



北京京城机电股份有限公司

Beijing Jingcheng Machinery Electric Company Limited

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

(Stock Code: 0187)

RULES OF PROCEDURE OF THE GENERAL MEETING OF SHAREHOLDERS OF BEIJING JINGCHENG MACHINERY ELECTRIC COMPANY LIMITED

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

Chapter 1 General Provisions

Article 1 With a view to regulating the acts of the Company and ensuring the general meeting lawfully exercises its functions and powers, the Rules of Procedure are formulated in accordance with the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), the Securities Law of the People's Republic of China (hereinafter referred to as the "Securities Law"), the Rules on Shareholders' General Meetings of Listed Companies (hereinafter referred to as the "Rules") and the Company's Articles of Association.

Article 2 This Article shall apply to the convening, proposal, notice and holding of general meetings of the Company.

The Company shall hold general meetings strictly in accordance with the laws, administrative regulations, these Rules of Procedure and the Company's Articles of Association so as to ensure that the shareholders can exercise their rights in accordance with the laws.

The Board of Directors of the Company shall duly perform its duties and organize general meetings prudently and as scheduled. All the directors of the Company shall be diligent and responsible so as to ensure that general meetings are held in an orderly manner and the functions and powers are exercised in accordance with the laws.

- Article 3 The general meeting shall perform its functions and powers to the extent as provided by the Company Law and the Company's Articles of Association.
- Article 4 General meetings may be either annual or extraordinary. The annual general meeting shall be held once a year within six months after the closing of the previous accounting year. The extraordinary general meeting may be held from time to time and shall be held within two months where any of the circumstances as set forth in section 113 of the Company Law for holding such a meeting occurs.
- In case that the Company is unable to hold a general meeting within the aforesaid time frame, it shall report and explain the reasons to the local office of the CSRC in the region where the Company operates and the Shanghai Stock Exchange, and make an announcement.
- Article 5 When holding a general meeting, the Company shall engage lawyers to advise on the following matters and make an announcement:
- (i) Whether the procedures for convening and holding the meeting are compliant with the laws, administrative regulations, these Rules of Procedure and the Company's Articles of Association;
 - (ii) Whether the qualifications of the attendees and the convener are lawful and valid;
 - (iii) Whether the voting procedures and results of the meeting are lawful and valid;
 - (iv) Legal advice on other relevant matters at the request of the Company.

Chapter 2 Convening of General Meetings

- Article 6 The Board of Directors shall convene general meetings as scheduled within the time frame as prescribed in Article 4 of these Rules of Procedure.
- Article 7 With the approval of a majority of all independent non-executive directors, independent non-executive directors shall be entitled to make a proposal to the Board of Directors on holding an extraordinary general meeting. For such a proposal, the Board of Directors shall give a written reply on whether to agree or not to hold an extraordinary general meeting within 10 days upon receipt of the proposal in accordance with the laws, administrative regulations and the Company's Articles of Association.
- Where the Board of Directors agrees to hold an extraordinary general meeting, a notice of general meeting shall be given within 5 days after the resolution of the Board of Directors is made. Where the Board of Directors does not agree to hold such a meeting, its reasons shall be given and an announcement shall be made.

Article 8

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

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

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

Article 9

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

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

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

If the Board of Directors does not agree to convene an extraordinary general meeting or it does not reply within 10 days after receiving the request(s), shareholder(s) who individually and jointly hold more than 10% of the shares of the Company shall propose to the Audit Committee in writing to convene an extraordinary general meeting.

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

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

Article 10 Where the Audit Committee or shareholders decide(s) to convene the general meeting by itself/themselves, it/they shall send out a written notice to the Board, and shall file with the stock exchange.

The shareholding of the convening shareholders shall not be lower than 10% prior to the announcement of the resolutions of the general meeting.

The Audit Committee or the convening shareholder shall submit relevant evidence to the stock exchange upon the issuance of the notice of general meeting and the announcement of the resolutions of the general meeting.

