



# 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 OF THE GENERAL MEETING OF SHAREHOLDERS OF BEIJING JINGCHENG MACHINERY ELECTRIC COMPANY LIMITED

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

### Chapter 1 General Provisions

- Article 1 With a view to regulating the acts of the Company and ensuring the general meeting lawfully exercises its functions and powers, the Rules of Procedure 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 (hereinafter referred to as the "**Securities Law**"), the Rules on Shareholders' General Meetings of Listed companies (hereinafter referred to as the "**Rules**") and the Company's Articles of Association.
- Article 2 The Company shall hold general meetings strictly in accordance with the laws, administrative regulations, these Rules of Procedure and the Company's Articles of Association so as to ensure that the shareholders can exercise their rights in accordance with the laws.
- The Board of Directors of the Company shall duly perform its duties and organize general meetings prudently and as scheduled. All the directors of the Company shall be diligent and responsible so as to ensure that general meetings are held in an orderly manner and the functions and powers are exercised in accordance with the laws.
- Article 3 The general meeting shall perform its functions and powers to the extent as provided by the Company Law and the Company's Articles of Association.

Article 4 General meetings may be either annual or extraordinary. The annual general meeting shall be held once a year within six months after the closing of the previous accounting year. The extraordinary general meeting may be held from time to time and shall be held within two months where any of the circumstances as set forth in section 100 of the Company Law for holding such a meeting occurs.

In case that the Company is unable to hold a general meeting within the aforesaid time frame, it shall report and explain the reasons to the local office of the CSRC in the region where the Company operates and the Shanghai Stock Exchange, and make an announcement.

Article 5 When holding a general meeting, the Company shall engage lawyers to advise on the following matters and make an announcement:

- (i) Whether the procedures for convening and holding the meeting are compliant with the laws, administrative regulations, these Rules of Procedure and the Company's Articles of Association;
- (ii) Whether the qualifications of the attendees and the convener are lawful and valid;
- (iii) Whether the voting procedures and results of the meeting are lawful and valid;
- (iv) Legal advice on other relevant matters at the request of the Company.

## **Chapter 2 Convening of General Meetings**

Article 6 The Board of Directors shall convene general meetings as scheduled within the time frame as prescribed in Article 4 of these Rules of Procedure.

Article 7 Independent non-executive directors shall be entitled to make a proposal to the Board of Directors on holding an extraordinary general meeting. For such a proposal, the Board of Directors shall give a written reply on whether to agree or not to hold an extraordinary general meeting within 10 days upon receipt of the proposal in accordance with the laws, administrative regulations and the Company's Articles of Association.

Where the Board of Directors agrees to hold an extraordinary general meeting, a notice of general meeting shall be given within 5 days after the resolution of the Board of Directors is made. Where the Board of Directors does not agree to hold such a meeting, its reasons shall be given and an announcement shall be made.

Article 8 The Supervisory Committee shall be entitled to make a proposal to the Board of Directors on holding an extraordinary general meeting and shall make such a proposal in written form. The Board of Directors shall give a written reply on whether to agree or not to hold an extraordinary general meeting within 10 days upon receipt of the proposal in accordance with the laws, administrative regulations and the Company's Articles of Association.

Where the Board of Directors agrees to hold an extraordinary general meeting, a notice of general meeting shall be given within 5 days after the resolution of the Board of Directors is made. Any change to the original proposal in the notice shall be subject to the approval from the Supervisory Committee.

Where the Board of Directors does not agree to hold such meeting or fails to give a written reply within 10 days upon receipt of the proposal, it shall be deemed that the Board of Directors is unable or fails to perform its duty of convening a general meeting. In such a case, the Supervisory Committee may convene and preside over the meeting on its own.

Article 9 Shareholders shall request to convene an extraordinary general meeting in accordance with the following procedures:

Shareholder(s) of ordinary shares who individually or jointly hold more than 10% of the shares of the Company shall have the right to propose to the Board of Directors to convene an extraordinary general meeting and a written request shall be made to the Board of Directors. The Board of Directors shall give a written reply as to whether it agrees or disagrees to the convening of an extraordinary general meeting within 10 days after receiving the request(s) according to the laws, administrative regulations and the Company's Article of Association.

