
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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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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 2023
2023 WORK REPORT OF THE BOARD OF DIRECTORS OF THE COMPANY
2023 WORK REPORT OF THE SUPERVISORY COMMITTEE OF THE COMPANY
2023 AUDITED FINANCIAL REPORTS OF THE COMPANY
INTERNAL CONTROL AUDIT REPORT OF THE 2023 ANNUAL FINANCIAL REPORT OF THE COMPANY
2023 WORK REPORT OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS
OF THE COMPANY
APPOINTMENT OF WUYIGE CERTIFIED PUBLIC ACCOUNTANTS LLP
AS THE AUDITOR FOR THE COMPANY'S 2024 ANNUAL FINANCIAL REPORT AND
INTERNAL CONTROL AUDIT REPORT IN THE FINANCIAL REPORT
THE RESOLUTION OF THE COMPANY NOT TO DISTRIBUTE ANY PROFIT
FOR THE YEAR OF 2023
THE RESOLUTION IN RELATION TO THE REMUNERATION OF
AND ENTERING INTO A WRITTEN CONTRACT WITH
THE INDEPENDENT NON-EXECUTIVE DIRECTORS
OF THE ELEVENTH SESSION OF THE BOARD
THE RESOLUTION IN RELATION TO THE CHANGE
OF INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE ELEVENTH SESSION
OF THE BOARD OF THE COMPANY
THE RESOLUTION IN RELATION TO THE APPROVAL OF THE GRANT OF GENERAL MANDATE
TO THE BOARD TO ISSUE H SHARES BY THE COMPANY
THE RESOLUTION IN RELATION TO THE PROPOSED AMENDMENTS TO
THE "ARTICLES OF ASSOCIATION"
THE RESOLUTION IN RELATION TO THE AMENDMENTS
TO THE "RULES OF PROCEDURE OF THE GENERAL MEETING OF SHAREHOLDERS"
AND
NOTICE OF AGM**

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 Thursday, 27 June 2024 at 9:30 a.m. is set out on pages AGM-1 to AGM-3 of this circular.

Whether or not you intend to attend the AGM, you are requested to complete the attached form of proxy 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 convening of the AGM. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or any adjourned meeting should you so wish.

28 May 2024

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DEFINITIONS

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

“AGM”	the 2023 annual general meeting of the Company to be convened on Thursday, 27 June 2024 at 9:30 a.m. at the Company’s Conference Room, No. 6 Rongchang East Street, Daxing District, Beijing, PRC
“A Share(s)”	domestic ordinary share(s) with a par value of RMB1.00 each in the share capital of the Company which are listed on the SSE (stock code: 600860), subscribed for and traded in RMB
“Articles of Association”	the articles of association of the Company as amended from time to time
“Board”	the board of Directors
“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
“controlling shareholder”	has the meaning as ascribed to it under the Listing Rules
“CSRC”	China Securities Regulatory Commission
“Directors”	the directors 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 new Shares which 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)”	the overseas foreign listed shares of nominal value of RMB1.00 each in the share capital of the Company, which are listed on the Main Board of the Stock Exchange (stock code: 00187), subscribed for and traded in Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Jingcheng Machinery Electric”	北京京城機電控股有限責任公司 (Beijing Jingcheng Machinery Electric Holding Co., Ltd.*), a company incorporated in the PRC and holding 44.87% interest in the Company and a controlling shareholder of the Company
“Latest Practicable Date”	24 May 2024, being the latest practicable date prior to the printing of this circular for ascertaining information included hereof
“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, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	share(s) of the Company, including A Shares and H Shares, unless otherwise specified
“Shareholders”	the shareholders of the Company
“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
“Supervisors”	the supervisors of the Company
“%”	percent

LETTER FROM THE BOARD



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. Zhang Jiheng

Non-executive Directors:

Mr. Li Junjie

Mr. Wu Yanzhang

Mr. Zhou Yongjun

Mr. Cheng Lei

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

28 May 2024

To the Shareholders

Dear Sir or Madam,

THE FULL TEXT AND THE SUMMARY OF ANNUAL REPORT FOR A SHARES
AND ANNUAL REPORT FOR H SHARES FOR 2023
2023 WORK REPORT OF THE BOARD OF DIRECTORS OF THE COMPANY
2023 WORK REPORT OF THE SUPERVISORY COMMITTEE OF THE COMPANY
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AND
NOTICE OF AGM

LETTER FROM THE BOARD

1. INTRODUCTION

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

At the AGM, 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 2023; (2) 2023 work report of the Board of the Company; (3) 2023 work report of the supervisory committee of the Company; (4) 2023 audited financial reports of the Company; (5) the internal control audit report of the 2023 annual financial report of the Company; (6) 2023 work report of the independent non-executive Directors of the Company; (7) appointment of WUYIGE Certified Public Accountants LLP as the auditor for the Company's 2024 financial report and internal control audit report of the financial report; (8) the resolution of the Company not to distribute any profit for the year of 2023; (12) the resolution in relation to the remuneration of and entering into a written contract with the Independent non-executive Directors of the eleventh session of the Board; (13) the resolution in relation to the change of independent non-executive Director of the eleventh session of the Board of the Company; the following special resolutions will be proposed to consider and approve (9) the resolution in relation to the grant of general mandate to the Board to issue H shares by the Company; (10) the resolution in relation to the proposed amendments to the "Articles of Association"; and (11) the resolution in relation to the proposed amendments to the "Rules of Procedure of the General Meeting of Shareholders".

The full text and the summary of annual report for A Shares and annual report for H Shares for 2023, 2023 work report of the Board, 2023 audited financial reports, the internal control audit report of the 2023 annual financial report and the resolution not to distribute any profit for the year of 2023

For details, please refer to the 2023 annual report of the Company and the relevant sections thereof which has been published on the website of the Company and the website of the Stock Exchange.

2023 Work Report of the supervisory committee

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

2023 Work Report of the independent non-executive Directors

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

Appointment of WUYIGE Certified Public Accountants LLP as the auditor for the Company's 2024 financial report and internal control audit report of the financial report

The Board proposes that the Company to appoint WUYIGE Certified Public Accountants LLP as the auditor for the Company's 2024 financial report and internal control audit report of the financial report, and to authorise the Board to sign an appointment agreement with it and determine its remuneration.

LETTER FROM THE BOARD

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(s) (if applicable) are obtained.

and, for the purposes of this resolution:

"Relevant Period"

the period from the date of the passing of 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 date of the revocation or variation of the authority given under this resolution by a special resolution of the Company at a general meeting; and

LETTER FROM THE BOARD

“Rights Issue”

the allotment or issuance of shares in the Company or other securities 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

On 13 November 2023, the Company convened the first extraordinary general meeting of 2023, the first A shares class meeting of 2023 and the first H shares class meeting of 2023, respectively, and considered and approved the relevant matters in relation to 2023 Restricted Share Incentive Scheme of the Company. The Company has completed the registration of initial grant of 2023 Restricted Share Incentive Scheme on 28 December 2023. The number of new Shares of the issuance was 5,400,000 restricted A shares. Upon completion of the issuance, the total number of shares of the Company changes from 542,265,988 shares to 547,665,988 shares, it is therefore required to revise the registered capital of the Company.

In accordance with the provision of the “Trial Administrative Measures of Overseas Securities Offering and Listing of Domestic Companies” implemented on 31 March 2023 and the “Rules for Independent Directors of Listed Companies” newly amended on 4 September 2023 by the CSRC, and the “Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (August 2023 Revision)” and “Guidelines No. 1 of the Shanghai Stock Exchange on the Self-Regulation Rules for Listed Companies – Regulated Operation (August 2023 Revision)” newly amended on 4 September 2023 by the SSE, and the consultation conclusions on the “Proposals to Expand the Paperless Listing Regime and Other Rule Amendments” published by the Stock Exchange in June 2023 and effective from 31 December 2023, and certain provisions of the Listing Rules that are newly amended by the Stock Exchange in accordance with the new regulatory requirements in Mainland China, the Company proposed to amend the Articles of Association of the Company in relation to the investment provisions, the increase and reduction of registered capital, the repurchase provisions, the provisions on the rights and obligations of the Shareholders, the general meeting of the Shareholders, election, powers and duties of the Board and various committees, appointment, dismissal or non-renewal of the appointment of the auditor, dissolution, liquidation and bankruptcy of the Company, notices of the Company to be given by electronic means or by public announcements, etc., and amendments to the Articles of Association and other relevant provisions.

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.

LETTER FROM THE BOARD

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.

4. RESOLUTION IN RELATION TO THE PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR THE GENERAL MEETING

In accordance with the provision of the “Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies” and the “Rules for Independent Directors of Listed Companies” issued by the CSRC and the “Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (August 2023 Revision)” and “Guidelines No. 1 of the Shanghai Stock Exchange on the Self-Regulation Rules for Listed Companies – Regulated Operation (August 2023 Revision)” newly amended by the Shanghai Stock Exchange, the consultation conclusions on the “Proposals to Expand the Paperless Listing Regime and Other Rule Amendments” published by the Stock Exchange in June 2023 and effective from 31 December 2023, and certain provisions of the Listing Rules that are newly amended by the Stock Exchange in accordance with the new regulatory requirements in Mainland China, and other relevant laws and regulations and the provisions of the Articles of Association, and taking into account the actual situation of the Company, in order to further improve the corporate governance system and facilitate the regular operation of the Company, the Board proposed to amend the Rules of Procedure of the General Meeting of Shareholders, and the relevant resolutions were considered and passed at the sixth extraordinary meeting of the eleventh session of the Board, and were submitted to the AGM for approval.

The proposed amendments are set out in Appendix IV to this circular. The proposed amendments to the “Rules of Procedure of the General Meeting of Shareholders” are subject to approval of the Shareholders by way of a special resolution at the AGM.

5. CHANGE OF INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE ELEVENTH SESSION

As disclosed in the announcement of resolution of the sixth extraordinary meeting of the eleventh session of the Board of the Company dated 28 May 2024, as Mr. Xiong Jianhui has applied to the Board to resign from the position of an independent non-executive Director of the eleventh session of the Board, the chairman of the audit committee and a member of the remuneration and monitoring committee of the Board, the Board has considered and passed the resolution regarding the change of independent non-executive Director of the eleventh session of the Board of the Company. Having been duly informed and recommended by the nomination committee of the eleventh session of the Board, Ms. Chen Junping was nominated as a candidate for the independent non-executive Director of the eleventh session of the Board of the Company for a proposed term of office from the date of consideration and approval at the AGM to the date of the 2025 annual general meeting.

LETTER FROM THE BOARD

As at the Latest Practicable Date, Ms. Chen Junping has confirmed that (i) she meets the independence guidelines as set out in Rule 3.13 of the Listing Rules; (ii) she does not have any past or present financial or other interest in the business of the Company or its subsidiaries, nor is she related to any core connected person (as defined under the Listing Rules) of the Company; and (iii) there are no other factors that may affect her independence at the time of her appointment. Having considered all the above, the Board is also of the view that Ms. Chen Junping meets the independence guidelines set out in Rule 3.13 of the Listing Rules and is independent in accordance with the terms of the guidelines.

The Board considered that the educational background, skills, knowledge, and professional experience of Ms. Chen Junping would enable her to provide balanced, objective, valuable and diversified perspectives, such that she can provide insights into the Board and contribute to the diversity of the Board.

Subject to the consideration and approval by the Shareholders of the appointment of Ms. Chen Junping as an independent non-executive Director of the Company at the AGM, the Company intends to enter into a service contract with Ms. Chen Junping, who will be entitled to receive an annual emolument of RMB80,000. The emolument is determined based on the remuneration standards of the Company combined with the annual assessment indicators, and its resolution is prepared by the remuneration and monitoring committee of the Board which will be considered and approved by the Board and subsequently reported to the AGM for consideration and approval.

