original written power of attorney issued by the person-in-charge of the shareholders of unincorporated association in accordance with the laws (affixed with the official seal of the unincorporated association at the same time) and the corresponding share certificate.

Article 24 Any shareholder who have the right to attend the shareholders' meeting and exercise voting rights has the right to appoint one or more persons (who may not be shareholder(s)) as his/ her proxy (proxies) to attend and vote on his/her behalf. The instrument of proxy issued by a shareholder to appoint other persons to attend shareholders' meetings shall contain the following content:

- (1) the name of the principal and the class and number of shares held in the Company;
- (2) the name of the proxy;
- (3) the shareholder's specific instructions, including instructions for voting for, against or abstaining from voting on each matter to be considered on the agenda of shareholders' meeting;
- (4) the date of issuance and term of validity of the power of attorney;
- (5) the signature (or seal) of the shareholder. Where the appointers are corporate shareholders, the seal of that corporate unit shall be affixed. Where the appointers are partnership shareholders, the seal of that partnership shall be affixed and stamped or signed by the managing partner.

The power of attorney shall state that the proxy may vote as he/she thinks fit if the shareholder does not provide specific instructions.

Article 25 If the power of attorney authorizing to vote is signed by other persons authorized by the appointer, the power of attorney other authorization documents signed by the authorized person, as well as the proxy form for voting, shall be lodged at the Company's registered address or other places specified in the notice of convening the meeting.

If the appointer is a corporate shareholder or a shareholder without the status of an independent legal person, the legal representative or such person who is authorized by the Board or other governing body shall act as its representative and attend the shareholders' meeting of the Company.

Where a shareholder is a recognized clearing house or its nominee(s), it may authorize one or more persons as it deems appropriate to act as its representative(s) at any shareholders' meeting and any creditor meeting. However, if more than one person has been authorized, the power of attorney shall specify the number and class of shares in respect of which each such person is so authorized, and be signed by the person authorized by the recognized clearing house. The person(s) so authorized may exercise rights on behalf of the recognized clearing house or its nominee(s) (without providing shareholding certificate, notarized authorization and/ or further evidence proofing the formal authorization) and shall enjoy the same statutory rights as other shareholders, including the right to speak and vote, as if such person is an individual shareholder of the Company.

Article 26 The Company shall be responsible for preparing the meeting register of attendees, which shall set out the name of attendee (or the names of the entities), identity document numbers, residential addresses, the number of shares with voting rights held or represented and name of the proxy (or the name of the entity).

Article 27 The convener and lawyers (if applicable) shall jointly verify the qualification of shareholders according to the register of members provided by the securities registration institution and clearing institution, and register the name of the shareholder and the number of shares with voting rights held by him/her. The meeting register shall be closed by the time the presider of the meeting announces the number of shareholders and proxies present at the meeting as well as the total number of shares with voting rights they hold.

Article 28 When a shareholders' meeting is convened, all directors of the Company and the Board secretary shall attend the meeting, and the general manager and other senior management shall be present at the meeting. Subject to compliance with the securities regulatory rules of the listing place of the shares of the Company, the aforementioned persons may attend or be present at the meeting via internet, video, telephone, or other means of equivalent effect.

Article 29 A shareholders' meeting shall be chaired over by chairman of the Board of the Board. Where the chairman of the Board is unable or fails to perform his/her duties, the meeting shall be presided over by a director jointly elected by more than half of the directors. If more than half of the directors fail to elect a director to preside over the shareholders' meeting, the shareholders' meeting shall be chaired by a shareholder jointly elected by the shareholders who attended the meeting. If the shareholder is unable to preside over the meeting due to any reason, the shareholder (or the proxy of the shareholder) present at the meeting who holds the highest number of voting rights shall preside over the meeting. A shareholders' meeting convened by the Audit Committee shall be presided over by the convener of the Audit Committee. If the convener of the Audit Committee is unable to or fails to perform his/her duties, such meeting shall be presided over by a member of the Audit Committee jointly elected by more than half of the members of the Audit Committee.

A shareholders' meeting convened by shareholders themselves shall be presided over by a representative elected by the convener.

Where the host of the meeting breaches these Rules and renders the shareholders' meeting unable to proceed, the shareholders' meeting may elect a person to act as the host of the meeting and continue the meeting subject to the consent of more than half of the shareholders with voting rights present at the meeting.

Article 30 At the annual shareholders' meeting, the Board shall report on their work in the preceding year to the shareholders' meeting. Each independent director shall also report on their performance.

Article 31 The directors and senior management officers shall provide explanations and statements relating to the queries and suggestions of the shareholders at the shareholders' meeting.

Article 32 The presider of the meeting shall, prior to voting, announce the number of shareholders and proxies present at the meeting and the total number of shares with voting rights held. The number of shareholders and proxies present at the meeting and the total number of shares with voting rights held shall be as indicated in the meeting register.

Article 33 A convener shall ensure the continuity of the shareholders' meeting until a final resolution has been made. In the event that a shareholders' meeting is suspended or no resolution can be made due to *force majeure* and other special reasons, the convener shall take necessary measures to resume the meeting as soon as possible or directly terminate the meeting, and announcements shall be made in a timely manner in accordance with relevant laws, regulations, and the securities regulatory rules of the listing place of the Company's shares are listed. Additionally, the convener shall make announcements and/or reports in accordance with laws, administrative regulations, departmental rules, normative documents and the securities regulatory rules of the listing place of the Company's shares.

Article 34 No undisclosed significant matters shall be communicated or disclosed to the shareholders.

CHAPTER V VOTING AND RESOLUTIONS AT SHAREHOLDERS' MEETINGS

Article 35 The meeting shall, under the chairmanship of the presider, be conducted according to the order of the topics and proposals included in the agenda individually. For the matters included in the agenda, the presider may, depending on the actual circumstances, adopt a method of reporting first, followed by collective deliberation and collective voting, or adopt a method of presenting, deliberating, and voting on each item individually for complex issues.

Article 36 When considering the resolutions, shareholders or their proxy(ies) shall express their opinions briefly and explicitly. If the reporter does not provide explanations to the issues which affect judgement and voting, queries can be raised to request the reporter to clarify and explain. For resolutions that are under dispute and unable to pass the voting, the presider can defer the vote after seeking opinions from the participating shareholders, and propose to consider in the next shareholder's meeting. The matters deferred for voting shall be explained in the resolutions of the shareholders' meeting.

Article 37 Shareholders may raise questions and make recommendations to the content of the proposals. The presider shall personally or designate an attending director or other relevant person to respond to or explain the shareholder's questions and recommendations. The convener may refuse to address such question in the event of any of the following circumstances, but the reasons shall be explained:

- (1) the inquiries are not related to the topic;
- (2) the matters of inquiries are subject to further investigation;
- (3) Commercial secrets of the Company are involved and cannot be disclosed at the shareholders' meeting;
- (4) responding to the inquiries will significantly damage the common interests of shareholders;
- (5) other material reasons.

Article 38 Any votes on the matters included in the agenda shall be taken by open ballot. Each shareholder (including their proxies) shall exercise their voting rights by the number of voting shares they represent, with each share carrying one vote.

The shares held by the Company itself have no voting rights and shall not be counted into the total number of voting shares represented by shareholders attending the shareholders' meeting.

Article 39 Matters passed by vote at a shareholders' meeting shall be recorded as meeting resolutions. Resolutions are divided into ordinary resolutions and special resolutions. An ordinary resolution of the shareholders' meeting shall be passed by more than half of the voting rights held by shareholders (including their proxies) present at the meeting. A special resolution of the shareholders' meeting shall be passed by more than two-thirds of the voting rights held by shareholders (including their proxies) present at the meeting.

Article 40 The following matters shall be passed by ordinary resolutions at a shareholders' meeting:

- (1) working report of the Board;
- (2) profit distribution plan and loss recovery plan formulated by the Board;
- (3) appointment and removal of Board members and their remuneration and payment methods;
- (4) engagement, dismissal or non-renewal and remuneration of auditors;

- (5) related (connected) transactions between the Company and its related (connected) parties that are required to be submitted to shareholders' meeting for approval as stipulated in the Hong Kong Listing Rules;
- (6) changes in the use of proceeds;
- (7) other matters other than those required by the laws, administrative regulations, rules, the Articles of Association, the Hong Kong Listing Rules, other securities regulatory rules of the listing place of the Company's shares to be adopted by special resolutions.

