



北京京城機電股份有限公司

Beijing Jingcheng Machinery Electric Company Limited

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

(Stock Code: 0187)

RULES OF PROCEDURE FOR THE SUPERVISORY COMMITTEE OF BEIJING JINGCHENG MACHINERY ELECTRIC COMPANY LIMITED

(In case of inconsistency between the Chinese version and
the English version, the Chinese version shall prevail.)

Article 1 Tenets

In order to further regulate the discussion methods and voting procedures of the Supervisory Committee of the Company, urge the supervisors and the Committee to effectively fulfill their supervisory duties and improve the corporate governance structure of the Company, the Rules are formulated in accordance with the Company Law, the Securities Law, the Code of Corporate Governance for Listed Companies, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, etc.

Article 2 Committee Secretary

The Committee is staffed with a secretary of the Committee to deal with the daily routine for the Committee.

The Committee secretary safekeeps the Committee seal. The Committee can also request the Company's securities representative or other personnel to assist the secretary to handle the daily routine for the Committee.

Article 3 Regular and Extraordinary Committee Meetings

The meetings of the Committee are divided into regular meeting and extraordinary meeting.

The regular meeting of the Committee shall be convened at least once every six months. The Committee shall convene an extraordinary meeting within ten days in any of the following circumstances:

- (1) When any supervisor proposes a meeting;
- (2) When the general meeting or the board meeting approves any resolutions that violates the laws, regulations, rules, regulations and requirements of the regulatory authorities, the Articles of Association of the Company, resolutions of the general meeting of the Company and other relevant provisions;
- (3) When the misconducts of any director or senior management may cause great damage to the Company or adverse impacts in the market;
- (4) When the Company, any director, supervisor or senior management is being sued by any shareholder;
- (5) When the Company, any director, supervisor or senior management is penalized by the securities regulatory authorities or denounced by the Shanghai Stock Exchange;
- (6) When the securities regulatory authorities request a meeting;
- (7) In other situation specified in the Articles of Association of the Company.

Article 4 Proposal of the Regular Meeting

Before giving the notice on holding a regular meeting of the Committee, the office of the Board of Directors shall collect meeting proposals from all supervisors. When collecting the proposals and seeking for opinions, the office of the Board of Directors shall state that the Committee's main responsibility is the supervision on the standard operation of the Company and the official behavior of the directors and senior management rather than the operating management decisions of the Company.

Article 5 Procedures of the Proposal of an Extraordinary Meeting

When a supervisor proposes to convene an extraordinary Committee meeting, the supervisor shall submit a signed written proposal to the chairman of the Committee directly. The written proposal shall contain the following items:

- (1) Name of the supervisor who makes the proposal;
- (2) Reason for making the proposal or the objective reason for the proposal;

- (3) Time or duration, venue and the convening mode of the proposed meeting;
- (4) Clear and specific proposal;
- (5) Contact information of the proposing supervisor and the date of the proposal, etc.

The chairman of the Committee shall issue a notice for an extraordinary Committee meeting within three days after the chairman of the Committee receives the written proposal from a supervisor.

Where the chairman of the Committee fails to issue the meeting notice in time, the proposing supervisor shall report to the regulatory authorities promptly.

Article 6 Convening and Presiding over the Meeting

The Committee meeting shall be convened and presided over by the chairman of the Committee or a supervisor who is jointly recommended by more than half of the supervisors if the chairman of the Committee is unable to or fails to perform his/her duties.

Article 7 Meeting Notice

For convening a regular meeting or an extraordinary meeting of the Committee, the office of the Board of Directors shall issue a written meeting notice affixed with the seal of the Committee to all supervisors respectively ten and five days in advance through direct delivery service, fax, email or any other means. If the notice is not given through direct delivery service, confirmation by telephone is also necessary and the corresponding records shall be made.

When the situation is urgent and an extraordinary Committee meeting needs to be convened as soon as possible, the notice may be given verbally or by telephone etc. at any time, but it is necessary for the convener to give explanations at the meeting.

Article 8 Contents of the Meeting Notice

The written meeting notice shall at least include the following items:

- (1) Meeting time and venue;
- (2) Means of convening the meeting;
- (3) Matters proposed to be considered (meeting proposal);

- (4) Meeting convener and presider, the extraordinary meeting proposer and his/her written proposal;
- (5) Meeting materials necessary needed for the supervisors to vote;
- (6) The request for the supervisors to attend the meeting personally;
- (7) Contact person and contact information.