According to the Articles of Association, the appointment of Directors is subject to the approval of the Shareholders. At the AGM, ordinary resolutions will be proposed to approve the election of Ms. Chen Junping as Independent Non-executive Director and her remuneration packages.

The biographical details of the candidate proposed to be elected as Independent Non-executive Director at the AGM are set out in Appendix V to this circular.

6. AGM

A notice convening the AGM to be held on Thursday, 27 June 2024 at 9:30 a.m. is set out on pages AGM-1 to AGM-3 of this circular. Whether or not you intend to attend the AGM, you are requested to complete the form of proxy 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 holding of the AGM or any adjournment thereof. The completion and return of the abovementioned form(s) of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof if you so wish.

LETTER FROM THE BOARD

7. VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes in respect of the ordinary resolutions and special resolutions 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 Rules 13.39(5) and 13.39(5A) of the Listing Rules.

8. ADDITIONAL INFORMATION

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

9. 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

During 2023, 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 duties 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 Law”, the “Security Law”, 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 2022 annual general meeting, the first extraordinary general meeting of 2023, the first A Share class meeting of 2023, the first H Share class meeting of 2023 and all Board meetings. The supervisory committee of the Company earnestly received report of the Company’s position on production and operation, investment activities and financial control, participated in the decision-making process for material issues of the Company, reviewed the Company’s periodic reports and supervised the operation of the Company as well as the performance of duties by the Company’s Directors and senior management officers, which enhanced the Company’s regular operation and practically protected the Company’s and Shareholders’ legal interests. The 2023 Work Report of the supervisory committee of the Company is set out below:

I. Work of the supervisory committee in 2023

The supervisory committee of the Company has established a sound meeting and working system which can be strictly implemented. The supervisory committee convened 10 meetings in total in 2023, details of which are set out below:

Session	Date	Resolutions of the meeting
The twenty-ninth meeting of the tenth session of the supervisory committee	2023/3/24	<ol style="list-style-type: none">1. The “Resolution in relation to the 2023 Restricted Share Incentive Scheme (Draft) and its Summary of the Company” was considered and approved2. The “Resolution in relation to the 2023 Restricted Share Grant Scheme of the Company” was considered and approved3. The “Resolution in relation to the 2023 Restricted Share Management Measures of the Company” was considered and approved4. The “Resolution in relation to the Verification of the List of Participants for the Initial Grant of the Company’s 2023 Restricted Share Incentive Scheme” was considered and approved

APPENDIX I 2023 WORK REPORT OF THE SUPERVISORY COMMITTEE

Session	Date	Resolutions of the meeting
The thirtieth meeting of the tenth session of the supervisory committee	2023/3/30	<ol style="list-style-type: none">1. The “Work Report of the Supervisory Committee of the Company for 2022” was considered and approved2. The “Full Text and Abstract of the 2022 Annual Report and the H Share Results Announcement of the Company” were considered and approved3. The “2022 Audited Financial Report of the Company” was considered and approved4. The “2022 Internal Control Assessment Report of the Company” was considered and approved5. The “2022 Audit Report on Internal Control over the Annual Financial Reporting of the Company” was considered and approved6. The “2022 Social Responsibility Report of the Company” was considered and approved7. The “Resolution in relation to the 2022 Internal Audit Report on the Deposit and Use of Raised Funds of the Company” was considered and approved8. The “Resolution in relation to the Special Report on the Deposit and Use of Raised Funds of the Company in 2022” was considered and approved9. The “Proposal of the Company not to Distribute Profit for the Year of 2022” was considered and approved10. The “Resolution on Provision for Impairment of the Company for the Year of 2022” was considered and approved11. The “Resolution in relation to the Completion of the Annual Performance Guarantee by Qingdao BYTQ United Digital Intelligence Co., Ltd. for 2022” was considered and approved

APPENDIX I 2023 WORK REPORT OF THE SUPERVISORY COMMITTEE

Session	Date	Resolutions of the meeting
		12. The “Resolution in relation to the Registration and Rectification of the State-owned Capital Ownership of Shanghai Tianhai Composite Cylinders Co., Ltd.” was considered and approved
The thirty-first meeting of the tenth session of the supervisory committee	2023/4/28	<ol style="list-style-type: none">1. The “Resolution in relation to the 2023 First Quarterly Report of the Company” was considered and approved2. The “Resolution in relation to the General Election of the Supervisory Committee” was considered and approved3. 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” was considered and approved
The first meeting of the eleventh session of the supervisory committee	2023/6/19	<ol style="list-style-type: none">1. The “Resolution in relation to the Election of the Chairman of the Eleventh Session of the Supervisory Committee” was considered and approved2. The “Resolution in relation to the Appointment of Secretary of the Eleventh Session of the Supervisory Committee” was considered and approved3. The “Resolution in relation to the Dissolution and Deregistration of Tianteng Yunke (Beijing) Technology Co., Ltd.* (天騰雲科(北京)科技有限公司)” was considered and approved
The second meeting of the eleventh session of the supervisory committee	2023/6/28	The “Resolution in relation to the Verification of the List of Participants for the Initial Grant of the 2023 Restricted Share Incentive Scheme of the Company” was considered and approved

APPENDIX I 2023 WORK REPORT OF THE SUPERVISORY COMMITTEE

Session	Date	Resolutions of the meeting
The third meeting of the eleventh session of the supervisory committee	2023/7/7	<ol style="list-style-type: none">1. The “Resolution in relation to the Application made to the China Construction Bank for Secured Working Capital Loan and Bank Acceptances by Tianjin Tianhai High Pressure Container Co., Ltd., a Subsidiary of the Company” was considered and approved2. The “Resolution in relation to the Application Made to Jingcheng Machinery Electric for a Bridging Loan of RMB30 million by Beijing Tianhai Industry Co., Ltd., a Subsidiary of the Company” was considered and approved
The fourth meeting of the eleventh session of the supervisory committee	2023/7/24	The “Resolution in relation to the Termination of 2022 Proposed Non-public Issuance of A Shares of the Company” was considered and approved
The fifth meeting of the eleventh session of the supervisory committee	2023/8/16	<ol style="list-style-type: none">1. The “Resolution in relation to the Full Text and Abstract of the 2023 A Share Interim Report and the H Share Results Announcement of the Company” was considered and approved2. The “Resolution on the Provision for Impairment in Interim 2023” was considered and approved3. The “Resolution in relation to the Special Report on the Deposit and Use of Raised Funds of the Company in the First Half of 2023” was considered and approved4. The “Resolution in relation to the Change of Accounting Policies” was considered and approved

Session	Date	Resolutions of the meeting
The sixth meeting of the eleventh session of the supervisory committee	2023/10/30	<ol style="list-style-type: none">1. The “2023 Third Quarterly Report of the Company” was considered and approved2. The “Resolution in relation to the Application for Bank Acceptances and Working Capital Loans with the Tianjin Branch of SPD Bank by way of Security by Tianjin Tianhai High Pressure Container Co., Ltd., a Subsidiary of the Company” was considered and approved3. The “Resolution in relation to the Liquidation and Dissolution of Beiqing Zhichuang (Beijing) New Energy Automobile Technology Co., Ltd.” was considered and approved
The seventh meeting of the eleventh session of the supervisory committee	2023/11/14	<ol style="list-style-type: none">1. The “Resolution on Adjustment of Matters relating to the 2023 Restricted Share Incentive Scheme” was considered and approved2. The “Resolution on the Initial Grant of Restricted Shares to the Participants under the 2023 Restricted Share Incentive Scheme” was considered and approved

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 general meetings and Board meetings, the resolutions and the implementation of resolutions of general meetings by the Board, the performance of duties 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 in its regular operation. 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 which was 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 has complied with relevant requirements, and no problem was found. ShineWing Certified Public Accountants (Special General Partnership) audited the 2023 Annual Financial Report of the Company according to the PRC accounting standards and issued the auditors' report with unqualified opinion. The supervisory committee considers that the auditors' report truly reflected the financial status, operating results and cash flows of the Company and that the auditors' report was 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 special report on the deposit and use of the Company's issuance of Shares and the payment of cash to purchase assets and the raising of supporting funds was considered. According to the provisions of the non-public issuance scheme, the raised funds have clear specified purposes, and the funds would be used in strict accordance with the Tripartite Supervision Agreement on the Storage of the Raised Funds Special Account as cash consideration, taxes and intermediary fees, supplementary working capital, etc. for the Company to issue shares and pay cash for the transaction of purchasing assets and raising of funds. The funds raised by the Company were deposited and used in strict accordance with relevant laws and regulations, and there was no illegal use of raised funds. There was no alteration or alteration in disguise to the use of proceeds or circumstances which were detrimental to the interests of the Shareholders.

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

During the reporting period, the Company did not acquire or sell any assets.

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 resolutions in relation to the 2023 Restricted Share Incentive Scheme, Grant Scheme, Management Measures, Adjustment Plan and Participants and other connected transactions of

the Company were considered and approved, The resolution in relation to the application made to Jingcheng Machinery Electric for a bridging loan of RMB30 million by Beijing Tianhai Industry Co., Ltd., a subsidiary of the Company, was considered and approved and the resolution in relation to the termination of 2022 proposed non-public issuance of A Shares of the Company was considered and approved.

The supervisory committee conducted inspection on the connected transactions of the Company during the reporting period and is of the opinion that: 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 were fair and reasonable, and the transactions were entered into on normal commercial terms and in the interests of the Company and the Shareholders as a whole. The transaction prices were objective and fair without harming the interests of the Company and non-connected Shareholders and minority Shareholders. The decisions made were in line with the Company’s 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 has 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 was sound with effective implementation from 1 January 2023 to the end of the reporting period. The report objectively and fairly reflects the actual status of the internal control of the Company and there is no disagreement on the assessment report.

During the reporting period, nothing occurred which required negotiation by the 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 abuse of the right to know by persons with access to the Company’s inside information, divulgence of inside information, and occurrence of insider trading, which protected the legal interests of all investors.

IX. External Guarantee and Fund Appropriation

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

X. Work Plan of the Supervisory Committee for the Year of 2024

In 2024, 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 2024, 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 of further regulating the decision-making and operating 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 a modern corporation. 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 get hold of the Company’s major decisions and ensure that the various decision-making procedures are lawful, thereby further safeguarding the interests of the Shareholders. Third, it will convene work 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 examine 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 check in with the Company and keep informed of the operation of the Company, especially the major operating 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 situation. 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 of the Company.

3. Constantly uplift capabilities to perform duties 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 the new 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

28 March 2024

Xiong Jianhui

During my tenure as an independent non-executive Director of Beijing Jingcheng Machinery Electric Company Limited (the “**Company**”), I strictly complied with the laws and regulations such as the “Company Law”, the “Securities Law”, the “Administrative Measures on the Independent Directors of Listed Companies” and the “Listing Rules of Shanghai Stock Exchange”, as well as the regulations and requirements of the “Articles of Association” and the “Work System for Independent Directors”. I sincerely performed my 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 my responsibilities and duties as an Independent non-executive Director.

I report the performance of my duties as the Independent non-executive Director during 2023 as follows:

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

Xiong Jianhui, Chinese, male, aged 49. 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, Crowe Horwath Certified Public Accountants and he was the independent non-executive director of the tenth session of the Board of the Company from 9 June 2020 to 16 June 2023. He is currently a partner of WUYIGE Certified Public Accountants LLP and an independent non-executive director of the eleventh session of the Board of the Company.

(II) Positions held in the Board committees

As the chairman of the audit committee and a member of the remuneration and monitoring committee, I actively participated in the Board committees, focusing on exerting my own professional advantages to provide strong support for the scientific decision-making of the Board and related Board committees.