Article 41 The following matters shall be passed by special resolutions at a shareholders' meeting:

- (1) increase or reduction of the registered capital of the Company;
- (2) issuance of bonds by the Company;
- (3) division, merger, dissolution and liquidation of the Company;
- (4) amendments of the Articles of Association;
- (5) purchase and sale of material assets within one year or the guarantee amounting to over 30% of the audited total assets of the Company as at the most recent period;
- (6) share incentive schemes and employee shareholding schemes;
- (7) other matters required by the laws, administrative regulations, rules, the Articles of Association, the Hong Kong Listing Rules, other securities regulatory rules of the listing place of the Company's shares, and, considered by way of an ordinary resolution at the shareholders' meeting, to incur material impact on the Company, shall be passed by a special resolution.

Article 42 When the shareholders' meeting considers matters related to related (connected) transactions, shareholders with related (connected) relationships concerning the related (connected) transactions may attend the shareholders' meeting but shall proactively declare such related (connected) relationship at the shareholders' meeting. Related (connected) shareholders may present their views to attending shareholders in accordance with meeting procedures; however, they shall abstain and not vote during the ballot and the number of shares with voting rights they represent shall not be counted in the total number of valid votes.

When the matters concerning related (connected) transactions have been resolved at the shareholders' meeting, related (connected) shareholders shall proactively recuse themselves and refrain from participating in the voting. If a related (connected) shareholder fails to proactively recuse themselves from voting, other shareholders attending the meeting have the right to request the related (connected) shareholder to recuse themselves from voting. Following the recusal of the related (connected) shareholders, other shareholders shall vote according to their respective voting rights and pass the corresponding resolutions in accordance with the requirements of these Rules. The recusal and voting procedures of related (connected) shareholders shall be announced by the presider of the shareholders' meeting and be recorded in the meeting minutes.

Resolutions of the shareholders' meeting on related (connected) transactions shall only be effective when passed by more than half of the voting rights held by non-related (connected) shareholders present the shareholders' meeting. However, when related (connected) transactions involve matters that shall be resolved by special resolutions in accordance with these Rules, resolutions of the shareholders' meeting shall only be effective when passed by more than two-thirds of the voting rights held by non-related (connected) shareholders present the shareholders' meeting.

Article 43 Shares held by the Company itself have no voting rights, and such shares shall not be counted into the total number of voting shares represented by shareholders present the shareholders' meeting.

If shareholders' purchase of the voting shares of the Company violates the provisions of Clause 1 and Clause 2 of Article 63 of the Securities Law, such shares in excess of the prescribed percentage shall not be allowed to exercise the voting rights within 36 months after the purchase, and shall not be counted towards the total number of voting shares present at the shareholders' meeting. Where any shareholder is, under the Hong Kong Listing Rules, required to abstain from voting on any resolution or restricted to voting only for (or only against) any resolution, any votes cast by such shareholders (or their proxies) shall not be counted if such requirement or restriction were violated.

Article 44 Except for special circumstances such as the Company being in crisis, without the approval of the shareholders' meeting by special resolution, the Company shall not enter into any contract with any person other than a director, general manager and other senior management of the Company for delegating the management of the entire or a material part of the Company's business to such person,

Article 45 The list of director candidates shall be submitted to the shareholders' meeting for voting by way of proposal.

Article 46 When the number of directors elected at the shareholders' meeting is less than the number prescribed in the Articles of Association, elections will be conducted for the shortage at the next shareholders' meeting until election of all directors has been completed.

Article 47 The shareholders' meeting shall vote on all proposals individually. When different proposals are put forward for a single matter, such proposals shall be voted in the order in which they were submitted. Unless a shareholders' meeting is suspended or no resolution can be made due to *force majeure* or other special reasons, no proposals shall be set aside or excluded from voting at the shareholders' meeting.

Article 48 No amendment shall be made to a proposal when it is considered at a shareholders' meeting, otherwise such changes shall be deemed as a new proposal and shall not be resolved at the shareholders' meeting.

Article 49 The same voting right shall only be exercised through one of the voting methods provided by the Company. Where the same vote has been cast multiple times, the first cast shall prevail. Voting at shareholders' meetings shall be conducted by open ballot.

Shareholders attending the shareholders' meeting shall express one of the following opinions on the proposal submitted for voting: affirmative, negative or abstention, except where the securities registration and clearing institution (acting as the nominal holder of Mutual Access Mechanism of the Mainland and Hong Kong Stock Markets) makes a declaration according to the intention of the actual holder. Any votes not completed, completed incorrectly or unintelligibly, or votes not cast shall be deemed as the voter waiving his/her right to vote, and the voting result for the shares held by him/her shall be deemed as an abstention.

Article 50 Before voting on the proposals at the shareholders' meeting, two shareholder representatives shall be elected to count and scrutinize the vote. In the event that a shareholder is related (connected) in the resolution to be considered, the relevant shareholder and his/ her proxy shall not participate in the counting and scrutinizing of the votes.

When voting on the proposals at the shareholders' meeting, shareholder representatives and Audit Committee representatives shall be jointly responsible for counting the votes and scrutinizing vote-counting, and the poll results shall be announced on-site. The voting results of the resolutions shall be included in the meeting minutes. If a shareholder is interested in the resolution to be considered, the relevant shareholder and his/her proxy shall not participate in counting the vote and scrutinizing the vote-counting.

Shareholders of the Company or their proxies voting through the internet or other ways shall have the right to check their own votes cast through the relevant voting system.

Article 51 The conclusion time of a shareholders' meeting held on site shall not be earlier than that held via internet or by other means. The presider of the meeting shall announce the voting situations and results of each proposal on site and whether the proposal is passed according to the voting results. Before the formal announcement of the voting results, the companies, tellers, scrutineers, substantial shareholders, network service providers and other relevant parties involved in the on-site voting, online voting and other means of voting shall be obliged to maintain confidentiality regarding the voting results.

Article 52 If the presider of the meeting has any doubts as to the voting results of any resolution put to vote, he/she may arrange for the votes cast to be recounted. If the presider of the meeting has not counted the votes, any shareholders or their proxies present at the meeting who objects to the result announced by the presider of the meeting shall have the right to require that the votes be recounted immediately after the announcement of the voting result, and the presider of the meeting shall immediately arrange for the votes to be recounted.

Article 53 Resolutions of shareholders' meetings shall be announced in a timely manner in accordance with the relevant laws, administrative regulations and securities regulatory rules of the listing place of the Company's shares. The announcements shall set out the number of shareholders and proxies present at the meeting, the total number of voting shares held and the proportion to the total number of voting shares of the Company, the voting method, the voting results on each proposal and the details of each of the resolutions passed.

Directors who attended the meeting shall sign the resolution of the shareholders' meeting.

Article 54 If a proposal is not passed, or if the resolution of the previous shareholders' meeting is changed by the current shareholders' meeting, a special notice shall be made in the announcement of the resolutions of the shareholders' meeting in accordance with the relevant laws, administrative regulations and the securities regulatory rules of the listing place of the Company's shares.

Article 55 Where a shareholders' meeting has passed the proposals for electing directors, the appointment time of the newly appointed directors shall be the time determined in the resolution of the shareholders' meeting. In case of a re-election of the Board member, the appointment time of the newly appointed director shall be the expiration date of the term of office of the previous director.

Article 56 Where a resolution on the distribution of cash dividends or bonus shares or the capitalization of the capital common reserve has been passed at a shareholders' meeting, the Company shall implement the specific plan within two months after the conclusion of the shareholders' meeting. If the specific plan cannot be implemented within two months due to the requirements of the laws and regulations and the securities regulatory rules of the listing place of the Company's shares, the implementation date of the specific plan may be adjusted in accordance with such regulations and the actual situation.

Article 57 The content of a resolution of the Company's shareholders' meeting that violates laws or administrative regulations shall be invalid.

If the convening procedures and voting methods of the shareholders' meeting violates the laws, administrative regulations or the Articles of Association, or the content of a resolution violates the Articles of Association, the shareholders may request the people's court to invalidate the resolution within 60 days from the date on which such resolution is made.

