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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

If you have sold or transferred all your shares in Beijing Jingcheng Machinery Electric Company Limited, you should at once hand this circular, together with the accompanying form of proxy, to the purchaser or to the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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This circular is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of Beijing Jingcheng Machinery Electric Company Limited.

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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)**

**THE FULL TEXT AND THE SUMMARY OF ANNUAL REPORT FOR A SHARES AND  
ANNUAL REPORT FOR H SHARES FOR 2022  
2022 WORK REPORT OF THE BOARD OF DIRECTORS OF THE COMPANY  
2022 WORK REPORT OF THE SUPERVISORY COMMITTEE OF THE COMPANY  
2022 AUDITED FINANCIAL REPORTS OF THE COMPANY  
INTERNAL CONTROL AUDIT REPORT OF THE 2022 FINANCIAL REPORT OF THE COMPANY  
2022 WORK REPORT OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS OF  
THE COMPANY  
RE-APPOINTMENT OF SHINEWING CERTIFIED PUBLIC ACCOUNTANTS (SPECIAL GENERAL  
PARTNERSHIP) AS THE AUDITOR FOR THE COMPANY'S 2023 FINANCIAL REPORT  
RE-APPOINTMENT OF DA HUA CERTIFIED PUBLIC ACCOUNTANTS (SPECIAL GENERAL  
PARTNERSHIP) AS THE AUDITOR FOR THE COMPANY'S INTERNAL CONTROL  
AUDIT REPORT OF THE 2023 FINANCIAL REPORT  
THE RESOLUTION OF THE COMPANY NOT TO DISTRIBUTE ANY PROFIT FOR  
THE YEAR OF 2022  
TO APPROVE THE RESOLUTION IN RELATION TO THE GRANT OF GENERAL MANDATE TO  
THE BOARD TO ISSUE H SHARES BY THE COMPANY  
PROPOSED AMENDMENTS TO THE "ARTICLES OF ASSOCIATION"  
THE RESOLUTION IN RELATION TO THE REMUNERATION OF AND THE ENTERING  
INTO OF THE WRITTEN CONTRACTS WITH THE DIRECTORS OF  
THE ELEVENTH SESSION OF THE BOARD  
THE RESOLUTION IN RELATION TO THE REMUNERATION OF AND THE ENTERING  
INTO OF THE WRITTEN CONTRACTS WITH THE SUPERVISORS OF  
THE ELEVENTH SESSION OF THE SUPERVISORY COMMITTEE  
THE RESOLUTION IN RELATION TO THE ELECTION OF DIRECTORS  
THE RESOLUTION IN RELATION TO THE ELECTION OF  
INDEPENDENT NON-EXECUTIVE DIRECTORS  
THE RESOLUTION IN RELATION TO THE ELECTION OF SUPERVISORS  
AND  
NOTICE OF AGM**

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A letter from the Board is set out on pages 3 to 9 of this circular.

A notice convening the AGM of the Company to be held at the Conference Room, No. 6 Rongchang East Street, Daxing District, Beijing, PRC on 16 June 2023 at 9:30 a.m. is set out on pages AGM-1 to AGM-4 of this circular.

Whether or not you intend to attend the above meeting, you are requested to complete the form of proxy for use at the above meeting in accordance with the instructions printed thereon and return the same to the business address of the Company at No. 2 Huo Xian Nan San Road, Huo Xian Town, Tongzhou District, Beijing, the PRC, or the Company's H Share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event no later than 24 hours before the time appointed for the convention of the above meeting. The completion and return of the form(s) of proxy will not preclude you from attending and voting in person at the above meeting or any adjournment thereof if you so wish.

17 May 2023

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## DEFINITIONS

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

“A Share(s)”	ordinary shares of the Company with a nominal value of RMB1.00 each, which are issued in the PRC, subscribed for in RMB and listed on the SSE (stock code: 600860)
“A Shareholder(s)”	holders of A Shares
“AGM”	the annual general meeting of the Company to be convened on Friday, 16 June 2023 at 9:30 a.m. at the Company’s Conference Room, No. 6 Rongchang East Street, Daxing District, Beijing, PRC
“Articles of Association”	the “articles of association” of the Company as amended from time to time
“Board”	the board of directors of the Company
“Company”	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 PRC with limited liability and the shares of which are listed on the Main Board of the Stock Exchange and the SSE
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate proposed to be granted to the Board at the AGM for the purpose of, among others, issuing and dealing with the new Shares of which the number shall be no more than 20% of the number of H Shares in issue as at the date of the passing of the proposed special resolution at the AGM
“H Share(s)”	overseas listed shares of the Company with a nominal value of RMB1.00 each, which are issued in Hong Kong, subscribed for in Hong Kong dollars and listed on the Main Board of the Stock Exchange (stock code: 00187)
“H Shareholder(s)”	holders of H Shares
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

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## DEFINITIONS

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“Latest Practicable Date”	12 May 2023, being the latest practicable date prior to the printing of this circular for ascertaining information included in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this circular excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	Share(s) of the Company, including A Share(s) and H Share(s), unless otherwise specified
“Shareholder(s)”	holders of the Shares
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SSE”	the Shanghai Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the supervisor(s) of the Company
“%”	percent



**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)**

*Executive Directors:*

Mr. Li Junjie  
Mr. Zhang Jiheng

*Non-executive Directors:*

Mr. Wu Yanzhang  
Mr. Xia Zhonghua  
Mr. Man Huiyong  
Ms. Li Chunzhi

*Independent non-executive Directors:*

Mr. Xiong Jianhui  
Mr. Zhao Xuguang  
Mr. Liu Jingtai  
Mr. Luan Dalong

*Registered office:*

Room 901, No. 59 Mansion,  
Dongsanhuan Road Central,  
Chaoyang District,  
Beijing,  
PRC

17 May 2023

*To the Shareholders*

Dear Sir or Madam,

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## LETTER FROM THE BOARD

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THE FULL TEXT AND THE SUMMARY OF ANNUAL REPORT FOR A SHARES AND  
ANNUAL REPORT FOR H SHARES FOR 2022  
2022 WORK REPORT OF THE BOARD OF DIRECTORS OF THE COMPANY  
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INDEPENDENT NON-EXECUTIVE DIRECTORS  
THE RESOLUTION IN RELATION TO THE ELECTION OF SUPERVISORS  
AND  
NOTICE OF AGM

### 1. INTRODUCTION

The purpose of this circular is to provide you with the notice of the 2022 AGM and to provide you with reasonable and necessary information.

At the AGM of 2022, the ordinary resolutions will be proposed to consider and approve (1) the full text and the summary of Annual Report for A Shares and Annual Report for H shares of the Company for 2022; (2) 2022 Work Report of the Board of the Company; (3) 2022 Work Report of the supervisory committee of the Company; (4) 2022 audited financial reports of the Company; (5) the internal control audit report of the 2022 financial report of the Company; (6) 2022 Work Report of the independent non-executive Directors of the Company; (7) re-appointment of ShineWing Certified Public Accountants (Special General Partnership) as the auditor for the Company's 2023 financial reports and to propose at the general meeting to authorise the Board to sign an appointment agreement with it and determine its remuneration; (8) re-appointment of Da Hua Certified Public Accountants (Special General Partnership) as the auditor for the Company's internal control audit report of the 2023 financial report and to propose at the general meeting to authorise the Board to sign an appointment agreement with it and determine its remuneration; (9) the resolution of the Company not to distribute any profit for the year 2022; (12) the resolution in relation to the remuneration of and the entering into of the written contracts with the Directors of the eleventh session of the Board; (13) the resolution in relation to the remuneration of and the entering into of the written contracts with the Supervisors of the eleventh session of the supervisory committee; (14) the resolution in relation to the election of Directors; (15) the resolution in relation to the election of independent non-executive Directors; and (16) the

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## LETTER FROM THE BOARD

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resolution in relation to the election of Supervisors; the following special resolutions will be proposed to consider and approve (10) the resolution in relation to the grant of general mandate to the Board to issue H shares; and (11) the resolution of the proposed amendments to the “Articles of Association”.

**The full text and the summary of Annual Report for A shares and Annual Report for H shares for 2022, 2022 Work Report of the Board, 2022 audited financial reports, the internal control audit report of the 2022 financial report and the resolution not to distribute any profit for the year 2022**

For details, please refer to the 2022 Annual Report of the Company which has been published on the website of the Company and the website of the Stock Exchange and the relevant sections thereof.

**2022 Work Report of the supervisory committee**

For details, please refer to Appendix I to this circular.

**2022 Work Report of the independent non-executive Directors**

For details, please refer to Appendix II to this circular.

**Re-appointment of auditor for 2023 financial reports**

The Board proposes that the Company to re-appoint ShineWing Certified Public Accountants (Special General Partnership) as the auditor for the Company’s 2023 financial reports, and to authorise the Board to sign an appointment agreement with it and determine its remuneration.

**Re-appointment of auditor for 2023 internal control report over financial reporting**

The Board proposes that the Company to re-appoint Da Hua Certified Public Accountants (Special General Partnership) as the auditor for the Company’s 2023 internal control report of the 2023 financial report, and to authorise the Board to sign an appointment agreement with it and determine its remuneration.

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## LETTER FROM THE BOARD

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### 2. TO APPROVE THE RESOLUTION IN RELATION TO THE GRANT OF GENERAL MANDATE TO THE BOARD TO ISSUE H SHARES BY THE COMPANY

To increase the flexibility and efficiency in operation, and to give discretion to the Board in the event that it becomes desirable to issue new Shares, the Company proposes to obtain Shareholders' approval for the General Mandate to allot, issue and deal with additional H Shares not exceeding 20% of the issued H Shares as at the date of the passing of the resolution at the AGM and to make or grant offers, agreements and/or options in respect thereof, subject to the following conditions:

- (a) the General Mandate shall not extend beyond the Relevant Period (as defined below) save that the Board may during the Relevant Period make or grant offers, agreements and/or options which may require the exercise of such power after the end of the Relevant Period;
- (b) the aggregate number of H Shares allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to a share option or otherwise) by the Board (otherwise than pursuant to any scrip dividend scheme (or similar arrangement providing for the allotment and issue of shares in lieu of the whole or part of a dividend), any share option scheme, Rights Issue (as defined below) or separate approval of the Shareholders) shall not exceed 20% of the aggregate number of H Shares in issue as at the date of the passing of the resolution at the AGM;
- (c) the Board will only exercise its power under the General Mandate in accordance with the "Company Law" of the PRC and the Listing Rules (as amended from time to time) and only if all necessary approvals from the CSRC and/or other relevant PRC government authorities and/or stock exchange (if applicable) are obtained.

and, for the purposes of this resolution:

"Relevant Period"

the period from the date of the passing this resolution until the earlier of: (a) the conclusion of the next annual general meeting of the Company after the passing of this resolution; or (b) the expiration of the period within which the next annual general meeting is required by the articles of association of the Company or any applicable law to be held; or (c) the revocation or variation of the authority given under this resolution by a special resolution of the Company at a general meeting; and



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## LETTER FROM THE BOARD

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“Rights Issue”

the allotment or issuance of shares in the Company or other securities which would or might require shares to be allotted and issued pursuant to an offer made to all the shareholders of the Company (excluding, as the Board may decide, for such purpose any shareholder who is a resident in a place where such offer is not permitted under the law or regulation of that place) entitled to such offer, *pro rata* (apart from fractional entitlements) to their then existing holdings of shares.

### 3. “RESOLUTION IN RELATION TO THE PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION”

In March 2022, the Company obtained the written approval from 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 Listing Rules, 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 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 “Resolution in relation to the Proposed Amendments to the Articles of Association” was considered and approved at the eleventh meeting of the tenth session of the Board and shall be submitted to the AGM for approval.

The proposed amendments to the “Articles of Association” are set out in Appendix III to this circular. The proposed amendments to the “Articles of Association” are subject to approval of the Shareholders by way of a special resolution at the AGM.