(III) Statement on whether the independence is affected

I do not hold any duties other than that of the independent Director, or hold any duties in substantial Shareholders of the Company. There is no relationship between me and the Company and its substantial Shareholders or interested institutions and persons that may have impact on my independent and objective judgments. I don't gain additional interests which are not disclosed from the Company and its substantial Shareholders or interested institutions and persons. As such, the independence is not affected.

During 2023, as the independent non-executive Director of the Company, I earnestly executed my powers, performed my duties according to laws and regulations, put my role as an independent non-executive Director 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 my independence.

II. ATTENDANCE OF MEETINGS

As an independent Director, I 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, I 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 2023, the Company held 4 general meetings and 11 Board meetings. My attendance and votes are as follows:

(1) Attendance of the Board meetings:

Name of Director	Independent Director or not	Required attendance of the board meetings during the year	Attendance			Absence	Absence from two consecutive meetings or not	Number of general meetings attended
			Attendance in person	Attendance by communication equipment	Attendance by proxy			
Xiong Jianhui	Yes	11	5	6	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	—

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

In 2023, I continued 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, which mainly include the following aspects:

(I) Connected Transactions:

1. On 24 March 2023, as an independent Director of the Company, after fully understanding and reviewing the resolutions of the twenty-second extraordinary meeting of the tenth session of the Board of the Company, I hereby express my independent opinion on the resolutions of the Company's 2023 restricted share incentive scheme involving connected transactions considered and approved at this meeting as follows:
 - a. Independent opinion on the "Resolution in relation to the 2023 Restricted Share Incentive Scheme (Draft) and its Summary of the Company"
 - 1) There are no circumstances in the Company under which the implementation of the restricted share incentive scheme is prohibited according to the provisions of the relevant laws, regulations and regulatory documents, and the Company is eligible to implement the restricted share incentive scheme.
 - 2) The participants determined under the restricted share incentive scheme of the Company meet the qualifications under the provisions of the relevant laws, regulations and regulatory documents and the Articles of Association. There are no circumstances in the Company under which any participant determined under the restricted share incentive scheme of the Company is prohibited to become a participant according to the provisions of the "Administrative Measures on Share Incentives of Listed Companies". The eligibility of the participants is lawful and valid.
 - 3) The formulation, review process and content of the Restricted Share Incentive Scheme (Draft) of the Company is in compliance with the provision of relevant laws, regulations and regulatory documents. The grant arrangement and unlocking arrangement of the restricted shares for each participant do not violate the provision of relevant laws, regulations and regulatory documents nor infringe the interests of the Company and all shareholders.

- 4) There are no plans or arrangements to provide loans, loan guarantees or any other form of financial assistance to the participants.
- 5) The implementation of the restricted share incentive scheme by the Company will help to further establish and improve the long-term incentive mechanism of the Company, attract and retain outstanding talents, fully mobilize the enthusiasm of the senior management, core backbone and core business personnel of the Company, and effectively aligning the interests of the shareholders with the interests of the Company and the personal interests of the operators, so that all parties can jointly focus on the long-term development of the Company.
- 6) The consideration and voting procedures of the relevant resolutions of the restricted share incentive scheme are in compliance with the Articles of Association, the “Rules of Procedure for the Board of Directors”, and the relevant regulations of the State-owned Assets Supervision and Administration Commission of the People’s Government of Beijing Municipality and the CSRC. The implementation of the incentive scheme has been considered and approved by the Board. The connected Directors shall abstain from voting, and the supervisory committee expressed its verification opinions on the Resolution in relation to the 2023 Restricted Share Incentive Scheme (Draft) and the list of participants. The restricted share incentive scheme is still subject to approval by the State-owned Assets Supervision and Administration Commission of the People’s Government of Beijing Municipality and consideration and passing by the general meeting of the Company.

As an independent Director of the Company, I believe that the Company’s implementation of the restricted share incentive scheme is conducive to the sustainable and stable development of the Company and will not harm the interests of the Company and all its shareholders. I agree that the Company will implement the restricted share incentive scheme and submit relevant matters to the general meeting of the Company for consideration.

- b. Independent opinion on the scientific basis and rationale of the indicators set for the restricted share incentive scheme

The appraisal indicators for the restricted share incentive scheme of the Company are divided into two levels, i.e. performance appraisal at the Company level and performance appraisal at the individual level of the participants.

The Company selects the four indicators of cash return on net assets (roe), operating revenue growth rate, revenue growth rate for transformation and innovation business category, and proportion of research and development investment to operating revenue as performance appraisal indicators, which can objectively reflect the Company's return on investment, growth ability and income quality, and serve as the core indicators reflecting the enterprise's operational effectiveness and operational efficiency. Through reasonable projection as well as taking into account the incentives to be provided by this Scheme, the Company set up the aforementioned performance appraisal targets at the Company level for this restricted share incentive scheme.

In addition to the performance appraisal at the Company level, the Company has established a well-defined performance appraisal system for the individual participants, which evaluates the individual work performance of the participants in a precise and comprehensive manner. The Company will determine whether the individual participants meet the unlocking conditions based on their performance appraisal results for the previous year.

In conclusion, I believe that the Company's appraisal system for the implementation of the restricted share incentive scheme is comprehensive, integrated and operable, and the setting of appraisal indicators is scientific and reasonable. At the same time, it has a restrictive effect on the participants and can achieve the appraisal purpose of the restricted share incentive scheme. I agreed to the Company's implementation of the 2023 restricted share incentive scheme, and submitted the relevant resolution to the general meeting for consideration.

2. On 24 July 2023, as an independent Director of the Company, I express the following pre-approved opinions on matters related to the termination of the non-public issuance of A Shares, which the Company intends to submit to the third meeting of the eleventh session of the Board for consideration:

The Company intends to terminate the non-public issuance of shares in accordance with relevant provisions of the "Securities Law", "Administrative Measures for the Securities Issuance and Registration of Listed Companies", the Articles of Association and other relevant provisions. It is a prudent decision made by comprehensively considering various circumstances and taking account of the actual situation of the Company and other factors, and will not have a significant impact on the ordinary operation and sustainable and stable development of the Company. There is no harm to the interests of the Company and all shareholders, especially the minority shareholders.

In conclusion, I approve the above resolution in advance and agree to submit the above resolution to the third meeting of the eleventh session of the Board of the Company for consideration.

3. On 24 July 2023, as an independent Director of the Company, after fully understanding and reviewing the third meeting of the eleventh session of the Board of the Company, I hereby express my independent opinion on the connected transactions involving the termination of the non-public issuance of A Shares by the Company as follows:

The termination of the non-public issuance of A Shares is a prudent decision made by the Company considering various factors and taking into account of the actual situation of the Company, and will not affect the normal business activities and sustainable development of the Company. The consideration procedures of the Board on this resolution is in compliance with the provisions of the relevant laws, regulations and the Articles of Association. The connected Directors shall abstain from voting on this resolution, and there is no circumstance that harms the interests of the Company and all shareholders, especially the minority shareholders. I agree to terminate the Company's non-public issuance of A Shares.

4. On 7 July 2023, the resolution in relation to the application made to Jingcheng Machinery Electric for a bridge loan of RMB30 million by Beijing Tianhai Industry Co., Ltd., a subsidiary of the Company was considered at the second extraordinary meeting of the eleventh session of the Board of the Company. Jingcheng Machinery Electric is the controlling shareholder of the Company, and this transaction constituted a connected transaction. According to the relevant provisions of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, matters on the financial assistance can be exempted from approval and disclosure for connected transactions.
5. On 14 November 2023, as an independent Director of the Company, after fully understanding and reviewing the fifth extraordinary meeting of the eleventh session of the Board of the Company, I expressed my independent opinion on the connected transaction related to the adjustment of the 2023 restricted share incentive scheme considered and approved at this meeting as follows:
 - a. Independent opinion on matters relating to the adjustment of the 2023 restricted share incentive scheme

After careful review, I believe that:

The adjustment of the 2023 restricted share incentive scheme of the Company (the “**Incentive Scheme**”) regarding the list of the participants of the grant and the amount granted are in compliance with the relevant provisions of the “Company Law of the People’s Republic

of China” (the “**Company Law**”), the “Securities Law of the People’s Republic of China” (the “**Securities Law**”), the “Administrative Measures for Share Incentive of Listed Companies” (the “**Administrative Measures**”) and other laws, regulations and regulatory documents and the necessary consideration procedures have been fulfilled. The adjustment was made within the scope of the authorization of the Board of the Company at the first extraordinary general meeting of 2023, the first A Share class meeting of 2023 and the first H Share class meeting of 2023 of the Company. The connected Directors abstained from voting on the relevant resolutions. The adjustment procedures were legal, compliant, without detriment to the interests of the Company and all Shareholders. After adjustment, there are no circumstances under which the grant of restricted share to the participants is prohibited. The eligibility of the participants is lawful and valid.

In conclusion, I agreed to the adjustment on relevant matters of the incentive scheme by the Company.

- b. Independent opinion on the initial grant of restricted share to the participants of the 2023 Restricted Share Incentive Scheme

After careful review, I believed that:

- 1) Pursuant to the authorisation by the first extraordinary general meeting of 2023, the first A Share class meeting of 2023 and the first H Share class meeting of 2023 of the Company, the initial grant date of the incentive scheme determined by the Board is 14 November 2023, which is in compliance with the relevant provisions of the “Administrative Measures” and the “2023 Restricted Share Incentive Scheme” of the Company (the “**Incentive Scheme**”) regarding the grant date.
- 2) There are no circumstances in the Company under which the implementation of the Incentive Scheme is prohibited according to the provisions of the relevant laws, regulations and regulatory documents such as the “Administrative Measures”, and the Company is eligible to implement the Incentive Scheme.
- 3) The participants for the initial grant of restricted shares determined by the Company meet the qualifications under the provisions of the “Company Law”, the “Securities Law” and other laws, regulations and the Articles of Association in relation to the eligibility for appointment, and have fulfilled the conditions for participants under the “Administrative Measures” and are within

the scope of participants stipulated in the Incentive Scheme and its summary. The eligibility of the participants of the Incentive Scheme of the Company is lawful and valid.

- 4) The Company has no plans or arrangements to provide loans, loan guarantees or any other financial assistance to the participants.
- 5) The implementation of the Incentive Scheme by the Company is conducive to further establishing and improving the long-term incentive mechanism of the Company, attracting and retaining outstanding talents, fully mobilizing the enthusiasm and sense of responsibility of the management and core backbone personnel, effectively aligning the interests of shareholders with the interests of the Company and the personal interests of the core teams, so that all parties can jointly focus on the long-term development of the Company, ensuring the realization of the Company's future development strategies and business objectives, with no harm to the interests of the Company and all shareholders.
- 6) When the connected Directors have abstained from voting on the resolutions in accordance with the laws, regulations and regulatory documents such as the "Company Law", the "Securities Law" and the "Administrative Measures" as well as the relevant provisions of the Articles of Association, and the resolutions are voted by non-connected Directors.

In conclusion, we believed that the conditions of the initial grant prescribed under the Incentive Scheme have been fulfilled. I agreed that the initial grant date of the Incentive Scheme is 14 November 2023, and the initial grant of 5.8800 million restricted shares were initially granted at a price of RMB7.33 per share to 123 participants who meet the grant conditions.

(II) External guarantee and misappropriation of capital

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

(III) Mortgage loans

On 7 July 2023, the resolution in relation to the obtaining of working capital loans and promissory notes from China Construction Bank by way of security by Tianjin Tianhai High Pressure Container Co., Ltd., a subsidiary of the Company, was considered and approved at the second extraordinary meeting of the eleventh session of the Board of the Company.

On 30 October 2023, the resolution in relation to the application for promissory notes and working capital loans from the Tianjin Branch of SPD Bank by way of security by Tianjin Tianhai High Pressure Container Co., Ltd., a subsidiary of the Company, was considered and approved at the second meeting of the eleventh session of the Board of the Company.