CHAPTER VI MINUTES OF THE SHAREHOLDERS' MEETING

Article 58 The Board secretary shall keep the minutes of the shareholders' meeting which specifies the following details:

- (1) time, venue, agenda of the meeting, and the name of the convener;
- (2) name of the presider of the meeting, and the directors, the general manager and other senior management attending or present at the meeting;
- (3) the number of shareholders and proxies attending the meeting, the total number of voting shares held and the proportion of such shares to the total number of the shares of the Company;
- (4) the consideration process, summaries of speeches and voting results for each proposal;
- (5) the inquiries or suggestions of the shareholders, and the corresponding replies or explanations;
- (6) the name of teller and scrutineer and lawyers engaged by the Company (if applicable);
- (7) other matters which shall be recorded in the meeting minutes pursuant to the Articles of Association, laws, regulations, normative legal documents, the Hong Kong Listing Rules and other securities regulatory rules of the listing place of the Company's shares are listed.

Article 59 The convener shall ensure that the particulars of meeting minutes are true, accurate and complete. The directors, Board secretary, convener or his/her representative who attended the meeting shall sign the meeting minutes. The meeting minutes, together with the signature book of the shareholders present on-site, the power of attorney, and valid materials obtained via network and other channels shall be kept, with a retention period of not less than 10 years.

Article 60 Matters with respect to the number of attendees, number of shares held by attending shareholders, power of attorney, voting results for each matter, the minutes and procedures of the meeting may be notarized.

**CHAPTER VII THE IMPLEMENTATION OF THE RESOLUTIONS
OF THE SHAREHOLDERS' MEETING**

Article 61 Resolutions approved by the shareholders' meeting shall be executed by the Board, and the general manager of the Company shall organize the relevant personnel to carry out the same in accordance with the contents of the resolutions.

Article 62 The general manager shall report to the Board on the implementation of the resolutions of the shareholders' meeting, and the Board shall report to the next shareholders' meeting.

Article 63 The chairman of the Board of the Company shall supervise and inspect the implementation of the resolutions of the shareholders' meeting, and may, if necessary, convene an extraordinary meeting of the Board to receive and consider the report on the implementation of the resolutions of the shareholders' meeting.

CHAPTER VIII SUPPLEMENTARY PROVISIONS

Article 64 These Rules shall take effect from the date of approval at the shareholders' meeting.

Article 65 The Company shall amend these Rules under any of the situations as follows:

- (1) In the event that the relevant laws, administrative regulations, the securities regulatory rules of the listing place of the Company's shares, the Hong Kong Listing Rules or the Articles of Association are amended, the matters set out in these Rules conflict with the amended laws, administrative regulations, the securities regulatory rules of the listing place of the Company's shares, the Hong Kong Listing Rules or the provisions of the Articles of Association;
- (2) These Rules have been resolved to amend in the shareholders' meeting.

Article 66 These rules of procedures is an appendix to the Articles of Association, which has been formulated by the Board and shall take effect and be implemented from the date on which it is approved at the shareholders' meeting of the Company.

Article 67 Any matters that are not covered in these Rules are implemented in accordance with the relevant provisions of related laws, regulations, normative documents, securities regulatory rules of the listing place of the Company's shares and the Articles of Association. In the event of any inconsistency between these Rules and the relevant provisions of laws, regulations, normative documents, securities regulatory rules of the listing place of the Company's shares and the Articles of Association, the related laws, regulations, normative documents and the Articles of Association shall prevail.

Article 68 The terms "more than" and "within" mentioned herein shall include the number itself; "less" and "over" does not include the number itself.

Article 69 These Rules shall be interpreted by the Board of the Company.

**X.J. ELECTRICS (HU BEI) GROUP CO., LTD.
INDEPENDENT DIRECTOR POLICY**

CHAPTER I GENERAL PROVISIONS

Article 1 In order to promote the standardized operation of X.J. ELECTRICS (HU BEI) GROUP CO., LTD. (hereinafter referred to as the “Company”), regulate the behavior of Independent Directors, protect the overall interests of the Company, and safeguard the legitimate rights and interests of all shareholders, particularly minority shareholders, the Independent Director Policy (hereinafter referred to as the “Policy”) is hereby formulated, in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”), other relevant laws, regulations, normative documents, and the Articles of Association of X.J. ELECTRICS (HU BEI) GROUP CO., LTD. (hereinafter referred to as the “Articles of Association”), and based on the actual situation of the Company.

Article 2 Definitions

Unless otherwise specified, the following terms in the Policy have the following meanings:

Independent Director(s): Refer to an independent non-executive director who meets the relevant regulatory requirements, i.e., a director who does not hold any other position in the Company except for being a director, and has no relationship with the Company or its major shareholders that could hinder independent and objective judgment. An independent director must meet the independence requirements specified in the Hong Kong Listing Rules.

Financial or Accounting Professional(s): Refer to individuals who have expertise in financial management, senior accountant qualifications, or certified public accountant qualifications.

Immediate Family: Refer to the spouse, parents, children (including stepchildren), etc.

Major Social Relationships: Refer to siblings, parents of the spouse, spouses of children, spouses of siblings, and siblings of the spouse, etc.

Article 3 Independent Directors owe a duty of integrity and diligence to the Company and all shareholders. Independent Directors shall perform their duties conscientiously in accordance with relevant laws and regulations, the Hong Kong Listing Rules, other securities regulatory rules of the Company’s stock listing location, the Articles of Association, and the Policy. They shall safeguard the overall interests of the Company, with particular focus on ensuring that the legitimate rights and interests of minority shareholders are not harmed.

Article 4 Independent Directors shall independently perform their duties, free from the influence of the Company's major shareholders, actual controllers, or any other entities or individuals with a vested interest in the Company. If an Independent Director identifies any matter under review that could affect their independence, they should disclose this to the Company and recuse themselves from the matter. If any situation arises during their term that significantly affects their independence, they shall promptly inform the Company, propose solutions, and, if necessary, resign.

Article 5 Independent Directors shall ensure they have sufficient time and energy to effectively perform their duties. In principle, an independent non-executive director shall not hold such positions in more than six companies concurrently.

Article 6 The Company must appoint Independent Directors who account for at least one-third of the total number of directors and no fewer than three individuals. Among them, at least one must be a Financial or Accounting Professional, and meet the "appropriate accounting or related financial management expertise" requirements set by the Hong Kong Listing Rules. Independent non-executive directors shall possess sufficient business or professional experience to effectively fulfill their duties and ensure that the interests of all shareholders are adequately represented. At least one independent non-executive director must ordinarily reside in Hong Kong.

The term "appropriate accounting or related financial management expertise" refers to individuals who have gained experience in internal control and the preparation or auditing of comparable financial statements, or the analysis of audited financial statements of public companies, specified by the Stock Exchange of Hong Kong Limited. Such experience could be gained through working as a practicing accountant or auditor, or as a financial director or chief accounting officer in a public company, or by performing similar functions. The Board is responsible for determining, based on individual circumstances, whether a person is suitable for the position. In making this determination, the Board must take into account the individual's education and experience.

Article 7 If an Independent Director no longer meets the independence criteria or is otherwise unsuitable to perform their duties, and this results in the Company not meeting the number of Independent Directors required by the Articles of Association or the Hong Kong Listing Rules, the Company shall disclose the situation and take steps to appoint additional Independent Directors as required.

CHAPTER II QUALIFICATIONS OF INDEPENDENT DIRECTORS

Article 8 Independent Directors shall meet the following basic conditions:

- i. According to laws, administrative regulations, the listing rules of the stock exchange where the Company's shares are listed, and other relevant provisions, the individual must be qualified to serve as a director of a listed company;

- ii. The individual must meet the independence requirements specified by the securities regulatory rules of the stock exchange where the Company's shares are listed;
- iii. The individual must possess basic knowledge of the operation of a listed company and be familiar with relevant laws, administrative regulations, rules, and regulations;
- iv. The individual must have at least five years of work experience in law, economics, or other areas necessary to perform the duties of an independent non-executive director;
- v. Other conditions as stipulated in the Articles of Association.

Article 9 Independent Directors must maintain independence. The following individuals are not eligible to serve as Independent Directors:

- i. Individuals who are employed by the Company or its subsidiaries, as well as their Immediate Family members, major social connections, and key related parties as defined by the Hong Kong Listing Rules;
- ii. Natural persons who directly or indirectly hold more than 1% of the Company's issued shares, or are among the top ten shareholders of the Company, and their Immediate Family members;
- iii. Individuals who work for shareholders (directly or indirectly holding more than 5% of the Company's issued shares) or are employed by the top five shareholder entities, as well as their Immediate Family members;
- iv. Individuals who have had any of the circumstances mentioned in the previous three items in the past year;
- v. Individuals who provide financial, legal, consulting, or other services to the Company or its subsidiaries;
- vi. Other individuals as stipulated in the Articles of Association;
- vii. Individuals who do not meet the independence requirements specified by the Hong Kong Listing Rules;
- viii. Other individuals identified by the securities regulatory authority or other relevant regulatory agencies in the stock exchange where the Company's shares are listed.

