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**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)**

**ANNOUNCEMENT IN RELATION TO THE PROPOSED AMENDMENTS  
TO THE “ARTICLES OF ASSOCIATION”**

**The board of directors and all directors of the Company warrant that this announcement does not contain any false information, misleading statements or material omissions and accept joint and several responsibilities for the truthfulness, accuracy, and completeness of its contents herein contained.**

In March 2022, Beijing Jingcheng Machinery Electric Company Limited (the “**Company**”) obtained the written approval from the China Securities Regulatory Commission (the “**CSRC**”) in relation to the acquisition of 80% equity interest in Qingdao BYTQ United Digital Intelligence Co., Ltd.\* (青島北洋天青數聯智能有限公司), and in accordance with the “Report (draft) on the Asset Acquisition by way of Share Issuance and Cash Payment and Raising of Supporting Funds”, the Company completed the registration of the issuance of new shares to raise supporting funds on 19 August 2022. The number of new shares of the issuance was 10,784,674 shares, and the total amount of funds raised was RMB158,966,094.76. Upon completion of the issuance, the total number of shares of the Company is 542,265,988 shares, therefore, it is required to revise the registered capital of the Company.

Meanwhile, in accordance with the provisions of the “Guidelines for the Articles of Association of Listed Companies” and the “Rules for the Independent Directors of Listed Companies\*” (《上市公司獨立董事規則》) newly amended by the CSRC on 5 January 2022, the provisions of the “Opinions on Comprehensively Promoting the Construction of the Rule of Law of Municipal State-owned Enterprises\*” (《關於全面推進市屬國企法治建設的意見》) of the State-owned Assets Supervision and Administration Commission of Beijing Municipal Government, and the “Core Shareholder Protection Standards” set out in the newly amended Appendix 3 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), which became effective on 1 January 2022, and in conjunction with the window guidance opinion of the Market Supervision Administration Bureau of Chaoyang District, Beijing and the actual situation of the Company, it is recommended to amend the relevant provisions relating to the status of issuance, registered capital, repurchase provisions, share transfer provisions, the general meeting, the election, functions and powers of the board of directors and the supervisory committee, access to the register for holders of overseas-listed foreign-invested shares, the reporting and disclosure of periodic reports, etc., and other housekeeping amendments. The specific proposed amendments are as follows:

## THE COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION

<b>Original text of the Articles of Association</b>	<b>Text of the Articles of Association after the proposed amendments</b>
<p>Passed by a special resolution at the general meeting of the shareholders on July 14, 1993 Amended by a special resolution at the general meeting of the shareholders on May 28, 1995 Approved by the State Commission for Restructuring the Economic System and Securities Committee of the State Council on July 17, 1995, Respectively amended by specials resolution at the general meeting of the shareholders on June 11, 2002 Amended by specials resolution at the general meeting of the shareholders on June 12, 2003 Amended by special resolutions at the general meeting of the shareholders on May 24 of 2004 Amended by special resolutions at the general meeting of the shareholders on June 8 of 2005 Amended by special resolutions at the general meeting of the shareholders on June 27 of 2006 Amended by special resolutions at the general meeting of the shareholders on May 26 of 2009 Amended by special resolutions at the general meeting of the shareholders on May 18 of 2011 Amended by special resolutions at the general meeting of the shareholders on Dec 18 of 2012 Amended by special resolutions at the general meeting of the shareholders on Dec 16 of 2013 Amended by special resolutions at the general meeting of the shareholders on June 26 of 2014 Amended by special resolutions at the general meeting of the shareholders on June 9 of 2015 Amended by special resolutions at the general meeting of the shareholders on June 12 of 2018 Amended by special resolutions at the general meeting of the shareholders on June 21 of 2019 Amended by special resolutions at the general meeting of the shareholders on July 15 of 2019 Amended by special resolutions at the general meeting of the shareholders on June 9 of 2020 Amended by special resolutions at the general meeting of the shareholders on 9 February 2021.</p>	<p>To be deleted</p>

<p><b>Article 3</b> The Company obtained approval from the Securities Committee of the State Council on July 9 1993, to issue an initial of 100,000,000 overseas listed foreign shares to overseas investors which were subscribed in foreign currency. The 100,000,000 shares were listed on the Stock Exchange of Hong Kong Limited on August 6 1993. 50,000,000 RMB ordinary shares were issued to domestic investors and were listed on the Shanghai Stock Exchange on May 6 1994. On December 19 2002, the Company obtained approval from China Securities Regulatory Commission to issue additional 22,000,000 RMB ordinary shares to domestic investors and were listed on the Shanghai Stock Exchange on January 16 2003. On November 27 2019, the Company obtained approval from China Securities Regulatory Commission to issue additional 63,000,000 RMB ordinary shares to a domestic investor and registration for new shares was completed at the China Securities Depository and Clearing Corporation Limited (Shanghai Branch) on July 9 2020. On March 21 2022, the Company obtained approval from China Securities Regulatory Commission to issue additional 46,481,314 RMB ordinary shares to domestic investors and registration for new shares was completed at the China Securities Depository and Clearing Corporation Limited (Shanghai Branch) on June 24 2022.</p>	<p><b>Article 3</b> The Company obtained approval from the Securities Committee of the State Council on July 9 1993, to issue an initial of 100,000,000 overseas listed foreign shares to overseas investors which were subscribed in foreign currency. The 100,000,000 shares were listed on the Stock Exchange of Hong Kong Limited on August 6 1993. 50,000,000 RMB ordinary shares were issued to domestic investors and were listed on the Shanghai Stock Exchange on May 6 1994. On December 19 2002, the Company obtained approval from China Securities Regulatory Commission to issue additional 22,000,000 RMB ordinary shares to domestic investors and were listed on the Shanghai Stock Exchange on January 16 2003. On November 27 2019, the Company obtained approval from China Securities Regulatory Commission to issue additional 63,000,000 RMB ordinary shares to a domestic investor and registration for new shares was completed at the China Securities Depository and Clearing Corporation Limited (Shanghai Branch) on July 9 2020. On March 21 2022, the Company obtained approval from China Securities Regulatory Commission to issue additional 46,481,314 RMB ordinary shares to domestic investors and registration for new shares was completed at the China Securities Depository and Clearing Corporation Limited (Shanghai Branch) on June 24 2022. <u>On March 21 2022, the Company obtained approval from China Securities Regulatory Commission to issue additional 10,784,674 RMB ordinary shares to domestic investors and registration for new shares was completed at the China Securities Depository and Clearing Corporation Limited (Shanghai Branch) on August 19 2022.</u></p>
<p><b>Article 5</b> The Company’s address: Rm 901, Jingcheng Holding Mansion, No. 59 Dongsanhuan Road Central, Chaoyang District, Beijing, the PRC postal code: 100022, telephone number: 010-87707356</p>	<p><b>Article 5</b> The Company’s address: Rm 901, Jingcheng Holding Mansion, No. 59 Dongsanhuan Road Central, Chaoyang District, Beijing, the PRC postal code: 100022, <del>telephone number: 010-87707356</del></p>

**Article 9** Entry into Force of the Articles of Association

The Articles of Association passed by a special resolution at the general meeting of the shareholders on July 14, 1993 and registered at Beijing Administration of Industry and Commerce and became effective on the same day. The Articles of Association was amended by a special resolution at the general meeting of the shareholders on May 28, 1995, and respectively amended by a special resolution at the general meeting on June 11, 2002, June 12, 2003, May 24, 2004, June 8, 2005, June 27, 2006, May 26, 2009 and then became effective and superseded the foregoing Articles of Association upon being filed with the competent authorities. The foregoing Articles of Association was respectively amended by a special resolution at the general meeting on May 18, 2011, December 18, 2012, December 16, 2013, June 26, 2014 and June 9, 2015. Amended by special resolutions at the general meeting of the shareholders on June 12 of 2018. Amended by special resolutions at the general meeting of the shareholders on June 21 of 2019. Amended by special resolutions at the general meeting of the shareholders on July 15 of 2019. Amended by special resolutions at the general meeting of the shareholders on 9 June of 2020. Amended by special resolutions at the general meeting of the shareholders on 9 February 2021.

