

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Pursuant to the relevant laws, regulations and regulatory documents including the Companies Law of the People's Republic of China (《中華人民共和國公司法》), the Securities Law of the People's Republic of China (《中華人民共和國證券法》), the Guidelines for the Articles of Association of Listed Companies (《上市公司章程指引》) and the Reply of the State Council on the Adjustment of the Provisions Applicable to the Notice Period of Convening General Meetings of Shareholders and Other Matters Applicable to the Overseas Listed Companies (Guo Han [2019] No.97)(《國務院關於調整適用在境外上市公司召開股東大會通知期限等事項規定的批覆》(國函[2019] 97號)) and taking into account the actual situation of the Company, the resolution in relation to the amendments to the Articles of Association of the Company was considered and approved at the eleventh meeting of the ninth session of the board of directors of Beijing Jingcheng Machinery Electric Company Limited (the “**Company**”). Terms of the Articles of Association relevant to the terms of the repurchase of shares, notice period of general meetings, holding a concurrent post by senior management and resignation of independent non-executive directors etc. were proposed to be amended. Specific proposed amendments are as follows:

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>Article 9 Entry into Force of the Articles of Association</p> <p>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.</p> <p>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>	<p>Article 9 Entry into Force of the Articles of Association</p> <p>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 [•] of 2020.</p> <p>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>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
<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:</p> <p>(1) cancelling shares for the purpose of capital reduction;</p> <p>(2) merging with another company that holds shares in the Company;</p> <p>(3) giving shares as a reward for the Company's employees;</p> <p>(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;</p> <p>(5) other circumstances permitted by laws and administrative regulations.</p> <p>Unless in any of the aforesaid circumstances, the Company shall not engage in selling or purchasing its shares.</p>	<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:</p> <p>(1) cancelling shares for the purpose of capital reduction;</p> <p>(2) merging with another company that holds shares in the Company;</p> <p>(3) using for employees ownership plans or share incentives;</p> <p>(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;</p> <p>(5) using for converting the corporate bonds issued by the Company which are convertible into shares;</p> <p>(6) protecting the Company's value and the shareholders' rights and interests when necessary.</p> <p>Unless in any of the aforesaid circumstances, the Company shall not engage in selling or purchasing its shares.</p> <p>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.</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
<p>Article 30 Subject to the approval of the competent authorities, the Company may repurchase its shares in one of the following ways:</p> <p>(1) by making a general offer of repurchase to all its shareholders on same pro rata basis;</p> <p>(2) by repurchasing shares through public trading on a stock exchange;</p> <p>(3) by repurchasing shares outside the stock exchange by means of an agreement;</p> <p>(4) Other means accepted by the CSRC.</p>	<p>Article 30 Subject to the approval of the competent authorities, the Company may repurchase its shares in one of the following ways:</p> <p>(1) by making a general offer of repurchase to all its shareholders on same pro rata basis;</p> <p>(2) by repurchasing shares through public trading on a stock exchange;</p> <p>(3) by repurchasing shares outside the stock exchange by means of an agreement;</p> <p>(4) Other means accepted by the CSRC.</p> <p>Acquisition by the Company of its shares due to the circumstances referred to in items (3), (5) and (6) in the first paragraph of Article 29 herein shall be conducted through centralized trading in an open manner.</p>
<p>Article 32 Upon the repurchase of shares pursuant to law and Article 29 herein, in case of a circumstance specified in Article 29 (1), the Company shall cancel this part of shares within 10 days upon the purchase, and in case of a circumstance specified in Article (2) or (4), it shall make the transfer or cancellation within 6 months, and apply to the original company registration authority for the registration of the change in its registered capital.</p> <p>The aggregate par value of the cancelled shares shall be deducted from the Company's registered capital.</p> <p>When the Company repurchases its shares in accordance with Article 29 (3) herein, the amount shall not exceed 5% of total issued shares; funds for repurchase shall be paid out from the Company's after-tax profit, and shares repurchased shall be transferred to employees within 1 year.</p>	<p>Article 32 Upon the repurchase of shares pursuant to law and Article 29 herein, in case of the circumstance specified in item (1) of Article 29, the Company shall cancel this part of shares within 10 days upon the purchase; in case of the circumstances specified in items (2) or (4), it shall make the transfer or cancellation within 6 months; in case of the circumstances specified in items (3), (5) or (6), the total number of shares of the Company held by the Company shall not exceed 10% of the total issued shares of the Company, and shall make the transfer or cancellation within 3 years.</p> <p>After the cancellation of the shares of the Company, it shall apply to the original company registration authority for the registration of the change in its registered capital. The aggregate par value of the cancelled shares shall be deducted from the Company's registered capital.</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