CHAPTER III NOMINATION, ELECTION, AND REPLACEMENT OF INDEPENDENT DIRECTORS

Article 10 The Company's Board, or shareholders who independently or collectively hold more than 1% of the Company's issued shares for more than 180 days, may propose candidates for Independent Directors, subject to election by the shareholders' meeting.

Investor protection institutions established according to law may publicly request shareholders to authorize them to exercise the right to nominate Independent Director candidates on their behalf.

The nominators mentioned in the first paragraph shall not nominate individuals with whom they have a vested interest or individuals who have any relationship that may affect their independent performance as candidates for Independent Directors.

Article 11 The nominators of Independent Directors shall obtain the consent of the nominee before making the nomination. The nominator shall thoroughly understand the nominee's professional background, academic qualifications, titles, detailed work experience, and all concurrent positions, and express an opinion on the nominee's qualifications and independence as an Independent Director. The nominee shall declare that there are no relationships with the Company that could affect their independent and objective judgment.

Article 12 The voting method for the election of Independent Directors shall be the same as the voting method for the election of other directors in the Company.

Article 13 The term of office for Independent Directors shall be the same as that for other directors in the Company. Upon the expiration of their term, they may be re-elected, but the total term of service cannot exceed nine years, and in accordance with the Hong Kong Listing Rules, Independent Directors must rotate off and be re-elected after serving for a period.

Article 14 If an Independent Director fails to attend board meetings in person for two consecutive times (participation via communication or written signature is considered as attending in person), the Board shall propose to the shareholders' meeting that the Independent Director be replaced.

Except in the cases mentioned above, as well as those specified in Article 9 of the Policy and in Company Law where individuals are not eligible to serve as directors, Independent Directors may not be removed without cause before the end of their term.

Article 15 Independent Directors may resign before the expiration of their term. If an Independent Director resigns, they shall submit a written resignation report to the Board and explain any issues related to their resignation or any situations that they believe should be brought to the attention of the Company's shareholders, creditors, and the Stock Exchange of Hong Kong Limited.

If the resignation of an Independent Director results in the proportion of Independent Directors on the Company's Board falling below the minimum requirement set by the securities regulatory rules of the stock exchange where the Company's shares are listed, the resignation report will only take effect after the next Independent Director is appointed to fill the vacancy.

CHAPTER IV DUTIES OF INDEPENDENT DIRECTORS

Article 16 In addition to the powers granted to directors under the Company Law, the securities regulatory rules of the stock exchange where the Company's shares are listed, and other relevant laws and regulations, Independent Directors have the following special powers:

- i. Independently engaging intermediary institutions to audit, consult or verify specific matters of the listed company;
- ii. Proposing to the Board to convene an extraordinary shareholders' meeting;
- iii. Proposing to convene a meeting of the Board;
- iv. Publicly soliciting shareholders' rights from shareholders in accordance with the law;
- v. Expressing independent opinions on matters that may harm the rights and interests of the listed company or minority shareholders;
- vi. Other powers specified by laws, administrative regulations, the rules of the China Securities Regulatory Commission, the Hong Kong Listing Rules, the securities regulatory rules of the stock exchange where the Company's shares are listed, and the Articles of Association.

Independent Directors shall obtain the consent of more than half of the Independent Directors for the exercise of the powers specified in items 1 to 3 of the first paragraph of this Article.

Article 17 Independent Directors should form the majority of the members in the Company's Board committees, including the Remuneration Committee, Audit Committee, and Nomination Committee.

Article 18 Independent Directors shall express one of the following opinions on the matters mentioned above: agreement; reserved opinion with reasons; disagreement with reasons; or inability to express an opinion due to obstacles. The opinions expressed by the Independent Directors should be clear, unambiguous, and recorded in the meeting resolution.

CHAPTER V WORKING CONDITIONS OF INDEPENDENT DIRECTORS

Article 19 The Company shall ensure that Independent Directors have the same right to information as other directors. For matters requiring board decision, the Company must notify Independent Directors in advance within the statutory timeframe and provide sufficient information. If Independent Directors find the information insufficient, they may request additional materials. When two or more Independent Directors believe that the information is insufficient or the analysis is unclear, they may jointly submit a written request to the Board to postpone the board meeting or delay the discussion of the matter. The Board shall adopt this request.

Before the Board discusses significant and complex matters, the Company may organize Independent Directors to participate in research, discussion, and other stages, listen to their opinions, and provide timely feedback on the adoption of their suggestions.

The Company and the Independent Directors themselves shall keep the materials provided to Independent Directors for ten years.

Article 20 The Company should provide the necessary working conditions and personnel support for Independent Directors to perform their duties. The Company's board secretary should actively assist Independent Directors in fulfilling their responsibilities, such as by introducing situations and providing materials.

Article 21 When Independent Directors exercise their powers, relevant company personnel shall cooperate actively and shall not refuse, obstruct, or conceal information. They shall not interfere with the independent exercise of their powers.

Article 22 The Company shall bear the costs of hiring intermediary agencies and other expenses incurred by Independent Directors in exercising their powers.

Article 23 The Company shall provide appropriate allowances to Independent Directors. The standard for these allowances shall be formulated by the Board and approved by the shareholders' meeting, and disclosed in accordance with the securities regulatory rules of the stock exchange where the Company's shares are listed.

Apart from the above allowances, Independent Directors should not receive any additional, undisclosed benefits from the Company or its major shareholders or related entities and individuals.

Article 24 The Company may establish a necessary liability insurance policy for Independent Directors to reduce the risks associated with the normal performance of their duties.

CHAPTER VI SUPPLEMENTARY PROVISIONS

Article 25 The Policy shall be interpreted by the Company's Board. For matters not covered herein, the relevant provisions of national laws and regulations, the securities regulatory rules of the stock exchange where the Company's shares are listed, other normative documents, and the Articles of Association shall apply. In case of any inconsistency between the Policy and relevant laws, regulations, the Hong Kong Listing Rules, the securities regulatory rules of the stock exchange where the Company's shares are listed, other normative documents, and the Articles of Association, the provisions of the relevant laws, regulations, securities regulatory rules, other normative documents, and the Articles of Association shall prevail.

Article 26 Amendments to the Policy shall be proposed by the Company's Board and submitted to the shareholders' meeting for approval.

Article 27 The Policy shall take effect from the date it is approved by the shareholders' meeting.

**X.J. ELECTRICS (HU BEI) GROUP CO., LTD.
RELATED PARTY TRANSACTION MANAGEMENT POLICY**

CHAPTER I GENERAL PROVISIONS

Article 1 In order to strengthen the management of related party transactions at X.J. ELECTRICS (HU BEI) GROUP CO., LTD. (hereinafter referred to as the “Company”), regulate related party transaction activities, effectively prevent and control operation risks, ensure the legality, fairness, and reasonableness of related party transactions, and protect the legitimate rights and interests of the Company and all of its shareholders, the Related Party Transaction Management Policy (hereinafter referred to as the “Policy”) is hereby formulated in accordance with the Company Law of the People’s Republic of China, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”), and other laws, regulations, rules, normative documents, and the Articles of Association of X.J. ELECTRICS (HU BEI) GROUP CO., LTD. (hereinafter referred to as the “Articles of Association”).

Article 2 The Policy applies to the Company and its subsidiaries included within the scope of the Company’s consolidated financial statements.

Article 3 The Policy is binding on the shareholders, directors, and senior management of the Company. Shareholders, directors, and senior management of the Company must comply with the Policy.

Article 4 The Company’s related party transaction activities shall follow the principles of fairness, justice, and transparency, and should be governed by written agreements. The signing of agreements should adhere to the principles of equality, voluntariness, equivalence, and compensation. The content of the agreements must be clear, specific, and comply with the relevant provisions of the Hong Kong Listing Rules.