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## LETTER FROM THE BOARD

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### 4. ELECTION OF DIRECTORS AND SUPERVISORS

The term of office of all Directors and all Supervisors of the current term will expire on the date of the AGM.

As disclosed in the announcement on the resolutions passed at the twelfth meeting of the tenth session of the Board dated 28 April 2023 of the Company, the Board has considered and approved the resolution in relation to the general election of the Board. The nomination committee of the tenth session of the Board fully understands and proposed the recommendations: the controlling shareholder of the Company nominated Mr. Li Junjie, Mr. Wu Yanzhang, Mr. Zhou Yongjun, Mr. Cheng Lei, Mr. Man Huiyong and Ms. Li Chunzhi as the non-executive Director candidates of the eleventh session of the Board of the Company; the nomination committee of the Board nominated Mr. Zhang Jiheng as the executive Director candidate of the eleventh session of the Board of the Company, having considered factors such as the candidates' background, qualifications and experience in accordance with the nomination procedures of the Company, Mr. Xiong Jianhui, Mr. Zhao Xuguang, Mr. Liu Jingtai and Mr. Luan Dalong are nominated as the independent non-executive Director candidates of the eleventh session of the Board of the Company.

In addition, as disclosed in the announcement on the resolutions passed at the thirty first meeting of the tenth session of the supervisory committee dated 28 April 2023 of the Company, the supervisory committee has considered and approved the resolution in relation to the general election of the supervisory committee. In accordance with the recommendations of Beijing Jingcheng Machinery Electric Holding Co., Ltd., the controlling shareholder of the Company, the tenth session of the supervisory committee nominated Mr. Tian Dongqiang and Mr. Li Zhe as the Supervisor candidates of the eleventh session of the supervisory committee.

There shall be one employee supervisor, to be elected by the employee representative association of the Company in accordance with statutory procedures.

Mr. Xiong Jianhui, Mr. Zhao Xuguang, Mr. Liu Jingtai and Mr. Luan Dalong have confirmed their independence to the Company pursuant to Rule 3.13 of the Listing Rules. The Board is of the view that Mr. Xiong Jianhui, Mr. Zhao Xuguang, Mr. Liu Jingtai and Mr. Luan Dalong meet the independent guidelines set out in Rule 3.13 of the Listing Rules, and are independent in accordance with the terms of the guidelines.

The Board considered that the educational background, skills, knowledge and professional experience of Mr. Xiong Jianhui, Mr. Zhao Xuguang, Mr. Liu Jingtai and Mr. Luan Dalong would enable them to provide balanced, objective valuable and diversified perspectives, such that they can provide insights to the Board and contribute to the diversity of the Board.

The term of office of the newly elected Directors and Supervisors will be for a period of three years which is proposed to commence on the date of approval at the AGM and end at the conclusion date of the annual general meeting to be held in 2025.

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## **LETTER FROM THE BOARD**

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Executive Directors of the eleventh session of the Board are not entitled to Directors' remuneration, but are entitled to the remuneration based on their respective positions in the Company and its subsidiaries (except for the Director's duties). The non-executive Directors do not receive any remuneration from the Company. The annual emolument of the independent non-executive Directors is RMB80,000.

Supervisors are not entitled to the Supervisors' remuneration, but are entitled to the remuneration according to their respective positions in the Company and its subsidiaries (except for the Supervisor's duties).

The Company will enter into service contracts with all newly elected Directors of the eleventh session of the Board and Supervisors of the eleventh session of the Supervisory Committee.

According to the "Articles of Association", the appointment of Directors and Supervisors is subject to the approval of the Shareholders. At the AGM, ordinary resolutions will be proposed to approve the election of Mr. Zhang Jiheng as executive Director; Mr. Li Junjie, Mr. Wu Yanzhang, Mr. Zhou Yongjun, Mr. Cheng Lei, Mr. Man Huiyong and Ms. Li Chunzhi as non-executive Directors; Mr. Xiong Jianhui, Mr. Zhao Xuguang, Mr. Liu Jingtai and Mr. Luan Dalong as the independent non-executive Directors; and Mr. Tian Dongqiang and Mr. Li Zhe as the Supervisors, and their respective remuneration packages.

The biographical details of the candidates proposed to be elected as Directors and Supervisors at the AGM are set out in Appendix IV to this circular.

### **5. AGM**

A notice convening the AGM to be held on Friday, 16 June 2023 at 9:30 a.m. is set out on pages AGM-1 to AGM-4 of this circular. Whether or not you intend to attend the above meeting, you are requested to complete the form of proxy for use at the above meeting in accordance with the instructions printed thereon and return the same to the business address of the Company at No. 2 Huo Xian Nan San Road, Huo Xian Town, Tongzhou District, Beijing, the PRC, or the Company's H Share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event no later than 24 hours before the time appointed for the commencement of the above meetings. The completion and return of the form(s) of proxy will not preclude you from attending and voting in person at the above meeting or any adjournment thereof if you so wish.

### **6. VOTING BY WAY OF POLL**

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

### **7. ADDITIONAL INFORMATION**

Your attention is drawn to the additional information set out in the Appendices to this circular.

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## LETTER FROM THE BOARD

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### 8. RECOMMENDATION

The Directors consider all resolutions proposed for consideration and approval by the Shareholders at the AGM are in the best interests of the Company and the Shareholders as a whole and accordingly recommend the Shareholders to vote in favour of all the resolutions as set out in the notice of AGM.

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

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**APPENDIX I 2022 WORK REPORT OF THE SUPERVISORY COMMITTEE**

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**Beijing Jingcheng Machinery Electric Company Limited  
2022 Work Report of the Supervisory Committee**

During 2022, the supervisory committee adhered to the principle of being responsible to all Shareholders of the Company to supervise the lawful operation of the Company and performance of duty by the Company's Directors and senior management officers strictly in accordance with the responsibilities stipulated in the relevant laws and regulations such as the "Company Laws", the "Security Laws", the "Articles of Association" and the "Rules of Procedure for the Supervisory Committee of the Company". During the reporting period, the supervisory committee of the Company held 10 meetings in total and attended the 2021 annual general meeting, the first extraordinary general meeting of 2022, the first class A Shareholders' meeting in 2022, the first class H Shareholders' meeting in 2022 and all Board meetings. The supervisory committee of the Company earnestly heard the Company's position on production and operation, investment activities and financial control, participated in the decision-making process for material events of the Company, reviewed the Company's periodic report and supervised the operation of the Company as well as the performance of duty by the Company's Directors and senior management officers, which enhanced the Company's standard operation level and practically protected the Company's and Shareholders' legal interests. The 2022 Work Report of the supervisory committee of the Company is set out below:

**I. Work of the supervisory committee in 2022**

The supervisory committee of the Company establishes a sound meeting and working system, which can be implemented strictly. The supervisory committee convened 10 meetings in total in 2022, details of which are set out below:

<b>Sessions</b>	<b>Date</b>	<b>Resolutions of the meetings</b>
The nineteenth meeting of the tenth session of the supervisory committee	2022/1/19	To consider and approve the "Resolution in relation to the Signing of Agreement related to Property Leasing, Renovation and Property Services of Yichuang Park and Connected Transactions"
The twentieth meeting of the tenth session of the supervisory committee	2022/1/28	To consider and approve the "Resolution in relation to the Extension of the Validity Period of the Resolutions of the General Meeting in respect of the Asset Acquisition by way of Share Issuance and Cash Payment and Raising of Supporting Funds of the Company"

**APPENDIX I 2022 WORK REPORT OF THE SUPERVISORY COMMITTEE**

Sessions	Date	Resolutions of the meetings
The twenty-first meeting of the tenth session of the supervisory committee	2022/3/17	<ol style="list-style-type: none"> <li>1. The 2021 Supervisory Committee’s Work Report was considered and approved</li> <li>2. The full text and abstract of the 2021 Annual Report and the H Shares Results Announcement of the Company was considered and approved</li> <li>3. The 2021 Audited Financial Report of the Company was considered and approved</li> <li>4. The 2021 Internal Control Assessment Report of the Company was considered and approved</li> <li>5. The 2021 Audit Report on Internal Control over Financial Reporting of the Company was considered and approved</li> <li>6. The 2021 Social Responsibility Report of the Company was considered and approved</li> <li>7. The resolution in relation to “the Special Report on the Deposit and Use of Raised Funds in 2021” was considered and approved</li> <li>8. The resolution in relation to the 2021 internal audit report on the deposit and use of raised funds of the Company was considered and approved</li> <li>9. The proposal of the Company not to distribute profit for the year of 2021 was considered and approved</li> <li>10. The resolution on provision for impairment of the Company for the year of 2021 was considered and approved</li> <li>11. The resolution in relation to the obtaining of bank credit facilities from Pudong Development Bank by way of security guarantee and the application for bank acceptance in tranches of up to RMB80 million by Tianjin Tianhai, a subsidiary of the Company was considered and approved</li> </ol>
The twenty-second meeting of the tenth session of the supervisory committee	2022/4/1	The resolution in relation to the external equity investment of Beijing Tianhai Industry Co., Ltd. in Beijing Tianteng Data Technology Co., Ltd. (tentative name) was considered and approved

**APPENDIX I 2022 WORK REPORT OF THE SUPERVISORY COMMITTEE**

<b>Sessions</b>	<b>Date</b>	<b>Resolutions of the meetings</b>
The twenty-third meeting of the tenth session of the supervisory committee	2022/4/28	<ol style="list-style-type: none"> <li>1. “The Company’s first quarterly report for 2022” was considered and approved</li> <li>2. The resolution in relation to the application for a bridging loan of RMB40 million by Beijing Tianhai Industry Co., Ltd. to Jingcheng Machinery Electric was considered and approved</li> <li>3. To consider the resolution in relation to the acquisition of 2% equity interest of Beijing Jingcheng Haitong Technology Culture Development Co., Ltd. held by Beijing Nengtong Lease Company by Beijing Tianhai Industry Co., Ltd.</li> </ol>
The twenty-fourth meeting of the tenth session of the supervisory committee	2022/8/2	<ol style="list-style-type: none"> <li>1. The “Resolution in relation to the Conclusion of the Construction Project of the Type IV Cylinder Automation Digital Control Production Line” was considered and approved</li> <li>2. The “Resolution in relation to the Loan of Up to US\$4 Million from Cathay United Bank to BTIC America Corporation (a subsidiary of the Company)” was considered and approved</li> </ol>
The twenty-fifth meeting of the tenth session of the supervisory committee	2022/8/11	<ol style="list-style-type: none"> <li>1. The “Resolution in relation to the Establishment of a Designated Account for the Raised Funds and the Entering into of a Custody Agreement for the Designated Account for the Raised Funds” was considered and approved</li> <li>2. The “Full Text and abstract of the 2022 A Shares Interim Report and the H Shares Results Announcement of the Company” were considered and approved</li> <li>3. The “Resolution on the Provision for Impairment in the First Half of 2022 of the Company” was considered and approved</li> <li>4. The “Resolution in relation to the Special Report on the Deposit and Use of Raised Funds in the First Half of 2022” was considered and approved</li> </ol>
The twenty-sixth meeting of the tenth session of the supervisory committee	2022/10/28	The “2022 Third Quarterly Report of the Company” was considered and approved