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

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

Chapter 3 Proposals and Notification of General Meetings

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

Article 14 Shareholders that individually or jointly hold 1% or more of shares in the Company may make a temporary proposal and submit it to the convener(s) in written form 10 days prior to a general meeting. The convener(s) shall give a supplementary notice of general meeting to announce the content of the temporary proposal within 2 days upon receipt of the proposal and submit the temporary proposal to the general meeting for consideration. However, this shall not apply if the temporary proposal violates laws, administrative regulations or the Articles of Association, or if it falls outside the scope of the terms of reference for the general meeting. The Company shall not increase the shareholding threshold for shareholders who may submit temporary proposals.

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

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

Article 15 The convener(s) shall notify each shareholder in the form of announcement or in the manner of notification specified in the Articles of Association or in any other manner permitted by the stock exchange on which the Company's shares are listed 21 days prior to an annual general meeting; the convener(s) shall notify each shareholder in the form of announcement or in the manner of notification specified in the Articles of Association or in any other manner permitted by the stock exchange on which the Company's shares are listed 15 days prior to an extraordinary general meeting.

Where otherwise provided by laws, administrative regulations, other regulatory documents and the securities regulatory authorities of the place where the Company's shares are listed, such provisions shall apply.

Article 16 Specific details of all proposals as well as all the information or explanations required for shareholders to make a sound judgment on the matters to be discussed shall be disclosed on a full and complete basis in the notice and supplementary notice of general meeting.

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

- (1) Personal information such as educational background, employment experience and concurrent positions;
- (2) Whether he/she has any connected relationship with the Company or its controlling shareholders and actual controllers;
- (3) The number of shares held in the Company;

- (4) Whether he/she has been punished by the CSRC and other relevant authorities and disciplined by the stock exchange.

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

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

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

Chapter 4 Holding of General Meetings

Article 20 The place for holding general meetings is: the premises of the Company or other location announced by the Company. The general meeting of shareholders shall have a meeting place and shall be held in the form of an on-site meeting. In addition, safe, economical and convenient network and other means of communication shall be adopted in accordance with provisions of laws, administrative regulations, CSRC and Article of Association of the Company to make convenience for shareholders' participation in the general meeting.

Shareholders may personally attend the General Meeting of Shareholders and exercise voting right or entrust others to attend the meeting and exercise voting right within the authorized scope.

Article 21 The notice of the General Meeting of Shareholders shall expressly indicate time and procedure of voting through internet or other means of communication.

Time of voting through internet or other means of communication shall not be earlier than 3:00 p.m. of the day before opening of the on-site General Meeting of Shareholders or later than 9:30 a.m. of the opening date of the on-site General Meeting. In addition, closing time shall not be earlier than 3:00 p.m. of the closing date of the on-site General Meeting.