Upon its entry into force, the Company's Articles of Association shall constitute a legally binding document that regulates the Company's organizations and activities, rights and obligations between the Company and each shareholder and among the shareholders.

**Article 9** Entry into Force of the Articles of Association

~~The Articles of Association passed by a special resolution at the general meeting of the shareholders on July 14, 1993 and registered at Beijing Administration of Industry and Commerce and became effective on the same day. The Articles of Association was amended by a special resolution at the general meeting of the shareholders on May 28, 1995, and respectively amended by a special resolution at the general meeting on June 11, 2002, June 12, 2003, May 24, 2004, June 8, 2005, June 27, 2006, May 26, 2009 and then became effective and superseded the foregoing Articles of Association upon being filed with the competent authorities. The foregoing Articles of Association was respectively amended by a special resolution at the general meeting on May 18, 2011, December 18, 2012, December 16, 2013, June 26, 2014 and June 9, 2015. Amended by special resolutions at the general meeting of the shareholders on June 12 of 2018. Amended by special resolutions at the general meeting of the shareholders on June 21 of 2019. Amended by special resolutions at the general meeting of the shareholders on July 15 of 2019. Amended by special resolutions at the general meeting of the shareholders on 9 June of 2020. Amended by special resolutions at the general meeting of the shareholders on 9 February 2021.~~

Upon its entry into force, the Company's Articles of Association shall constitute a legally binding document that regulates the Company's organizations and activities, rights and obligations between the Company and each shareholder and among the shareholders.

<p><b>Article 10</b> The Company’s Articles of Association are binding upon the Company and its shareholders, members of the Party Committee (Discipline Inspection Commission), directors, supervisors, managers and other senior officers, the forementioned may, according to the Company’s Articles of Association, assert rights in respect of the affairs of the Company.</p> <p>Other senior officers fore-mentioned shall refer to the Company’s deputy managers, secretary of the board of directors, financial officers, and chief engineers.</p> <p>A shareholder may take action against the Company pursuant to the Company’s Articles of Association, and vice versa. A shareholder may also take action against another shareholder or the directors, supervisors, managers and other senior officers of the Company pursuant to the Company’s Articles of Association.</p> <p>The prosecution referred includes court proceedings and arbitration proceedings.</p>	<p><b>Article 10</b> The Company’s Articles of Association are binding upon the Company and its shareholders, members of the Party Committee (Discipline Inspection Commission), directors, supervisors, managers and other senior officers, the forementioned may, according to the Company’s Articles of Association, assert rights in respect of the affairs of the Company.</p> <p>Other senior officers fore-mentioned shall refer to the Company’s deputy managers, secretary of the board of directors, financial officers, <del>and chief engineers</del> <u>and general counsel</u>.</p> <p>A shareholder may take action against the Company pursuant to the Company’s Articles of Association, <del>and vice versa</del>. <u>The Company may take action against the shareholders, the directors, the supervisors, the managers and other senior officers pursuant to the Company’s Articles of Association.</u> A shareholder may also take action against another shareholder or the directors, supervisors, managers and other senior officers of the Company pursuant to the Company’s Articles of Association.</p> <p>The prosecution referred includes court proceedings and arbitration proceedings.</p>
<p><b>Article 12</b> CPC grassroots activities of the Company shall be governed by the CPC Constitution.</p>	<p><b>Article 12</b> CPC grassroots activities of the Company shall be governed by the CPC Constitution. <u>The Company shall, in accordance with the provisions of the CPC Constitution, establish a CPC organisation to carry out party activities. The Company shall provide necessary supporting conditions to facilitate the party activities.</u></p>

<p><b>Article 20</b> Upon establishment, the Company instantly turned to public offering. Approved by the competent department authorized by the State Council, the Company may issue a total of 531,481,314 ordinary shares, of which:</p> <p>I. When the Company was established, 250,000,000 shares were issued to the promoter, accounting for 47% of the total number of ordinary shares which may be issued by the Company.</p> <p>II. After its establishment, the Company, from July 23 to July 28 of 1993, issued 100,000,000 shares in Hong Kong to foreign investors, accounting for 18.8% of the total number of ordinary shares which may be issued by the Company.</p> <p>III. After its establishment, the Company, from March 27 to April 12 of 1994, issued 50,000,000 shares to domestic investors, accounting for 9.4% of the total number of ordinary shares which may be issued by the Company.</p> <p>IV. After its establishment, the Company, from December 26, 2002 to January 7, 2003, issued 22,000,000 shares to domestic investors, accounting for 4.1% of the total number of ordinary shares which may be issued by the Company.</p> <p>V. After its establishment, on June 29 2020, the Company issued 63,000,000 shares to a domestic investor, accounting for 11.9% of the total number of ordinary shares which may be issued by the Company.</p> <p>VI. After its establishment, on June 24, 2022, the Company issued 46,481,314 shares to domestic investors, accounting for 8.8% of the total number of ordinary shares which may be issued by the Company.</p>	<p><b>Article 20</b> Upon establishment, the Company instantly turned to public offering. Approved by the competent department authorized by the State Council, the Company may issue a total of <u>531,481,314</u><del>531,481,314</del><u>542,265,988</u> ordinary shares, of which:</p> <p>I. When the Company was established, 250,000,000 shares were issued to the promoter, accounting for <del>47</del><u>46.1</u>% of the total number of ordinary shares which may be issued by the Company.</p> <p>II. After its establishment, the Company, from July 23 to July 28 of 1993, issued 100,000,000 shares in Hong Kong to foreign investors, accounting for <del>18.8</del><u>18.44</u>% of the total number of ordinary shares which may be issued by the Company.</p> <p>III. After its establishment, the Company, from March 27 to April 12 of 1994, issued 50,000,000 shares to domestic investors, accounting for <del>9.4</del><u>9.22</u>% of the total number of ordinary shares which may be issued by the Company.</p> <p>IV. After its establishment, the Company, from December 26, 2002 to January 7, 2003, issued 22,000,000 shares to domestic investors, accounting for <del>4.1</del><u>4.06</u>% of the total number of ordinary shares which may be issued by the Company.</p> <p>V. After its establishment, on June 29 2020, the Company issued 63,000,000 shares to a domestic investor, accounting for <del>11.9</del><u>11.62</u>% of the total number of ordinary shares which may be issued by the Company.</p> <p>VI. After its establishment, on June 24, 2022, the Company issued 46,481,314 shares to domestic investors, accounting for <del>8.8</del><u>8.57</u>% of the total number of ordinary shares which may be issued by the Company.</p> <p><u>VII. After its establishment, on August 19 2022, the Company issued 10,784,674 shares to domestic investors, accounting for 1.99% of the total number of ordinary shares which may be issued by the Company.</u></p>
<p><b>Article 23</b> The Company's registered capital is RMB531,481,314.</p>	<p><b>Article 23</b> The Company's registered capital is RMB<del>531,481,314</del><u>542,265,988</u>.</p>



**Article 29** In any of the following circumstances, the Company may, in accordance with the procedures set out in the Articles of Association and with the approval of the competent authorities, repurchase its issued shares:

- (1) cancelling shares for the purpose of capital reduction;
- (2) merging with another company that holds shares in the Company;
- (3) using for employees ownership plans or share incentives;
- (4) merger or division resolutions proposed at the general meeting of the shareholders are opposed by some shareholders who ask the Company to repurchase their shares;
- (5) using for converting the corporate bonds issued by the Company which are convertible into shares;
- (6) protecting the Company's value and the shareholders' rights and interests when necessary.