<p>Article 43 No change may be made in the register of shareholders as a result of a transfer of shares within thirty days prior to the general meeting of the shareholders or within five days before the record date for the company's dividend distribution.</p>	<p>Article 43 If there are provisions in relation to book closure period prior to the general meeting or before the record date for the Company's dividend distribution in the relevant laws and regulations and the listing rules of Hong Kong Exchanges and Clearing, those provisions shall apply.</p>
<p>Article 64 Persons of the listed company shall be independent from the controlling shareholders. Managers, financial and marketing officers and the secretary of the board of directors in the listed company shall act for nothing but the director of the units of the controlling shareholders. When a senior officer of a controlling shareholder acts concurrently as the director of the listed company, he shall ensure that he shall have sufficient time and energy to assume duties in the listed company.</p>	<p>Article 64 Persons of the listed company shall be independent from the controlling shareholders. Managers, financial and marketing officers and the secretary of the board of directors in the listed company shall act for nothing but the director and the supervisor of the units of the controlling shareholders. When a senior officer of a controlling shareholder acts concurrently as the director of the listed company, he shall ensure that he shall have sufficient time and energy to assume duties in the listed company.</p>
<p>Article 74 When the Company convenes a general meeting, a written notice of the meeting shall be given forty-five days before the date of the meeting to notify all registered shareholders of matters to be considered and the date and place of the meeting. A shareholder who intends to attend the meeting shall deliver to the Company his written reply concerning his attendance at such meeting twenty days before the date of the meeting.</p>	<p>Article 74 When the Company convenes an annual general meeting, a written notice of the meeting shall be given twenty working days before the date of the meeting; when the Company convenes an extraordinary general meeting, a written notice of the meeting shall be given fifteen or ten working days (whichever is longer) before the date of the meeting. The Company shall notify all registered shareholders of the matters to be considered and the date and place of the aforementioned meeting.</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
<p>Article 79 The company shall, based on written replies received from shareholders twenty days before the general meeting, calculate the number of voting shares represented by the shareholders who intend to attend the meeting. If the number of voting shares represented by the shareholders who intend to attend the meeting amount to more than one half of the Company's total voting shares, the Company may hold the meeting; if not, the Company shall, within five days, notify the shareholders through public announcement of matters to be considered at, and the place and date for the meeting. After such an announcement, the Company may then hold the meeting.</p> <p>An extraordinary general meeting shall not decide on any matter not stated in the notice of the meeting.</p>	<p>To be deleted</p>
	<p>The subsequent articles will be renumbered accordingly.</p>
<p>Article 81 Notice of the general meetings shall be served on each shareholder (whether or not such shareholder is entitled to vote at the meeting), by personal delivery or prepaid airmail to the address of the shareholder as shown in the register of shareholders. For the public holders of domestic-invested Shares, notice of the meetings may also be issued by way of public announcement.</p> <p>The public announcement referred to in the preceding paragraph shall be published in one or more national newspapers designated by the securities authority of the State Council within the interval of forty-five days to fifty days before the date of the meeting; after the publication of such announcement, the holders of domestic-invested Shares shall be deemed to have received the notice of the relevant general meeting.</p>	<p>Article 80 Notice of the general meetings shall be served on each shareholder (whether or not such shareholder is entitled to vote at the meeting), by personal delivery or prepaid airmail to the address of the shareholder as shown in the register of shareholders. For the public holders of domestic-invested Shares, notice of the meetings may also be issued by way of public announcement.</p> <p>The public announcement referred to in the preceding paragraph shall be published in one or more national newspapers designated by the securities authority of the State Council; after the publication of such announcement, the holders of domestic-invested Shares shall be deemed to have received the notice of the relevant general meeting.</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
<p>Article 109 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) issuance of corporate bonds;</p> <p>(3) division, merger, dissolution and liquidation of the Company;</p> <p>(4) amendments to the Articles of Association of the Company;</p> <p>(5) 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>(6) 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>Article 108 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>Article 135 Rights conferred on any class of shareholders may not be varied or abrogated save with the approval of a special resolution at a general meeting and by holders of shares of that class at a separate meeting convened in accordance with Articles 138 to Article 141.</p>	<p>Article 134 Rights conferred on any class of shareholders may not be varied or abrogated save with the approval of a special resolution at a general meeting and by holders of shares of that class at a separate meeting convened in accordance with Article 137 to Article 140.</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