**CHAPTER II IDENTIFICATION OF RELATED PARTIES AND RELATED PARTY
TRANSACTIONS**

Article 5 The related parties and scope of the Company shall be determined in accordance with the provisions of the Hong Kong Listing Rules. According to the Hong Kong Listing Rules, unless otherwise specified, the related parties of the Company and its subsidiaries generally include the following parties:

- i. Directors (including anyone who has served as a director of the Company or any of its subsidiaries in the past 12 months), senior executives, and major shareholders (i.e., individuals who have the right to exercise or control the exercise of 10% or more of the voting rights at any shareholder meeting of the Company or any of its subsidiaries) of the Company and its subsidiaries (hereinafter referred to as “basic related parties”);

- ii. Contacts of any basic related parties (the identification of contacts is detailed in Chapter IX of the Policy);
- iii. The Company's non-wholly owned subsidiaries, where any related party at the company level has the right to exercise or control the exercise of 10% or more of the voting rights at the shareholders' meeting of such non-wholly owned subsidiaries (this 10% level does not include any indirect interest in such non-wholly owned subsidiary held through the Company);
- iv. Any subsidiary of the non-wholly owned subsidiary mentioned in item iii above (the identification of subsidiaries is detailed in Chapter IX of the Policy);
- v. Individuals considered related parties by the Stock Exchange of Hong Kong Limited (hereinafter referred to as the "SEHK").
- vi. The SEHK generally does not consider Chinese government agencies as related parties of listed issuers. According to the Hong Kong Listing Rules, Chinese government agencies include, but are not limited to: (1) The Central Government of China, including the State Council, State Ministries and Commissions, Bureaus and Administrations directly under the State Council, State Council Offices and Institutions, Bureaus supervised by State Ministries and Commissions; (2) Provincial-level governments in China, including provincial governments, municipalities directly under the central government, and autonomous regions, along with their respective administrative bodies, agencies, and offices; (3) Local governments under provincial-level governments, including district, municipal, and county governments, along with their respective administrative bodies, agencies, and offices.

Article 6 With the exception of the non-wholly owned subsidiaries of the Company and their subordinate subsidiaries as specified in item iii and iv of Article 5, other subsidiaries of the Company do not constitute related parties of the Company. Directors, senior executives, and major shareholders of non-significant subsidiaries of the Company do not constitute related parties of the Company (the identification of non-significant subsidiaries is detailed in Chapter IX of the Policy).

Article 7 In addition to the individuals mentioned above, related parties also include any natural persons and legal persons identified as related parties according to the rules of the SEHK, which may come into effect at any time in the future. If the definition of related parties in the Policy conflicts with the Hong Kong Listing Rules that come into effect later, the definition of related parties as specified in the Hong Kong Listing Rules at the time of its enactment shall prevail.

Article 8 The Company's related party transactions refer to any transactions between the Company or its subsidiaries and related parties of the Company, as well as transactions with third parties that fall into specified categories, where the related parties of the Company can obtain entity-based benefits through such transactions. These transactions include, but are not limited to, leasing, licensing, providing products, providing guarantees, providing financial assistance, issuing shares, providing services or sharing services, and establishing joint arrangements. The types of transactions shall be determined in accordance with the provisions of the Hong Kong Listing Rules.

Article 9 Related party transactions of the Company can be classified into one-time related party transactions and continuing related party transactions.

A one-time related party transaction refers to any related party transaction other than the continuing related party transactions specified below.

A continuing related party transaction refers to a related party transaction that is expected to continue or recur over a period of time and is anticipated to remain in effect for a certain period. The types of transactions that typically occur in the Company's daily business may include, but are not limited to:

- i. Sale of products or goods;
- ii. Provision or receipt of labor services;
- iii. Entrusted or trusted sales;
- iv. Signing of licensing agreements;
- v. Transfer or acquisition of research and development projects;
- vi. Entrusted or trusted management of assets and business;
- vii. Leasing or renting of assets, and purchase or sale of assets;
- viii. Provision or receipt of financial assistance (financial assistance includes granting credit, lending funds, or providing compensation guarantees, guarantees, or collateral for loans);
- ix. Establishment of agreements or arrangements to establish any form of joint venture (such as partnerships or corporations) or engagement in other forms of joint arrangements; and
- x. Other matters that should be identified as related party transactions under the Hong Kong Listing Rules.

CHAPTER III MANAGEMENT OF RELATED PARTY TRANSACTIONS

Article 10 The shareholders' meeting is responsible for the approval of related party transactions that are required by laws, regulations, and securities regulatory agencies to be decided by the shareholders' meeting.

The Board is responsible for the approval of related party transactions that are not covered by the previous paragraph, as well as other related party transactions that are required by securities regulatory agencies to be approved by the Board.

The Audit Committee of the Board is responsible for confirming the list of related parties, reviewing the overall related party transactions, and conducting regular reviews of the overall related party transaction situation of the Company. Specifically, this includes checking the decision-making and execution of related party transactions for the entire company within ten days after the end of each half-year, and reviewing the overall related party transactions for the entire company within 30 days after the end of each year. After forming a review opinion, the Audit Committee reports to the Board of the Company.

The general manager of the Company is responsible for reviewing and making decisions on related party transactions within their authority.

Article 11 The Board Office of the Company is responsible for managing related parties, compiling and dynamically maintaining the related party list, organizing the decision-making procedures for related party transactions by the shareholders' meeting and the Board, handling information disclosure of related party transactions, and applying for disclosure exemptions.

The finance department is responsible for accounting records, calculation, reporting, and statistical analysis of related party transactions, and reports quarterly to the Board Office for filing.

The Board Office and Internal Audit Department are responsible for the identification and review of related parties and related party transactions, while the legal affairs department is responsible for reviewing related party transaction agreements. All of these departments report quarterly to the Board Office for filing.

Relevant functional departments of the Company are responsible for preparing related party transaction proposals, signing related party transaction agreements, and monitoring and filing progress reports on related party transactions within their respective responsibilities.

Article 12 Before any related party transaction occurs, the relevant functional departments of the Company shall report to the Board Office, which will organize the following departments to review and countersign the contract for the transaction, specifically including:

- i. The Internal Audit Department is responsible for reviewing the background of the counterparty, identifying whether the transaction constitutes a related party transaction, and revealing the relationships between the related parties and the Company layer by layer.
- ii. The finance department is responsible for verifying the transaction data and conducting ratio tests.
- iii. The Board Office is responsible for verifying the related party list, determining whether the counterparty is included in the list of related parties, whether there are potential related parties that require an update to the list, and determining whether the transaction needs to be disclosed.

The results of the related party transaction review shall be reported to the Board Office for filing, and the Board Office will organize the decision-making procedure for the related party transaction. No agreement related to the related party transaction shall be signed or the transaction carried out before the decision-making procedure is completed.

Article 13 The subsidiaries of the Company are responsible for coordinating the management of related party transactions conducted by the Company, following the relevant procedures for reviewing related party transactions as per the Company's regulations, and reporting the results of each related party transaction review to the Board Office of the Company.

Article 14 Each functional department of the Company shall designate personnel responsible for managing related parties and related party transactions. Each subsidiary of the Company shall designate the department and personnel responsible for managing related parties and related party transactions, and report this to the Board Office of the Company for filing.

CHAPTER IV REPORTING OF RELATED PARTIES

Article 15 Related parties of the Company shall promptly inform the Board Office of the Company of their related relationship with the Company. If there are any changes to the related party information, they shall also promptly inform the Board Office of such changes.

Each department of the Company and any subsidiary shall promptly submit the related party information generated by the transactions they directly conduct to the Board Office of the Company. If there are any changes to the related party information, they shall promptly submit the updated information to the Board Office.

Article 16 The Board Office of the Company shall send an annual confirmation letter regarding changes in related party information to the Company's related parties, compile and update (if necessary) the related party list, and report the updated list to the Audit Committee of the Board of the Company for review. The updated list will also be sent to each department and subsidiary of the Company for reference. After confirming the related party list, the Audit Committee of the Board of the Company shall promptly report to the Board of the Company.

Article 17 The related party information that must be filed with the Company includes:

- i. If the related party is a legal person, the name of the legal person and its organizational code must be listed; if the related party is a natural person, the person's name and identification number must be listed;
- ii. A description of the related relationship with the Company.

CHAPTER V DECISION-MAKING FOR RELATED PARTY TRANSACTIONS

Article 18 If the Company or any of its subsidiaries intends to engage in a related party transaction, the decision-making procedure specified in the Chapter must be followed before proceeding with the transaction.

The proposal for the related party transaction to be submitted for meeting decision shall include a detailed explanation of the transaction's specific content, pricing policy, the expected annual transaction cap for the future, the necessity and feasibility of the transaction, and the impact on the Company and shareholders' interests.