Unless in any of the aforesaid circumstances, the Company shall not engage in acquisition of shares.

Acquisition by the Company of its shares due to the circumstances referred to in the preceding items (1) and (2) shall be subject to the approval in general meeting by resolutions; acquisition by the Company of its shares due to the circumstances referred to in the preceding items (3), (5) and (6) shall be subject to the approval in board meeting attended by more than two-third of the directors by resolutions in accordance with the mandate from general meeting.

~~**Article 29** In any of the following circumstances, the Company may, in accordance with the procedures set out in the Articles of Association and with the approval of the competent authorities, repurchase its issued shares:~~  
The Company shall not repurchase its own shares, except in one of the following situations:

- (1) cancelling shares for the purpose of capital reduction;
- (2) merging with another company that holds shares in the Company;
- (3) using for employees ownership plans or share incentives;
- (4) merger or division resolutions proposed at the general meeting of the shareholders are opposed by some shareholders who ask the Company to repurchase their shares;
- (5) using for converting the corporate bonds issued by the Company which are convertible into shares;
- (6) protecting the Company's value and the shareholders' rights and interests when necessary.

~~Unless in any of the aforesaid circumstances, the Company shall not engage in acquisition of shares:~~

Acquisition by the Company of its shares due to the circumstances referred to in the preceding items (1) and (2) shall be subject to the approval in general meeting by resolutions; acquisition by the Company of its shares due to the circumstances referred to in the preceding items (3), (5) and (6) shall be subject to the approval in board meeting attended by more than two-third of the directors by resolutions in accordance with the mandate from general meeting.

**Article 40** The Company may, in accordance with the mutual understandings and agreements between the securities authority of the State Council and overseas securities regulatory organizations, maintain the register of shareholders of overseas-listed foreign-invested shares overseas and appoint overseas agent(s) to manage such register of shareholders. The original register for holders of overseas-listed foreign-invested shares listed in Hong Kong shall be maintained in Hong Kong.

The duplicate register of shareholders of overseas-listed foreign-invested shares shall be maintained at the Company's residence. The appointed overseas agent(s) shall ensure the consistency between the original and the duplicate register of shareholders at all times.

If there is any inconsistency between the original and the duplicate register of shareholders of overseas-listed foreign-invested shares, the original one shall prevail.

**Article 40** The Company may, in accordance with the mutual understandings and agreements between the securities authority of the State Council and overseas securities regulatory organizations, maintain the register of shareholders of overseas-listed foreign-invested shares overseas and appoint overseas agent(s) to manage such register of shareholders. The original register for holders of overseas-listed foreign-invested shares listed in Hong Kong shall be maintained in Hong Kong, and the register for holders of overseas-listed foreign-invested shares must be available for inspection by shareholders.

The duplicate register of shareholders of overseas-listed foreign-invested shares shall be maintained at the Company's residence. The appointed overseas agent(s) shall ensure the consistency between the original and the duplicate register of shareholders at all times.

If there is any inconsistency between the original and the duplicate register of shareholders of overseas-listed foreign-invested shares, the original one shall prevail.



**Article 46** Any person who is a registered shareholder or claims to be entitled to have his name (title) entered in the register of shareholders, if his share certificate (the “original certificate”) was lost, may apply to the Company for a replacement of share certificate in respect of such shares (the “relevant shares”).

The application for a replacement of share certificate by a holder of domestic-invested shares, who has lost his share certificate, shall be dealt with in accordance with Article 144 of the Company Law.

The application for a replacement of share certificate by a holder of overseas-listed foreign shares, who has lost his share certificate, shall be dealt with in accordance with the law of the place where the original register of shareholders of overseas-listed foreign-invested shares is maintained, the rules of the stock exchange or other relevant regulations.

The issue of a replacement of share certificate to a holder of overseas-listed foreign-invested shares listed in Hong Kong, who has lost his share certificate, shall comply with the following requirements:

(1) The applicant shall submit an application to the Company in a prescribed form accompanied by a notarial certificate or a statutory declaration, stating the grounds upon which the application is made, the circumstances and evidence of the loss, and declaring that no other person is entitled to have his name entered in the register of shareholders in respect of the relevant shares.

**Article 46** Any person who is a registered shareholder or claims to be entitled to have his name (title) entered in the register of shareholders, if his share certificate (the “original certificate”) was lost, may apply to the Company for a replacement of share certificate in respect of such shares (the “relevant shares”).

The application for a replacement of share certificate by a holder of domestic-invested shares, who has lost his share certificate, shall be dealt with in accordance with ~~Article 144~~ of the Company Law.

The application for a replacement of share certificate by a holder of overseas-listed foreign shares, who has lost his share certificate, shall be dealt with in accordance with the law of the place where the original register of shareholders of overseas-listed foreign-invested shares is maintained, the rules of the stock exchange or other relevant regulations.

The issue of a replacement of share certificate to a holder of overseas-listed foreign-invested shares listed in Hong Kong, who has lost his share certificate, shall comply with the following requirements:

(1) The applicant shall submit an application to the Company in a prescribed form accompanied by a notarial certificate or a statutory declaration, stating the grounds upon which the application is made, the circumstances and evidence of the loss, and declaring that no other person is entitled to have his name entered in the register of shareholders in respect of the relevant shares.

(2) The Company has not received any declaration made by any person other than the applicant declaring that his name shall be entered into the register of shareholders in respect of such shares before it decides to issue a replacement of share certificate to the applicant.

The Company shall, if it intends to issue a replacement share certificate, publish a notice of its intention to do so at least once every thirty days within a period of ninety consecutive days in such newspapers as may be prescribed by the board of directors.

(3) The Company shall, prior publishing its intention to issue a replacement share certificate, deliver to the stock exchange on which its shares are listed, a copy of the notice to be published, and may publish the notice upon receiving the confirmation from such stock exchange that the notice has been exhibited in the premises of the stock exchange. Such notice shall be exhibited in the premises of the stock exchange for a period of ninety days.

(4) In case of an application which is made without the consent of the registered holder of the relevant shares, the Company shall send by mail to such registered shareholder a copy of the notice to be published.

(5) Upon the expiration of the 90-day period referred to in (3) and (4) of this Article, if the Company has not received any challenge from any person in respect of the issue of the replacement share certificate, it may issue a replacement share certificate to the applicant pursuant to his application.

(6) Where the Company issues a replacement share certificate pursuant to this Article, it shall forthwith cancel the original share certificate and record such cancellation and issuance in the register of shareholders accordingly.

(7) All expenses related to cancelling the original share certificate and issuing a replacement one shall be borne by the applicant, and the Company shall have the right to refuse to take any action until reasonable security is provided by the applicant therefore.

(2) The Company has not received any declaration made by any person other than the applicant declaring that his name shall be entered into the register of shareholders in respect of such shares before it decides to issue a replacement of share certificate to the applicant.

The Company shall, if it intends to issue a replacement share certificate, publish a notice of its intention to do so at least once every thirty days within a period of ninety consecutive days in such newspapers as may be prescribed by the board of directors.

(3) The Company shall, prior publishing its intention to issue a replacement share certificate, deliver to the stock exchange on which its shares are listed, a copy of the notice to be published, and may publish the notice upon receiving the confirmation from such stock exchange that the notice has been exhibited in the premises of the stock exchange. Such notice shall be exhibited in the premises of the stock exchange for a period of ninety days.