<p>Article 137 Shareholders of the affected class, whether or not otherwise having the right to vote at shareholders’ general meetings, have the right to vote at class meetings in respect of matters concerning sub-paragraphs (2) to (8), (11) and (12) of Article 136, but interested shareholder(s) shall not be entitled to vote at such class meetings.</p> <p>“(An) interested shareholder(s)”, as such term is used in the preceding paragraph, means:</p> <p>(1) in the case of a repurchase of shares by way of a general offer to all shareholders of the Company or by way of public dealing on a stock exchange pursuant to Article 30, a “controlling shareholder” within the meaning of Article 60;</p> <p>(2) in the case of a repurchase of shares by an off-market agreement pursuant to Article 30, a holder of the shares to which the proposed agreement relates;</p> <p>(3) in the case of a restructuring of the Company, a shareholder who assumes a relatively lower proportion of obligation than the obligations imposed on shareholders of that class under the proposed restructuring or who has an interest in the proposed restructuring different from the general interests of the shareholders of that class.</p>	<p>Article 136 Shareholders of the affected class, whether or not otherwise having the right to vote at shareholders’ general meetings, have the right to vote at class meetings in respect of matters concerning sub-paragraphs (2) to (8), (11) and (12) of Article 135, but interested shareholder(s) shall not be entitled to vote at such class meetings.</p> <p>“(An) interested shareholder(s)”, as such term is used in the preceding paragraph, means:</p> <p>(1) in the case of a repurchase of shares by way of a general offer to all shareholders of the Company or by way of public dealing on a stock exchange pursuant to Article 30, a “controlling shareholder” within the meaning of Article 60;</p> <p>(2) in the case of a repurchase of shares by an off-market agreement pursuant to Article 30, a holder of the shares to which the proposed agreement relates;</p> <p>(3) in the case of a restructuring of the Company, a shareholder who assumes a relatively lower proportion of obligation than the obligations imposed on shareholders of that class under the proposed restructuring or who has an interest in the proposed restructuring different from the general interests of the shareholders of that class.</p>
<p>Article 138 Resolutions of a class of shareholders shall be passed by votes representing more than two-thirds of the voting rights of shareholders of that class represented at the relevant meeting who, according to Article 137, are entitled to vote thereat.</p>	<p>Article 137 Resolutions of a class of shareholders shall be passed by votes representing more than two-thirds of the voting rights of shareholders of that class represented at the relevant meeting who, according to Article 136, are entitled to vote thereat.</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
<p>Article 139 A written notice of a class meeting shall be given to all shareholders who are registered as holders of that class in the register of shareholders forty-five days before the date of meeting. Such notice shall give such shareholders notice of the matters to be considered at such meeting, the date and the place of the class meeting. A shareholder who intends to attend the class meeting shall deliver his written reply in respect thereof to the Company twenty days before the date of meeting.</p> <p>If the shareholders who intend to attend such class meeting represent more than half of the total number of shares of that class which have the right to vote at such meeting, the Company may hold the class meeting; if not, the Company shall within five days give the shareholders further notice of the matters to be considered, the date and the place of the class meeting by way of public announcement. The Company may then hold the class meeting after such public announcement has been made.</p>	<p>Article 138 When the Company convenes a class meeting, it shall give notice in accordance with Article 74 herein in relation to the requirement of notice period for convening extraordinary general meetings. Such notice shall give such shareholders who are registered as holders of that class in the register of shareholders notice of the matters to be considered at such meeting, the date and the place of the class meeting.</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
<p>Article 145 Directors shall be elected at general meetings, with a term of office of 3 years. At the expiry of a director's term of office, the term is renewable upon re-election.</p> <p>Directors shall be elected from the candidates nominated by the board of directors or shareholders representing 3% or more of the issued shares.</p> <p>A written notice stating the intention to propose a director candidate and the willingness of this person to accept the nomination shall be sent to the Company after the dispatch of the notice of the meeting and no later than seven days prior to the date of such meeting.</p> <p>The chairman shall be elected and removed by more than one half of all the members of the board of directors. The term of office for the chairman is three years, which is renewable upon re-election.</p> <p>Subject to compliance with all relevant laws and administrative regulations, the general meeting of the shareholders may, by ordinary resolution, remove any director before the expiry of his term. However, the director's right to claim for damages arising from his removal shall not be affected thereby. However, before the expiry of his term, the general meeting shall not discharge a director from his duties without reason.</p> <p>A director needs not hold the shares of the Company.</p> <p>Managers and other senior officers may hold a concurrent post as a director. However, the total number of directors who are serving concurrently as managers or other senior officers and directors from employees' representatives cannot exceed half of the total number of the Company's directors.</p>	<p>Article 144 Directors shall be elected at general meetings, with a term of office of 3 years. At the expiry of a director's term of office, the term is renewable upon re-election.</p> <p>Directors shall be elected from the candidates nominated by the board of directors or shareholders representing 3% or more of the issued shares.