Article 19 If the Company intends to engage in a related party transaction that meets any of the following criteria, the transaction shall be reviewed and approved by the Company's general manager. If any subsidiary intends to engage in a related party transaction that meets any of the following criteria, the transaction shall be reviewed and approved by the subsidiary according to the relevant decision-making procedures. After the above decision-making procedures are completed, the transaction shall be reported to the Board Office of the Company for filing:

- i. Securities issuance or repurchase as stipulated by the Hong Kong Listing Rules;
- ii. Service contracts entered into between the Company or any subsidiary and its directors;
- iii. Consumer goods or services, shared administrative services as specified by the Hong Kong Listing Rules;

- iv. Ratio tests (excluding profit tests) under the Hong Kong Listing Rules, where the highest value (1) is below 0.1%; (2) is below 1%, but the transaction is considered a related party transaction only because the related parties are only related to the Company's subsidiaries; or (3) is below 5%, and the total transaction price (if it is financial assistance, the total amount of financial assistance along with any monetary interests paid to related parties or jointly held entities) is below HKD3 million;
- v. Transactions with related parties at the subsidiary level of the Company, under the terms of the Hong Kong Listing Rules (on normal commercial terms or better), provided that: (1) The transaction is approved by the Company's Board; and (2) the Company's independent non-executive directors confirm that the terms of the transaction are fair and reasonable, conducted on normal commercial terms or better, and in the overall interests of the Company and its shareholders;
- vi. Transactions between the Company and a related party solely due to their relationship with the Company's non-significant subsidiaries;
- vii. Transactions with contacts of passive investors (as defined in the Hong Kong Listing Rules) under the Hong Kong Listing Rules.

Article 20 If the Company intends to engage in a related party transaction that meets the following criteria, it must be reviewed and approved by the Company's general manager and then submitted for approval by the Company's Board. If any subsidiary intends to engage in a related party transaction that meets these criteria, after the subsidiary has followed the relevant decision-making procedure, it must be submitted by the general manager to the Company's Board for approval. After the above decision-making procedures are completed, the transaction must be reported to the Board Office for filing, and the transaction should be disclosed in the form of an announcement promptly after the approval of the Board:

For ratio tests under the Hong Kong Listing Rules, the highest value: (1) is below 5%; or (2) is below 25%, and the total transaction amount is below HKD10 million.

Article 21 If the Company intends to engage in a related party transaction that does not fall under the categories specified in Article 19 and Article 20, the transaction shall be reviewed and approved by the Company's Board and then submitted for approval by the shareholders' meeting of the Company. If any subsidiary intends to engage in a related party transaction that does not fall under the categories specified in Article 19 and Article 20, after the subsidiary has followed the relevant decision-making procedure, the transaction must be submitted by the general manager to the Company's Board for review and approval. After the Board has approved the transaction, it shall be submitted to the shareholders' meeting of the Company for approval. After completing the above decision-making procedures, the transaction shall be reported to the Board Office of the Company for filing. Such related party transactions should be disclosed promptly after approval by the Board in the form of an announcement and circular.

Article 22 If the Company or any of its subsidiaries intends to engage in a related party transaction that requires the approval of the shareholders' meeting of the Company, the independent non-executive directors of the Company must first approve the transaction before it is submitted to the Board of the Company for review. The independent non-executive directors may hire independent financial advisors to provide a report as the basis for their judgment, with the related fees paid by the Company.

If the Company or any of its subsidiaries intends to engage in a related party transaction that requires the approval of the shareholders' meeting, the Audit Committee of the Board of the Company shall simultaneously review the related party transaction, form a written opinion, and submit it to the Board of the Company for review. The Audit Committee of the Company's Board may hire independent financial advisors to provide a report as the basis for its judgment, with the related fees paid by the Company.

Article 23 The Company or any subsidiary conducting the following related party transactions should calculate the transaction amount based on the principle of aggregating transactions over a 12-month period and then apply the relevant provisions of the Chapter accordingly:

- i. Transactions with the same related party or related parties;
- ii. Transactions involving the acquisition or sale of an asset or securities or equity interests of a company (or a corporate group);
- iii. Transactions that would lead the Company and its subsidiaries to substantially engage in a new business.

Transactions that have already followed the shareholders' meeting decision-making procedure based on the aggregation principle are no longer subject to the relevant aggregation calculations.

Article 24 When the Board of the Company reviews related party transaction matters, related directors must abstain from voting and may not exercise voting rights on behalf of other directors.

The Board meeting may be held with the attendance of a majority of non-related directors, and the resolution passed by the Board meeting must be approved by a majority of non-related directors. If fewer than three non-related directors attend the Board meeting, the transaction shall be submitted to the shareholders' meeting of the Company for review.

Related directors include those who meet any of the following conditions:

- i. The counterparty of the transaction;
- ii. Individuals who directly or indirectly control the counterparty;

- iii. Individuals who hold positions in the counterparty or in the legal persons or other organizations that directly or indirectly control the counterparty, or in legal persons or organizations that the counterparty directly or indirectly controls;
- iv. Close family members of the counterparty or its direct or indirect controller;
- v. Close family members of the directors or senior executives of the counterparty or its direct or indirect controller;
- vi. Individuals whom the Company identifies as having their independent commercial judgment potentially affected for other reasons.

Article 25 When the shareholders' meeting of the Company reviews related party transaction matters, related shareholders shall abstain from voting and shall not exercise voting rights on behalf of other shareholders. The number of shares with voting rights represented by the related shareholders will not be included in the total number of shares with voting rights for the relevant resolution.

Related shareholders include those who meet any of the following conditions:

- i. The counterparty of the transaction;
- ii. Individuals who directly or indirectly control the counterparty;
- iii. Individuals who are directly or indirectly controlled by the counterparty;
- iv. Individuals who are directly or indirectly controlled by the same legal person or natural person as the counterparty;
- v. Individuals whose voting rights are restricted or affected due to an unfinished equity transfer agreement or other agreements with the counterparty or its related parties;
- vi. Legal persons or natural persons identified by the Company as potentially causing an imbalance in the Company's interests.

Article 26 For related party transactions that meet the criteria for disclosure exemptions, the Board of the Company may apply to the SEHK for an exemption in accordance with the provisions of the Hong Kong Listing Rules.

**CHAPTER VI SPECIAL PROVISIONS
FOR CONTINUING RELATED PARTY TRANSACTIONS**

Article 27 When the Company or any of its subsidiaries engages in continuing related party transactions, the corresponding decision-making procedures and disclosure obligations shall be followed according to the provisions of the Chapter:

- i. For the first occurrence of a continuing related party transaction, the Company and the related party must enter into a written agreement. The annual total transaction amount involved in the agreement should be submitted to the Company's Board or shareholders' meeting for review, and the transaction details should be disclosed promptly. If the actual execution exceeds the expected total amount, the Company should submit the excess amount to the Company's Board or shareholders' meeting for re-approval and disclosure.
- ii. For continuing related party transaction agreements that have been approved by the Company's shareholders' meeting or the Board and are in execution, if there is no significant change in the main terms during the execution, the Company shall disclose the actual performance of the agreements in the annual report as required and explain whether the agreements have been fulfilled as per the terms. If there is a major change in the main terms during the execution or if the agreement expires and needs to be renewed, the Company shall submit the newly amended or renewed continuing related party transaction agreement to the Company's Board or shareholders' meeting for re-approval according to the annual total transaction amount involved in the agreement.
- iii. The relevant functional departments and the finance department of the Company shall prepare an annual total transaction amount budget for each continuing related party transaction.
- iv. At the beginning of each accounting year, the Company's Board Office will compile the statistics for continuing related party transactions and determine the annual transaction limits for each type of continuing related party transaction. The Board Office will inform the relevant functional departments in a timely manner.
- v. If, after statistical analysis, the Board Office estimates that the annual transaction amount of a particular continuing related party transaction will exceed the pre-approved annual limit, the Board Office should quickly summarize the situation, organize the corresponding decision-making procedures based on the new annual limit, and disclose the transaction details promptly.
- vi. Related party transactions that exceed the pre-approved annual limit and have not followed the required decision-making procedures shall not be implemented.

Article 28 The continuing related party transaction agreement signed between the Company and a related party shall include the following:

- i. Pricing policies and basis;
- ii. Transaction price;
- iii. The total annual transaction volume and the basis for its determination;
- iv. Payment timing and methods;
- v. Fixed term of the agreement;
- vi. Other major terms that should be disclosed.