(4) In case of an application which is made without the consent of the registered holder of the relevant shares, the Company shall send by mail to such registered shareholder a copy of the notice to be published.

(5) Upon the expiration of the 90-day period referred to in (3) and (4) of this Article, if the Company has not received any challenge from any person in respect of the issue of the replacement share certificate, it may issue a replacement share certificate to the applicant pursuant to his application.

(6) Where the Company issues a replacement share certificate pursuant to this Article, it shall forthwith cancel the original share certificate and record such cancellation and issuance in the register of shareholders accordingly.

(7) All expenses related to cancelling the original share certificate and issuing a replacement one shall be borne by the applicant, and the Company shall have the right to refuse to take any action until reasonable security is provided by the applicant therefore.

**Article 52** Any gains from any sales of shares of the Company by any directors, supervisors, senior management officers or shareholders holding 5% or more of the shares within 6 months after their purchase of the same, or any gains from any purchase of shares of the Company by any of the aforesaid parties within 6 months after sale of the same shall be disgorged and paid to the Company. The board of directors of the Company shall recover such gains from the above mentioned parties, except that 6-month time limit with respect to the sale of such shares shall not apply to any holding 5% or more of the shares of the Company by any securities company as a result of its purchase of remaining shares sold under an underwriting obligation.

If the board of directors of the Company fails to comply with the requirements in accordance with the preceding paragraph, a shareholder shall have the right to request the board of directors to carry out within 30 days. If the board of directors fails to do so within the said time limit, a shareholder shall have the right to initiate proceedings in the People's court directly in his own name for the interests of the Company.

If the board of directors of the Company fails to comply with the requirements in accordance with the first paragraph, the responsible director(s) shall assume joint and several liabilities under the law.

**Article 52** Any gains from any sales of shares or other securities of equity nature of the Company by any directors, supervisors, senior management officers or shareholders holding 5% or more of the shares, within 6 months after their purchase of the same, or any gains from any purchase of shares or other securities of equity nature of the Company, by any of the aforesaid parties within 6 months after sale of the same shall be disgorged and paid to the Company. The board of directors of the Company shall recover such gains from the above mentioned parties, ~~except that 6-month time limit with respect to the sale of such shares shall not apply to any holding 5% or more of the shares of the Company by any securities company as a result of its purchase of remaining shares sold under an underwriting obligation and other circumstances stipulated by the CSRC.~~

The shares or other securities of equity nature held by the directors, supervisors, senior management officers and individual shareholders referred to in the preceding paragraph include the shares or other securities of equity nature held by their spouses, parents and children or others on behalf of them.

If the board of directors of the Company fails to comply with the requirements in accordance with the ~~preceding first~~ paragraph, a shareholder shall have the right to request the board of directors to carry out within 30 days. If the board of directors fails to do so within the said time limit, a shareholder shall have the right to initiate proceedings in the People's court directly in his own name for the interests of the Company.

If the board of directors of the Company fails to comply with the requirements in accordance with the first paragraph, the responsible director(s) shall assume joint and several liabilities under the law.

**Article 69** The general meeting shall exercise the following powers:

(1) to decide the Company's operational guidelines and investment schemes;

(2) to elect and remove directors and supervisors not being employees' representatives and to determine matters relevant to the directors' or supervisors' remuneration;

(3) to consider and approve the report of the board of directors;

(4) to consider and approve the report of the supervisory committee;

(5) to consider and approve the Company's annual budget scheme and budget implementation proposal;

(6) to consider and approve the Company's profit distribution and loss recovery plan;

(7) to resolve the increase or decrease in registered capital of the Company;

(8) to resolve the issue of corporate bonds;

(9) to resolve the merger, division, dissolution, liquidation of the Company or change of the Company's form;

(10) to amend the Articles of Association;

(11) to resolve the appointment and dismissal of the accountancy firms;

(12) to consider and approve the guarantees provided in the next provision;

(13) to consider the purchases or sales of any material asset of the Company, the amount of which exceeds 30% of its latest audited total assets;

(14) to consider and approve the change in use of proceeds from fund raising;

(15) to consider the share incentive plan;

(16) to consider any other matters that are subject to determination of the general meeting as specified in laws, administrative regulations, department rules or the Articles of Association.

**Article 69** The general meeting shall exercise the following powers:

(1) to decide the Company's operational guidelines and investment schemes;

(2) to elect and remove directors and supervisors not being employees' representatives and to determine matters relevant to the directors' or supervisors' remuneration;

(3) to consider and approve the report of the board of directors;

(4) to consider and approve the report of the supervisory committee;

(5) to consider and approve the Company's annual budget scheme and budget implementation proposal;

(6) to consider and approve the Company's profit distribution and loss recovery plan;

(7) to resolve the increase or decrease in registered capital of the Company;

(8) to resolve the issue of corporate bonds;

(9) to resolve the merger, division, dissolution, liquidation of the Company or change of the Company's form;

(10) to amend the Articles of Association;

(11) to resolve the appointment and dismissal of the accountancy firms;

(12) to consider and approve the guarantees provided in the next provision;

(13) to consider the purchases or sales of any material asset of the Company, the amount of which exceeds 30% of its latest audited total assets;

(14) to consider and approve the change in use of proceeds from fund raising;

(15) to consider the share incentive plan and employees share ownership plans;

(16) to consider any other matters that are subject to determination of the general meeting as specified in laws, administrative regulations, department rules or the Articles of Association.

**Article 70** Guarantees required to be approved at the general meeting shall not be submitted to the general meeting for consideration and approval until after being considered and passed by the board of directors, and guarantees subject to the approval at the general meeting shall include, but not limited to, the following:

1. any guarantee as provided after the total amount of guarantees provided by the Company and its controlling subsidiaries exceeds 50% of the latest audited net assets;

2. any guarantee as provided after the total amount of guarantee provided by the Company reaches or exceeds 30% of the latest audited total assets;

3. a guarantee provided to a party whose asset-liability ratio is higher than 70%;

4. a guarantee, the amount of which exceeds 10% of the latest audited net assets;

5. a guarantee provided to the shareholder, beneficial controller or their respective related parties.

When the general meeting considers a guarantee proposed for a shareholder, beneficial owner or his related party, this shareholder or other shareholders controlled by this beneficial owner shall not vote for the proposal, which shall have the affirmative votes by a majority of votes held by other shareholders attending the general meeting.

A guarantee subject to the approval of the board of directors must be agreed by at least two thirds of directors attending the board of directors with a resolution being adopted.

When a guarantee is provided by the Company, the recipient must provide a counter-guarantee, and the party providing the counter-guarantee shall be able to undertake relevant liabilities.

**Article 70** Guarantees required to be approved at the general meeting shall not be submitted to the general meeting for consideration and approval until after being considered and passed by the board of directors, and guarantees subject to the approval at the general meeting shall include, but not limited to, the following:

1. any guarantee as provided after the total amount of guarantees provided by the Company and its controlling subsidiaries exceeds 50% of the latest audited net assets;

2. any guarantee as provided after the total amount of guarantee provided by the Company ~~reaches or exceeds~~ 30% of the latest audited total assets;

3. the guarantees provided after the amount of guarantee provided by the Company within one year exceeds 30% of its latest audited total assets;

~~3~~4. a guarantee provided to a party whose asset-liability ratio is higher than 70%;

~~4~~5. a guarantee, the amount of which exceeds 10% of the latest audited net assets;

~~5~~6. a guarantee provided to the shareholder, beneficial controller or their respective related parties.

When the general meeting considers a guarantee proposed for a shareholder, beneficial owner or his related party, this shareholder or other shareholders controlled by this beneficial owner shall not vote for the proposal, which shall have the affirmative votes by a majority of votes held by other shareholders attending the general meeting.