If the Board of Directors agrees to convene an extraordinary general meeting, it shall issue a notice of general meeting within 5 days after passing the board resolution. Any changes to the original proposal in the notice shall be approved by the relevant shareholders.

If the Board of Directors does not agree to convene an extraordinary general meeting or it does not reply within 10 days after receiving the request(s), shareholder(s) of ordinary shares who individually and jointly hold more than 10% of the shares of the Company shall have the right to propose to the Supervisory Committee to convene an extraordinary general meeting and a written request shall be made to the Supervisory Committee.

If the Supervisory Committee agrees to convene an extraordinary general meeting, it shall issue a notice of general meeting within 5 days after receiving the request. Any changes to the original request in the notice shall be approved by the relevant shareholders.

If the Supervisory Committee fails to give the notice of the general meeting within the specified time limit, it shall be deemed that the Supervisory Committee is not convening or presiding over the meeting, in which case, the shareholders of ordinary shares who individually or jointly holding more than 10% of the shares of the Company for more than 90 consecutive days may convene and preside over the meeting on their own.

Article 10 Where the Supervisory Committee or shareholders decide to convene a general meeting on its/their own, it/they shall give a written notice to the Board of Directors and shall report it to the local office of the CSRC in the region where the Company operates and the stock exchange for record at the same time.

Prior to the announcement of the resolution of the general meeting, the shareholding held by the shareholders who convene the meeting shall be not less than 10%.

The Supervisory Committee and shareholders who convene the meeting shall submit relevant certification materials to the local office of the CSRC in the region where the Company operates and the stock exchange, while sending out a notice of general meeting and making the announcement of the resolution of the general meeting.

Article 11 With respect to a general meeting convened by the Supervisory Committee or shareholders, the Board of Directors and the Secretary of the Board shall give cooperation. The Board of Directors shall provide the register of members on the shareholding record date. Where the Board of Directors fails to provide the register of members, the convener(s) may apply to the securities registration and clearing institution for such a register of members with the announcement relating to the notice of convening the general meeting. The register of members offered to the convener(s) shall not be used for other purposes, except for the general meeting.

Article 12 The expenses required for a general meeting convened by the Supervisory Committee or shareholders shall be borne out by the Company.

### **Chapter 3 Proposals and Notification of General Meetings**

Article 13 The content of a proposal shall be within the scope of functions and powers of the general meeting, which shall have definite topics to be discussed and specific matters to be resolved, and in accordance with relevant regulations as stipulated in the laws, administrative regulations and the Company's Articles of Association.

Article 14 Shareholders that individually or jointly hold 3% or more of ordinary shares in the Company may make a temporary proposal and submit it to the convener(s) in written form 10 days prior to a general meeting. The convener(s) shall give a supplementary notice of general meeting to announce the content of the temporary proposal within 2 days upon receipt of the proposal.

Except as provided in the preceding paragraph, after sending out a notice of general meeting, the convener(s) shall not make any amendments to the proposals included in the notice or add any new proposals.

The general meeting shall neither vote nor make a resolution on any proposals that are not included in the notice of general meeting or are inconsistent with Article 13 hereof.

Article 15 The convener(s) shall notify each shareholder in the form of announcement 20 days prior to an annual general meeting; shall notify each shareholder in the form of announcement 15 days or 10 business days (whichever is longer) prior to an extraordinary general meeting.

Article 16 Specific details of all proposals as well as all the information or explanations required for shareholders to make a sound judgment on the matters to be discussed shall be disclosed on a full and complete basis in the notice and supplementary notice of general meeting. Where opinions from independent non-executive directors are required on any matters to be discussed, such opinions and reasons from independent non-executive directors shall be disclosed while a notice or supplementary notice of general meeting is given.

Article 17 Where the election of directors or supervisors is proposed to be discussed at a general meeting, the detailed information about the candidates for directors or supervisors shall be disclosed fully in the notice of general meeting, including at least the following:

- (i) Personal information such as educational background, employment experience and concurrent positions;
- (ii) Whether he/she has any connected relationship with the Company or its controlling shareholders and actual controllers;
- (iii) The number of shares held in the Company;
- (iv) Whether he/she has been punished by the CSRC and other relevant authorities and disciplined by the stock exchange.