- Article 22 The Board of Directors and other convener(s) shall take necessary measures to ensure the smooth running of the general meeting. They shall take measures to stop any acts of interference in the general meeting, picking quarrels, provoking troubles and infringing of legal rights and interests of shareholders, and shall report them to the relevant authorities for investigation and punishment on a timely basis.
- Article 23 All the shareholders or their proxies registered on the shareholding record date shall be entitled to attend a general meeting, and the Company and the convener(s) shall not refuse them for whatever reasons.
- Article 24 A shareholder shall attend a general meeting with his/her identity card or any other valid certificates or proof that can show his/her identity. A proxy shall also provide the instrument of proxy of the shareholder and a valid personal identity document.
- Article 25 The convener(s) and lawyers shall jointly verify the legality of shareholders' qualifications based on the register of members offered by the securities registration and clearing institution, and shall register the names of shareholders and the number of voting shares they hold. The on-site registration for the meeting shall be terminated before the presider of the meeting announces the number of shareholders and proxies present at the meeting as well as the total number of voting shares they hold.
- Article 26 Where a general meeting requires the presence of directors and senior officers, the directors and senior officers shall be present at the meeting and answer shareholders' inquiries.
- Article 27 The chairman of the Board shall invite the chairmen of the Audit Committee, Remuneration and Monitoring Committee, Nomination Committee and any other committees to attend. If the chairman of the relevant committee fails to attend, the chairman of the Board shall invite another member or his/her duly appointed representative to attend. Such person must answer questions at the general meeting.
- Article 28 If there is an independent committee under the Board of Directors, the chairman of the committee shall respond to questions at any general meeting to approve a connected transaction or any other transaction that requires independent shareholders' approval.
- Article 29 The Company's management shall ensure the external auditors attend the general meeting and answer questions about the audit work, the preparation of the auditor's report and its content, accounting policies, and the independence of the auditor.
- Article 30 A general meeting shall be presided over by chairman of the Board of Directors. Where the chairman of the Board of Directors is unable or fails to perform the duty, the meeting shall be presided over by a director jointly elected by a simple majority of the directors.

A general meeting convened by the Audit Committee shall be presided over by the convener of the Audit Committee. Where the convener of the Audit Committee is unable or fails to perform the duty, the meeting shall be presided over by a member of the Audit Committee jointly elected by a simple majority of the members of the Audit Committee.

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

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

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

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

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

Article 34 If a shareholder has association relationship with matters to be discussed at the General Meeting, such shareholder shall avoid voting and number of voting shares held by such shareholder will not be included into total number of voting shares held by shareholders present at the General Meeting.

At the time of considering significant matters affecting interest of small and medium investors at the General Meeting, number of voting in response to small and medium investors shall be separately calculated. Result of separate calculation shall be publicly disclosed in a timely manner.

The Company holding its own shares shall have no voting right and such part of shares will not be included into total number of voting shares held by shareholders present at the General 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, shareholders holding more than one percent of the voting shares or investor protection organizations established in accordance with laws, administrative regulations or the provisions of the CSRC may publicly solicit shareholder voting right. In case of solicitation of shareholder voting right, such information as specific voting intention shall be fully disclosed to persons whose voting rights are being solicited. It is prohibited to solicit shareholder voting rights with payment or disguised payment. Save for statutory conditions, the Company shall not impose restriction on minimum shareholding proportion against solicitation of voting rights.

- Article 35 When the General Meeting votes on the election of Directors, the accumulative voting system may be implemented according to the Articles of Association or the resolution of the General Meeting. Where a single shareholder and his/her concert parties are interested in more than thirty percent of the shares of listed companies, or where the General Meeting votes on the election of more than two independent non-executive Directors, the accumulative voting system shall be adopted.
- Article 36 Except for the cumulative voting system, the general meeting shall vote on all proposals item by item, and shall vote on the basis of time sequence in case that more than one proposal for one matter is received. The general meeting shall not shelve or take no votes on any proposal, unless the meeting is stopped or unable to make any resolution due to any special reasons, e.g., force majeure.
- Article 37 Any vote of shareholders at a general meeting must be taken by poll except where the presider of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by show of hands.
- Article 38 When considering any proposal, the general meeting shall make no alteration to the proposal; otherwise, the relevant alteration shall be deemed as a new proposal and shall not be voted on at the current general meeting.
- Article 39 The same voting right may be exercised through only one means: on-site, online or any other means. The first voting result shall prevail where the same voting right is repeatedly exercised.
- Article 40 Shareholders attending the general meeting shall express one of the following opinions: "Yes", "No" or "Abstain" on each proposal presented, except for the securities registration and clearing institutions which, being the nominal holders of shares subject to the interconnection mechanism of the Mainland and Hong Kong stock market transactions, shall make declaration according to the intentions of actual holders.