A guarantee subject to the approval of the board of directors must be agreed by at least two thirds of directors attending the board of directors with a resolution being adopted.

When a guarantee is provided by the Company, the recipient must provide a counter-guarantee, and the party providing the counter-guarantee shall be able to undertake relevant liabilities.

**Article 72** The place for holding general meetings is: the premises of the Company or other location announced by the Company.

After the notice of the general meeting is issued, the place for holding the general meeting shall not be changed without valid reasons. Where a change is needed, the convener shall publish an announcement at least 2 working days before the date of convening the on-site meeting and state the reasons.

The general meeting shall have a meeting place for convening the onsite meetings. The Company shall maximize the percentage of presence of public shareholders at any general meeting by various means including the provision of modern communication technologies, giving priority to online voting, on condition that the general meeting shall be held legally and validly without detriment to the legal rights and interests of domestic and foreign shareholders. A shareholder who participated in a general meeting in the aforesaid manners shall be deemed to have been present at the meeting. Identification of shareholders participating in the general shareholders' meetings by network access means shall be confirmed by brokerage firms who has obtained qualification for securities account opening agency business from China Securities Depository and Clearing Corporation Limited, or by other institutions recognized by China Securities Depository and Clearing Corporation Limited for identification confirmation.

The shareholders present at a general meeting shall express one of the following opinions on the proposed resolutions that are put to a vote: consent, opposition or abstention, except that securities registration and settlement institutions, being the nominal holders of shares subject to Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, may express opinions according to the intentions of actual holders.

**Article 72** The place for holding general meetings is: the premises of the Company or other location announced by the Company.

After the notice of the general meeting is issued, the place for holding the general meeting shall not be changed without valid reasons. Where a change is needed, the convener shall publish an announcement at least 2 working days before the date of convening the on-site meeting and state the reasons.

The general meeting shall have a meeting place for convening the onsite meetings. ~~The Company shall maximize the percentage of presence of public shareholders at any general meeting by various means including the provision of modern communication technologies, giving priority to online voting, on condition that the general meeting shall be held legally and validly without detriment to the legal rights and interests of domestic and foreign shareholders.~~ The Company will also provide online voting to facilitate shareholders to participate in a general meeting. A shareholder who participated in a general meeting in the aforesaid manners shall be deemed to have been present at the meeting. Identification of shareholders participating in the general shareholders' meetings by network access means shall be confirmed by brokerage firms who has obtained qualification for securities account opening agency business from China Securities Depository and Clearing Corporation Limited, or by other institutions recognized by China Securities Depository and Clearing Corporation Limited for identification confirmation.

The shareholders present at a general meeting shall express one of the following opinions on the proposed resolutions that are put to a vote: consent, opposition or abstention, except that securities registration and settlement institutions, being the nominal holders of shares subject to Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, may express opinions according to the intentions of actual holders.



**Article 102** Shareholders (including proxies) exercise their voting rights in proportion to their shareholdings with voting rights, and each share entitles the shareholder one voting right.

The same voting right shall only select any one of the voting methods, namely voting on-site, online voting or other voting methods. Only the first voting result is viewed as valid for any multiple votings of the same voting right.

Voting at the general meeting shall be taken by way of registered poll.

Where material issues affecting the interests of small and medium investors are being considered in the shareholders' general meeting, the votes by small and medium investors shall be counted separately. The separate counting results shall be publicly disclosed in a timely manner.

The shares held by company have no voting rights, and that part of shares is not counted as the total number of shares with voting rights held by shareholders attending the meeting.

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Where material issues affecting the interests of small and medium investors are being considered in the shareholders' general meeting, the votes by small and medium investors shall be counted separately. The separate counting results shall be publicly disclosed in a timely manner.

The shares held by the eCompany have no voting rights, and that part of shares is not counted as the total number of shares with voting rights held by shareholders attending the meeting.

If a shareholder purchases voting shares of the Company in violation of the provisions of Article 63(1) and (2) of the Securities Law, the voting rights of such shares in excess of the prescribed proportion shall not be exercised for a period of thirty-six months after the purchase and shall not be counted as part of the total number of shares with voting rights held by shareholders attending the meeting.

The board of directors, independent directors and certain qualifying shareholders (as determined under the criteria made by relevant regulatory authorities from time to time) of the Company may publicly solicit votes of the Company's shareholders at general meetings, provided that sufficient disclosure of information such as the specific voting preference shall be made to the shareholders from whom voting rights are being solicited. No consideration or other form of de facto consideration shall be involved in the solicitation of voting rights from shareholders. The Company shall not impose any limitation related to minimum shareholdings on the solicitation of voting rights. Public solicitation of votes shall be made in accordance with regulations of relevant regulatory authorities and the stock exchange on which the shares of the Company are listed. The board of directors, independent non-executive directors and shareholders who meet relevant conditions may gather shareholders' voting rights. Voting rights shall be gathered without paying any consideration, and sufficient information disclosure shall be made to the shareholders from whom voting rights are gathered.

The board of directors, independent directors, ~~and certain qualifying shareholders (as determined under the criteria made by relevant regulatory authorities from time to time)~~ of the Company, shareholders holding more than 1% of the shares carrying voting rights or investor protection agencies established in accordance with the laws, administrative regulations or requirements of the CSRC may publicly solicit votes of the Company's shareholders at general meetings, provided that sufficient disclosure of information such as the specific voting preference shall be made to the shareholders from whom voting rights are being solicited. No consideration or other form of de facto consideration shall be involved in the solicitation of voting rights from shareholders. The Company shall not impose any limitation related to minimum shareholdings on the solicitation of voting rights except for statutory conditions. Public solicitation of votes shall be made in accordance with regulations of relevant regulatory authorities and the stock exchange on which the shares of the Company are listed. The board of directors, independent non-executive directors and shareholders who meet relevant conditions may gather shareholders' voting rights. Voting rights shall be gathered without paying any consideration, and sufficient information disclosure shall be made to the shareholders from whom voting rights are gathered.

**Article 108** The following matters shall be resolved by a special resolution at a general meeting:

(1) increase or reduction of the share capital and issue of shares of any class, stock warrants or other similar securities;

(2) repurchase of the Company's shares;

(3) issuance of corporate bonds;

(4) division, merger, dissolution and liquidation of the Company;

(5) amendments to the Articles of Association of the Company;

(6) purchase or disposal of material assets or any guarantee, the amount of which exceeds 30% of the latest audited total assets of the Company;

(7) share incentive scheme.

Other matters which may have a significant impact on the Company if passed by ordinary resolutions, which need to be passed by special resolutions.

**Article 108** The following matters shall be resolved by a special resolution at a general meeting:

(1) increase or reduction of the share capital and issue of shares of any class, stock warrants or other similar securities;

(2) repurchase of the Company's shares;

(3) issuance of corporate bonds;

(4) division, spin-off, merger, dissolution and liquidation of the Company;

(5) amendments to the Articles of Association of the Company;

(6) purchase or disposal of material assets or any guarantee, the amount of which exceeds 30% of the latest audited total assets of the Company;

(7) share incentive scheme;

(8) other matters which may have a significant impact on the Company if passed by ordinary resolutions, which need to be passed by special resolutions.

**Article 114** Before a resolution is voted on at a general meeting, two shareholders representatives shall be elected as vote counters and scrutinizers. Any shareholder who is interested in the matter under consideration and proxies of such shareholder shall not participate in vote counting or scrutinizing.

When the shareholders are voting on the proposed resolutions, lawyers, shareholder representatives, auditors and/or the share registrar shall count and scrutinize the votes jointly, and the voting result will be announced forthwith. Voting on the resolutions will be recorded in the minutes of meeting.