**APPENDIX I 2022 WORK REPORT OF THE SUPERVISORY COMMITTEE**

Sessions	Date	Resolutions of the meetings
The twenty-seventh meeting of the tenth session of the supervisory committee	2022/11/16	<ol style="list-style-type: none"> <li>1. The “Resolution in relation to the Company’s Fulfillment of the Conditions for Non-public Issuance of A Shares” was considered and approved</li> <li>2. Each of the sub-resolution under the “Resolution in relation to the Proposal for the Company’s Non-public Issuance of A Shares” was considered and approved</li> <li>3. The “Resolution in relation to the Company’s Proposal for Non-public Issuance of A Shares” was considered and approved</li> <li>4. The “Resolution in relation to the Feasibility Analysis Report on the Use of Proceeds Raised from the Non-public Issuance of A Shares for 2022 of Beijing Jingcheng Machinery Electric Company Limited” was considered and approved</li> <li>5. The “Resolution in relation to the Report on the Use of the Company’s Previous Raised Proceeds” was considered and approved</li> <li>6. The “Resolution in relation to the Non-public Issuance of A Shares for 2022 which Constitutes Connected Transaction of the Company” was considered and approved</li> <li>7. The “Resolution in relation to the Conditional Share Subscription Agreement Entered into Between the Company and Beijing Jingcheng Machinery Electric Holding Co., Ltd.” was considered and approved</li> <li>8. The “Resolution in relation to the Conditional Asset Acquisition Framework Agreement by Way of Cash Payment Entered into Between the Company and Beijing Jingcheng Machinery Electric Holding Co., Ltd.” was considered and approved</li> <li>9. The “Resolution in relation to Dilution of Immediate Returns by the Non-public Issuance of Shares, Remedial Measures and Commitments of Related Entities” was considered and approved</li> <li>10. The “Resolution in relation to the Shareholders’ Return Plan for the Next Three Years (2022-2024) of the Company” was considered and approved</li> <li>11. The “Resolution in relation to No Penalties or Regulatory Measures Imposed by Securities Regulatory Department and the Stock Exchange in the Last Five Years” was considered and approved</li> </ol>



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**APPENDIX I 2022 WORK REPORT OF THE SUPERVISORY COMMITTEE**

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<b>Sessions</b>	<b>Date</b>	<b>Resolutions of the meetings</b>
The twenty-eighth meeting of the tenth session of the supervisory committee	2022/12/22	<ol style="list-style-type: none"><li>1. The “Resolution in relation to the Unilateral Capital Injection of RMB30 Million by the Company to Qingdao BYTQ United Digital Intelligence Co., Ltd. and the Amendment of the Articles of Association of BYTQ” was considered and approved</li><li>2. The “Resolution in relation to the Participation in the Establishment of Hubei Jingyuan Xihai Automobile Technology Co., Ltd. and the Implementation of the Construction Project of 10,000 Sets of CNG Supply System Master Production Line for Vehicles per Year by Beijing Tianhai Industry Co., Ltd.” was considered and approved</li></ol>

**II. Independent Opinion of the Supervisory Committee on Operating in Compliance with Laws by the Company**

In accordance with the related PRC laws and regulations, the supervisory committee has seriously monitored the procedures for convening annual general meetings and board meetings, the resolutions and the implementation of resolutions on general meetings by the Board, the performance of duty by the senior management officers of the Company and the internal control system of the Company during the reporting period of the Company.

The supervisory committee is of the view that: during the reporting period, the Board of the Company strictly complied with the “Company Law”, the “Securities Law”, the “Listing Rules”, the “Articles of Association” and other requirements of relevant laws and regulations and systems. The material decisions of the Company were scientific and reasonable and the procedures of decision-making were lawful and effective. Meanwhile, the Company has established and improved its internal management and control systems. The Directors and senior management officers of the Company were able to carry out their duties earnestly. There had been no violation of the laws, regulations, the “Articles of Association” or behavior in detrimental to the interests of the Company.

**III. Independent Opinion of the Supervisory Committee on Review of the Company’s Financial Position**

The supervisory committee has diligently reviewed the financial system and financial position of the Company and is of the view that the income and expenditure were clearly stated in the accounts of the Company, and that accounting and financial management had complied with relevant requirements, and no problem was found. ShineWing Certified Public Accountants (Special General Partnership) audited the 2022 Financial Report of the Company according to the PRC accounting standards and issued the auditors’ report without qualification. The supervisory committee considers that the auditors’ report truly reflects the financial status, operating results and cash flows of the Company and that the auditors’ report is fair, objective, true and reliable.

**IV. Opinion of the Supervisory Committee on the Deposit and Use of Funds Raised by the Company**

1. During the reporting period, verification was conducted on the deposit and use of proceeds of RMB214.83 million from the non-public issuance of 63 million A shares in 2020. The Company used the proceeds in accordance with the relevant laws, regulations and regulatory documents and disclosed the use of the proceeds in a timely manner, and there were no irregularities in the use and management of the proceeds.
2. During the reporting period, the relevant resolutions in relation to the project of non-public issuance of A shares were considered. In accordance with the relevant provisions of the “Company Law of the People’s Republic of China”, the “Securities Law of the People’s Republic of China”, the “Rules Governing the Issue of Securities by Listed Companies”, the “Implementation Rules for the Non-public Issue of Shares by Listed Companies” and other laws and regulations, the Company has conducted a self-examination in accordance with the requirements of the relevant qualifications and conditions for non-public issuance of A shares by listed companies and considered that the Company has satisfied the requirements of the aforesaid relevant regulations and has met the various conditions for non-public issuance of shares.

**V. Opinion of the Supervisory Committee on Transactions on Acquisition and Disposal of Assets of the Company**

The supervisory committee conducted inspection on the acquisition and disposal of assets of the Company during the reporting period, and the supervisory committee considers: the Company conducted acquisition and disposal of assets by virtue of a fair and impartial principle in determining their prices, and the transaction prices are reasonable. There were no insider dealing and circumstances to the detriment of the interest of Shareholders and listed companies. The acquisition and disposal of assets fulfilled the necessary consideration procedures and information disclosure obligation as required.

During the reporting period, the resolutions in relation to the proposal of the asset acquisition by way of share issuance and cash payment and raising of supporting funds of the Company were considered and approved.

The decision-making procedures of the above-mentioned asset disposal were in compliance with relevant requirements of relevant laws and regulations and the “Articles of Association”. Such disposal does not harm the interest of the Company and its Shareholders, especially the minority Shareholders.

**VI. Independent Opinion of the Supervisory Committee on Connected Transactions of the Company**

During the reporting period, the Company had the following connected transactions: the resolution in relation to the signing of agreement related to property leasing, renovation and property services of Yichuang Park and connected transactions was considered and approved, the resolution in relation to the non-public issuance of A shares of the Company, which involves connected transactions was considered and approved.

The supervisory committee conducted inspection on the connected transaction of the Company during the reporting period and the supervisory committee considers: the connected transactions of the Company strictly complied with the consideration procedures of relevant requirements of the “Company Law” and the “Articles of Association” and the terms of which are fair and reasonable, entered into on normal commercial terms and in the interests of the Company and the Shareholders as a whole. The transaction prices are objective and fair without harming the interests of the Company and non-connected Shareholders and minority Shareholders. The decisions are in line with our development strategy and development needs in production and operation.

**VII. Review of the Supervisory Committee on the Self-assessment Report on Internal Control**

The supervisory committee has reviewed the “Self-assessment report on internal control of Beijing Jingcheng Machinery Electric Company Limited” carefully. The supervisory committee is of the opinion that: in accordance with related laws and regulations and taking into account the actual situation of the Company, the Company established a sound internal control system to ensure that various business activities of the Company are carried out in a standardized and orderly manner. The Company’s internal control structure is complete, and the internal audit department and personnel are well-equipped to ensure the effective execution and supervision of the Company’s key internal control activities. The internal control system of the Company is sound with effective implementation from 1 January 2022 to the end of the reporting period. The report objectively and fairly reflects the actual internal control of the Company and there is no disagreement on the assessment report.

During the reporting period, there has been no matter requiring negotiation by Supervisors on behalf of the Company with the Directors nor proceedings against the Directors.

**VIII. Establishment and Implementation of Management System for Persons with Access to the Company’s Inside Information**

The Company was able to perform the management and registration work for inside information in accordance with the laws and regulations and the Company’s system, effectively prevent the occurrence of non-compliances, such as the abuse of the right to know by persons with access to the Company’s inside information, the disclosure of inside information, and the occurrence of inside transactions, which protected the legal interests of all investors.

**IX. External Guarantee and Fund Occupation**

During the reporting period, there were no external guarantees and no misappropriation of funds by the Company.

**X. Work Plan of the Supervisory Committee for the year 2023**

In 2023, the supervisory committee will continue to strictly comply with the requirements of the “Company Law”, the “Articles of Association” and relevant laws, regulations and policies of the PRC, truthfully perform its duties, and further promote standardized operations of the Company. Major work arrangements are outlined below:

1. Comply with the laws and regulations and discharge duties conscientiously. In 2023, the supervisory committee will strictly implement relevant requirements of the “Company Law” and the “Articles of Association” and supervise the Board and the senior management according to the laws with the purpose to further regulate the decision-making and operation activities to ensure their compliance with the laws. First, it will urge the Company to further improve the corporate governance structure and enhance governance standards according to the requirements of modern corporate system. Second, in accordance with the “Rules of Procedure for the Supervisory Committee”, it will continue to strengthen the enforcement of its supervisory functions and attend the Board meetings according to the laws so as to timely grasp the Company’s major decisions and the lawfulness of the various decision-making procedures, thereby further safeguard the interests of the Shareholders. Third, it will convene working meetings of the supervisory committee on a regular basis to implement the “Rules of Procedure for the Supervisory Committee”.
2. Strengthen supervision and inspection to avoid operational risks. The supervisory committee will constantly strengthen the supervision of the Directors and other senior management on their performance of duties, execution of resolutions and compliance with laws and regulations. First, financial supervision will be maintained as a focus, and the supervisory committee will monitor and impact the financial position of the Company in accordance with the laws. Second, the internal control system will be further strengthened to prevent corporate risks and to prevent the loss of the Company’s assets. The supervisory committee will regularly keep informed of and understand the operation state of the Company from the Company, especially the major operation activities and investment projects, and provide prompt suggestions to stop and remedy the situation when problems are found. Third, the supervisory committee will maintain communications and liaison with the internal auditor and accountants (auditors) entrusted by the Company frequently, making full use of the internal and external audit information to keep abreast of the updates. Fourth, the supervisory committee will focus mainly on the high risk areas of the Company, carry out inspections on critical matters, such as major investments, management of raised proceeds and connected transactions etc. of the Company.

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## APPENDIX I 2022 WORK REPORT OF THE SUPERVISORY COMMITTEE

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3. Constantly uplift duty performance capabilities through strengthening training and self-improvement. Members of the supervisory committee will continue to strengthen their trainings, attend relevant training programs in a planned manner in this year to constantly broaden their professional knowledge and further enhance their own professional quality. They will strictly comply with the laws, regulations and the “Articles of Association”, conscientiously discharge their duties, properly protect the rights and interests of the Company and the Shareholders and better perform the supervisory duties of the supervisory committee.

By Order of the Supervisory Committee  
**Tian Dongqiang**  
*Chairman of the Supervisory Committee*

30 March 2023

**Beijing Jingcheng Machinery Electric Company Limited**  
**2022 Work Report of the Independent Non-executive Directors**

During our tenure as independent non-executive Directors of Beijing Jingcheng Machinery Electric Company Limited (the “**Company**”), we strictly complied with the laws and regulations such as the “Securities Law”, the “Company Law”, the “Rules for Corporate Governance of Listed Companies” and the “Guidance on the Establishment of Independent Directors System by Listed Companies”, as well as the regulations and requirements of the “Articles of Association” and the “Work System for Independent Directors”. We sincerely performed our responsibilities and duties diligently and conscientiously adhering to the principle of independence, objectivity and fairness, grasped the production and management condition of the Company in a timely manner, paid close attention to the comprehensive development of the Company, proactively attended relevant meetings, carefully considered various Board resolutions, gave independent opinions on relevant affairs of the Company, gave full play to the role of independent non-executive Directors, secured the scientific decision-making of the Board and the regulated operation of the Company effectively, properly ensured the standardized operations of the Company and protected the legal interests of Shareholders, and earnestly performed our responsibilities and duties as independent non-executive Directors.