</p> <p>A written notice stating the intention to propose a director candidate and the willingness of this person to accept the nomination shall be sent to the Company after the dispatch of the notice of the meeting and no later than seven days prior to the date of such meeting.</p> <p>The chairman shall be elected and removed by more than one half of all the members of the board of directors. The term of office for the chairman is three years, which is renewable upon re-election.</p> <p>Subject to compliance with all relevant laws and administrative regulations, the general meeting of the shareholders may, by ordinary resolution, remove any director before the expiry of his term. However, the director's right to claim for damages arising from his removal shall not be affected thereby.</p> <p>A director needs not hold the shares of the Company.</p> <p>Managers and other senior officers may hold a concurrent post as a director. However, the total number of directors who are serving concurrently as managers or other senior officers and directors from employees' representatives cannot exceed half of the total number of the Company's directors.</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
<p>Article 170 An independent non-executive director shall have the same term of office with other directors, and may be re-elected upon the expiry of the term, but shall not serve for a consecutive period of more than 6 years. An independent non-executive director, before the expiry of his term, shall not be removed without a proper reason. Any removal prior the expiry of the term shall be disclosed as a special matter.</p>	<p>Article 169 An independent non-executive director shall have the same term of office with other directors, and may be re-elected upon the expiry of the term, but shall not serve for a consecutive period of more than 6 years. Any removal prior the expiry of the term shall be disclosed as a special matter.</p>
<p>Article 171 An independent non-executive director may resign his position before the expiry of his term provided that he submits a written resignation to the board of directors, and gives an account for any matters related to his resignation or requiring the attention of the Company's shareholders and creditors.</p> <p>In the event that the resignation of any independent non-executive director results in the number of directors or independent non-executive directors failing below the statutory requirement or the minimum number specified in the Articles of Association, the existing directors shall continue to perform their duties in accordance with laws, administrative regulations and the Articles of Association until the reelected independent non-executive directors assume their office. The board of director shall convene a general meeting within two months to re-elect independent non-executive directors, and if a general meeting is not convened in the specified period of time, independent non-executive directors may stop performing their duties.</p>	<p>Article 170 An independent non-executive director may resign his position before the expiry of his term provided that he submits a written resignation to the board of directors, and gives an account for any matters related to his resignation or requiring the attention of the Company's shareholders and creditors.</p> <p>In the event that the resignation of any independent non-executive director results in the number of directors or independent non-executive directors failing below the statutory requirement or the minimum number specified in the Articles of Association, the existing directors shall continue to perform their duties in accordance with laws, administrative regulations and the Articles of Association until the reelected independent non-executive directors assume their office.</p>
<p>Article 179 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 in a controlling shareholder or beneficial owner of the Company shall not be a senior officer of the Company.</p>	<p>Article 178 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>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
<p>Article 185 The Company shall have a supervisory committee, which consists of three supervisors. The supervisory committee shall have one chairman 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>Article 184 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>Article 186 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.</p> <p>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.</p> <p>The notice shall include the following information:</p> <p>(1) date, venue and duration of the meeting;</p> <p>(2) subject and topic of the meeting;</p> <p>(3) date on which the notice is dispatched.</p> <p>Supervisors may propose to convene an extraordinary supervisory meeting.</p>	<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.</p> <p>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.</p> <p>The notice shall include the following information:</p> <p>(1) date, venue and duration of the meeting;</p> <p>(2) subject and topic of the meeting;</p> <p>(3) date on which the notice is dispatched.</p> <p>Supervisors may propose to convene an extraordinary supervisory meeting.</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
<p>Article 213 A loan guarantee provided by the Company in breach of Article 209(1) shall not be enforceable against the Company, save in respect of the following circumstances:</p> <p>(1) the guarantee was provided in connection with a loan which was offered to an associate of any of the directors, supervisors, manager and other senior officers of the Company or of the Company's holding company, and the lender of such funds did not know of the relevant circumstances at the time of the offering of the loan; or</p> <p>(2) the collateral which has been provided by the Company has already been lawfully disposed of by the lender to a bona fide purchaser.</p>	<p>Article 212 A loan guarantee provided by the Company in breach of Article 208(1) shall not be enforceable against the Company, save in respect of the following circumstances:</p> <p>(1) the guarantee was provided in connection with a loan which was offered to an associate of any of the directors, supervisors, manager and other senior officers of the Company or of the Company's holding company, and the lender of such funds did not know of the relevant circumstances at the time of the offering of the loan; or</p> <p>(2) the collateral which has been provided by the Company has already been lawfully disposed of by the lender to a bona fide purchaser.</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