For the above two resolutions, I attended the relevant Board meeting and had no objection.

(IV) Disposal of assets:

There was no disposal of assets by the Company.

(V) Nomination and Remuneration of Directors and senior management officers:

On 30 March 2023, the results of remuneration and performance assessment for the senior management members of the Company for the year of 2022 were considered and approved at the eleventh meeting of the tenth session of the Board. For the above-mentioned resolution, we attended the relevant Board meeting and had no objection.

On 28 April 2023, the resolution on the change of chairman of the Board of the Company, the resolution on the appointment of the general manager by the Company, the resolution on the by-election of members and conveners of each of the special committee of the tenth session of the Board of the Company were considered and approved at the eleventh meeting of the tenth session of the Board. For the above-mentioned resolution, we attended the relevant Board meeting and had no objection.

In addition, the resolution in relation to the general election of the Board was considered and approved at the meeting, and I expressed the following independent opinions on the resolution:

The resolutions in relation to the nomination of Mr. Li Junjie, Mr. Wu Yanzhang, Mr. Zhou Yongjun, Mr. Cheng Lei, Mr. Man Huiyong and Ms. Li Chunzhi by the substantial shareholder as the non-executive Director candidates of the eleventh session of the Board of the Company; the nomination of Mr. Zhang Jiheng by the nomination committee of the Board as the executive Director candidate of the eleventh session of the Board of the Company and the nomination of Mr. Xiong Jianhui, Mr. Zhao Xuguang, Mr. Liu Jingtai and Mr. Luan Dalong by the nomination committee of the Board as the independent non-executive Director candidates of the eleventh session of the Board of the Company were approved.

As the independent non-executive Director of the tenth session of the Board of the Company, after reviewing relevant documents such as the declaration and biographies of the above-mentioned candidates, I was of the opinion that:

- 1) The relevant procedures of the nomination of Mr. Li Junjie, Mr. Wu Yanzhang, Mr. Zhou Yongjun, Mr. Cheng Lei, Mr. Man Huiyong and Ms. Li Chunzhi by the substantial shareholder as the non-executive Director candidates of the eleventh session of the Board of the Company; the nomination of Mr. Zhang Jiheng by the nomination committee of the Board as the executive Director candidate of the eleventh session of the Board of the Company and the nomination of Mr. Xiong Jianhui, Mr. Zhao Xuguang, Mr. Liu Jingtai and Mr. Luan Dalong by the nomination committee of the Board as the independent non-executive Director candidates of the eleventh session of the Board of the Company were in compliance with relevant provisions of the Articles of Association.
- 2) Mr. Li Junjie, Mr. Zhang Jiheng, Mr. Wu Yanzhang, Mr. Zhou Yongjun, Mr. Cheng Lei, Mr. Man Huiyong and Ms. Li Chunzhi met the relevant requirements of the Director's qualifications of the relevant national laws and regulations and the Articles of Association.
- 3) Mr. Xiong Jianhui, Mr. Zhao Xuguang, Mr. Liu Jingtai and Mr. Luan Dalong met the requirements of qualifications and independence of the "Guidance on the Establishment of Independent Directors System by Listed Companies of the China Securities Regulatory Commission".
- 4) I agree to submit the resolution in relation to the general election of the Board to the 2022 annual general meeting of the Company for consideration.

(VI) Results forecast and preliminary results estimate

During the reporting period, the Company disclosed the annual results forecast for 2023, of which the illustration results were in a timely manner, accurate and complete.

(VII) Engagement or change of external auditors

1. I, being the independent Director of the Company, have completed a prior review of the relevant resolutions proposed by the Company to the eleventh meeting of the tenth session of the Board for consideration on 30 March 2023, and expressed my prior approval opinion as follows:
 - 1) Resolution in relation to the appointment of the auditor for the 2023 annual 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 reports 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 for Certified Public Accountants and followed the code of practice of independence, objectiveness and

impartiality in the audit. It has smoothly completed the auditing work of the 2022 annual financial report of the Company and 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. I agreed to propose the resolution in relation to the re-appointment of ShineWing Certified Public Accountants (Special General Partnership) as the auditor for the 2023 annual financial report of the Company to the Board for consideration.

Having considered the size of the Company and the workload of auditing, I was of the view that payment for the audit fee for 2022 to ShineWing Certified Public Accountants (Special General Partnership) was reasonable.

- 2) Resolution in relation to the appointment of the auditor for the 2023 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 reports 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 for Certified Public Accountants and followed the code of practice of independence, objectiveness and impartiality in the audit. It has smoothly completed the auditing work of the 2022 internal control report of the Company and 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. I agreed to propose the resolution in relation to the re-appointment of Da Hua Certified Public Accountants (Special General Partnership) as auditor for the 2023 internal control report of the Company to the Board for consideration.

Having considered the size of the Company and the workload of auditing, I was of the view that payment for the audit fee for 2022 to Da Hua Certified Public Accountants (Special General Partnership) was reasonable.

2. On 30 March 2023, as the independent non-executive Director of the Company, according to the 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 the relevant requirements of the “Articles of Association” and the “Independent Director System of the Company”, after fully understanding and reviewing relevant resolutions at the eleventh meeting of the tenth session of Board of the Company, in respect of certain Board resolutions, I expressed my independent opinion as follows:

As the independent non-executive Director of the tenth session of Board of the Company, after reviewing the relevant documents, I was of the opinion that:

- 1) Resolution in relation to the Company's 2023 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) Resolution in relation to the re-appointment of the auditor for the 2023 annual 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 reports 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 for Certified Public Accountants and followed the code of practice of independence, objectiveness and impartiality. It has smoothly completed the auditing work of the 2022 annual financial report of the Company and 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. I agreed to re-appoint ShineWing Certified Public Accountants (Special General Partnership) as the auditor for the 2023 annual 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 2023 on the appropriation of funds by the controlling Shareholder and other connected persons etc..

- 3) Resolution in relation to the re-appointment of the auditor for the internal control of the 2023 annual 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 reports 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 for Certified Public Accountants and followed the code of practice of independence, objectiveness and impartiality. It has smoothly completed the auditing work of the 2022 internal control report of the Company and 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. I agreed to re-appoint Da Hua Certified Public Accountants (Special General Partnership) as auditor for the internal control of the 2023 annual financial report of the Company. The content of the audit includes giving audit opinion on the effectiveness of the internal control of financial reports and disclosing major deficiencies of internal control discovered on the non-financial report etc..

(VIII) Resolution on the deposit and use of funds raised

On 30 March 2023, the eleventh 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 2022.

On 16 August 2023, the first meeting of the eleventh session of the Board of the Company considered and approved a special report on the deposit and use of the Company's proceeds for the half year of 2023.

Having fully understood and considered the resolutions at the meeting of the Company, I was 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 Shanghai Stock Exchange 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, especially the minority Shareholders.

(IX) Resolution in relation to the changes of accounting policies

On 16 August 2023, the Company convened the first meeting of the eleventh session of the Board. The resolution in relation to the changes of accounting policies was considered and approved at the meeting. The changes of accounting policies were reasonable and were made according to the latest accounting standards amended and

issued by the Ministry of Finance, which were in compliance with the relevant regulations. By implementing the changes of accounting policies, the Company's financial position and operating results can be reflected in a more objective and fair way. The relevant changes of accounting policies have no significant impact on the financial position and operating results of the Company.

(X) Commitments fulfilled by the Company and its 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.

(XI) Implementation of information disclosure

During 2023, the Company strictly complied with the requirements under the relevant laws and regulations, including the "Security Law", the "Rules Governing the Listing of Stocks" in Hong Kong and the PRC, 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.

(XII) 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 and 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.

(XIII) 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 2023, the Company held 10 audit committee meetings of the Board and 5 remuneration and monitoring committee meetings of the Board. As a member of the special committees of the Board of the Company, I attended all the meetings that should be attended to perform my duties diligently, so that the committees operated within their standardised frameworks and played their respective roles.

IV. OTHER CIRCUMSTANCES WHICH REQUIRE EXPLANATION

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

V. OVERALL COMMENT AND ADVICE

During 2023, I diligently and faithfully performed my duty as an independent non-executive Director and leveraged on my professional expertise to give professional advice to the Company. In 2024, I will continue to perform my duty earnestly and further follow the principle of prudence, diligence and honesty to constantly learn and improve my professional standards, strengthen communication and improve the decision-making ability of the Board; proactively perform my duty as an independent non-executive Director and effectively play my role in decision-making and supervision as an independent non-executive Director, so as to safeguard the legitimate interests 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 Director
Xiong Jianhui
28 March 2024

Zhao Xugang

During my tenure as an independent non-executive Director of Beijing Jingcheng Machinery Electric Company Limited (the “**Company**”), I strictly complied with the laws and regulations such as the “Company Law”, the “Securities Law”, the “Administrative Measures on the Independent Directors of Listed Companies” and the “Listing Rules of Shanghai Stock Exchange”, as well as the regulations and requirements of the “Articles of Association” and the “Work System for Independent Directors”. I sincerely performed my 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 my responsibilities and duties as an independent non-executive Director.

I report the performance of my duties as the independent non-executive Director during 2023 as follows:

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

Zhao Xuguang, Chinese, male, aged 45. 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, the person in charge of undergraduate and master programs of law in North China Electric Power University, and the independent non-executive Director of the tenth session of the Board of the Company from 9 June 2020 to 16 June 2023. 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 eleventh session of the Board of the Company.

(II) Positions held in the Board committees

As a member of the audit committee and the chairman of the nomination committee, I actively participated in the Board committees, focusing on exerting my own professional advantages to provide strong support for the scientific decision-making of the Board and related Board committees.

(III) Statement on whether the independence is affected

I do not hold any duties other than that of the independent Director, or hold any duties in substantial Shareholders of the Company. There is no relationship between me and the Company and its substantial Shareholders or interested institutions and persons that may have impact on my independent and objective judgments. I don't gain additional interests which are not disclosed from the Company and its substantial Shareholders or interested institutions and persons. As such, the independence is not affected.

During 2023, as the independent non-executive Director of the Company, I earnestly executed my powers, performed my duties according to laws and regulations, put my role as an independent non-executive Director 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 my independence.

II. ATTENDANCE OF MEETINGS

As an independent Director, I 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, I 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 2023, the Company held 4 general meetings and 11 Board meetings. My attendance and votes are as follows:

(1) Attendance of the Board meetings:

Name of Director	Independent Director or not	Required attendance of board meetings during the year	Attendance			Absence		Number of general meetings attended
			Attendance in person	Attendance by communication equipment	Attendance by proxy	Absence	Absence from two consecutive meetings or not	
Zhao Xuguang	Yes	11	5	6	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
Zhao Xuguang	Yes	No	No	—

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

In 2023, I continued 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, which mainly include the following aspects:

(I) Connected Transactions:

1. On 24 March 2023, as an independent Director of the Company, after fully understanding and reviewing the resolutions of the twenty-second extraordinary meeting of the tenth session of the Board of the Company, I hereby express my independent opinion on the resolutions of the Company's 2023 restricted share incentive scheme involving connected transactions considered and approved at this meeting as follows:
 - a. Independent opinion on the "Resolution in relation to the 2023 Restricted Share Incentive Scheme (Draft) and its Summary of the Company"
 - 1) There are no circumstances in the Company under which the implementation of the restricted share incentive scheme is prohibited according to the provisions of the relevant laws, regulations and regulatory documents, and the Company is eligible to implement the restricted share incentive scheme.
 - 2) The participants determined under the restricted share incentive scheme of the Company meet the qualifications under the provisions of the relevant laws, regulations and regulatory documents and the Articles of Association. There are no circumstances in the Company under which any participant determined under the restricted share incentive scheme of the Company is prohibited to become a participant according to the provisions of the "Administrative Measures on Share Incentives of Listed Companies". The eligibility of the participants is lawful and valid.
 - 3) The formulation, review process and content of the Restricted Share Incentive Scheme (Draft) of the Company is in compliance with the provision of relevant laws, regulations and regulatory documents. The grant arrangement and unlocking arrangement of the restricted shares for each participant do not violate the provision of relevant laws, regulations and regulatory documents nor infringe the interests of the Company and all shareholders.