We report the performance of our duties as the independent non-executive Directors during 2022 as follows:

**I. BASIC INFORMATION ABOUT INDEPENDENT DIRECTORS****(1) Personal work experiences, professional background and part-time situation**

Xiong Jianhui, Chinese, male, aged 48. He is a certified public accountant and a certified public valuer. Mr. Xiong has worked in Nanchang Municipal Engineering Management Office, Zhonglei Certified Public Accountants and Crowe Horwath Certified Public Accountants. He is currently a partner of WUYIGE Certified Public Accountants LLP and an independent non-executive Director of the tenth session of the Board of the Company.

Zhao Xuguang, Chinese, male, aged 44. He obtained a doctoral degree in law from Renmin University of China. Mr. Zhao was an associate professor, an assistant to the dean of the School of Humanities and Social Sciences, and the person in charge of undergraduate and master programs of law in North China Electric Power University. He is currently the deputy dean, professor, and tutor of master programs of the School of Humanities and Social Sciences in North China Electric Power University; he is also a director of the Legal Writing Association of China Law Society, the executive vice president of the Beijing Legal Negotiation Society, and an independent non-executive Director of the tenth session of the Board of the Company.

Liu Jingtai, Chinese, male, aged 59. He obtained a doctoral degree in engineering from Nankai University. Mr. Liu was an associate professor of Nankai University and the deputy director of the Institute of Robotics and Information Automation of Nankai

University, External Director of Tianjin Zhonghuan Electronic Information Group Limited. He is currently a professor and tutor of doctoral programs of the School of Artificial Intelligence of Nankai University, director of the Institute of Robotics and Information Automation of Nankai University, and an independent non-executive Director of the tenth session of the Board of the Company.

Luan Dalong, Chinese, male, aged 59. He obtained a doctoral degree in management science and engineering from Northwestern Polytechnical University. Mr. Luan was a researcher at the Academy of Military Science. He is currently an independent director of Aerospace Hi-Tech Holding Group Co., Ltd. and DHC Software Co., Ltd., and an independent non-executive Director of the tenth session of the Board of the Company.

## **(2) Positions held in the Board committees**

We actively participate in the Board committees, focusing on exerting our own professional advantages to provide strong support for the scientific decision-making of the Board and related Board committees. Our positions in the Board committees are as follows:

1. Member of the strategic committee: Liu Jingtai;
2. Members of the audit committee: Xiong Jianhui (Chairman of the committee), Zhao Xuguang;
3. Members of the remuneration and monitoring committee: Liu Jingtai (Chairman of the committee), Xiong Jianhui;
4. Members of the nomination committee: Zhao Xuguang (Chairman of the committee), Luan Dalong.

## **(3) Statement on whether the independence is affected**

None of us holds any duties other than that of the independent Directors, or holds any duties in major Shareholders of the Company. There is no relationship between us and the Company and its major Shareholders or interested institutions and persons that may have impact on our independent and objective judgments. None of us gains additional interests which are not disclosed from the Company and its major Shareholders or interested institutions and persons. As such, the independence is not affected.

During 2022, as the independent non-executive Directors of the Company, we earnestly executed our powers, performed our duties according to laws and regulations, put our role as independent non-executive Directors into full play, and properly ensured the standardized operations of the Company and protected the interests of Shareholders as a whole, without allowing any issue to affect our independence.

## II. ATTENDANCE OF MEETINGS

As independent Directors, we proactively understood and obtained conditions and materials required for making decisions before the Board meetings, understood the operation of the Company in detail and made full preparation for making important decisions of the Board meetings. At the meetings, we carefully considered the resolutions, actively participated in discussions and proposed rational proposals, thereby playing a positive role in the scientific decision-making of the Board.

In 2022, the Company held 4 general meetings and 11 Board meetings. Our attendance and votes are as follows:

## (1) Attendance of the Board meetings:

Name of Director	Independent Director or not	Required attendance during the year	Attendance in person	Attendance by communication equipment	Attendance by proxy	Absence	Absence from two consecutive meetings or not	Number of general meetings attended
Xiong Jianhui	Yes	11	0	11	0	0	No	4
Zhao Xuguang	Yes	11	0	11	0	0	No	4
Liu Jingtai	Yes	11	0	11	0	0	No	4
Luan Dalong	Yes	11	0	11	0	0	No	4

## (2) Objection to the Relevant Matters of the Company:

Name of Director	Independent Director or not	Objections raised	Details of objection	Remark
Xiong Jianhui	Yes	No	No	—
Zhao Xuguang	Yes	No	No	—
Liu Jingtai	Yes	No	No	—
Luan Dalong	Yes	No	No	—



**III. HIGHLIGHTS OF THE PERFORMANCE OF DUTIES BY THE INDEPENDENT DIRECTORS FOR THE YEAR**

In 2022, we continue to pay attention to the operating results of the Company and the implementation of the resolutions of the Shareholders' meetings and Board meetings, the completeness and authenticity of information disclosure, the nomination and remuneration of senior management members; possible matters that may cause significant impact or loss that harm the interests of minority Shareholders. There are mainly the following aspects:

**(1) Connected Transactions:**

1. On 19 January 2022, as the independent Directors of the Company, we verified the resolution in relation to the signing of agreement related to property leasing, renovation and property services of Yichuang Park and connected transactions proposed by the Company to the fourteenth extraordinary meeting of the tenth session of the Board for consideration, and expressed our prior approval opinion as follows:
  - 1) The connected transactions entered into between the Company and the related parties are conformed to the need of corporate operation business and long-term strategic development of the Company. It is in the interest of the Company and its Shareholder as a whole and in line with the principle of fair transaction and marketization. The pricing is objective, fair and reasonable as well as in compliance with the requirement of relevant laws and regulations and the "Articles of Association". Such transaction does not harm the interest of the Company and its Shareholders, especially the minority Shareholders.
  - 2) In summary of the aforesaid, we agree to submit the "Resolution in relation to the Signing of Agreement Related to Property Leasing, Renovation and Property Services of Yichuang Park and Connected Transactions" to the fourteenth extraordinary meeting of the tenth session of the Board of the Company for consideration.
2. On 19 January 2022, as the independent Directors of the Company, we expressed the following independent views on the resolution in relation to the signing of agreement related to property leasing, renovation and property services of Yichuang Park and connected transactions proposed to be submitted to the fourteenth extraordinary meeting of the tenth session of the Board of the Company for consideration:
  - 1) At the fourteenth meeting of the tenth session of the Board of the Company, Mr. Wang Jun, Mr. Wu Yanzhang, Mr. Xia Zhonghua and Ms. Li Chunzhi, the connected directors of the Company, abstained from voting on the "Resolution in relation to the Signing of Agreement Related to Property Leasing, Renovation and Property Services of Yichuang Park and Connected Transactions". These connected

transactions were not detrimental to the interests of the Company and its Shareholders, in particular the minority Shareholders, and complied with the standard requirements of the Company on information disclosure and decision-making procedure.

- 2) The connected transactions entered into between the Company and related parties are conformed to the need of corporate operation business and long-term strategic development of the Company. It is in the interest of the Company and its Shareholder as a whole and in line with the principle of fair transaction and marketization. The pricing is objective, fair and reasonable as well as in compliance with the requirement of relevant laws and regulations and the Articles of Association. Such transaction does not harm the interest of the Company and its Shareholders, especially the minority Shareholders.
3. On 16 November 2022, as the independent Directors of the Company, we verified the resolution in relation to the non-public issuance of A shares of the Company, which involves connected transactions proposed by the Company to the nineteenth extraordinary meeting of the tenth session of the Board for consideration, and expressed our prior approval opinion as follows:
  1. The plan and budget for non-public issuance of A Shares are in compliance with the requirements of relevant laws, regulations and regulatory documents including the “Company Law”, the “Securities Law”, the “Administration Measures on Securities Issuance of Listed Companies” and the “Implementation Rules for the Non-public Issue of Shares by Listed Companies”, and the proceeds will be used for the industrial development project for hydrogen energy frontier technology, the intelligent manufacturing industrial park project, the acquisition of 100% equity interest in Beiren Intelligent Equipment Technology Co., Ltd. and the replenishment of working capital. The non-public issuance of A shares is beneficial to the Company in exploring new business market, further improving the Company’s profitability and overall competitiveness, effectively enhancing the Company’s risk resistance and achieving sustainable development of the Company.
  2. The feasibility analysis report on the use of proceeds raised from the 2022 non-public issuance of A shares prepared by the Company is in compliance with the relevant laws, regulations and regulatory documents on the use of proceeds by listed companies, and its contents are true, accurate and complete, and fully demonstrates the necessity and feasibility of the issuance of shares, which is in line with the long-term development objectives of the Company and the interests of the Shareholders, and does not harm the interest of the Company and its Shareholders, especially the minority Shareholders.

3. The target subscribers of the non-public issuance of A shares will be no more than 35 specific investors, including Beijing Jingcheng Machinery Electric Holding Co., Ltd. (“**Jingcheng Machinery Electric**”). Jingcheng Machinery Electric has entered into the “Conditional Share Subscription Agreement between Beijing Jingcheng Machinery Electric Company Limited and Beijing Jingcheng Machinery Electric Holding Co., Ltd. in relation to the non-public issuance of shares of Beijing Jingcheng Machinery Electric Company Limited”. Jingcheng Machinery Electric is the controlling Shareholder and the actual controller of the Company, and the non-public issuance of shares constitutes a connected transaction. The subscription of the Company’s non-public issuance of shares by Jingcheng Machinery Electric is in compliance with the provisions of the “Company Law”, the “Securities Law” and other laws, regulations and regulatory documents and the “Articles of Association”, the proposal is fair and is in line with the interests of the Company and its Shareholders, and does not harm the interests of minority Shareholders.
4. One of the funds raised investment projects of the Company’s non-public issuance is the acquisition of 100% equity interest in Beiren Intelligent Equipment Technology Co., Ltd. The Company has executed the “Framework Agreement on Asset Acquisition by way of Cash Payment between Beijing Jingcheng Machinery Electric Company Limited and Beijing Jingcheng Machinery Electric Holding Co., Ltd.” with Jingcheng Machinery Electric. The transaction constitutes a connected transaction and the relevant transaction procedures are in compliance with the rules, the terms are fair, equitable and reasonable, and does not harm the interests of other Shareholders of the Company, especially the minority Shareholders.
5. The connected transactions involved in the non-public issuance of A shares are in compliance with the principles of openness, fairness and justice, and does not harm the interests of other Shareholders of the Company, especially the minority Shareholders.

The connected Directors shall abstain from voting on the relevant resolutions of the non-public issuance of A shares to be considered at the nineteenth extraordinary meeting of the tenth session of the Board of the Company. Meanwhile, the connected Shareholders shall also abstain from voting on the relevant resolutions of the non-public issuance of A shares to be submitted to the general meeting for consideration. The procedures for the consideration of such connected transactions shall comply with the provision of relevant laws, regulations and regulatory documents.

In summary of the aforesaid, we are of the opinion that the non-public issuance of A shares does not harm the interests of the Company and other Shareholders, especially the minority Shareholders, and is in compliance with the provisions of relevant national laws, regulations and regulatory documents. As the independent Directors of the Company, we approve the non-public issuance of A shares and agree to submit such matter to the nineteenth extraordinary meeting of the tenth session of the Board of the Company for consideration.