Article 29 The duration of a continuing related party transaction agreement signed between the Company and a related party should generally be limited to three years or less. For such agreements with a duration of three years or less, if the duration exceeds three years, the Company shall re-apply the relevant decision-making procedures and disclosure obligations every three years according to the rules. The Company shall appoint an independent financial advisor to explain the reason for exceeding the three-year period and confirm that the duration is in line with the general practices of the industry for such agreements.

Article 30 The independent non-executive directors of the Company shall review the continuing related party transactions annually and confirm in the annual report whether the transactions:

- i. Are entered into in the ordinary course of business for the Company group;
- ii. Are conducted on normal commercial terms or better terms; and
- iii. Are conducted according to the terms of the relevant agreements, with fair and reasonable terms, and in the overall interest of the shareholders of the listed issuer.

Article 31 The Company's external auditors shall send a letter to the Board of the Company annually expressing an opinion on the continuing related party transactions of the Company and any of its subsidiaries. This includes confirming whether they have noticed any issues that might lead the external auditors to believe that the relevant continuing related party transactions: (1) Were not approved by the Board of the Company; (2) If the transactions involve goods or services provided by the Company or any subsidiary, were not conducted in accordance with the pricing policies of the Company or any subsidiary in any material aspect; (3) Were not conducted according to the terms of the relevant agreements in any material aspect; (4) Exceeded the approved limit. The Company shall allow the external auditors to examine the relevant accounts to enable them to issue their opinion.

Article 32 The Company shall disclose the details of each related party transaction in the annual report, including but not limited to the transaction date, the parties involved, a description of their related relationship, the content of the transaction, its purpose, the transaction amount, key terms of the transaction, and the nature and extent of the related party's interest in the transaction. For continuing related party transactions, the Company must also disclose the independent non-executive directors' confirmation as required in Article 30, and a statement from the Board confirming whether the external auditors have provided confirmation as described in Article 31. The disclosure of related party transactions in the annual report shall comply with the relevant provisions of the Hong Kong Listing Rules.

CHAPTER VII DISCLOSURE OF RELATED PARTY TRANSACTIONS

Article 33 For related party transactions that are required to be disclosed under the Hong Kong Listing Rules, the Company must disclose matters such as the establishment, changes, termination, and performance of the related party transaction agreements in accordance with the relevant regulations.

Article 34 The contents to be disclosed in the announcement regarding related party transactions primarily include:

- i. A general description of the related party transaction;
- ii. The transaction date;
- iii. The name of the counterparty, the identity of the counterparty's ultimate beneficial owner (if any), the main business activities, the description of the relationship with the Company, and the related party's interest in the transaction;
- iv. The transaction price, pricing basis, and terms;
- v. Payment timing and methods;
- vi. The reasons for and benefits of the transaction;
- vii. The Board's opinion;
- viii. Whether any related director must abstain from voting at the Board meeting;
- ix. If it is a continuing related party transaction, it shall disclose the contract term, the total annual transaction volume and the basis for its determination, and the actual transaction amounts for similar transactions in the past three years; the independent non-executive directors must confirm matters as per Hong Kong Listing Rule 14A.55; and the auditor must provide confirmation as per Hong Kong Listing Rule 14A.56;
- x. Other content required by the Hong Kong Listing Rules.

Article 35 The contents to be disclosed in the circular regarding related party transactions primarily include:

- i. All the contents disclosed in the corresponding related party transaction announcement;
- ii. Whether any related shareholder must abstain from voting at the shareholders' meeting;
- iii. The written opinion of the independent non-executive directors;
- iv. The written opinion of the independent financial advisor;
- v. The Company's basic information;
- vi. Other content required by the Hong Kong Listing Rules.

Article 36 During the negotiation of a related party transaction, if the Company's stock price experiences significant fluctuations due to market rumors or reports regarding the related party transaction, the Company shall, depending on the situation, issue a clarification announcement in accordance with the relevant regulations.

CHAPTER VIII ACCOUNTABILITY

Article 37 Related parties of the Company shall not use their relationship with the Company to harm its interests. In the event that one violates this article and causes any loss to the Company, the party shall bear the responsibility for indemnification.

Article 38 If a related party appropriates the Company's assets or damages the interests of the Company and its shareholders, the Company has the right to take effective measures to require the related party to cease the infringement and has the right to apply to the people's court for judicial freezing of the Company's assets and any shares held by the related party in the Company (if any).

Article 39 If the Company's directors or senior management violate laws, regulations, or the Policy, or assist or condone related parties in appropriating the Company's assets or damaging the Company's interests, the Board of the Company may impose disciplinary action on the directly responsible persons based on the severity of the situation. It may also remove those directors or senior management members who bear significant responsibility, and may seek appropriate compensation from them based on the extent of the Company's losses. If a crime is committed, the case will be handed over to the judicial authorities.

Article 40 If the Company's related party transaction management bodies or related personnel are negligent or derelict in their duties during the handling of related party transactions, resulting in the Company being affected or suffering losses, the Company has the right to impose disciplinary action on the directly responsible persons, ranging from criticism and warnings to removal from their positions, depending on the severity of the situation.

Article 41 If shareholders of the Company suffer economic losses due to the actions of related parties that harm the interests of the Company and other shareholders, and file civil compensation lawsuits in accordance with the law, the Company has the obligation, within the framework of legal regulations and the Articles of Association, to provide relevant materials and support.

CHAPTER IX SUPPLEMENTARY PROVISIONS

Article 42 The term "contacts" as used in the Policy includes:

- i. For natural persons, contacts of a related party include: (1) (a) Their spouse; their (or their spouse's) children under the age of 18, whether biological, adopted, or stepchildren (referred to as "immediate family members"); (b) Any trustee (other than a trustee for a broad-based employee share scheme or pension scheme where the related party holds less than 30% of the aggregate rights under the plan) who has trustee status in a trust where the individual or their immediate family members are the beneficiaries (or if it is a discretionary trust, the individual or their immediate family members are known to be the objects of the trust); or (c) A company controlled directly or indirectly by the individual, their immediate family members, and/or trustees (individually or jointly), or any subsidiary of such a company, where the individual or their immediate family members and/or trustees hold 30% or more of the company; or (2) (a) An individual living with the person as if they were their spouse, or their children, stepchildren, parents, stepparents, siblings, stepsiblings, or siblings-in-law (referred to as "family members"); or (b) A company, directly or indirectly controlled by the individual's family members (individually or jointly), or by the individual and their immediate family members and/or trustees, that holds a majority controlling stake in a company, or any subsidiary of that company.
- ii. For legal persons, contacts of a related party include:
 - (1) Its subsidiaries or holding companies, or subsidiaries of the holding company;
 - (2) Any trustee with trustee status in a trust where the company is the beneficiary (or if it is a discretionary trust, where the company is known to be the object of the trust) (referred to as "trustee"); or

- (3) Any 30% controlled company held directly or indirectly by the company, the companies mentioned in section (1) above, and/or the trustee (individually or jointly), or any subsidiary of such 30% controlled company.
- iii. If an individual or their contacts hold an interest in a company through indirect ownership of a 30% controlled company in the listed issuer group, but their combined ownership in the company is less than 10%, the company will not be considered a contact of the individual.
- iv. If the following conditions apply, a person's contacts include any joint venture partner in a partnership or contractual joint venture (whether or not the joint venture is an independent legal person):
 - (1) The individual (personal), their immediate family members and/or trustees; or
 - (2) The individual (company), their subsidiaries, holding company, or subsidiaries, and/or trustees of the holding company,who together directly or indirectly hold 30% (or another percentage under Chinese law that triggers mandatory public offers or establishes legal or managerial control over the Company) of the capital or assets of the joint venture, or the profits or other earnings to be shared by the joint venture.
- v. In addition to the above, other natural persons or legal persons may be determined as contacts or related parties as defined under the Hong Kong Listing Rules. If the definition of contacts in the Policy conflicts with the Hong Kong Listing Rules in effect at a later date, the definition as set forth in the Hong Kong Listing Rules at the time of their enactment shall prevail.