- 4) There are no plans or arrangements to provide loans, loan guarantees or any other form of financial assistance to the participants.
- 5) The implementation of the restricted share incentive scheme by the Company will help to further establish and improve the long-term incentive mechanism of the Company, attract and retain outstanding talents, fully mobilize the enthusiasm of the senior management, core backbone and core business personnel of the Company, and effectively aligning the interests of the shareholders with the interests of the Company and the personal interests of the operators, so that all parties can jointly focus on the long-term development of the Company.
- 6) The consideration and voting procedures of the relevant resolutions of the restricted share incentive scheme are in compliance with the Articles of Association, the “Rules of Procedure for the Board of Directors”, and the relevant regulations of the State-owned Assets Supervision and Administration Commission of the People’s Government of Beijing Municipality and the CSRC. The implementation of the incentive scheme has been considered and approved by the Board. The connected Directors shall abstain from voting, and the supervisory committee expressed its verification opinions on the Resolution in relation to the 2023 Restricted Share Incentive Scheme (Draft) and the list of participants. The restricted share incentive scheme is still subject to approval by the State-owned Assets Supervision and Administration Commission of the People’s Government of Beijing Municipality and consideration and passing by the general meeting of the Company.

As an independent Director of the Company, I believe that the Company’s implementation of the restricted share incentive scheme is conducive to the sustainable and stable development of the Company and will not harm the interests of the Company and all its shareholders. I agree that the Company will implement the restricted share incentive scheme and submit relevant matters to the general meeting of the Company for consideration.

- b. Independent opinion on the scientific basis and rationale of the indicators set for the restricted share incentive scheme

The appraisal indicators for the restricted share incentive scheme of the Company are divided into two levels, i.e. performance appraisal at the Company level and performance appraisal at the individual level of the participants.

The Company selects the four indicators of cash return on net assets (roe), operating revenue growth rate, revenue growth rate for transformation and innovation business category, and proportion of research and development investment to operating revenue as performance appraisal indicators, which can objectively reflect the Company's return on investment, growth ability and income quality, and serve as the core indicators reflecting the enterprise's operational effectiveness and operational efficiency. Through reasonable projection as well as taking into account the incentives to be provided by this Scheme, the Company set up the aforementioned performance appraisal targets at the Company level for this restricted share incentive scheme.

In addition to the performance appraisal at the Company level, the Company has established a well-defined performance appraisal system for the individual participants, which evaluates the individual work performance of the participants in a precise and comprehensive manner. The Company will determine whether the individual participants meet the unlocking conditions based on their performance appraisal results for the previous year.

In conclusion, I believe that the Company's appraisal system for the implementation of the restricted share incentive scheme is comprehensive, integrated and operable, and the setting of appraisal indicators is scientific and reasonable. At the same time, it has a restrictive effect on the participants and can achieve the appraisal purpose of the restricted share incentive scheme. I agreed to the Company's implementation of the 2023 restricted share incentive scheme, and submitted the relevant resolution to the general meeting for consideration.

2. On 24 July 2023, as an independent Director of the Company, I express the following pre-approved opinions on matters related to the termination of the non-public issuance of A Shares, which the Company intends to submit to the third meeting of the eleventh session of the Board for consideration:

The Company intends to terminate the non-public issuance of shares in accordance with relevant provisions of the "Securities Law", "Administrative Measures for the Securities Issuance and Registration of Listed Companies", the Articles of Association and other relevant provisions. It is a prudent decision made by comprehensively considering various circumstances and taking account of the actual situation of the Company and other factors, and will not have a significant impact on the ordinary operation and sustainable and stable development of the Company. There is no harm to the interests of the Company and all shareholders, especially the minority shareholders.

In conclusion, I approve the above resolution in advance and agree to submit the above resolution to the third meeting of the eleventh session of the Board of the Company for consideration.

3. On 24 July 2023, as an independent Director of the Company, after fully understanding and reviewing the third meeting of the eleventh session of the Board of the Company, I hereby express my independent opinion on the connected transactions involving the termination of the non-public issuance of A Shares by the Company as follows:

The termination of the non-public issuance of A Shares is a prudent decision made by the Company considering various factors and taking into account of the actual situation of the Company, and will not affect the normal business activities and sustainable development of the Company. The consideration procedures of the Board on this resolution is in compliance with the provisions of the relevant laws, regulations and the Articles of Association. The connected Directors shall abstain from voting on this resolution, and there is no circumstance that harms the interests of the Company and all shareholders, especially the minority shareholders. I agree to terminate the Company's non-public issuance of A Shares.

4. On 7 July 2023, the resolution in relation to the application made to Jingcheng Machinery Electric for a bridge loan of RMB30 million by Beijing Tianhai Industry Co., Ltd., a subsidiary of the Company was considered at the second extraordinary meeting of the eleventh session of the Board of the Company. Jingcheng Machinery Electric is the controlling shareholder of the Company, and this transaction constituted a connected transaction. According to the relevant provisions of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, matters on the financial assistance can be exempted from approval and disclosure for connected transactions.
5. On 14 November 2023, as an independent Director of the Company, after fully understanding and reviewing the fifth extraordinary meeting of the eleventh session of the Board of the Company, I expressed my independent opinion on the connected transaction related to the adjustment of the 2023 restricted share incentive scheme considered and approved at this meeting as follows:
 - a. Independent opinion on matters relating to the adjustment of the 2023 restricted share incentive scheme

After careful review, I believe that:

The adjustment of the 2023 restricted share incentive scheme of the Company (the “**Incentive Scheme**”) regarding the list of the participants of the grant and the amount granted are in compliance with the relevant provisions of the “Company Law of the People’s Republic

of China” (the “**Company Law**”), the “Securities Law of the People’s Republic of China” (the “**Securities Law**”), the “Administrative Measures for Share Incentive of Listed Companies” (the “**Administrative Measures**”) and other laws, regulations and regulatory documents and the necessary consideration procedures have been fulfilled. The adjustment was made within the scope of the authorization of the Board of the Company at the first extraordinary general meeting of 2023, the first A Share class meeting of 2023 and the first H Share class meeting of 2023 of the Company. The connected Directors abstained from voting on the relevant resolutions. The adjustment procedures were legal, compliant, without detriment to the interests of the Company and all Shareholders. After adjustment, there are no circumstances under which the grant of restricted share to the participants is prohibited. The eligibility of the participants is lawful and valid.

In conclusion, I agreed to the adjustment on relevant matters of the incentive scheme by the Company.

- b. Independent opinion on the initial grant of restricted share to the participants of the 2023 Restricted Share Incentive Scheme

After careful review, I believed that:

- 1) Pursuant to the authorisation by the first extraordinary general meeting of 2023, the first A Share class meeting of 2023 and the first H Share class meeting of 2023 of the Company, the initial grant date of the incentive scheme determined by the Board is 14 November 2023, which is in compliance with the relevant provisions of the “Administrative Measures” and the “2023 Restricted Share Incentive Scheme” of the Company (the “**Incentive Scheme**”) regarding the grant date.
- 2) There are no circumstances in the Company under which the implementation of the Incentive Scheme is prohibited according to the provisions of the relevant laws, regulations and regulatory documents such as the “Administrative Measures”, and the Company is eligible to implement the Incentive Scheme.
- 3) The participants for the initial grant of restricted shares determined by the Company meet the qualifications under the provisions of the “Company Law”, the “Securities Law” and other laws, regulations and the Articles of Association in relation to the eligibility for appointment, and have fulfilled the conditions for participants under the “Administrative Measures” and are within

the scope of participants stipulated in the Incentive Scheme and its summary. The eligibility of the participants of the Incentive Scheme of the Company is lawful and valid.

- 4) The Company has no plans or arrangements to provide loans, loan guarantees or any other financial assistance to the participants.
- 5) The implementation of the Incentive Scheme by the Company is conducive to further establishing and improving the long-term incentive mechanism of the Company, attracting and retaining outstanding talents, fully mobilizing the enthusiasm and sense of responsibility of the management and core backbone personnel, effectively aligning the interests of shareholders with the interests of the Company and the personal interests of the core teams, so that all parties can jointly focus on the long-term development of the Company, ensuring the realization of the Company's future development strategies and business objectives, with no harm to the interests of the Company and all shareholders.
- 6) When the connected Directors have abstained from voting on the resolutions in accordance with the laws, regulations and regulatory documents such as the "Company Law", the "Securities Law" and the "Administrative Measures" as well as the relevant provisions of the Articles of Association, and the resolutions are voted by non-connected Directors.

In conclusion, we believed that the conditions of the initial grant prescribed under the Incentive Scheme have been fulfilled. I agreed that the initial grant date of the Incentive Scheme is 14 November 2023, and the initial grant of 5.8800 million restricted shares were initially granted at a price of RMB7.33 per share to 123 participants who meet the grant conditions.

(II) External guarantee and misappropriation of capital

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

(III) Mortgage loans

On 7 July 2023, the resolution in relation to the obtaining of working capital loans and promissory notes from China Construction Bank by way of security by Tianjin Tianhai High Pressure Container Co., Ltd., a subsidiary of the Company, was considered and approved at the second extraordinary meeting of the eleventh session of the Board of the Company.

On 30 October 2023, the resolution in relation to the application for promissory notes and working capital loans from the Tianjin Branch of SPD Bank by way of security by Tianjin Tianhai High Pressure Container Co., Ltd., a subsidiary of the Company, was considered and approved at the second meeting of the eleventh session of the Board of the Company.

For the above two resolutions, I attended the relevant Board meeting and had no objection.

(IV) Disposal of assets:

There was no disposal of assets by the Company.

(V) Nomination and Remuneration of Directors and senior management officers:

On 30 March 2023, the results of remuneration and performance assessment for the senior management members of the Company for the year of 2022 were considered and approved at the eleventh meeting of the tenth session of the Board. For the above-mentioned resolution, we attended the relevant Board meeting and had no objection.

On 28 April 2023, the resolution on the change of chairman of the Board of the Company, the resolution on the appointment of the general manager by the Company, the resolution on the by-election of members and conveners of each of the special committee of the tenth session of the Board of the Company were considered and approved at the eleventh meeting of the tenth session of the Board. For the above-mentioned resolution, we attended the relevant Board meeting and had no objection.

In addition, the resolution in relation to the general election of the Board was considered and approved at the meeting, and I expressed the following independent opinions on the resolution:

The resolutions in relation to the nomination of Mr. Li Junjie, Mr. Wu Yanzhang, Mr. Zhou Yongjun, Mr. Cheng Lei, Mr. Man Huiyong and Ms. Li Chunzhi by the substantial shareholder as the non-executive Director candidates of the eleventh session of the Board of the Company; the nomination of Mr. Zhang Jiheng by the nomination committee of the Board as the executive Director candidate of the eleventh session of the Board of the Company and the nomination of Mr. Xiong Jianhui, Mr. Zhao Xuguang, Mr. Liu Jingtai and Mr. Luan Dalong by the nomination committee of the Board as the independent non-executive Director candidates of the eleventh session of the Board of the Company were approved.