4. On 16 November 2022, as the independent Directors of the Company, we, having fully understood and considered the resolutions of the nineteenth extraordinary meeting of the tenth session of the Board of the Company, expressed the following independent views on the resolutions in relation to the non-public issuance of A shares of the Company, which involves connected transactions being considered and approved at such meeting:
  1. Relevant resolutions of the non-public issuance of shares was approved by us prior its submission to the nineteenth extraordinary meeting of the tenth session of the Board of the Company for consideration.
  2. Relevant resolutions of the Company's non-public issuance of shares was considered and approved at the nineteenth extraordinary meeting of the tenth session of the Board of the Company. The convening, holding and voting procedures and methods of the Board meeting were in compliance with the "Company Law" and other laws and regulations and the provisions of the "Articles of Association". The non-public issuance of shares is subject to the consideration and approval of the general meeting of the Company and the approval of the CSRC.
  3. The plan of the non-public issuance of A Shares is practical and feasible. The Company's non-public issuance is beneficial to the optimization of the Company's product structure, exploration of new business market and the enhancement of the Company's overall strength. The plan and budget of the non-public issuance of A Shares are in compliance with the requirements of relevant laws, regulations and regulatory documents including the "Company Law", the "Securities Law", the "Administration Measures on Securities Issuance of Listed Companies" and the "Implementation Rules for the Non-public Issue of Shares by Listed Companies".
  4. The feasibility analysis report on the use of proceeds raised from the non-public issuance of shares prepared by the Company is true, accurate and complete. The use of the proceeds from the non-public issuance is in line with the current market conditions and the development strategy of the Company, which is conducive to improving the financial structure of the Company and laying a solid foundation for

the continuous and rapid growth of the Company's operation and performance, and does not harm the interest of the Company and its Shareholders, especially the minority Shareholders.

5. The target subscribers for the non-public issuance of shares will be no more than 35 specific investors, including Jingcheng Machinery Electric. Jingcheng Machinery Electric has entered into the "Conditional Share Subscription Agreement between Beijing Jingcheng Machinery Electric Company Limited and Beijing Jingcheng Machinery Electric Holding Co., Ltd. in relation to the non-public issuance of shares of Beijing Jingcheng Machinery Electric Company Limited" with the Company. Jingcheng Machinery Electric is the controlling Shareholder and the actual controller of the Company, and the non-public issuance of shares constitutes a connected transaction. The procedures of such connected transaction are in compliance with the rules and the pricing matters is fair and is in line with the interests of the Company and its Shareholders, and does not harm the interests of minority Shareholders.
6. One of the funds raised investment projects of the Company's non-public issuance is the acquisition of 100% equity interest in Beiren Intelligent Equipment Technology Co., Ltd. held by Jingcheng Machinery Electric, a controlled Shareholder. The Company has executed the "Framework Agreement on Asset Acquisition by way of Cash Payment between Beijing Jingcheng Machinery Electric Company Limited and Beijing Jingcheng Machinery Electric Holding Co., Ltd." with Jingcheng Machinery Electric. The transaction constitutes a connected transaction and relevant transaction procedures are in compliance with the rules, the terms are fair, equitable and reasonable, and does not harm the interests of other Shareholders of the Company, especially the minority Shareholders.
7. The special report on the use of the previous proceeds prepared by the Company is true, accurate and complete without any false and misleading statements or material omissions. The management and use of the previous proceeds of the Company complies with the relevant regulations of the CSRC and the SSE on the use and management of the proceeds of listed companies, and follows the principles of dedicated deposit, standardized use, truthful disclosure and strict management, and there was no disguised change in the investment direction of the proceeds, damage to Shareholders' interests or violation of relevant regulations.
8. When the Board of the Company considered the relevant resolution of the non-public issuance of shares, the connected Directors abstained from voting. The procedures for the consideration of such connected transactions were in compliance with the relevant laws, regulations and regulatory documents.

9. Independent opinion on the remedial measures for the dilution of immediate returns and the filling in of immediate returns of the Company's non-public issuance of shares

The Company has formulated specific remedial measures for the returns in accordance with the "Opinions of the General Office of the State Council on Further Strengthening the Work of Protection of the Legitimate Rights and Interests of Minority Investors in the Capital Markets" (Guo Ban [2013] No. 110), the "Opinions of the State Council on Further Promoting the Sound Development of Capital Markets" (Guo Fa [2014] No. 17) and the "Guiding Opinions on Matters concerning the Dilution of Current Return in Initial Public Offering, Refinancing and Material Asset Restructuring" (Announcement No. 31 [2015] of the CSRC) and other laws, regulations, rules and other regulatory documents, and the relevant entities have made relevant undertakings in respect of the above measures. The above relevant measures and undertakings are in compliance with the relevant laws and regulations and the provisions of the "Articles of Association" and are conducive to the protection of the interests of the Shareholders of the Company. We agree with the remedial measures for the dilution of immediate returns and the filling in of immediate returns of the Company's non-public issuance of shares.

10. The resolution in relation to the Shareholders' return plan for the next three years (2022-2024) of the Company submitted by the Company is in compliance with the "Announcement on Further Implementation of Relevant Matters Concerning Cash Dividend Distribution of Listed Companies" issued by the CSRC and the relevant provisions of the "Articles of Association", which is conducive to further enhancing the transparency of the Company's cash dividends, completing and improving the decision-making and supervision mechanism of the Company's dividends, maintaining the continuity and stability of the profit distribution policy, protecting the legitimate interests of investors and facilitating the formation of stable return expectations of investors. We unanimously agreed to the resolution in relation to the Shareholders' return plan for the next three years (2022-2024) of the Company.

11. In accordance with the “Company Law of the People’s Republic of China”, the “Securities Law of the People’s Republic of China” and other laws and regulations and the relevant provisions of the “Articles of Association”, granting the authorization to the Board and its authorized persons to handle the specific matters of the non-public issuance of A shares at their sole discretion is conducive to the efficient and orderly implementation of the non-public issuance of A shares, and the specific authorization content and the authorization period are in compliance with the relevant laws and regulations and the relevant provisions of the “Articles of Association”.

In view of the above, we agree that the implementation of the non-public issuance of A shares by the Company and submitting relevant resolutions to the general meeting for consideration.

**(2) External guarantee and misappropriation of capital:**

There were no external guarantee and misappropriation of capital of the Company.

**(3) Mortgage loan**

On 17 March 2022, the seventh meeting of the tenth session of the Board of the Company considered and approved the resolution in relation to the obtaining of bank credit facilities from Pudong Development Bank by way of security guarantee and the application for bank acceptance in tranches of up to RMB80 million by Tianjin Tianhai, a subsidiary of the Company. For the above-mentioned resolution, we attended the relevant Board meeting and had no objection.

**(4) Disposal of assets:**

There was no disposal of assets by the Company.

**(5) Nomination and Remuneration of Directors and senior management officers:**

On 19 January 2022, the “Resolution in relation to the Election of Member of the Audit Committee of the Tenth Session of the Board of the Company” and the “Resolution in relation to the Appointment of General Counsel of the Company” were considered and approved at the fourteenth meeting of the tenth session of the Board of the Company. For the above-mentioned resolution, we attended the relevant Board meeting and had no objection.

On 17 March 2022, the resolution on the results of remuneration and performance assessment for the senior management members of the Company for the year of 2021 was considered and approved at the seventh meeting of the tenth session of the Board of the Company. For the above-mentioned resolution, we attended the relevant Board meeting and had no objection.



**(6) Results forecast and preliminary results estimate**

During the reporting period, the Company disclosed the annual results forecast for 2022, of which the illustration results were in a timely manner, accurate and complete.

**(7) Engagement or change of external auditors**

1. We, being the independent Directors of the Company, have completed a prior review of the relevant resolutions proposed by the Company to the seventh meeting of the tenth session of the Board for consideration on 17 March 2022, and expressed our prior approval opinion as follow:

- 1) *The resolution in relation to the appointment of the auditor for the 2022 financial report of the Company*

ShineWing Certified Public Accountants (Special General Partnership) is qualified to participate in securities related matters. During the auditing process of financial report of the Company over the past years, ShineWing Certified Public Accountants (Special General Partnership) can conduct the auditing work in accordance with the Independent Auditing Standards and strictly followed the professional conduct standards of independence, fairness and justice in the audit. It has smoothly completed the auditing work of the 2021 financial report of the Company and there are no violation of professional ethics among it and its staff or intention to affect the independent audit among it and its staff has been discovered. We agreed to propose the resolution in relation to the re-appointment of ShineWing Certified Public Accountants (Special General Partnership) as the auditor for the 2022 financial report of the Company to the Board for consideration.

Having considered the size of the Company and the workload of auditing, we were of the view that payment for the audit fee for 2021 to ShineWing Certified Public Accountants (Special General Partnership) was reasonable.

- 2) *The resolution in relation to the appointment of the auditor for the 2022 internal control report of the Company*

Da Hua Certified Public Accountants (Special General Partnership) is qualified to participate in securities related matters. During the auditing process of internal control report of the Company over the past years, Da Hua Certified Public Accountants (Special General Partnership) can conduct the auditing work in accordance with the Independent Auditing Standards and strictly followed the professional conduct standards of independence, fairness and impartiality in the audit. It has smoothly completed the auditing work of the 2021 internal control report of the Company and there are no violation of professional ethics among it and its staff or intention to affect the independent audit among it and its staff has been discovered. We agreed



to propose the resolution in relation to the re-appointment of Da Hua Certified Public Accountants (Special General Partnership) as auditor for the 2022 internal control report of the Company to the Board for consideration.

Having considered the size of the Company and the workload of auditing, we were of the view that payment for the audit fee for 2021 to Da Hua Certified Public Accountants (Special General Partnership) was reasonable.

2. On 17 March 2022, as the independent non-executive Directors of the Company, according to relevant laws and regulations including the “Standards for the Governance of Listed Companies” and the “Guidance on Establishment of Independent Directors System by Listed Companies”, and relevant requirements of the “Articles of Association” and the “Independent Director System of the Company”, after fully understanding and reviewing relevant resolutions at the seventh meeting of the tenth session of Board, in respect of certain Board resolutions, we express our independent opinion as follows:

As the independent non-executive Directors of the tenth session of Board of the Company, after reviewing relevant documents, we are of the opinion that:

***1) The resolution in relation to the Company’s 2022 Annual Report on Internal Control Evaluation***

During the reporting period, the existing internal control system of the Company was adapted to the characteristics of the Company’s business and the actual situation of its operation. The Company’s internal control system complied with the “Basic Standards for Enterprise Internal Control”, “Guidelines for the Application of Enterprise Internal Control” and the regulatory requirements of the regulatory authorities. In the key activities of the Company’s operation and management, the provisions of the Company’s internal control systems can be implemented, and the Company can reasonably use the funds raised in accordance with the various regulatory systems to ensure that the use of the funds raised is in full compliance with the regulatory requirements, and the various internal control systems ensure the normal operation and management of the Company, and are reasonable, complete and effective. The self-evaluation report on the Company’s internal control reflects the establishment and operation of the Company’s internal control system in a true and objective manner, and there are no material and significant deficiencies.

2) *The resolution in relation to the re-appointment of the auditor for the 2022 financial report of the Company*

ShineWing Certified Public Accountants (Special General Partnership) is qualified to participate in securities related matters. During the auditing process of financial report of the Company over the past years, ShineWing Certified Public Accountants (Special General Partnership) were able to conduct the auditing work in accordance with the Independent Auditing Standards and strictly followed the professional practice standards of independence, fairness and impartiality. It has smoothly completed the auditing work of the 2021 financial report of the Company and there are no violation of professional ethics among it and its staff or intention to affect the independent audit among it and its staff has been discovered. We agreed to re-appoint ShineWing Certified Public Accountants (Special General Partnership) as the auditor for the 2022 financial report of the Company. The content of the audit includes financial statements of the Company and its subsidiaries within the scope of the consolidated statements and specific audit report for the year 2022 on the appropriation of funds by the controlling Shareholder and other connected persons etc..