Unfilled, incorrectly filled, illegible votes or uncast votes shall be considered as an abstention by the voter, and the voting result of the shares held by the voter shall be deemed “Abstain”.

Article 41 The general meeting shall, prior to the voting on proposals, elect two representatives from shareholders to take part in vote counting and polling scrutiny. In case any shareholder is connected to any matter to be considered, the shareholder and his/her proxy shall not take part in vote counting and polling scrutiny.

When the general meeting votes on proposals, lawyers, representatives of shareholders, and auditors, the share registrar or an external accountant qualified to act as an auditor shall be jointly responsible for vote counting and polling scrutiny. The results of the vote shall be announced on the spot and the voting results on the resolution shall be recorded in the minutes of the meeting.

Shareholders or their proxies who vote online or by any other means shall be entitled to check their voting results via the relevant voting system.

Article 42 The on-site general meeting shall not end earlier than the meeting held online or by any other means, and the presider of the meeting shall announce the voting situation and results on each proposal at the on-site meeting and whether the proposal is adopted based on the voting results.

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

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

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

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

- Article 45 Minutes of a general meeting shall be taken by the Secretary of the Board of Directors and include:
- (i) The time, place, agenda, and the name(s) of the convener(s);
 - (ii) The names of the presider of the meeting as well as directors and senior management who attend the meeting or are present at the meeting;
 - (iii) The number of shareholders and proxies present at the meeting, the total number of voting shares they hold and its proportion to the total voting shares of the Company;
 - (iv) The consideration process, key points of speeches and the voting results with respect to each proposal;
 - (v) The inquiries, opinions or suggestions of shareholders as well as the corresponding replies or explanations;
 - (vi) The names of lawyers, vote counters and scrutineers;
 - (vii) Other information that shall be included in the minutes as required by the Company's Articles of Association.

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

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

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

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

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

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

Where any of the procedures for convening a general meeting or the means of voting is inconsistent with the laws, administrative regulations or the Company's Articles of Association, or the content of any resolution is inconsistent with the Company's Articles of Association, shareholders may request the People's Court to cancel such resolution within 60 days from the date on which the resolution is made. However, this excludes situations where there is only a minor defect in the procedures for the convening of a general meeting or in the manner of voting thereat, which does not have material impact on the resolution.

Where the board of directors, shareholders and other relevant parties dispute the qualifications of the convener(s), the convening procedures, the legality of the proposal and the validity of a resolution of the general meeting, they shall promptly file a lawsuit with the People's Court. Before the People's Court makes a judgment or ruling to revoke the resolution, the relevant parties shall execute the resolution of the general meeting. The Company, its directors and senior officers shall fulfill their duties in good faith and timely execute the resolution of the general meeting to ensure the normal operation of the Company.

When the People's Court has made a judgment or ruling on the relevant matter, the Company shall fulfill its information disclosure obligations in accordance with the law, administrative regulations and the requirements of the CSRC and stock exchanges, fully explain the impacts and actively facilitate the execution after such judgment or ruling has taken effect. Where matters in connection with prior periods need to be rectified, the rectification shall be done in a timely manner, and the Company shall fulfill its information disclosure obligations accordingly.

Chapter 5 Supplementary Provisions

The announcement, notice or supplementary notice of the general meeting mentioned in these rules of procedure refers to the publication of relevant information disclosure contents on the media and the website of the stock exchange in compliance with the requirements stipulated by the CSRC or through other means as required by the securities regulatory authorities of the place where the Company's shares are listed.

- Article 51 The terms “or more” or “within” herein shall include the given figure, while “over”, “less than” or “more than” shall not include the given figure.
- Article 52 The Rules of Procedure shall be formulated by the Board of Directors and shall take effect upon the approval of the general meeting. Any amendment of the Rules shall follow the same procedure.
- Article 53 The Rules of Procedure shall be construed and interpreted by the Board of Directors.

The Board of Directors
Beijing Jingcheng Machinery Electric Company Limited