As the independent non-executive Director of the tenth session of the Board of the Company, after reviewing relevant documents such as the declaration and biographies of the above-mentioned candidates, I was of the opinion that:

- 1) The relevant procedures of the nomination of Mr. Li Junjie, Mr. Wu Yanzhang, Mr. Zhou Yongjun, Mr. Cheng Lei, Mr. Man Huiyong and Ms. Li Chunzhi by the substantial shareholder as the non-executive Director candidates of the eleventh session of the Board of the Company; the nomination of Mr. Zhang Jiheng by the nomination committee of the Board as the executive Director candidate of the eleventh session of the Board of the Company and the nomination of Mr. Xiong Jianhui, Mr. Zhao Xuguang, Mr. Liu Jingtai and Mr. Luan Dalong by the nomination committee of the Board as the independent non-executive Director candidates of the eleventh session of the Board of the Company were in compliance with relevant provisions of the Articles of Association.
- 2) Mr. Li Junjie, Mr. Zhang Jiheng, Mr. Wu Yanzhang, Mr. Zhou Yongjun, Mr. Cheng Lei, Mr. Man Huiyong and Ms. Li Chunzhi met the relevant requirements of the Director's qualifications of the relevant national laws and regulations and the Articles of Association.
- 3) Mr. Xiong Jianhui, Mr. Zhao Xuguang, Mr. Liu Jingtai and Mr. Luan Dalong met the requirements of qualifications and independence of the "Guidance on the Establishment of Independent Directors System by Listed Companies of the China Securities Regulatory Commission".
- 4) I agree to submit the resolution in relation to the general election of the Board to the 2022 annual general meeting of the Company for consideration.

(VI) Results forecast and preliminary results estimate

During the reporting period, the Company disclosed the annual results forecast for 2023, of which the illustration results were in a timely manner, accurate and complete.

(VII) Engagement or change of external auditors

1. I, being the independent Director of the Company, have completed a prior review of the relevant resolutions proposed by the Company to the eleventh meeting of the tenth session of the Board for consideration on 30 March 2023, and expressed my prior approval opinion as follows:
 - 1) Resolution in relation to the appointment of the auditor for the 2023 annual 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 reports 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 for Certified Public Accountants and followed the code of practice of independence, objectiveness and

impartiality in the audit. It has smoothly completed the auditing work of the 2022 annual financial report of the Company and 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. I agreed to propose the resolution in relation to the re-appointment of ShineWing Certified Public Accountants (Special General Partnership) as the auditor for the 2023 annual financial report of the Company to the Board for consideration.

Having considered the size of the Company and the workload of auditing, I was of the view that payment for the audit fee for 2022 to ShineWing Certified Public Accountants (Special General Partnership) was reasonable.

- 2) Resolution in relation to the appointment of the auditor for the 2023 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 reports 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 for Certified Public Accountants and followed the code of practice of independence, objectiveness and impartiality in the audit. It has smoothly completed the auditing work of the 2022 internal control report of the Company and 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. I agreed to propose the resolution in relation to the re-appointment of Da Hua Certified Public Accountants (Special General Partnership) as auditor for the 2023 internal control report of the Company to the Board for consideration.

Having considered the size of the Company and the workload of auditing, I was of the view that payment for the audit fee for 2022 to Da Hua Certified Public Accountants (Special General Partnership) was reasonable.

2. On 30 March 2023, as the independent non-executive Director of the Company, according to the 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 the relevant requirements of the “Articles of Association” and the “Independent Director System of the Company”, after fully understanding and reviewing relevant resolutions at the eleventh meeting of the tenth session of Board of the Company, in respect of certain Board resolutions, I expressed my independent opinion as follows:

As the independent non-executive Director of the tenth session of Board of the Company, after reviewing the relevant documents, I was of the opinion that:

- 1) Resolution in relation to the Company's 2023 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) Resolution in relation to the re-appointment of the auditor for the 2023 annual 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 reports 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 for Certified Public Accountants and followed the code of practice of independence, objectiveness and impartiality. It has smoothly completed the auditing work of the 2022 annual financial report of the Company and 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. I agreed to re-appoint ShineWing Certified Public Accountants (Special General Partnership) as the auditor for the 2023 annual 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 2023 on the appropriation of funds by the controlling Shareholder and other connected persons etc..

- 3) Resolution in relation to the re-appointment of the auditor for the internal control of the 2023 annual 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 reports 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 for Certified Public Accountants and followed the code of practice of independence, objectiveness and impartiality. It has smoothly completed the auditing work of the 2022 internal control report of the Company and 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. I agreed to re-appoint Da Hua Certified Public Accountants (Special General Partnership) as auditor for the internal control of the 2023 annual financial report of the Company. The content of the audit includes giving audit opinion on the effectiveness of the internal control of financial reports and disclosing major deficiencies of internal control discovered on the non-financial report etc..

(VIII) Resolution on the deposit and use of funds raised

On 30 March 2023, the eleventh 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 2022.

On 16 August 2023, the first meeting of the eleventh session of the Board of the Company considered and approved a special report on the deposit and use of the Company's proceeds for the half year of 2023.

Having fully understood and considered the resolutions at the meeting of the Company, I was 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 Shanghai Stock Exchange 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, especially the minority Shareholders.

(IX) Resolution in relation to the changes of accounting policies

On 16 August 2023, the Company convened the first meeting of the eleventh session of the Board. The resolution in relation to the changes of accounting policies was considered and approved at the meeting. The changes of accounting policies were reasonable and were made according to the latest accounting standards amended and issued by the Ministry of Finance, which were in compliance with the relevant

regulations. By implementing the changes of accounting policies, the Company's financial position and operating results can be reflected in a more objective and fair way. The relevant changes of accounting policies have no significant impact on the financial position and operating results of the Company.

(X) Commitments fulfilled by the Company and its 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.

(XI) Implementation of information disclosure

During 2023, the Company strictly complied with the requirements under the relevant laws and regulations, including the "Security Law", the "Rules Governing the Listing of Stocks" in Hong Kong and the PRC, 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.

(XII) 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 and 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.

(XIII) 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 2023, the Company held 10 audit committee meetings of the Board and 3 nomination committee meetings of the Board. As a member of the special committees of the Board of the Company, I attended all the meetings that should be attended to perform my duties diligently, so that the committees operated within their standardised frameworks and played their respective roles.

IV. OTHER CIRCUMSTANCES WHICH REQUIRE EXPLANATION

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

V. OVERALL COMMENT AND ADVICE

During 2023, I diligently and faithfully performed my duty as an independent non-executive Director and leveraged on my professional expertise to give professional advice to the Company. In 2024, I will continue to perform my duty earnestly and further follow the principle of prudence, diligence and honesty to constantly learn and improve my professional standards, strengthen communication and improve the decision-making ability of the Board; proactively perform my duty as an independent non-executive Director and effectively play my role in decision-making and supervision as an independent non-executive Director, so as to safeguard the legitimate interests 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 Director
Zhao Xuguang
28 March 2024

Liu Jingtai

During my tenure as an independent non-executive Director of Beijing Jingcheng Machinery Electric Company Limited (the “**Company**”), I strictly complied with the laws and regulations such as the “Company Law”, the “Securities Law”, the “Administrative Measures on the Independent Directors of Listed Companies” and the “Listing Rules of Shanghai Stock Exchange”, as well as the regulations and requirements of the “Articles of Association” and the “Work System for Independent Directors”. I sincerely performed my 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 my responsibilities and duties as an independent non-executive Director.

I report the performance of my duties as the independent non-executive Director during 2023 as follows:

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

Liu Jingtai, Chinese, male, aged 60. 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, external director of Tianjin Zhonghuan Electronic Information (Group) Co., Ltd., and the independent non-executive director of the tenth session of the Board of the Company from 9 June 2020 to 16 June 2023. 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 eleventh session of the Board of the Company.

(II) Positions held in the Board committees

As a member of the strategy committee, I actively participated in the Board committees, focusing on exerting my own professional advantages to provide strong support for the scientific decision-making of the Board and related Board committees.

(III) Statement on whether the independence is affected

I do not hold any duties other than that of the independent Director, or hold any duties in substantial Shareholders of the Company. There is no relationship between me and the Company and its substantial Shareholders or interested institutions and persons that may have impact on my independent and objective judgments. I don't gain additional interests which are not disclosed from the Company and its substantial Shareholders or interested institutions and persons. As such, the independence is not affected.

During 2023, as the independent non-executive Director of the Company, I earnestly executed my powers, performed my duties according to laws and regulations, put my role as an independent non-executive Director 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 my independence.

II. ATTENDANCE OF MEETINGS

As an independent Director, I 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, I 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 2023, the Company held 4 general meetings and 11 Board meetings. My attendance and votes are as follows:

(1) Attendance of the Board meetings:

Name of Director	Independent Director or not	Required attendance of board meetings during the year	Attendance			Absence	Absence from two consecutive meetings or not	Number of general meetings attended
			Attendance in person	Attendance by communication equipment	Attendance by proxy			
Liu Jingtai	Yes	11	5	6	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
Liu Jingtai	Yes	No	No	–

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

In 2023, I continued 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, which mainly include the following aspects:

(I) Connected Transactions:

1. On 24 March 2023, as an independent Director of the Company, after fully understanding and reviewing the resolutions of the twenty-second extraordinary meeting of the tenth session of the Board of the Company, I hereby express my independent opinion on the resolutions of the Company's 2023 restricted share incentive scheme involving connected transactions considered and approved at this meeting as follows:
 - a. Independent opinion on the "Resolution in relation to the 2023 Restricted Share Incentive Scheme (Draft) and its Summary of the Company"
 - 1) There are no circumstances in the Company under which the implementation of the restricted share incentive scheme is prohibited according to the provisions of the relevant laws, regulations and regulatory documents, and the Company is eligible to implement the restricted share incentive scheme.
 - 2) The participants determined under the restricted share incentive scheme of the Company meet the qualifications under the provisions of the relevant laws, regulations and regulatory documents and the Articles of Association. There are no circumstances in the Company under which any participant determined under the restricted share incentive scheme of the Company is prohibited to become a participant according to the provisions of the "Administrative Measures on Share Incentives of Listed Companies". The eligibility of the participants is lawful and valid.
 - 3) The formulation, review process and content of the Restricted Share Incentive Scheme (Draft) of the Company is in compliance with the provision of relevant laws, regulations and regulatory documents. The grant arrangement and unlocking arrangement of the restricted shares for each participant do not violate the provision of relevant laws, regulations and regulatory documents nor infringe the interests of the Company and all shareholders.

- 4) There are no plans or arrangements to provide loans, loan guarantees or any other form of financial assistance to the participants.
- 5) The implementation of the restricted share incentive scheme by the Company will help to further establish and improve the long-term incentive mechanism of the Company, attract and retain outstanding talents, fully mobilize the enthusiasm of the senior management, core backbone and core business personnel of the Company, and effectively aligning the interests of the shareholders with the interests of the Company and the personal interests of the operators, so that all parties can jointly focus on the long-term development of the Company.
- 6) The consideration and voting procedures of the relevant resolutions of the restricted share incentive scheme are in compliance with the Articles of Association, the “Rules of Procedure for the Board of Directors”, and the relevant regulations of the State-owned Assets Supervision and Administration Commission of the People’s Government of Beijing Municipality and the CSRC. The implementation of the incentive scheme has been considered and approved by the Board. The connected Directors shall abstain from voting, and the supervisory committee expressed its verification opinions on the Resolution in relation to the 2023 Restricted Share Incentive Scheme (Draft) and the list of participants. The restricted share incentive scheme is still subject to approval by the State-owned Assets Supervision and Administration Commission of the People’s Government of Beijing Municipality and consideration and passing by the general meeting of the Company.

As an independent Director of the Company, I believe that the Company’s implementation of the restricted share incentive scheme is conducive to the sustainable and stable development of the Company and will not harm the interests of the Company and all its shareholders. I agree that the Company will implement the restricted share incentive scheme and submit relevant matters to the general meeting of the Company for consideration.