3) *The re-appointment of the auditor for the 2022 internal control of the financial report of the Company*

Da Hua Certified Public Accountants (Special General Partnership) is qualified to participate in securities related matters. During the auditing process of internal control report of the Company over the past years, Da Hua Certified Public Accountants (Special General Partnership) were able to conduct the auditing work in accordance with the Independent Auditing Standards and strictly followed the professional practice standards of independence, fairness and impartiality. It has smoothly completed the auditing work of the 2021 internal control report of the Company and there are no violation of professional ethics among it and its staff or intention to affect the independent audit among it and its staff has been discovered. We agreed to re-appoint Da Hua Certified Public Accountants (Special General Partnership) as auditor for the 2022 internal control report of the financial report of the Company. The content of the audit includes giving audit opinion on the effectiveness of the internal control of financial statements and disclosing major deficiencies of internal control discovered on the non-financial report etc..

**(8) Major Asset Reorganization of the Company**

1. We, being independent Directors of the Company, have completed a prior review of the “Resolution in relation to the Extension of the Validity Period of the Resolutions of the General Meeting in respect of the Asset Acquisition by way of Share Issuance and Cash Payment and Raising of Supporting Funds of the Company” and the “Resolution in relation to the Request to the General Meeting to Extend the Validity Period of the Mandate Granted to the Board of Directors to Deal with Matters Relating to the Asset Acquisition by way of Share Issuance and Cash Payment and Raising of Supporting Funds” of the asset acquisition by way of share issuance and cash payment and raising of supporting funds proposed by the Company at the fifteenth extraordinary meeting of the tenth session of the Board on 28 January 2022. The extension of the validity period of the resolutions of the general meeting of the Company in respect of the asset acquisition by way of share issuance and cash payment and raising of supporting funds and the authorization period of the general meeting and the class meeting to authorize the Board to handle all matters relating to the transaction are in line with the actual situation of the transaction, are conducive to the smooth progress and implementation of matters relating to the transaction, are in line with the interests of the Company and its Shareholders and do not harm the interests of the minority Shareholders. Based on the above, we approve the relevant contents of the Company’s asset acquisition by way of share issuance and cash payment and raising of supporting funds, and agree to submit the relevant resolutions to the fifteenth extraordinary meeting of the tenth session of the Board of the Company for consideration.
2. We, being independent Directors of the Company, considered the “Resolution in relation to the Extension of the Validity Period of the Resolutions of the General Meeting in respect of the Asset Acquisition by way of Share Issuance and Cash Payment and Raising of Supporting Funds of the Company” and the “Resolution in relation to the Request to the General Meeting to Extend the Validity Period of the Mandate Granted to the Board of Directors to Deal with Matters Relating to the Asset Acquisition by way of Share Issuance and Cash Payment and Raising of Supporting Funds” of the asset acquisition by way of share issuance and cash payment and raising of supporting funds proposed by the Company at the fifteenth extraordinary meeting of the tenth session of the Board on 28 January 2022. In respect of the above resolutions of the Board meeting, in accordance with the requirements of the audit opinion of the working meeting of the Merger and Reorganization Vetting Committee, the Company has submitted the relevant documents to the CSRC for the reply of the audit opinion within the prescribed time. The extension of the validity period of the resolutions of the general meeting of the Company in relation to the transaction and the authorization period of the general meeting and the class meeting to authorize the Board to handle all matters relating to the transaction are in line with the actual situation of the transaction, are conducive to the smooth

progress and implementation of works relating to the transaction, are in line with the common interests of the Company and its Shareholders and do not harm the interests of the minority Shareholders. The transaction has been approved by us prior to the Board's consideration of the relevant resolutions and does not constitute a connected transaction.

**(9) Resolution on the Deposit and Use of Funds Raised**

On 17 March 2022, the seventh meeting of the tenth session of the Board of the Company considered and approved the special report on the deposit and use of raised funds in 2021.

On 11 August 2022, the ninth meeting of the tenth session of the Board of the Company considered and approved a special report on the deposit and actual use of the Company's proceeds for the half year of 2022.

Having fully understood and considered the motion at the meeting of the Company, we are of the view that the Company has strictly managed the funds raised in accordance with the provisions of the "Administrative Measures of Fund Raising" and the use of the funds raised has fulfilled the corresponding decision-making procedures. The Company's deposit and utilisation of the funds raised were in compliance with the relevant regulations of the CSRC, the SSE and the Company, and there were no irregularities in the use of the funds raised, no change or disguised change in the investment of the funds raised and no damage to the legitimate interests of the Company and its Shareholders, in particular the minority Shareholders.

**(10) Commitments fulfilled by the Company and Shareholders**

The Company and its Shareholders have strictly fulfilled the commitments. No violation to the commitments among the Company, controlling Shareholders and actual controller has been discovered.

**(11) Implementation of information disclosure**

During 2022, the Company strictly complied with the requirements under relevant laws and regulations, including the "Security Laws", the "Rules Governing the Listing of Stocks" in Hong Kong and the PRC and the "Administrative Measures for Disclosure of Information of Listed Companies" and the "Articles of Association" to ensure the disclosure of information of the Company is on a truthful, accurate, timely and complete basis.

**(12) Implementation of internal control**

The Company has established a relatively comprehensive internal control system which is in compliance with the regulations and requirements of the relevant laws and regulations of the PRC. The internal control system of the Company is legal, reasonable and effective. It can reasonably ensure the operation of the Company is developed in an orderly manner; reasonably ensure the financial information of the Company is true, legal, complete; ensure the information is disclosed in a true, accurate, complete and timely manner; ensure all investors have fair, open and justiciable treatment and the interests of the Company and the investors are protected.

**(13) Operations of the Board and its special committees**

The Board of the Company has set up four special committees, namely the strategic committee, audit committee, nomination committee and remuneration and monitoring committee. Each of the special committees actively works and performs the duties diligently, which procures all operating activities of the Company to conduct smoothly. In 2022, the Company held 4 strategic committee meetings of the Board, 9 audit committee meetings of the Board, 1 nomination committee meeting of the Board and 2 remuneration and monitoring committee meetings of the Board. As the special committees of the Board of the Company, we attended all the meetings that should be attended respectively to perform our duties diligently, so that the committees operated within their standardised frameworks and played their respective roles.

**IV. OTHER MATTERS**

1. We had not proposed to convene Board meetings;
2. We had not proposed to appoint or remove the accountant firms;
3. We had not independently engaged any external auditors and advisers.

**V. OVERALL COMMENT AND ADVICE**

During 2022, we diligently and faithfully performed our duties as independent non-executive Directors and leveraged on our respective professional expertise to give professional advice to the Company. In 2023, we will continue to perform our duties earnestly and further follow the principle of prudence, diligence and honesty to constantly learn and improve our professional standards, strengthen communication and improve the decision-making ability of the Board; proactively perform our duties as independent non-executive Directors and effectively play our role in decision-making and supervision as independent non-executive Directors, so as to safeguard the legitimate interest of the Company and all Shareholders, especially the minority Shareholders thereby enhancing the robust development of the Company and helping the Company to establish a good image of being honest and trustworthy.

Independent non-executive Directors:  
**Xiong Jianhui, Zhao Xuguang, Liu Jingtai, Luan Dalong**

30 March 2023

**THE COMPARISON TABLE OF AMENDMENTS TO THE “ARTICLES OF ASSOCIATION”**

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
<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

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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</del> chief engineers <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 <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>47.46.1</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>9.49.22</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>4.14.06</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.



<p><b>Article 69</b> The general meeting shall exercise the following powers:</p> <p>(1) to decide the Company's operational guidelines and investment schemes;</p> <p>(2) to elect and remove directors and supervisors not being employees' representatives and to determine matters relevant to the directors' or supervisors' remuneration;</p> <p>(3) to consider and approve the report of the board of directors;</p> <p>(4) to consider and approve the report of the supervisory committee;</p> <p>(5) to consider and approve the Company's annual budget scheme and budget implementation proposal;</p> <p>(6) to consider and approve the Company's profit distribution and loss recovery plan;</p> <p>(7) to resolve the increase or decrease in registered capital of the Company;</p> <p>(8) to resolve the issue of corporate bonds;</p> <p>(9) to resolve the merger, division, dissolution, liquidation of the Company or change of the Company's form;</p> <p>(10) to amend the Articles of Association;</p> <p>(11) to resolve the appointment and dismissal of the accountancy firms;</p> <p>(12) to consider and approve the guarantees provided in the next provision;</p> <p>(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;</p> <p>(14) to consider and approve the change in use of proceeds from fund raising;</p> <p>(15) to consider the share incentive plan;</p> <p>(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.</p>	<p><b>Article 69</b> The general meeting shall exercise the following powers:</p> <p>(1) to decide the Company's operational guidelines and investment schemes;</p> <p>(2) to elect and remove directors and supervisors not being employees' representatives and to determine matters relevant to the directors' or supervisors' remuneration;</p> <p>(3) to consider and approve the report of the board of directors;</p> <p>(4) to consider and approve the report of the supervisory committee;</p> <p>(5) to consider and approve the Company's annual budget scheme and budget implementation proposal;</p> <p>(6) to consider and approve the Company's profit distribution and loss recovery plan;</p> <p>(7) to resolve the increase or decrease in registered capital of the Company;</p> <p>(8) to resolve the issue of corporate bonds;</p> <p>(9) to resolve the merger, division, dissolution, liquidation of the Company or change of the Company's form;</p> <p>(10) to amend the Articles of Association;</p> <p>(11) to resolve the appointment and dismissal of the accountancy firms;</p> <p>(12) to consider and approve the guarantees provided in the next provision;</p> <p>(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;</p> <p>(14) to consider and approve the change in use of proceeds from fund raising;</p> <p>(15) to consider the share incentive <u>plan and employees share ownership plans</u>;</p> <p>(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.</p>
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**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.

**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 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.

<p><b>Article 108</b> The following matters shall be resolved by a special resolution at a general meeting:</p> <p>(1) increase or reduction of the share capital and issue of shares of any class, stock warrants or other similar securities;</p> <p>(2) repurchase of the Company's shares;</p> <p>(3) issuance of corporate bonds;</p> <p>(4) division, merger, dissolution and liquidation of the Company;</p> <p>(5) amendments to the Articles of Association of the Company;</p> <p>(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;</p> <p>(7) share incentive scheme.</p> <p>Other matters which may have a significant impact on the Company if passed by ordinary resolutions, which need to be passed by special resolutions.</p>	<p><b>Article 108</b> The following matters shall be resolved by a special resolution at a general meeting:</p> <p>(1) increase or reduction of the share capital and issue of shares of any class, stock warrants or other similar securities;</p> <p>(2) repurchase of the Company's shares;</p> <p>(3) issuance of corporate bonds;</p> <p>(4) division, <u>spin-off, merger</u>, dissolution and liquidation of the Company;</p> <p>(5) amendments to the Articles of Association of the Company;</p> <p>(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;</p> <p>(7) share incentive scheme;</p> <p><u>(8)</u> other matters which may have a significant impact on the Company if passed by ordinary resolutions, which need to be passed by special resolutions.</p>
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**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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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.