Shareholders of the Company or their proxies who cast votes via network or other means shall be entitled to review their own voting result through the relevant voting system.

The on-site voting shall not end earlier than the network voting or any other method of voting at the shareholders' general meeting. The chairperson of the meeting shall announce details of voting in connection with each proposed resolution, the voting result and whether the proposed resolution is passed in accordance with the voting result.

Before the formal announcement of the voting result, the related parties including companies, vote counters, scrutineers, substantial shareholders and network service providers at the meeting or participating in on-site voting, network voting or other methods of voting, shall bear the duty of confidentiality of the voting.

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Before the formal announcement of the voting result, the related parties including companies, vote counters, scrutineers, substantial shareholders and network service providers at the meeting or participating in on-site voting, network voting or other methods of voting, shall bear the duty of confidentiality of the voting.

<p><b>Article 123</b> If the supervisory committee determines to convene a general meeting on their own, it shall give a written notice to the board of directors and file the same with the local office of China Securities Regulatory Commission at the place where the Company is located and the stock exchange for records.</p> <p>The shareholding of the convening shareholders shall not be lower than 10% prior to the announcement of the resolutions of the general meeting.</p> <p>The convening shareholder shall submit relevant evidence to the local office of China Securities Regulatory Commission at the place where the Company is located and the stock exchange(s) upon the issuance of the notice of general meeting and the announcement of the resolutions of the general meeting.</p>	<p><b>Article 123</b> If the supervisory committee <u>or shareholders</u> determines to convene a general meeting on their own, <del>it</del><u>they</u> shall give a written notice to the board of directors and file the same with <del>the local office of China Securities Regulatory Commission at the place where the Company is located</del> and the stock exchange(s) for records.</p> <p>The shareholding of the convening shareholders shall not be lower than 10% prior to the announcement of the resolutions of the general meeting.</p> <p>The <u>supervisory committee or the convening shareholder</u> shall submit relevant evidence to <del>the local office of China Securities Regulatory Commission at the place where the Company is located</del> and the stock exchange(s) upon the issuance of the notice of general meeting and the announcement of the resolutions of the general meeting.</p>
<p><b>Article 124</b> The board of directors and the secretary to the board of directors shall cooperate with respect to matters relating to a general meeting convened by the supervisory committee at their own discretion. The board of directors shall provide the register of shareholders as of the date of record date.</p>	<p><b>Article 124</b> The board of directors and the secretary to the board of directors shall cooperate with respect to matters relating to a general meeting convened by the supervisory committee <u>or shareholders</u> at their own discretion. The board of directors <del>shall</del><u>will</u> provide the register of shareholders as of the date of record date.</p>
<p><b>Article 146</b> The board of directors reports to general meetings and exercises the following powers:</p> <ol style="list-style-type: none"> <li>(1) to convene the general meetings and report its work to the general meetings;</li> <li>(2) to implement the resolutions passed at the general meetings;</li> <li>(3) to decide on the Company's business plans and investment schemes;</li> <li>(4) to formulate the Company's annual budget schedule and budget implementation proposal;</li> <li>(5) to formulate the Company's profit distribution plan and loss recovery plan;</li> <li>(6) to formulate proposals for increase or reduction of the Company's registered capital and the issue of corporate debentures;</li> </ol>	<p><b>Article 146</b> The board of directors reports to general meetings and exercises the following powers:</p> <ol style="list-style-type: none"> <li>(1) to convene the general meetings and report its work to the general meetings;</li> <li>(2) to implement the resolutions passed at the general meetings;</li> <li>(3) to decide on the Company's business plans and investment schemes;</li> <li>(4) to formulate the Company's annual budget schedule and budget implementation proposal;</li> <li>(5) to formulate the Company's profit distribution plan and loss recovery plan;</li> <li>(6) to formulate proposals for increase or reduction of the Company's registered capital and the issue of corporate debentures;</li> </ol>

(7) to draw up proposals for important acquisition, purchase of the Company's share, or combination, division, dissolution and change in the form of the Company;

(8) to decide within the authorization of the general meeting on investment, purchase, sale or mortgage of assets, guarantee, wealth management, related transaction and the like;

(9) to determine the establishment of the Company's internal management structure;

(10) to appoint or dismiss the Company's manager and secretary of the board of directors, to appoint or dismiss as nominated by the manager deputy managers and financial officers of the Company, and to determine their remuneration;

(11) to formulate basic management policy for the Company;

(12) to formulate proposed amendments to the Articles of Association;

(13) to manage the Company's information disclosure;

(14) to determine the Company's interim dividend distribution plan;

(15) to propose to the general meeting to appoint or dismiss an accountancy firm as the internal control auditor;

(16) to listen to the work report by the manager of the Company and inspect their work;

(17) to exercise other powers conferred by laws, administrative regulations, departmental rules or the Articles of Association;

(18) to exercise any other powers conferred by the shareholders at the general meetings.

Except for the resolutions of the board of directors in respect of the matters specified in items (6), (7) and (12) which shall be passed by two-thirds or more of the directors, the resolutions of the board of directors in respect of any other aforesaid matters may be passed by more than half of the directors.

(7) to draw up proposals for important acquisition, purchase of the Company's share, or combination, division, dissolution and change in the form of the Company;

(8) to decide within the authorization of the general meeting on investment, purchase, sale or mortgage of assets, guarantee, wealth management, related transaction, external donation and the like;

(9) to determine the establishment of the Company's internal management structure;

(10) to ~~appoint or dismiss~~ decide on the appointment or dismissal of the Company's manager and secretary of the board of directors and to determine matters in relation to their remuneration, rewards and penalties, to appoint or dismiss as nominated by the manager deputy managers ~~and~~, financial officers, chief engineers, general counsel and other senior officers of the Company, and to determine matters in relation to their remuneration, rewards and penalties;

(11) to formulate basic management policy for the Company;

(12) to formulate proposed amendments to the Articles of Association;

(13) to manage the Company's information disclosure;

(14) to determine the Company's interim dividend distribution plan;

(15) to propose to the general meeting to appoint or dismiss an accountancy firm as the internal control auditor;

(16) to listen to the work report by the manager of the Company and inspect their work;

(17) to exercise other powers conferred by laws, administrative regulations, departmental rules or the Articles of Association;

(18) to exercise any other powers conferred by the shareholders at the general meetings.

Except for the resolutions of the board of directors in respect of the matters specified in items (6), (7) and (12) which shall be passed by two-thirds or more of the directors, the resolutions of the board of directors in respect of any other aforesaid matters may be passed by more than half of the directors.



**Article 166** In addition to powers referred to in the preceding Article, an independent non-executive director may provide an independent opinion to the board of directors or the general meeting of the shareholders on the following matters:

- (1) nomination, appointment or removal of directors;
- (2) appointment or removal of senior officers;
- (3) remuneration of directors and senior officers of the Company;
- (4) any outstanding or new lending to or other monetary relationship with shareholders, beneficial owners or their related enterprises, the amount of which is higher than RMB3 million or 5% of the latest audited net assets of the Company, and whether the company has effective measures to collect the arrears;
- (5) matters that independent non-executive director(s) deem might damage the rights and interests of small and medium shareholders;
- (6) other matters specified in the Articles of Association.

An independent non-executive director may give one of the following opinions on the aforesaid matters: approval; opinion with reserve and reasons; disapproval and reasons; unable to give an opinion and relevant barriers. When a relevant matter is required to be disclosed, the Company shall have the independent non-executive director' opinions published, and in case of any dispute and failure to reach an agreement among the independent non-executive directors, the board of directors shall publish their opinions separately.

**Article 178** The manager, deputy managers, financial officers and secretary of the board are senior officers of the Company.