<p>Article 232 Procedures for considering the profit distribution plan of the Company:</p> <p>The profit distribution plan of the Company shall be formulated by the board of directors. The board of directors shall thoroughly discuss the rationality of the profit distribution plan and form a specific resolution which shall be approved and considered by the board of directors and the Supervisory Committee before submitting to the general meeting for consideration.</p> <p>Where the Company has no cash dividends in particular cases as provided for in the foregoing Article 231, the board of directors shall explain the specific reasons for not distributing cash dividends, the exact purpose for the retained profit and the estimated investment return, and submit such to the general meeting for consideration after independent directors express their opinions thereon.</p> <p>In considering the profit distribution plan at the general meeting, the Company shall communicate and exchange information with the shareholders, especially the small and medium shareholders, through hotlines and other related channels, take into full account their opinions and requests, and answer questions concerned by the small and medium shareholders in a timely manner. The Company shall make network voting method accessible to shareholders. The votes of the small and medium shareholders should be counted separately, and the poll results should be disclosed in the designated media of the Company.</p>	<p>Article 231 Procedures for considering the profit distribution plan of the Company:</p> <p>The profit distribution plan of the Company shall be formulated by the board of directors. The board of directors shall thoroughly discuss the rationality of the profit distribution plan and form a specific resolution which shall be approved and considered by the board of directors and the Supervisory Committee before submitting to the general meeting for consideration.</p> <p>Where the Company has no cash dividends in particular cases as provided for in the foregoing Article 230, the board of directors shall explain the specific reasons for not distributing cash dividends, the exact purpose for the retained profit and the estimated investment return, and submit such to the general meeting for consideration after independent directors express their opinions thereon.</p> <p>In considering the profit distribution plan at the general meeting, the Company shall communicate and exchange information with the shareholders, especially the small and medium shareholders, through hotlines and other related channels, take into full account their opinions and requests, and answer questions concerned by the small and medium shareholders in a timely manner. The Company shall make network voting method accessible to shareholders. The votes of the small and medium shareholders should be counted separately, and the poll results should be disclosed in the designated media of the Company.</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
<p>Alteration of the Company's profit distribution policy:</p> <p>In case of war, natural disasters and other force majeure, or changes to the Company's external operational environment resulting in material impact on its production and operation, or relatively significant changes to the Company's operational position, the Company may adjust its profit distribution policy.</p> <p>The board of directors shall conduct specific discussion over adjustment to the Company's profit distribution policy, provide detailed reasons for such adjustment, provide a written report to be considered by independent directors, and then submit to the general meeting for approval by way of a special resolution. In considering alterations to the profit distribution policy, the Company shall make network voting method accessible to shareholders to provide convenience for the small and medium shareholders for attending the shareholders' meeting and the votes of the small and medium shareholders should be counted separately.</p>	<p>Alteration of the Company's profit distribution policy:</p> <p>In case of war, natural disasters and other force majeure, or changes to the Company's external operational environment resulting in material impact on its production and operation, or relatively significant changes to the Company's operational position, the Company may adjust its profit distribution policy.</p> <p>The board of directors shall conduct specific discussion over adjustment to the Company's profit distribution policy, provide detailed reasons for such adjustment, provide a written report to be considered by independent directors, and then submit to the general meeting for approval by way of a special resolution. In considering alterations to the profit distribution policy, the Company shall make network voting method accessible to shareholders to provide convenience for the small and medium shareholders for attending the shareholders' meeting and the votes of the small and medium shareholders should be counted separately.</p>

Save for the above amendments and the adjustment to article numbers resulting from the amendments, other provisions of the Articles of Association of the Company remained unchanged.

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

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

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

Beijing, the PRC
27 March 2020

As at the date of this announcement, the board of the Company comprises Mr. Wang Jun, Mr. Li Junjie and Mr. Zhang Jiheng as executive directors, Ms. Jin Chunyu, Mr. Wu Yanzhang, Mr. Xia Zhonghua and Ms. Li Chunzhi as non-executive directors and Ms. Wu Yan, Mr. Liu Ning, Mr. Yang Xiaohui and Mr. Fan Yong as independent non-executive directors.