The verbal meeting notice shall at least include the contents mentioned in (1), (2) and (3) above and a description that the Committee extraordinary meeting is necessary to be held as soon as possible due to emergency.

Article 9 Convening Mode of the Meeting

The Committee meeting shall be held on site.

In case of an emergency, the vote by means of communication can be adopted for the Committee meeting but the meeting convener (meeting presider) shall explain the specific emergency situation to the participating supervisors. In the communication vote, the supervisors shall fax their written opinions and voting intentions on the considered matters to the office of the Board of Directors after signing and confirming. The supervisors shall not just specify their vote opinions without expressing opinions or voting reasons.

Article 10 Convening of the Meeting

The Committee meeting shall be convened only when more than half of the supervisors are present. Where the minimum requirement of the attendee number to convene the meeting fails to be met due to the refusal or failure to attend the meeting by relevant supervisors, the remaining supervisors shall report it to the regulatory authorities in a timely manner.

The secretary of the Board of Directors shall attend the Committee meeting and the securities representative may attend the Committee meeting.

Article 11 Consideration Procedures of the Meeting

The meeting presider shall ask the participating supervisors to express their definite opinions on each proposal.

The meeting presider shall, in accordance with the proposal of the supervisor, request the directors, senior management, other employees of the Company, or staff of relevant intermediaries to attend the meeting for answering inquiries.

Article 12 Committee Resolution

The Committee resolution shall be passed by show of hands on a one-person-one-vote basis.

Voting intention of supervisors consists of the affirmative vote, negative vote and abstention. The participating supervisors shall choose one of the above-mentioned intentions. If any participating supervisor fails to choose or chooses two or more options at the same time, the meeting presider shall request the supervisor to choose again. The supervisors who refuse to choose or fail to return after leaving the meeting halfway without making a choice shall be deemed to have abstained from voting.

The resolution of the Committee shall be approved by more than two thirds of all supervisors.

Article 13 Sound Recording of the Meeting

If necessary, the whole process of the Committee meeting can be recorded.

Article 14 Meeting Minutes

The Committee secretary shall keep the minutes of on-site meetings. The meeting minutes shall include the following items:

- (1) Meeting session, time, venue and convening mode;
- (2) Issuance of meeting notices;
- (3) Meeting convener and presider;
- (4) Meeting attendance;
- (5) Proposal considered at the meeting, main points and main opinions of each supervisor on the relevant matters and their voting intention on the proposal;
- (6) Voting method and result of each proposal (state the specific numbers of affirmative votes, negative votes, and abstentions);
- (7) Other matters considered necessary to be recorded by the participating supervisors.

For the Committee meeting held by means of communication, the office of the Board of Directors shall sort out the meeting record according to the above-mentioned regulations.

Article 15 Signature of the Supervisors

The participating supervisors shall sign the meeting minutes for confirmation. Any supervisor who has different views on the meeting minutes can make a written explanation when signing the minutes. When necessary, he/she shall report it to the regulatory authorities in a timely manner; he/she can also make a public statement.

If any supervisor fails to sign for confirmation as stipulated in the foregoing article and does not make a written explanation on his/her different views, or fails to report it to the regulatory authorities or make a public statement, he/she shall be deemed to have fully agreed with the contents of the meeting minutes.

Article 16 Announcement of the Resolutions

The announcement of the Committee resolutions shall be handled by the secretary of the Board of Directors in accordance with the relevant provisions of the Rules Governing the Listing of Stocks on Shanghai Stock Exchange.

Article 17 Implementation of the Resolutions

The supervisors shall urge the relevant staff to implement the Committee resolutions. The chairman of the Committee shall notify the implementation conditions of the adopted resolutions at the next Committee meetings.

Article 18 Preservation of Meeting Files

The Committee's meeting files, including the meeting notices and meeting materials, meeting recordings, meeting minutes and resolution announcements confirmed by signatures of participating supervisors, etc. shall be kept by the Committee secretary.

The preservation period of those Committee's meeting files shall be more than ten years.

For other matters uncovered in the Rules, the relevant provisions of the Rules of Procedure of the Board of Directors shall be referred to.

The term of “more than” as used in the Rules shall include the given figure.

The Rules are formulated by the Committee and shall take effect upon the approval of the general meeting. Any amendment to the Rules shall follow the same procedure.

The Rules shall be construed and interpreted by the Committee.

The Supervisory Committee of
Beijing Jingcheng Machinery Electric Company Limited