<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</del> at the place where the Company is located 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</u> convening shareholder shall submit relevant evidence to <del>the local office of China Securities Regulatory Commission</del> 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 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>



<p>(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;</p> <p>(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;</p> <p>(9) to determine the establishment of the Company's internal management structure;</p> <p>(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;</p> <p>(11) to formulate basic management policy for the Company;</p> <p>(12) to formulate proposed amendments to the Articles of Association;</p> <p>(13) to manage the Company's information disclosure;</p> <p>(14) to determine the Company's interim dividend distribution plan;</p> <p>(15) to propose to the general meeting to appoint or dismiss an accountancy firm as the internal control auditor;</p> <p>(16) to listen to the work report by the manager of the Company and inspect their work;</p> <p>(17) to exercise other powers conferred by laws, administrative regulations, departmental rules or the Articles of Association;</p> <p>(18) to exercise any other powers conferred by the shareholders at the general meetings.</p> <p>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.</p>	<p>(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;</p> <p>(8) to decide within the authorization of the general meeting on investment, purchase, sale or mortgage of assets, guarantee, wealth management, related transaction, <u>external donation</u> and the like;</p> <p>(9) to determine the establishment of the Company's internal management structure;</p> <p>(10) to <del>appoint or dismiss</del> <u>decide on the appointment or dismissal of</u> the Company's manager and secretary of the board of directors <u>and to determine matters in relation to their remuneration, rewards and penalties,</u> to appoint or dismiss as nominated by the manager deputy managers <del>and</del> financial officers, <u>chief engineers, general counsel and other senior officers</u> of the Company, and to determine <u>matters in relation to their remuneration, rewards and penalties;</u></p> <p>(11) to formulate basic management policy for the Company;</p> <p>(12) to formulate proposed amendments to the Articles of Association;</p> <p>(13) to manage the Company's information disclosure;</p> <p>(14) to determine the Company's interim dividend distribution plan;</p> <p>(15) to propose to the general meeting to appoint or dismiss an accountancy firm as the internal control auditor;</p> <p>(16) to listen to the work report by the manager of the Company and inspect their work;</p> <p>(17) to exercise other powers conferred by laws, administrative regulations, departmental rules or the Articles of Association;</p> <p>(18) to exercise any other powers conferred by the shareholders at the general meetings.</p> <p>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.</p>
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<p><b>Article 166</b> 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:</p> <p>(1) nomination, appointment or removal of directors;</p> <p>(2) appointment or removal of senior officers;</p> <p>(3) remuneration of directors and senior officers of the Company;</p> <p>(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;</p> <p>(5) matters that independent non-executive director(s) deem might damage the rights and interests of small and medium shareholders;</p> <p>(6) other matters specified in the Articles of Association.</p> <p>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.</p>	<p><b>Article 166</b> 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:</p> <p>(1) nomination, appointment or removal of directors;</p> <p>(2) appointment or removal of senior officers;</p> <p>(3) remuneration of directors and senior officers of the Company;</p> <p>(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;</p> <p>(5) matters that independent non-executive director(s) deem might damage the rights and interests of small and medium shareholders;</p> <p>(6) other matters <u>as required by the laws, administrative regulations, the CSRC and specified in the Articles of Association.</u></p> <p>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.</p>
<p><b>Article 178</b> The manager, deputy managers, financial officers and secretary of the board are senior officers of the Company.</p> <p>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.</p>	<p><b>Article 178</b> The manager, deputy managers, financial officers, <del>and</del> secretary of the board, <u>chief engineers and general counsel</u> are senior officers of the Company.</p> <p>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.</p> <p><u>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.</u></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><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;

~~(23)~~ 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;

~~(34)~~ 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;

~~(56)~~ 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;

~~(67)~~ to represent the Company in negotiations with or in bringing actions against a director or senior management;

~~(78)~~ to submit proposals to the general meetings;

~~(89)~~ 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><b>Article 193</b> <del>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>

<p><b>Article 194</b> 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:</p> <p>(1) a person having no or limited capacity for civil conduct;</p> <p>(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;</p> <p>(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;</p> <p>(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;</p> <p>(5) a person who has a relatively large amount of debts which have become overdue;</p> <p>(6) a person who is currently under investigation by judicial organs for violation of criminal law;</p> <p>(7) a person who, according to laws and administrative regulations, cannot act as a leader of an enterprise;</p> <p>(8) a person other than a natural person;</p> <p>(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>	<p><b>Article 194</b> 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:</p> <p>(1) a person having no or limited capacity for civil conduct;</p> <p>(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;</p> <p>(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;</p> <p>(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;</p> <p>(5) a person who has a relatively large amount of debts which have become overdue;</p> <p>(6) a person who is currently under investigation by judicial organs for violation of criminal law;</p> <p>(7) a person who, according to laws and administrative regulations, cannot act as a leader of an enterprise;</p> <p>(8) a person other than a natural person;</p> <p>(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>
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<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 by the CSRC</u><del>not to enter the securities market</del> 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 <u>C</u>company 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 financial 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 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, <u>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.</u></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 remained unchanged.

The “Articles of Association” is written in Chinese and the English translated version is for reference only. In case of inconsistency between the Chinese and English versions of the “Articles of Association”, the Chinese version shall prevail.



**Biographical Details of the Executive Director Candidate**

Zhang Jiheng, Chinese, male, aged 48, is the holder of a bachelor's degree and a senior engineer. Mr. Zhang served as a technician and the head of the first production division, deputy minister of the production department, assistant to general manager, minister of the supply department and deputy manager of Beijing Tianhai Industry Co., Ltd., the general manager of Langfang Tianhai High Pressure Container Co., Ltd. and the general manager of Beijing Minghui Tianhai Gas Storage Equipment Sales Co., Ltd.. He is currently the party secretary, general manager and vice chairman of Beijing Tianhai Industry Co., Ltd. and an executive Director and general manager of the tenth session of the Board of Beijing Jingcheng Machinery Electric Company Limited.

**Biographical Details of the Non-executive Director Candidates**

Li Junjie, Chinese, male, aged 45. He has a bachelor's degree in economics and a master's degree in business administration. Mr. Li was an accountant of finance department, salesman of marketing department, deputy secretary of the national committee, secretary of the national committee, deputy manager of human resources department, secretary to the board of directors, deputy general manager, deputy party secretary and general manager in Beijing Tianhai Industry Co., Ltd. He served as an executive director of the seventh, eighth and ninth sessions of the Board of the Company from 16 December 2013, and served as the general manager of the Company from 26 June 2014 to 28 April 2023. He is currently the chairman of Beijing Tianhai Industry Co., Ltd and an executive Director and chairman of the tenth session of the Board of Beijing Jingcheng Machinery Electric Company Limited.

Wu Yanzhang, Chinese, male, aged 59, He obtained a bachelor's degree in Machinery Manufacturing Management at Hefei University of Technology and is a postgraduate of EMBA at China Europe International Business School. Mr. Wu served as the dispatcher of the production department, the deputy department head, assistant to factory head, the director of office and the director of the new office of Beijing No. 1 Machine Tool Plant\* (北京第一機床廠), the sino general manager of OKUMA- BYJC (Beijing) Machine Tool Co. Ltd\* (北一大隈公司), the deputy director of office, the director of communications office, the director of office, the head of legal department, the head of non-financial corporate management department and the head of asset management department and strategy and investment department of Beijing Jingcheng Machinery Electric Holding Co., Ltd., secretary of the party committee of Beijing Crane Factory, director of Beijing Jingcheng Machinery Electric Asset Management Co., Ltd., director and chairman of Beijing Xihai Industrial and Trading Company, chairman of Beijing Zhongdu Electric Co., Ltd., director and the general manager of Jingcheng Compressor Co., Ltd. Currently, he is head of investment and development department of Beijing Jingcheng Machinery Electric Holding Co., Ltd., and non-executive Director of the tenth session of the Board of Beijing Jingcheng Machinery Electric Company Limited.

Zhou Yongjun, Chinese, male, aged 57. He obtained an EMBA from Cheung Kong Graduate School of Business. Mr. Zhou served as the head of strategy and operation management department of Beijing Jingcheng Machinery Electric Holding Co., Ltd., the secretary of the party branch and general manager of Beijing Jingcheng Electric Co., Ltd.\* (北京京城電氣有限公司), the head of strategy and operation department (safety and environmental protection department), and the vice chairman of the labor union of Beijing Jingcheng Machinery Electric Holding Co., Ltd. Currently, he is head of technology and information department of Beijing Jingcheng Machinery Electric Holding Co., Ltd.

Cheng Lei, Chinese, male, aged 43. He obtained an MBA from Business School University of International Business and Economics. Mr. Cheng served as the deputy general manager of Beijing Jingcheng Zhongao Elevator Co., Ltd.\* (北京京城中奧電梯有限責任公司), the deputy general manager of Beijing Jingcheng Taichang Machinery Co., Ltd.\* (北京京城泰昌機械有限公司中方), the deputy general manager of Beijing Jingcheng Electrical Engineering Co., Ltd., the head of human resources department of Beijing Jingcheng Machinery Electric Holding Co., Ltd., the secretary of the party branch, general manager and director of Beijing Jingcheng International Financial Leasing Co., Ltd. Currently, he is head of the company organization department (human resources department) of Beijing Jingcheng Machinery Electric Holding Co., Ltd. and the director of Beijing Jingcheng International Financial Leasing Co., Ltd..

Man Huiyong, Chinese, male, aged 45, bachelor of management, accountant. Mr. Man once served as the director of the accounting and financial management center of the finance department, the deputy director of the comprehensive budget management office of the enterprise management and planning department, the deputy director of the asset financial management department, the director of the asset financial management department, the deputy chief accountant, the chief accountant and the director of Beijing BEIZHONG Steam Turbine Generator Co., Ltd. He is currently the deputy director of audit of Beijing Jingcheng Machinery Electric Holding Co., Ltd. (presiding over the work of the audit department), the director of Beijing Heavy Motor Factory Co., Ltd, the director of Beijing BEIZHONG Steam Turbine Generator Co., Ltd. and the non-executive Director of the tenth session of the Board of Beijing Jingcheng Machinery Electric Company Limited.

Li Chunzhi, Chinese, female, aged 46. She is the holder of a MBA degree and a middle-grade economist. Ms. Li served as the manager of translation and project of Beijing Mechanical Industry Automation Research Institute, product manager of product service department of Beijing Century Yinghua Information Technology Co., Ltd. \*(北京世紀盈華資訊技術有限公司) and investment management manager and vice department head of the strategic and investment department of Beijing Jingcheng Machinery Electric Holding Co., Ltd.. She is the vice department head of the investment asset and management department of Beijing Jingcheng Machinery Electric Holding Co., Ltd.. She is currently the vice general manager of Beijing Jingcheng Machinery Electric Industrial Investment Co., Ltd.\* (北京京城機電產業投資有限公司), supervisor of Beijing Jingcheng Intelligent Technology Co., Ltd. and a non-executive Director of the tenth session of the Board of Beijing Jingcheng Machinery Electric Company Limited.

**Biographical Details of the Independent Non-executive Director Candidates**

Xiong Jianhui, Chinese, male, aged 48. He is a certified public accountant and a certified public valuer. Mr. Xiong has worked in Nanchang Municipal Engineering Management Office, Zhonglei Certified Public Accountants and Crowe Horwath Certified Public Accountants. He is currently a partner of WUYIGE Certified Public Accountants LLP and an independent non-executive Director of the tenth session of the Board of Beijing Jingcheng Machinery Electric Company Limited.

Zhao Xuguang, Chinese, male, aged 44. He obtained a doctoral degree in law from Renmin University of China. Mr. Zhao was an associate professor, an assistant to the dean of the School of Humanities and Social Sciences, and the person in charge of undergraduate and master programs of law in North China Electric Power University. He is currently the deputy dean, professor, and tutor of master programs of the School of Humanities and Social Sciences in North China Electric Power University; he is also a director of the Legal Writing Association of China Law Society, the executive vice president of the Beijing Legal Negotiation Society, and an independent non-executive Director of the tenth session of the Board of Beijing Jingcheng Machinery Electric Company Limited.

Liu Jingtai, Chinese, male, aged 59. He obtained a doctoral degree in engineering from Nankai University. Mr. Liu was an associate professor of Nankai University, the deputy director of the Institute of Robotics and Information Automation of Nankai University and external director of Tianjin Zhonghuan Electronic Information (Group) Co., Ltd. He is currently a professor and tutor of doctoral programs of the School of Artificial Intelligence of Nankai University, director of the Institute of Robotics and Information Automation of Nankai University, and an independent non-executive Director of the tenth session of the Board of Beijing Jingcheng Machinery Electric Company Limited.