Article 43 The term “subsidiary” as used in the Policy refers to a subsidiary of a company that meets one of the following conditions:

- i. As defined in Appendix 1 of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong), i.e., (1) if a company (the “former”) is the parent of another company (the “latter”), the latter is considered a subsidiary of the former, such as a company's subsidiary; (2) if the parent of a company (the “former”) is a subsidiary of another company (the “latter”), the former is also considered a subsidiary of the latter;
- ii. Any entity that, according to the applicable Hong Kong Financial Reporting Standards or International Financial Reporting Standards, is included in the audited consolidated accounts of another entity as a subsidiary;

- iii. Any entity whose equity interests are acquired by another entity and is subsequently included as a subsidiary in the next audited consolidated accounts of that entity, in accordance with the applicable Hong Kong Financial Reporting Standards or International Financial Reporting Standards.

Article 44 The term “non-significant subsidiary” as used in the Policy refers to a subsidiary of a company that meets one of the following conditions:

- i. Based on the ratio tests of total assets, revenue, and profit over the past three accounting years (or, if fewer than three years of fiscal data are involved, starting from the subsidiary’s registration or establishment date), the values are all below 10%;
- ii. Based on the ratio tests of total assets, revenue, and profit for the most recent accounting year, the values are all below 5%.

Article 45 The term “ratio tests” as used in the Policy refers to the percentage ratios specified in Rule 14.07 of the Hong Kong Listing Rules, including:

- i. Total Assets Test: The total value of the assets involved in the transaction divided by the most recent disclosed audited or unaudited total assets of the Company;
- ii. Revenue Test: The revenue attributable to the assets involved in the transaction (excluding incidental or incidental income or revenue items) divided by the most recent audited revenue disclosed by the Company;
- iii. Profit Test: The profit attributable to the assets involved in the transaction (excluding all expenses other than taxes, but excluding profit attributable to non-controlling interests) divided by the most recent audited profit disclosed by the Company;
- iv. Consideration Test: The transaction consideration divided by the total market capitalization of the listed company (calculated based on the average closing price of the company’s shares on the SEHK over the five trading days prior to the transaction agreement, multiplied by the total number of company shares); and
- v. Equity Test: If the transaction involves company shares and/or treasury stock transferred as consideration, the nominal value of the transaction consideration shares divided by the nominal value of the Company’s total issued shares (excluding treasury shares) immediately before the transaction.

Article 46 For matters not covered by the Policy, the relevant provisions of national laws, regulations, normative documents, the securities regulatory rules of the stock exchange where the Company's shares are listed, the Hong Kong Listing Rules, and the Articles of Association shall apply. In the event of a conflict between the Policy and the aforementioned provisions, the provisions of national laws, regulations, normative documents, the securities regulatory rules of the stock exchange where the Company's shares are listed, the Hong Kong Listing Rules, and the Articles of Association shall prevail.

Article 47 Unless otherwise stated, the terms used in the Policy have the same meaning as those in the Articles of Association or the Hong Kong Listing Rules.

Article 48 The right to interpret the Policy is reserved by the Board of the Company. The Board of the Company shall update and adjust the Policy in a timely manner in accordance with the latest requirements on related party transactions issued by the SEHK and notify the relevant departments.

Article 49 The Policy shall take effect from the date of approval by the shareholders' meeting.

NOTICE OF THE 2025 SECOND EXTRAORDINARY GENERAL MEETING

X.J. ELECTRICS (HU BEI) CO., LTD **湖北香江電器股份有限公司**

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 2619)

NOTICE OF THE 2025 SECOND EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2025 second extraordinary general meeting (the “**2025 Second EGM**”) of X.J. Electrics (Hu Bei) Co., Ltd (the “**Company**”) will be held at Meeting Room No. 5, on 7th Floor, Building 7, Shatoujiao Free Trade Zone, Haishan Road, Yantian District, Shenzhen, the People's Republic of China (the “**PRC**”) at 10:00 a.m. on 12 December 2025 for the purpose of considering, and if thought fit, passing (with or without amendments) the following resolutions. Unless otherwise stated, the capitalised terms used herein shall have the same meanings as defined in the circular of the Company dated 24 November 2025 (the “**Circular**”), of which the notice convening the 2025 Second EGM shall form part:

SPECIAL RESOLUTIONS

1. To consider and approve the Proposed Change of Company Name;
2. To consider and approve the Proposed Abolition of the Board of Supervisors;
3. To consider and approve the Proposed Amendments to the Articles of Association of the Company;
4. Any one or more Director(s) be and is hereby authorised to modify the wordings of such amendments as appropriate (such amendments will not be required to be approved by the shareholders of the Company) and execute all such documents and/or do all such acts as the Director(s) may, in his/her absolute discretion, deem necessary or expedient and in the interest of the Company in order to deal with other related issues arising from the Proposed Change of Company Name, the Proposed Abolition of the Board of Supervisors and the Proposed Amendments to the Articles of Association;

NOTICE OF THE 2025 SECOND EXTRAORDINARY GENERAL MEETING

ORDINARY RESOLUTIONS

5. To consider and approve the Proposed Amendments to the Related Corporate Governance Policies; and
6. Any one or more Director(s) be and is hereby authorised to modify the wordings of such amendments as appropriate (such amendments will not be required to be approved by the shareholders of the Company) and execute all such documents and/or do all such acts as the Director(s) may, in his/her absolute discretion, deem necessary or expedient and in the interest of the Company in order to deal with other related issues arising from the Proposed Amendments to the Related Corporate Governance Policies.

By order of the Board
X.J. Electrics (Hu Bei) Co., Ltd
Pan Yun
Chairman and Executive Director

Shenzhen, PRC, 24 November 2025

Notes:

1. All resolutions at the meeting will be taken by poll pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The results of the poll will be published on the websites of The Stock Exchange of Hong Kong Limited and the Company in accordance with the Listing Rules.
2. The register of members of the Company will be closed from 9 December 2025 to 12 December 2025 (both days inclusive), during which period no transfer of Shares can be registered. In order to be qualified to attend and vote at the 2025 Second EGM, all transfer documents accompanied by the relevant share certificate(s) must be lodged with the Company’s share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on 8 December 2025. Shareholders whose names appear on the register of members of the Company at the close of business on 12 December 2025 are entitled to attend and vote at the 2025 Second EGM.
3. Shareholders who are entitled to attend and vote at the 2025 Second EGM may appoint one or more proxies to attend and vote on their behalves. A proxy need not be a shareholder of the Company.
4. In order to be valid, the proxy form for the 2025 Second EGM must be deposited by hand or post to the share registrar of the Company, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 24 hours before the time for holding the 2025 Second EGM (i.e. not later than 10:00 a.m. on Thursday, 11 December 2025) (or any adjournment thereof) for taking the poll. If the proxy form is signed by a person under a power of attorney or other authority, a notarial copy of that power of attorney or authority shall be deposited at the same time as mentioned in the proxy form. Completion and return of the proxy form will not preclude shareholders from attending and voting in person at the 2025 Second EGM or any adjourned meetings should they so wish.

NOTICE OF THE 2025 SECOND EXTRAORDINARY GENERAL MEETING

If the proxy is a legal person, its legal representative or any representative authorised by a resolution of its board of directors or by other governing body shall attend the above meeting of the Company on its behalf. If the shareholder is a recognised clearing house (or its proxy) defined by the Hong Kong relevant Ordinance from time to time, the shareholder may authorise one or more persons it considers appropriate as its representative(s) at the above meeting; however, if more than one person are authorised, the power of attorney shall contain the number and class of shares for which such persons are authorised, and shall be signed by an authorised personnel of the recognised clearing house. The person(s) so authorised can represent the recognised clearing house (or its proxy) to attend the meeting and exercise its right, as if the persons are the Company's individual shareholders, and shall not be required to produce evidence of shareholding, the notarised power of attorney and/or further evidence to prove that he/she/they have been duly authorised.

A vote provided in according to the instruments in such proxy forms shall be valid, notwithstanding the previous death or loss of capacity of the appointer or the revocation of the proxy or of the authority under which the proxy was executed, or the shares are transferred, provided that no notice in writing of such matters shall have been received by the Company prior to the above meeting.

5. Shareholders or their proxies shall provide their identity documents when attending the 2025 Second EGM.
6. In case of joint holders of any share, only the person whose name is at the first place on the register of shareholders has the rights to receive the certificate of relevant shares and notice from the Company and to attend or exercise all of the votes relating to the shares.

As at the date of this notice, the executive Directors are Mr. Pan Yun, Ms. Ji Ying, Ms. Li Youxiang, Ms. Hu Yan, Mr. Guangshe Pan and Mr. Xu Xiping; and the independent non-executive Directors are Dr. Huang Hanxiong, Dr. Li Jiannan and Dr. Gu Zhaoyang.