- b. Independent opinion on the scientific basis and rationale of the indicators set for the restricted share incentive scheme

The appraisal indicators for the restricted share incentive scheme of the Company are divided into two levels, i.e. performance appraisal at the Company level and performance appraisal at the individual level of the participants.

The Company selects the four indicators of cash return on net assets (roe), operating revenue growth rate, revenue growth rate for transformation and innovation business category, and proportion of research and development investment to operating revenue as performance appraisal indicators, which can objectively reflect the Company's return on investment, growth ability and income quality, and serve as the core indicators reflecting the enterprise's operational effectiveness and operational efficiency. Through reasonable projection as well as taking into account the incentives to be provided by this Scheme, the Company set up the aforementioned performance appraisal targets at the Company level for this restricted share incentive scheme.

In addition to the performance appraisal at the Company level, the Company has established a well-defined performance appraisal system for the individual participants, which evaluates the individual work performance of the participants in a precise and comprehensive manner. The Company will determine whether the individual participants meet the unlocking conditions based on their performance appraisal results for the previous year.

In conclusion, I believe that the Company's appraisal system for the implementation of the restricted share incentive scheme is comprehensive, integrated and operable, and the setting of appraisal indicators is scientific and reasonable. At the same time, it has a restrictive effect on the participants and can achieve the appraisal purpose of the restricted share incentive scheme. I agreed to the Company's implementation of the 2023 restricted share incentive scheme, and submitted the relevant resolution to the general meeting for consideration.

2. On 24 July 2023, as an independent Director of the Company, I express the following pre-approved opinions on matters related to the termination of the non-public issuance of A Shares, which the Company intends to submit to the third meeting of the eleventh session of the Board for consideration:

The Company intends to terminate the non-public issuance of shares in accordance with relevant provisions of the "Securities Law", "Administrative Measures for the Securities Issuance and Registration of Listed Companies", the Articles of Association and other relevant provisions. It is a prudent decision made by comprehensively considering various circumstances and taking account of the actual situation of the Company and other factors, and will not have a significant impact on the ordinary operation and sustainable and stable development of the Company. There is no harm to the interests of the Company and all shareholders, especially the minority shareholders.

In conclusion, I approve the above resolution in advance and agree to submit the above resolution to the third meeting of the eleventh session of the Board of the Company for consideration.

3. On 24 July 2023, as an independent Director of the Company, after fully understanding and reviewing the third meeting of the eleventh session of the Board of the Company, I hereby express my independent opinion on the connected transactions involving the termination of the non-public issuance of A Shares by the Company as follows:

The termination of the non-public issuance of A Shares is a prudent decision made by the Company considering various factors and taking into account of the actual situation of the Company, and will not affect the normal business activities and sustainable development of the Company. The consideration procedures of the Board on this resolution is in compliance with the provisions of the relevant laws, regulations and the Articles of Association. The connected Directors shall abstain from voting on this resolution, and there is no circumstance that harms the interests of the Company and all shareholders, especially the minority shareholders. I agree to terminate the Company's non-public issuance of A Shares.

4. On 7 July 2023, the resolution in relation to the application made to Jingcheng Machinery Electric for a bridge loan of RMB30 million by Beijing Tianhai Industry Co., Ltd., a subsidiary of the Company was considered at the second extraordinary meeting of the eleventh session of the Board of the Company. Jingcheng Machinery Electric is the controlling shareholder of the Company, and this transaction constituted a connected transaction. According to the relevant provisions of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, matters on the financial assistance can be exempted from approval and disclosure for connected transactions.
5. On 14 November 2023, as an independent Director of the Company, after fully understanding and reviewing the fifth extraordinary meeting of the eleventh session of the Board of the Company, I expressed my independent opinion on the connected transaction related to the adjustment of the 2023 restricted share incentive scheme considered and approved at this meeting as follows:
 - a. Independent opinion on matters relating to the adjustment of the 2023 restricted share incentive scheme

After careful review, I believe that:

The adjustment of the 2023 restricted share incentive scheme of the Company (the “**Incentive Scheme**”) regarding the list of the participants of the grant and the amount granted are in compliance with

the relevant provisions of the “Company Law of the People’s Republic of China” (the “**Company Law**”), the “Securities Law of the People’s Republic of China” (the “**Securities Law**”), the “Administrative Measures for Share Incentive of Listed Companies” (the “**Administrative Measures**”) and other laws, regulations and regulatory documents and the necessary consideration procedures have been fulfilled. The adjustment was made within the scope of the authorization of the Board of the Company at the first extraordinary general meeting of 2023, the first A Share class meeting of 2023 and the first H Share class meeting of 2023 of the Company. The connected Directors abstained from voting on the relevant resolutions. The adjustment procedures were legal, compliant, without detriment to the interests of the Company and all Shareholders. After adjustment, there are no circumstances under which the grant of restricted share to the participants is prohibited. The eligibility of the participants is lawful and valid.

In conclusion, I agreed to the adjustment on relevant matters of the incentive scheme by the Company.

- b. Independent opinion on the initial grant of restricted share to the participants of the 2023 Restricted Share Incentive Scheme

After careful review, I believed that:

- 1) Pursuant to the authorisation by the first extraordinary general meeting of 2023, the first A Share class meeting of 2023 and the first H Share class meeting of 2023 of the Company, the initial grant date of the incentive scheme determined by the Board is 14 November 2023, which is in compliance with the relevant provisions of the “Administrative Measures” and the “2023 Restricted Share Incentive Scheme” of the Company (the “**Incentive Scheme**”) regarding the grant date.
- 2) There are no circumstances in the Company under which the implementation of the Incentive Scheme is prohibited according to the provisions of the relevant laws, regulations and regulatory documents such as the “Administrative Measures”, and the Company is eligible to implement the Incentive Scheme.
- 3) The participants for the initial grant of restricted shares determined by the Company meet the qualifications under the provisions of the “Company Law”, the “Securities Law” and other laws, regulations and the Articles of Association in relation to the eligibility for appointment, and have fulfilled the conditions for participants under the “Administrative Measures” and are within

the scope of participants stipulated in the Incentive Scheme and its summary. The eligibility of the participants of the Incentive Scheme of the Company is lawful and valid.

- 4) The Company has no plans or arrangements to provide loans, loan guarantees or any other financial assistance to the participants.
- 5) The implementation of the Incentive Scheme by the Company is conducive to further establishing and improving the long-term incentive mechanism of the Company, attracting and retaining outstanding talents, fully mobilizing the enthusiasm and sense of responsibility of the management and core backbone personnel, effectively aligning the interests of shareholders with the interests of the Company and the personal interests of the core teams, so that all parties can jointly focus on the long-term development of the Company, ensuring the realization of the Company's future development strategies and business objectives, with no harm to the interests of the Company and all shareholders.
- 6) When the connected Directors have abstained from voting on the resolutions in accordance with the laws, regulations and regulatory documents such as the "Company Law", the "Securities Law" and the "Administrative Measures" as well as the relevant provisions of the Articles of Association, and the resolutions are voted by non-connected Directors.

In conclusion, we believed that the conditions of the initial grant prescribed under the Incentive Scheme have been fulfilled. I agreed that the initial grant date of the Incentive Scheme is 14 November 2023, and the initial grant of 5.8800 million restricted shares were initially granted at a price of RMB7.33 per share to 123 participants who meet the grant conditions.

(II) External guarantee and misappropriation of capital

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

(III) Mortgage loans

On 7 July 2023, the resolution in relation to the obtaining of working capital loans and promissory notes from China Construction Bank by way of security by Tianjin Tianhai High Pressure Container Co., Ltd., a subsidiary of the Company, was considered and approved at the second extraordinary meeting of the eleventh session of the Board of the Company.

On 30 October 2023, the resolution in relation to the application for promissory notes and working capital loans from the Tianjin Branch of SPD Bank by way of security by Tianjin Tianhai High Pressure Container Co., Ltd., a subsidiary of the Company, was considered and approved at the second meeting of the eleventh session of the Board of the Company.

For the above two resolutions, I attended the relevant Board meeting and had no objection.

(IV) Disposal of assets:

There was no disposal of assets by the Company.

(V) Nomination and Remuneration of Directors and senior management officers:

On 30 March 2023, the results of remuneration and performance assessment for the senior management members of the Company for the year of 2022 were considered and approved at the eleventh meeting of the tenth session of the Board. For the above-mentioned resolution, we attended the relevant Board meeting and had no objection.

On 28 April 2023, the resolution on the change of chairman of the Board of the Company, the resolution on the appointment of the general manager by the Company, the resolution on the by-election of members and conveners of each of the special committee of the tenth session of the Board of the Company were considered and approved at the eleventh meeting of the tenth session of the Board. For the above-mentioned resolution, we attended the relevant Board meeting and had no objection.

In addition, the resolution in relation to the general election of the Board was considered and approved at the meeting, and I expressed the following independent opinions on the resolution:

The resolutions in relation to the nomination of Mr. Li Junjie, Mr. Wu Yanzhang, Mr. Zhou Yongjun, Mr. Cheng Lei, Mr. Man Huiyong and Ms. Li Chunzhi by the substantial shareholder as the non-executive Director candidates of the eleventh session of the Board of the Company; the nomination of Mr. Zhang Jiheng by the nomination committee of the Board as the executive Director candidate of the eleventh session of the Board of the Company and the nomination of Mr. Xiong Jianhui, Mr. Zhao Xuguang, Mr. Liu Jingtai and Mr. Luan Dalong by the nomination committee of the Board as the independent non-executive Director candidates of the eleventh session of the Board of the Company were approved.

As the independent non-executive Director of the tenth session of the Board of the Company, after reviewing relevant documents such as the declaration and biographies of the above-mentioned candidates, I was of the opinion that:

- 1) The relevant procedures of the nomination of Mr. Li Junjie, Mr. Wu Yanzhang, Mr. Zhou Yongjun, Mr. Cheng Lei, Mr. Man Huiyong and Ms. Li Chunzhi by the substantial shareholder as the non-executive Director candidates of the eleventh session of the Board of the Company; the nomination of Mr. Zhang Jiheng by the nomination committee of the Board as the executive Director candidate of the eleventh session of the Board of the Company and the nomination of Mr. Xiong Jianhui, Mr. Zhao Xuguang, Mr. Liu Jingtai and Mr. Luan Dalong by the nomination committee of the Board as the independent non-executive Director candidates of the eleventh session of the Board of the Company were in compliance with relevant provisions of the Articles of Association.
- 2) Mr. Li Junjie, Mr. Zhang Jiheng, Mr. Wu Yanzhang, Mr. Zhou Yongjun, Mr. Cheng Lei, Mr. Man Huiyong and Ms. Li Chunzhi met the relevant requirements of the Director's qualifications of the relevant national laws and regulations and the Articles of Association.
- 3) Mr. Xiong Jianhui, Mr. Zhao Xuguang, Mr. Liu Jingtai and Mr. Luan Dalong met the requirements of qualifications and independence of the "Guidance on the Establishment of Independent Directors System by Listed Companies of the China Securities Regulatory Commission".
- 4) I agree to submit the resolution in relation to the general election of the Board to the 2022 annual general meeting of the Company for consideration.

(VI) Results forecast and preliminary results estimate

During the reporting period, the Company disclosed the annual results forecast for 2023, of which the illustration results were in a timely manner, accurate and complete.

(VII) Engagement or change of external auditors

1. I, being the independent Director of the Company, have completed a prior review of the relevant resolutions proposed by the Company to the eleventh meeting of the tenth session of the Board for consideration on 30 March 2023, and expressed my prior approval opinion as follows:
 - 1) Resolution in relation to the appointment of the auditor for the 2023 annual 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 reports 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 for Certified Public Accountants and followed the code of practice of independence, objectiveness and impartiality in the audit. It has smoothly completed the auditing work of the 2022 annual financial report of the Company and 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. I agreed to propose the resolution in relation to the re-appointment of ShineWing Certified Public Accountants (Special General Partnership) as the auditor for the 2023 annual financial report of the Company to the Board for consideration.