A single proposal shall be made for each candidate for director or supervisor, except for directors or supervisors elected by way of cumulative voting system.

Article 18 A notice of general meeting shall indicate the time and place of the meeting and specify the shareholding record date. The interval between shareholding record date and the date of the general meeting shall not be more than 7 working days. The shareholding record date shall not be changed once confirmed.

Article 19 After a notice of general meeting is sent out, the general meeting shall not be postponed or cancelled and the proposals included in the notice shall not be cancelled without justifiable causes. In case of any postponement or cancellation, the convener(s) shall make an announcement and explain the reasons at least two working days prior to the original date for holding the meeting.

#### **Chapter 4 Holding of General Meetings**

Article 20 General meetings of the Company shall be held at: address of the Company's office or other places announced by the Company. A venue shall be set for the convening of on-site general meetings. The Company may use safe, economic and convenient online or other means to provide convenience for shareholders to participate in general meetings. Attendance of general meeting by shareholders by the aforesaid methods shall be treated as valid.

A shareholder may attend a general meeting in person and exercise his/her voting right, or may entrust other person to attend and exercise the voting right to the extent of the authorization given.

Article 21 Where a general meeting is held online or by any other means, the notice of general meeting shall clearly state the time and procedures of voting online or by any other means.

The starting time for the voting for a general meeting online or by any other means shall not be earlier than 3:00pm on the day before the on-site general meeting is held and not later than 9:30am on the day when the on-site general meeting is held, and shall conclude not earlier than 3:00pm on the day when the on-site general meeting ends.

Article 22 The Board of Directors and other convener(s) shall take necessary measures to ensure the smooth running of the general meeting. They shall take measures to stop any acts of interference in the general meeting, picking quarrels, provoking troubles and infringing of legal rights and interests of shareholders, and shall report them to the relevant authorities for investigation and punishment on a timely basis.

Article 23 All the shareholders or their proxies registered on the shareholding record date shall be entitled to attend a general meeting, and the Company and the convener(s) shall not refuse them for whatever reasons.

Article 24 A shareholder shall attend a general meeting with his/her stock account card, identity card or any other valid certificates or proof that can show his/her identity. A proxy shall also provide the instrument of proxy of the shareholder and a valid personal identity document.

Article 25 The convener(s) and lawyers shall jointly verify the legality of shareholders' qualifications based on the register of members offered by the securities registration and clearing institution, and shall register the names of shareholders and the number of voting shares they hold. The registration for the meeting shall be terminated before the presider of the meeting announces the number of shareholders and proxies present at the meeting as well as the total number of voting shares they hold.

Article 26 Where the Company holds a general meeting, all the directors, supervisors and the Secretary of the Board shall attend the meeting, and general manager and other senior management shall be present at the meeting.

Article 27 The chairman of the Board of Directors shall invite the chairmen of the Audit Committee, Remuneration Committee, Nomination Committee and any other committees to attend. If the chairman of the relevant committee fails to attend, the chairman of the Board of Directors shall invite another member or his/her duly appointed representative to attend. Such person must answer questions at the general meeting.

Article 28 If there is an independent committee under the Board of Directors, the chairman of the committee shall respond to questions at any general meeting to approve a connected transaction or any other transaction that requires independent shareholders' approval.

Article 29 The Company's management shall ensure the external auditors attend the general meeting and answer questions about the audit work, the preparation of the auditor's report and its content, accounting policies, and the independence of the auditor.

Article 30 A general meeting shall be presided over by chairman of the Board of Directors. Where the chairman of the Board of Directors is unable or fails to perform the duty, the meeting shall be presided over by a director jointly elected by a simple majority 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 the duty, the meeting shall be presided over by a supervisor jointly elected by a simple majority of the supervisors.

A general meeting convened by shareholders shall be presided over by one representative appointed by convener(s).