A person holding a non-director position or a non-supervisor position in a controlling shareholder or beneficial owner of the Company shall not be a senior officer of the Company.

**Article 166** In addition to powers referred to in the preceding Article, an independent non-executive director may provide an independent opinion to the board of directors or the general meeting of the shareholders on the following matters:

- (1) nomination, appointment or removal of directors;
- (2) appointment or removal of senior officers;
- (3) remuneration of directors and senior officers of the Company;
- (4) any outstanding or new lending to or other monetary relationship with shareholders, beneficial owners or their related enterprises, the amount of which is higher than RMB3 million or 5% of the latest audited net assets of the Company, and whether the company has effective measures to collect the arrears;
- (5) matters that independent non-executive director(s) deem might damage the rights and interests of small and medium shareholders;
- (6) other matters as required by the laws, administrative regulations, the CSRC andspecified in the Articles of Association.

An independent non-executive director may give one of the following opinions on the aforesaid matters: approval; opinion with reserve and reasons; disapproval and reasons; unable to give an opinion and relevant barriers. When a relevant matter is required to be disclosed, the Company shall have the independent non-executive director' opinions published, and in case of any dispute and failure to reach an agreement among the independent non-executive directors, the board of directors shall publish their opinions separately.

**Article 178** The manager, deputy managers, financial officers, ~~and~~ secretary of the board, chief engineers and general counsel are senior officers of the Company.

A person holding a non-director position or a non-supervisor position in a controlling shareholder or beneficial owner of the Company shall not be a senior officer of the Company.

Senior officers of the Company shall receive remuneration only from the Company, and such shall not be paid by the controlling shareholder on behalf of the Company.

<p><b>Article 182</b> A senior officer shall be liable for compensation if he has violated laws, administrative regulations, departmental rules and the Articles of Association in the course of performing his duties and caused damages to the Company.</p>	<p><b>Article 182</b> A senior officer shall be liable for compensation if he has violated laws, administrative regulations, departmental rules and the Articles of Association in the course of performing his duties and caused damages to the Company.</p> <p><u>Senior officers of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders. Senior officers of the Company shall be liable for compensation in accordance with the relevant laws if they fail to faithfully perform their duties or breach their fiduciary duty and cause damage to the interests of the Company and its public shareholders.</u></p>
<p><b>Article 184</b> The Company shall have a supervisory committee, which consists of three supervisors. The supervisory committee shall have one chairman of the supervisory committee and two supervisors. Each supervisor shall serve for a term of three years, which is renewable upon re-election and re-appointment.</p> <p>The election or removal of the chairman of the supervisory committee shall have the affirmative votes of two thirds or more of the members of the supervisory committee.</p>	<p><b>Article 184</b> The Company shall have a supervisory committee, which consists of three supervisors. The supervisory committee shall have one chairman of the supervisory committee and two supervisors. Each supervisor shall serve for a term of three years, which is renewable upon re-election and re-appointment.</p> <p>The election or removal of the chairman of the supervisory committee shall have the affirmative votes of two thirds or more of the members of the supervisory committee.</p> <p><u>In the event of failing to re-elect supervisors upon expiry of their terms of office, or a supervisor resigning during his term of office and resulting in the number of members of the supervisory committee falling below the statutory minimum requirement, the existing supervisors shall continue to perform their duties in accordance with the laws, administrative regulations and the Articles of Association until the re-elected supervisors assume their office.</u></p>

**Article 185** The supervisory committee comprises two thirds of shareholder representatives and one third of employee representatives. Shareholder representatives shall be elected and removed at the general meeting, while employee representatives shall be elected and removed by democratic election of employees.

The supervisory committee shall convene at least two meetings in a year, which shall be convened and presided over by the chairman of the supervisory committee. A notice shall be dispatched in person to all supervisors 14 days prior to the date of meeting.

The notice shall include the following information:

- (1) date, venue and duration of the meeting;
- (2) subject and topic of the meeting;
- (3) date on which the notice is dispatched.

Supervisors may propose to convene an extraordinary supervisory meeting.

**Article 185** The supervisory committee comprises two thirds of shareholder representatives and one third of employee representatives. Shareholder representatives shall be elected and removed at the general meeting, while employee representatives shall be elected and removed by democratic election of employees.

The supervisory committee shall convene at least ~~two meetings in a year~~ one meeting every six months, which shall be convened and presided over by the chairman of the supervisory committee. ~~A notice shall be dispatched in person to all supervisors 14 days prior to the date of meeting.~~ To convene a regular meeting or an extraordinary meeting of the supervisory committee, the office of the board of directors shall issue a written meeting notice affixed with the seal of the supervisory committee to all supervisors ten days and five days respectively in advance by direct delivery service, fax, email or any other means. If the notice is not sent by direct delivery service, confirmation by telephone is also required and corresponding records shall be made.

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

The notice shall include the following information:

- (1) date, venue and duration of the meeting;
- (2) subject and topic of the meeting;
- (3) date on which the notice is dispatched.

Supervisors may propose to convene an extraordinary supervisory meeting.

**Article 187** The supervisory committee shall be accountable to the general meeting, and shall exercise the following powers in accordance with law:

(1) to review the Company's financial position;

(2) to supervise the directors, manager, deputy managers, financial officers and other senior officers to ensure that they do not act in violation of any law, regulation or the Company's Articles of Association;

(3) to demand any director, manager, deputy manager, financial officer or any other senior officer who acts in a manner which is harmful to the Company's interest to rectify such behavior;

(4) to check the financial information such as the financial report, business report and plans for distribution of profits to be submitted by the board of directors to the general meetings and give written examination opinions, and to authorize, in the Company's name, publicly certified accountants and practising auditors to assist in the re-examination of such information should any doubt arise in respect thereof;

(5) to propose to convene an extraordinary general meeting;

(6) to represent the Company in negotiations with or in bringing actions against a director or senior management;

(7) to submit proposals to the general meetings;

(8) other functions and powers specified in the Company's Articles of Association.

Supervisors shall be present at the board meetings.

**Article 187** The supervisory committee shall be accountable to the general meeting, and shall exercise the following powers in accordance with law:

(1) to review the Company's periodic reports prepared by the board of directors and give written review opinions;

~~(2)~~ to review the Company's financial position;

~~(2)~~ to supervise the directors, manager, deputy managers, financial officers and other senior officers to ensure that they do not act in violation of any law, regulation or the Company's Articles of Association, and to make suggestions on the removal of directors or senior officers who violated the laws, administrative regulations, the Articles of Association or the resolutions of the general meeting;

~~(3)~~ to demand any director, manager, deputy manager, financial officer or any other senior officer who acts in a manner which is harmful to the Company's interest to rectify such behavior;

~~(4) to check the financial information such as the financial report, business report and plans for distribution of profits to be submitted by the board of directors to the general meetings and give written examination opinions, and to authorize, in the Company's name, publicly certified accountants and practising auditors to assist in the re-examination of such information should any doubt arise in respect thereof;~~

(5) to conduct investigations into any irregularities identified in the operation of the Company and, if necessary, may engage professional institutions, including accounting firms and law firms to assist its work and the expenses so incurred shall be borne by the Company;

~~(5)~~ to propose to convene an extraordinary general meeting, and to convene and preside over the general meeting when the board of directors fails to perform its duty of convening and presiding over the general meeting as prescribed by the Company Law;

~~(6)~~ to represent the Company in negotiations with or in bringing actions against a director or senior management;

~~(7)~~ to submit proposals to the general meetings;

~~(8)~~ other functions and powers specified in the Company's Articles of Association.

Supervisors shall be present may attend board meetings, and raise questions or suggestions on matters to be resolved at the board meetings.