Luan Dalong, Chinese, male, aged 59. He obtained a doctoral degree in management science and engineering from Northwestern Polytechnical University. Mr. Luan was a researcher at the Academy of Military Science. He is currently an independent director of Aerospace Hi-Tech Holding Group Co., Ltd. and DHC Software Co., Ltd, and an independent non-executive Director of the tenth session of the Board of Beijing Jingcheng Machinery Electric Company Limited.

The Company will enter into service contracts with the new Directors of the eleventh session of the Board and details of directors' remuneration are set out in the relevant content of the "Resolution on the Remuneration of and the Entering into of the Written Contracts with the Directors of the Eleventh Session of the Board of the Company". The proposed term of office of the Directors of the eleventh session of the Board of the Company shall commence upon the approval day at the AGM and until the 2025 annual general meeting.

Please refer to the above for details of the position held by Mr. Wu Yanzhang, Mr. Zhou Yongjun, Mr. Cheng Lei, Mr. Man Huiyong and Ms. Li Chunzhi in Beijing Jingcheng Machinery Electric Holding Co., Ltd., the controlling shareholder of the Company. Save as

disclosed in the above, all director candidates have no relationship with other Directors, Supervisors, senior management personnel, substantial Shareholder or controlling Shareholder of the Company.

As at the Latest Practicable Date, the spouse of Mr. Cheng Lei holds 5,700 A shares of the Company. Save as the aforesaid, all director candidates do not hold any interests in shares of the Company as defined in Part XV of the SFO, nor, save as disclosed above, do they hold directorship or supervisorship in any other listed public companies in the last three years.

Save as disclosed above, in respect of all director candidates, there is no other information which is required to be disclosed pursuant to any provisions under Rule 13.51(2) of the Listing Rules nor other information that need to be brought to the attention of the Shareholders of the Company.

As at the Latest Practicable Date, according to the register maintained pursuant to section 352 of the SFO, all director candidates do not have any interest or short positions in the Shares, underlying shares and debentures of the Company.

#### **Biographical Details of the Supervisor Candidates**

Tian Dongqiang, Chinese, male, aged 57. He is a professor level senior engineer. Mr. Tian graduated from the School of Energy and Power Engineering of Xi'an Jiaotong University, majoring in thermal turbines, and from the Business School of Renmin University of China, majoring in EMBA. Mr. Tian Dongqiang is an expert entitled to special government allowance from the State Council of the People's Republic of China. Mr. Tian Dongqiang was the chief engineer and deputy general manager of Beijing BEIZHONG Steam Turbine Generator Co., Ltd., and the general manager, party secretary, director and chairman of the board of Beijing Jingcheng New Energy Co., Ltd. He is currently a despatched supervisor of the board and supervisory office of Beijing Jingcheng Machinery Electric Holding Co., Ltd., as well as a Supervisor and the chairman of the tenth session of the supervisory committee of the Company.

Li Zhe, Chinese, male, aged 57. He is a engineer with a bachelor's degree in engineering. Mr. Li had served as the technician, monitor, director, deputy director of production department, director, assistant to general manager and deputy general manager of Beijing Tianhai Industry Co., Ltd., the general manager and chairman of the board of Beijing Minghui Tianhai Gas Storage and Transportation Equipment Sales Co., Ltd., deputy party secretary and secretary of the discipline inspection commission of Beijing Tianhai Industry Co., Ltd., supervisor of Shanghai Tianhai High Pressure Containers Co., Ltd., and supervisor of Langfang Tianhai High Pressure Containers Co., Ltd. He is currently the deputy party secretary, secretary of discipline inspection commission and chairman of labour union of Beijing Tianhai Industry Co., Ltd. and a Supervisor of the tenth session of the supervisory committee of the Company.

The Company will enter into relevant service contracts with the new Supervisors of the eleventh session of the supervisory committee and details of supervisors' remuneration are set out in the relevant content of the "Resolution on the Remuneration of and the Entering into of the Written Contracts with the Supervisors of the Eleventh Session of the Supervisory Committee of the Company". The proposed term of office of the Supervisors of the eleventh session of the supervisory committee of the Company shall commence upon the approval day at the AGM and until the 2025 annual general meeting.

Save as disclosed in the above, Mr. Tian Dongqiang and Mr. Li Zhe have no relationship with other Directors, Supervisors or senior management personnel of the Company. Mr. Tian Dongqiang is a despatched supervisor of the board and supervisory office of Beijing Jingcheng Machinery Electric Holding Co., Ltd., and Mr. Li Zhe has no relationship with the substantial Shareholder or controlling Shareholder of the Company.

Mr. Tian Dongqiang and Mr. Li Zhe do not hold any interests in Shares of the Company as defined in Part XV of the SFO, nor do they hold directorship or supervisorship in any other listed public companies in the last three years.

Save as disclosed above, in respect of Mr. Tian Dongqiang and Mr. Li Zhe, there is no other information which is required to be disclosed pursuant to any provisions under Rule 13.51(2) of the Listing Rules nor other information that need to be brought to the attention of the Shareholders of the Company.

As at the Latest Practicable Date, according to the register maintained pursuant to section 352 of the SFO, Mr. Tian Dongqiang and Mr. Li Zhe do not have any interest or short positions in the Shares, underlying shares and debentures of the Company.

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## NOTICE OF AGM

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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)

### NOTICE OF THE ANNUAL GENERAL MEETING OF 2022

**NOTICE IS HEREBY GIVEN** that the annual general meeting of 2022 (the “**AGM**”) of Beijing Jingcheng Machinery Electric Company Limited (the “**Company**”) will be convened by the board of directors of the Company (the “**Board**”) and held at the Conference Room of the Company at No. 6 Rongchang East Street, Daxing District, Beijing, PRC, on Friday, 16 June 2023 at 9:30 a.m. for the purpose of considering and, if thought fit, with or without modifications, passing the following resolution. A combination of on-site voting and internet voting by way of poll will be adopted at the AGM.

Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the circular of the Company dated 17 May 2023 (the “**Circular**”).

#### MATTERS TO BE CONSIDERED AT THE AGM

##### Ordinary resolutions

1. To consider the full text and the summary of annual report for A shares and annual report for H shares of the Company for 2022;
2. To consider the 2022 work report of the board of directors of the Company;
3. To consider the 2022 work report of the supervisory committee of the Company;
4. To consider the 2022 audited financial reports of the Company;
5. To consider the internal control audit report in the financial report of the Company for the year 2022;
6. To consider the 2022 work report of the independent non-executive directors of the Company;
7. To consider the re-appointment of ShineWing Certified Public Accountants (Special General Partnership) as the auditor for the Company's 2023 financial reports and to propose at the general meeting to authorise the board of directors to sign an appointment agreement with it and determine its remuneration;

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## NOTICE OF AGM

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8. To consider the re-appointment of Da Hua Certified Public Accountants (Special General Partnership) as the auditor for the Company's 2023 internal control audit report of the financial report and to propose at the general meeting to authorise the board of directors to sign an appointment agreement with it and determine its remuneration;
9. To consider the resolution of the Company not to distribute any profit for the year 2022;
12. To consider the resolution on the remuneration of and the entering into of the written contracts with the Directors of the eleventh session of the board of directors of the Company;
13. To consider the resolution on the remuneration of and the entering into of the written contracts with the Supervisors of the eleventh session of the supervisory committee of the Company;
- 14.00. To consider the resolutions on the election of directors;
- 14.01. To consider the election of Mr. Zhang Jiheng as an executive director of the eleventh session of the board of directors of the Company;
- 14.02. To consider the election of Mr. Li Junjie as a non-executive director of the eleventh session of the board of directors of the Company;
- 14.03. To consider the election of Mr. Wu Yanzhang as a non-executive director of the eleventh session of the board of directors of the Company;
- 14.04. To consider the election of Mr. Zhou Yongjun as a non-executive director of the eleventh session of the board of directors of the Company;
- 14.05. To consider the election of Mr. Cheng Lei as a non-executive director of the eleventh session of the board of directors of the Company;
- 14.06. To consider the election of Mr. Man Huiyong as a non-executive director of the eleventh session of the board of directors of the Company;
- 14.07. To consider the election of Ms. Li Chunzhi as a non-executive director of the eleventh session of the board of directors of the Company;
- 15.00. To consider the resolutions on the election of independent non-executive directors;
- 15.01. To consider the election of Mr. Xiong Jianhui as an independent non-executive director of the eleventh session of the board of directors of the Company;
- 15.02. To consider the election of Mr. Zhao Xuguang as an independent non-executive director of the eleventh session of the board of directors of the Company;



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- 15.03. To consider the election of Mr. Liu Jingtai as an independent non-executive director of the eleventh session of the board of directors of the Company;
- 15.04. To consider the election of Mr. Luan Dalong as an independent non-executive director of the eleventh session of the board of directors of the Company;
- 16.00. To consider the resolutions on the election of supervisors;
- 16.01. To consider the election of Mr. Tian Dongqiang as a supervisor of the eleventh session of the supervisory committee of the Company;
- 16.02. To consider the election of Mr. Li Zhe as a supervisor of the eleventh session of the supervisory committee of the Company;

### **Special resolutions**

- 10. To consider and approve the resolution in relation to grant of general mandate to the board of directors to issue H shares by the Company; and
- 11. To consider the resolution of the proposed amendments to the “Articles of Association”.

### **ATTENDEES OF THE MEETING AND REGISTRATION METHOD**

- (I) Directors, supervisors and senior management of the Company.
- (II) Lawyers engaged by the Company.
- (III) Shareholders of the Company whose names appear on the register of members of the Company at the close of market on 12 June 2023, shall have the right to attend the AGM after complying with the necessary registration procedures.

Holders of the Company’s H Shares should note that the register of members of the Company will be closed from 13 June 2023 to 16 June 2023 (both days inclusive), during which no H Shares transfer will be registered. For holders of H Shares who intend to attend the AGM, transfer documents together with the relevant share certificates must be lodged with the H Shares registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on 12 June 2023.

Corporate shareholder should attend the meeting by its legal representative or the proxy appointed by the legal representative. Legal representative who attends the meeting should present his or her own identity document, valid documents evidencing his or her capacity as a legal representative and evidence of shareholding. While appointing proxy to attend the meeting, the proxy should present his or her identity document, the power of attorney issued in writing by the legal representative of the corporate shareholder in accordance with the laws and evidence of shareholding.



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1. Each Shareholder who is entitled to attend and vote at the AGM may appoint one or more proxy(ies) who need not be a Shareholder, to attend and vote on his or her behalf at the AGM.
2. For any Shareholder who appoints more than one proxy, his or her proxies can only exercise the voting right by way of poll.
3. The instrument appointing a proxy must be in writing under the hand of the appointer or his or her attorney authorised in writing or, in the case of a corporation, either under the common seal of the corporation or signed by any responsible person or attorney duly authorised. If that instrument is signed by an attorney on behalf of the appointer, the power of attorney authorising that attorney to sign, or other authorisation document, must be notarially certified. To be valid, the notarially certified copy of the power of attorney, or other authorisation document, together with the form of proxy must be delivered to the business address of the Company or lodged with the H Shares registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 24 hours before the time appointed for the holding of the AGM.

### OTHER MATTERS

1. Contacts for the meeting

Contact telephone:	86 10 87707288
Fax:	86 10 87707291
Contact person:	Board office of the Company
Address:	No. 2 Huo Xian Nan San Road, Huo Xian Town, Tongzhou District, Beijing, the PRC
Postal code:	101109
2. The AGM is expected to last for half a day. Shareholders attending the meeting should bear their own accommodation and travelling expenses.

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3. For personnel attending the meeting shall arrive at the venue of the meeting half an hour before the commencement of the meeting and bring along the originals of identity document, stock account card and power of attorney for verification.

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

Beijing, the PRC  
17 May 2023

*As at the date of this notice, the Board comprises 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.*