In the event that the general meeting cannot proceed due to violation of the Rules of Procedure by the presider of the meeting, the general meeting may appoint one person as the presider of the meeting upon consent of a simple majority of the voting shareholders present at the meeting and continue the meeting.

Article 31 At an annual general meeting, the Boards of Directors and Supervisory Committee shall report their work in the past year to the general meeting. Each independent non-executive director shall also make a work report.

Article 32 Directors, supervisors and senior management shall provide explanation and description for inquiries by shareholders at a general meeting.

Article 33 The presider of the meeting shall, prior to voting, announce the number of shareholders and proxies present at the meeting as well as the total number of voting shares they hold. The meeting's register on the number of shareholders and proxies present at the meeting and the total number of voting shares they hold prevails.

Article 34 In case any shareholder is connected with any matter to be reviewed at the general meeting, he/she shall abstain from voting, and the voting shares he/she holds shall not be included in the total number of the voting shares held by shareholders present at the meeting.

When the general meeting considers materiel matters that could affect the interest of the medium and small investors, the votes by medium and small investors shall be counted separately, and the results of such separate vote counting shall be disclosed in a timely manner.

The company has no voting right for the shares it holds, and these shares shall not be included in the total number of voting shares held by shareholders present at the meeting.

The Board of Directors of the Company, independent directors, and shareholders who meet the relevant requirements may publicly collect voting rights from other shareholders. Information including the specific voting intention shall be fully disclosed by the collector to the shareholders from whom voting rights are being collected. Consideration or de facto consideration for collecting shareholders' voting rights is prohibited. The Company shall not impose any minimum shareholding limitation for collecting voting rights.

Article 35 When the general meeting votes for election of directors or supervisors, the cumulative voting system may be adopted according to the Company's Articles of Association or the resolution of the general meeting.

The "cumulative voting system" as referred to in the preceding paragraph means that when a general meeting elects directors or supervisors, each share shall carry the same number of voting right as the number of directors or supervisors to be elected, and the voting rights owned by shareholders may be cumulatively used.



- Article 36 Except for the cumulative voting system, the general meeting shall vote on all proposals item by item, and shall vote on the basis of time sequence in case that more than one proposal for one matter is received. The general meeting shall not shelve or take no votes on any proposal, unless the meeting is stopped or unable to make any resolution due to any special reasons, e.g., force majeure.
- Article 37 Any vote of shareholders at a general meeting must be taken by poll except where the presider of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by show of hands.
- Article 38 When considering any proposal, the general meeting shall make no alteration to the proposal; otherwise, the relevant alteration shall be deemed as a new proposal and shall not be voted on at the current general meeting.
- Article 39 The same voting right may be exercised through only one means: on-site, online or any other means. The first voting result shall prevail where the same voting right is repeatedly exercised.
- Article 40 Shareholders attending the general meeting shall express one of the following opinions: "Yes", "No" or "Abstain" on each proposal presented, except for the securities registration and clearing institutions which, being the nominal holders of shares subject to the interconnection mechanism of the Mainland and Hong Kong stock market transactions, shall make declaration according to the intentions of actual holders.
- Unfilled, incorrectly filled, illegible votes or uncast votes shall be considered as an abstention by the voter, and the voting result of the shares held by the voter shall be deemed "Abstain".
- Article 41 The general meeting shall, prior to the voting on proposals, elect two representatives from shareholders to take part in vote counting and polling scrutiny. In case any shareholder is connected to any matter to be considered, the shareholder and his/her proxy shall not take part in vote counting and polling scrutiny.
- When the general meeting votes on proposals, lawyers, representatives of shareholders, representatives of supervisors and auditors, the share registrar or an external accountant qualified to act as an auditor shall be jointly responsible for vote counting and polling scrutiny.
- Shareholders or their proxies who vote online or by any other means shall be entitled to check their voting results via the relevant voting system.
- Article 42 The on-site general meeting shall not end earlier than the meeting held online or by any other means, and the presider of the meeting shall announce the voting situation and results on each proposal at the on-site meeting and whether the proposal is adopted based on the voting results.

All relevant parties involved in the voting on-site, online or by any other means at the general meeting, such as the Company, vote counters, scrutineers, major shareholders and network service providers, shall be obliged to keep the voting situation confidential before the voting results are formally announced.