<p><b>Article 188</b> Resolutions of the supervisory committee shall be passed by the affirmative votes of more than two thirds of all its members.</p> <p>The supervisory committee may set up office(s) as is necessary for its supervision functions.</p>	<p><b>Article 188</b> Resolutions of the supervisory committee shall be passed by the affirmative votes of more than two thirds of all its members.</p> <p><u>The supervisory committee shall formulate the rules of procedures for the supervisory committee and specify the rules of procedures and voting procedures of the supervisory committee, so as to ensure the efficiency and scientific decision-making of the supervisory committee.</u></p> <p>The supervisory committee may set up office(s) as is necessary for its supervision functions.</p>
<p><b>Article 192</b> To excise its powers, the supervisory committee may retain lawyer and accountancy firms when necessary, to provide professional assistance, the reasonable expenses for which shall be borne by the Company.</p>	<p><b>Article 192</b> <u>Supervisors shall ensure the truthfulness, accuracy and completeness of the information disclosed by the Company and shall sign written confirmation of the periodic reports.</u></p>
<p><b>Article 193</b> The supervisors shall faithfully perform their duties in accordance with laws, regulations and the Articles of Association.</p>	<p><del><b>Article 193</b> The supervisors shall faithfully perform their duties in accordance with laws, regulations and the Articles of Association.</del> <u>Supervisors shall comply with the laws, administrative regulations and the Articles of Association, bear fiduciary obligations and diligence obligations towards the Company, shall not take advantage of their positions to accept bribes or other illegal income or embezzle the Company's property.</u></p> <p><u>Supervisors shall not take advantage of their connected relationship to damage the Company's interests, and in case of any violation causing losses to the Company, they shall be liable for compensation.</u></p> <p><u>A supervisor shall be liable for compensation if he has violated the laws, administrative regulations, departmental rules and the Articles of Association in the course of performing his duties and caused damages to the Company.</u></p>

**Article 194** A person may not serve as a director, supervisor, manager or any other senior officer of the Company if any of the following circumstances apply:

(1) a person having no or limited capacity for civil conduct;

(2) a person who has been sentenced for corruption, bribery, infringement or misappropriation of property or other crimes which disrupt the social economic order, or has been deprived of his political rights, with the completion of such punishments being less than five years ago;

(3) a person who is a former director or manager of a company or an enterprise which has been dissolved or put into liquidation as a result of mismanagement, and is personally liable for the winding up of such company or enterprise, with completion of the bankruptcy liquidation being less than three years ago;

(4) a person who is a former legal representative of a company or an enterprise the business license of which was revoked due to violation of law and is personally liable therefor, with revocation of the business license being less than three years ago;

(5) a person who has a relatively large amount of debts which have become overdue;

(6) a person who is currently under investigation by judicial organs for violation of criminal law;

(7) a person who, according to laws and administrative regulations, cannot act as a leader of an enterprise;

(8) a person other than a natural person;

(9) a person who has been convicted by the competent authority for violation of relevant securities regulations and fraudulent or dishonest actions, with the conviction being made less than five years ago;

**Article 194** A person may not serve as a director, supervisor, manager or any other senior officer of the Company if any of the following circumstances apply:

(1) a person having no or limited capacity for civil conduct;

(2) a person who has been sentenced for corruption, bribery, infringement or misappropriation of property or other crimes which disrupt the social economic order, or has been deprived of his political rights, with the completion of such punishments being less than five years ago;

(3) a person who is a former director or manager of a company or an enterprise which has been dissolved or put into liquidation as a result of mismanagement, and is personally liable for the winding up of such company or enterprise, with completion of the bankruptcy liquidation being less than three years ago;

(4) a person who is a former legal representative of a company or an enterprise the business license of which was revoked due to violation of law and is personally liable therefor, with revocation of the business license being less than three years ago;

(5) a person who has a relatively large amount of debts which have become overdue;

(6) a person who is currently under investigation by judicial organs for violation of criminal law;

(7) a person who, according to laws and administrative regulations, cannot act as a leader of an enterprise;

(8) a person other than a natural person;

(9) a person who has been convicted by the competent authority for violation of relevant securities regulations and fraudulent or dishonest actions, with the conviction being made less than five years ago;



<p>(10) a person who has been ordered by CSRC not to enter the securities market for a period which has not been expired yet;</p> <p>(11) a person who is involved in any other circumstance specified by laws, administrative regulations or departmental rules.</p> <p>If the election or appointment of directors violates this Article, such election, appointment or employment shall be invalid. If any of the circumstances described in this Article occurs during the term of office of a director, the company shall remove the director from the position.</p>	<p>(10) a person who has been <del>ordered</del><u>prohibited from entering the securities market</u> by <del>the CSRC</del><u>not to enter the securities market</u> for a period which has not been expired yet;</p> <p>(11) a person who is involved in any other circumstance specified by laws, administrative regulations or departmental rules.</p> <p>If the election or appointment of directors violates this Article, such election, appointment or employment shall be invalid. If any of the circumstances described in this Article occurs during the term of office of a director, the <del>C</del><u>company</u> shall remove the director from the position.</p>
<p><b>Article 218</b> The Company shall submit its annual financial reports to China Securities Regulatory Commission and the stock exchange(s) within 4 months from the ending date of each financial year, its interim financial reports to the local office of China Securities Regulatory Commission and the stock exchange(s) within 2 months from the ending date of the first 6 months of each financial year, and the quarterly reports to the local office of China Securities Regulatory Commission and the stock exchange(s) within 1 month from the ending dates of the first 3 and first 9 months of each financial year respectively.</p> <p>The aforementioned financial reports shall be prepared in accordance with relevant laws, administrative regulations as well as the departmental rules.</p>	<p><b>Article 218</b> The Company shall submit <u>and disclose</u> its annual <del>financial</del> reports to China Securities Regulatory Commission and the stock exchange(s) within 4 months from the ending date of each financial year, <u>and disclose</u> its interim <del>financial</del> reports to the local office of China Securities Regulatory Commission and the stock exchange(s) within 2 months from the ending date of the first 6 months of each financial year, <del>and the quarterly reports to the local office of China Securities Regulatory Commission and the stock exchange(s) within 1 month from the ending dates of the first 3 and first 9 months of each financial year respectively.</del></p> <p>The aforementioned <del>financial</del><u>annual reports and interim</u> reports shall be prepared in accordance with relevant laws, administrative regulations <del>as well as the departmental rules</del><u>and the provisions of the China Securities Regulatory Commission and the stock exchange(s).</u></p>

Save for the above amendments, other provisions of the Articles of Association of the Company remain unchanged.

The Articles of Association of the Company is written in Chinese and the English translation is for reference only. In case of discrepancies between the Chinese and English versions of the Articles of Association of the Company, the Chinese version shall prevail.

The proposed amendments to the Articles of Association of the Company are subject to the approval of the shareholders of the Company (the “**Shareholders**”) by way of a special resolution to be proposed at the extraordinary general meeting of the Company. A circular containing, amongst other things, particulars relating to the proposed amendments to the Articles of Association of the Company will be despatched to the Shareholders in due course.

By order of the Board  
**Beijing Jingcheng Machinery Electric Company Limited**  
**Luan Jie**  
*Company Secretary*

Beijing, the PRC  
30 March 2023

*As at the date of this announcement, the board of directors of the Company comprises Mr. Wang Jun, Mr. Li Junjie and Mr. Zhang Jiheng as executive directors, Mr. Wu Yanzhang, Mr. Xia Zhonghua, Mr. Man Huiyong and Ms. Li Chunzhi as non-executive directors, and Mr. Xiong Jianhui, Mr. Zhao Xuguang, Mr. Liu Jingtai and Mr. Luan Dalong as independent non-executive directors.*

\* *For identification purposes only.*