Article 43 Any resolution of the general meeting shall be announced in a timely manner, and such an announcement shall indicate the number of shareholders and proxies present at the meeting, the total number of voting shares they hold and its proportion to the total voting shares of the Company, the means of voting, the voting results of each proposal as well as the details of each resolution adopted.

The attendance and voting situation of domestic and foreign capital shareholders at the meeting shall be counted separately, and announced.

Article 44 In the event a proposal is not adopted, or the general meeting makes any modification to any resolution adopted at the previous general meeting, a specific indication shall be made in the announcement on resolutions of the general meeting.

Article 45 Minutes of a general meeting shall be taken by the Secretary of the Board of Directors and include:

- (i) The time, place, agenda, and the name(s) of the convener(s);
- (ii) The names of the presider of the meeting as well as directors, supervisors, the Secretary of the Board of Directors, managers and other senior management who attend the meeting or are present at the meeting;
- (iii) The number of shareholders and proxies present at the meeting, the total number of voting shares they hold and its proportion to the total voting shares of the Company;
- (iv) The consideration process, key points of speeches and the voting results with respect to each proposal;
- (v) The inquiries, opinions or suggestions of shareholders as well as the corresponding replies or explanations;
- (vi) The names of lawyers, vote counters and scrutineers;
- (vii) Other information that shall be included in the minutes as required by the Company's Articles of Association.

Such minutes shall be signed by directors present, the Secretary of the Board of Directors, the convener(s) or his/their representative and the presider of the meeting, and shall ensure that the minute is true, accurate and complete. The minutes shall be kept together with the signed register of shareholders in attendance, the instruments of proxy of shareholders and the valid information on voting online and by any other means for at least ten years.

Article 46 The convener(s) shall ensure the general meeting goes on smoothly until final resolutions are made. Where the general meeting is stopped or unable to make any resolution due to any special reasons, e.g., force majeure, necessary measures shall be taken to resume or terminate the general meeting as soon as possible, and an announcement shall be made in a timely manner. At the same time, the convener(s) shall report it to the local office of the CSRC in the region where the Company operates and the stock exchange.

Article 47 Where any proposal on the election of directors or supervisors is adopted at the general meeting, new directors or supervisors shall take their posts in accordance with the Company's Articles of Association.

Article 48 Where any proposal relating to cash dividends, bonus shares or capitalisation from capital public reserve is adopted at the general meeting, the Company shall implement the specific scheme within two months upon the conclusion of the general meeting.

Article 49 Any resolution of the general meeting of the Company that is inconsistent with the laws or administrative regulations shall be invalid.

The controlling shareholder or actual controller of the Company shall not restrict or hinder medium and small investors from exercising their right to vote in accordance with the law, or harm the legitimate interest of the Company and the medium and small investors.

Where any of the procedures for convening a general meeting or the means of voting is inconsistent with the laws, administrative regulations or the Company's Articles of Association, or the content of any resolution is inconsistent with the Company's Articles of Association, shareholders may request the People's Court to cancel such resolution within 60 days from the date on which the resolution is made.

## Chapter 5 Supplementary Provisions

- Article 50 The “announcement” or “notice” as referred to in these Rules of Procedure shall mean relevant information disclosure published on the newspapers designated by the CSRC. In case that such announcement or notice is too long, the Company may choose to disclose a summary thereof on the newspapers designated by the CSRC, provided that the full text thereof shall be posted on the website designated by the CSRC at the same time.
- The “Supplementary Notice of General Meeting” as referred to herein shall be announced on the designated newspaper where the notice of the meeting is published.
- Article 51 The terms “or more” or “within” herein shall include the given figure, while “over”, “less than” or “more than” shall not include the given figure.
- Article 52 The Rules of Procedure shall be formulated by the Board of Directors and shall take effect upon the approval of the general meeting. Any amendment of the Rules shall follow the same procedure.
- Article 53 The Rules of Procedure shall be construed and interpreted by the Board of Directors.

*The Board of Directors*

**Beijing Jingcheng Machinery Electric Company Limited**