Having considered the size of the Company and the workload of auditing, I was of the view that payment for the audit fee for 2022 to ShineWing Certified Public Accountants (Special General Partnership) was reasonable.

- 2) Resolution in relation to the appointment of the auditor for the 2023 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 reports 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 for Certified Public Accountants and followed the code of practice of independence, objectiveness and impartiality in the audit. It has smoothly completed the auditing work of the 2022 internal control report of the Company and 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. I agreed to propose the resolution in relation to the re-appointment of Da Hua Certified Public Accountants (Special General Partnership) as auditor for the 2023 internal control report of the Company to the Board for consideration.

Having considered the size of the Company and the workload of auditing, I was of the view that payment for the audit fee for 2022 to Da Hua Certified Public Accountants (Special General Partnership) was reasonable.

2. On 30 March 2023, as the independent non-executive Director of the Company, according to the 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 the relevant requirements of the “Articles of Association” and the “Independent Director System of the Company”, after fully understanding

and reviewing relevant resolutions at the eleventh meeting of the tenth session of Board of the Company, in respect of certain Board resolutions, I expressed my independent opinion as follows:

As the independent non-executive Director of the tenth session of Board of the Company, after reviewing the relevant documents, I was of the opinion that:

- 1) Resolution in relation to the Company's 2023 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) Resolution in relation to the re-appointment of the auditor for the 2023 annual 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 reports 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 for Certified Public Accountants and followed the code of practice of independence, objectiveness and impartiality. It has smoothly completed the auditing work of the 2022 annual financial report of the Company and 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. I agreed to re-appoint ShineWing Certified Public Accountants (Special General Partnership) as the auditor for the 2023 annual 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 2023 on the appropriation of funds by the controlling Shareholder and other connected persons etc..

- 3) Resolution in relation to the re-appointment of the auditor for the internal control of the 2023 annual 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 reports 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 for Certified Public Accountants and followed the code of practice of independence, objectiveness and impartiality. It has smoothly completed the auditing work of the 2022 internal control report of the Company and 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. I agreed to re-appoint Da Hua Certified Public Accountants (Special General Partnership) as auditor for the internal control of the 2023 annual financial report of the Company. The content of the audit includes giving audit opinion on the effectiveness of the internal control of financial reports and disclosing major deficiencies of internal control discovered on the non-financial report etc..

(VIII) Resolution on the deposit and use of funds raised

On 30 March 2023, the eleventh 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 2022.

On 16 August 2023, the first meeting of the eleventh session of the Board of the Company considered and approved a special report on the deposit and use of the Company's proceeds for the half year of 2023.

Having fully understood and considered the resolutions at the meeting of the Company, I was 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 Shanghai Stock Exchange 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, especially the minority Shareholders.

(IX) Resolution in relation to the changes of accounting policies

On 16 August 2023, the Company convened the first meeting of the eleventh session of the Board. The resolution in relation to the changes of accounting policies was considered and approved at the meeting. The changes of accounting policies were reasonable and were made according to the latest accounting standards amended and issued by the Ministry of Finance, which were in compliance with the relevant regulations. By implementing the changes of accounting policies, the Company's financial position and operating results can be reflected in a more objective and fair way. The relevant changes of accounting policies have no significant impact on the financial position and operating results of the Company.

(X) Commitments fulfilled by the Company and its 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.

(XI) Implementation of information disclosure

During 2023, the Company strictly complied with the requirements under the relevant laws and regulations, including the "Security Law", the "Rules Governing the Listing of Stocks" in Hong Kong and the PRC, 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.

(XII) 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 and 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.

(XIII) 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 2023, the Company held 5 strategy committee meetings of the Board. As a member of the special committees of the Board of the Company, I attended all the

meetings that should be attended to perform my duties diligently, so that the committees operated within their standardised frameworks and played their respective roles.

IV. OTHER CIRCUMSTANCES WHICH REQUIRE EXPLANATION

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

V. OVERALL COMMENT AND ADVICE

During 2023, I diligently and faithfully performed my duty as an independent non-executive Director and leveraged on my professional expertise to give professional advice to the Company. In 2024, I will continue to perform my duty earnestly and further follow the principle of prudence, diligence and honesty to constantly learn and improve my professional standards, strengthen communication and improve the decision-making ability of the Board; proactively perform my duty as an independent non-executive Director and effectively play my role in decision-making and supervision as an independent non-executive Director, so as to safeguard the legitimate interests 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 Director

Liu Jingtai

28 March 2024

Luan Dalong

During my tenure as an independent non-executive Director of Beijing Jingcheng Machinery Electric Company Limited (the “**Company**”), I strictly complied with the laws and regulations such as the “Company Law”, the “Securities Law”, the “Administrative Measures on the Independent Directors of Listed Companies” and the “Listing Rules of Shanghai Stock Exchange”, as well as the regulations and requirements of the “Articles of Association” and the “Work System for Independent Directors”. I sincerely performed my 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 my responsibilities and duties as an independent non-executive Director.

I report the performance of my duties as the independent non-executive Director during 2023 as follows:

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

Luan Dalong, Chinese, male, aged 60. 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, and the independent non-executive Director of the tenth session of the Board of the Company from 9 June 2020 to 16 June 2023. 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 eleventh session of the Board of the Company.

(II) Positions held in the Board committees

I actively participated in the nomination committee of the Board, focusing on exerting my own professional advantages to provide strong support for the scientific decision-making of the Board and the nomination committee of the Board.

(III) Statement on whether the independence is affected

I do not hold any duties other than that of the independent Director, or hold any duties in substantial Shareholders of the Company. There is no relationship between me and the Company and its substantial Shareholders or interested institutions and persons that may have impact on my independent and objective judgments. I don't gain additional interests which are not disclosed from the Company and its substantial Shareholders or interested institutions and persons. As such, the independence is not affected.

During 2023, as the independent non-executive Director of the Company, I earnestly executed my powers, performed my duties according to laws and regulations, put my role as an independent non-executive Director 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 my independence.

II. ATTENDANCE OF MEETINGS

As an independent Director, I 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, I 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 2023, the Company held 4 general meetings and 11 Board meetings. My attendance and votes are as follows:

(1) Attendance of the Board meetings:

Name of Director	Independent Director or not	Required attendance of board meetings during the year	Attendance			Absence	Absence from two consecutive meetings or not	Number of general meetings attended
			Attendance in person	Attendance by communication equipment	Attendance by proxy			
Luan Dalong	Yes	11	4	6	1	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
Luan Dalong	Yes	No	No	—

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

In 2023, I continued 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, which mainly include the following aspects:

(I) Connected Transactions:

1. On 24 March 2023, as an independent Director of the Company, after fully understanding and reviewing the resolutions of the twenty-second extraordinary meeting of the tenth session of the Board of the Company, I hereby express my independent opinion on the resolutions of the Company's 2023 restricted share incentive scheme involving connected transactions considered and approved at this meeting as follows:
 - a. Independent opinion on the "Resolution in relation to the 2023 Restricted Share Incentive Scheme (Draft) and its Summary of the Company"
 - 1) There are no circumstances in the Company under which the implementation of the restricted share incentive scheme is prohibited according to the provisions of the relevant laws, regulations and regulatory documents, and the Company is eligible to implement the restricted share incentive scheme.
 - 2) The participants determined under the restricted share incentive scheme of the Company meet the qualifications under the provisions of the relevant laws, regulations and regulatory documents and the Articles of Association. There are no circumstances in the Company under which any participant determined under the restricted share incentive scheme of the Company is prohibited to become a participant according to the provisions of the "Administrative Measures on Share Incentives of Listed Companies". The eligibility of the participants is lawful and valid.
 - 3) The formulation, review process and content of the Restricted Share Incentive Scheme (Draft) of the Company is in compliance with the provision of relevant laws, regulations and regulatory documents. The grant arrangement and unlocking arrangement of the restricted shares for each participant do not violate the provision of relevant laws, regulations and regulatory documents nor infringe the interests of the Company and all shareholders.

- 4) There are no plans or arrangements to provide loans, loan guarantees or any other form of financial assistance to the participants.
- 5) The implementation of the restricted share incentive scheme by the Company will help to further establish and improve the long-term incentive mechanism of the Company, attract and retain outstanding talents, fully mobilize the enthusiasm of the senior management, core backbone and core business personnel of the Company, and effectively aligning the interests of the shareholders with the interests of the Company and the personal interests of the operators, so that all parties can jointly focus on the long-term development of the Company.
- 6) The consideration and voting procedures of the relevant resolutions of the restricted share incentive scheme are in compliance with the Articles of Association, the “Rules of Procedure for the Board of Directors”, and the relevant regulations of the State-owned Assets Supervision and Administration Commission of the People’s Government of Beijing Municipality and the CSRC. The implementation of the incentive scheme has been considered and approved by the Board. The connected Directors shall abstain from voting, and the supervisory committee expressed its verification opinions on the Resolution in relation to the 2023 Restricted Share Incentive Scheme (Draft) and the list of participants. The restricted share incentive scheme is still subject to approval by the State-owned Assets Supervision and Administration Commission of the People’s Government of Beijing Municipality and consideration and passing by the general meeting of the Company.

As an independent Director of the Company, I believe that the Company’s implementation of the restricted share incentive scheme is conducive to the sustainable and stable development of the Company and will not harm the interests of the Company and all its shareholders. I agree that the Company will implement the restricted share incentive scheme and submit relevant matters to the general meeting of the Company for consideration.

- b. Independent opinion on the scientific basis and rationale of the indicators set for the restricted share incentive scheme

The appraisal indicators for the restricted share incentive scheme of the Company are divided into two levels, i.e. performance appraisal at the Company level and performance appraisal at the individual level of the participants.

The Company selects the four indicators of cash return on net assets (roe), operating revenue growth rate, revenue growth rate for transformation and innovation business category, and proportion of research and development investment to operating revenue as performance appraisal indicators, which can objectively reflect the Company's return on investment, growth ability and income quality, and serve as the core indicators reflecting the enterprise's operational effectiveness and operational efficiency. Through reasonable projection as well as taking into account the incentives to be provided by this Scheme, the Company set up the aforementioned performance appraisal targets at the Company level for this restricted share incentive scheme.

In addition to the performance appraisal at the Company level, the Company has established a well-defined performance appraisal system for the individual participants, which evaluates the individual work performance of the participants in a precise and comprehensive manner. The Company will determine whether the individual participants meet the unlocking conditions based on their performance appraisal results for the previous year.

In conclusion, I believe that the Company's appraisal system for the implementation of the restricted share incentive scheme is comprehensive, integrated and operable, and the setting of appraisal indicators is scientific and reasonable. At the same time, it has a restrictive effect on the participants and can achieve the appraisal purpose of the restricted share incentive scheme. I agreed to the Company's implementation of the 2023 restricted share incentive scheme, and submitted the relevant resolution to the general meeting for consideration.

2. On 24 July 2023, as an independent Director of the Company, I express the following pre-approved opinions on matters related to the termination of the non-public issuance of A Shares, which the Company intends to submit to the third meeting of the eleventh session of the Board for consideration:

The Company intends to terminate the non-public issuance of shares in accordance with relevant provisions of the "Securities Law", "Administrative Measures for the Securities Issuance and Registration of Listed Companies", the Articles of Association and other relevant provisions. It is a prudent decision made by comprehensively considering various circumstances and taking account of the actual situation of the Company and other factors, and will not have a significant impact on the ordinary operation and sustainable and stable development of the Company. There is no harm to the interests of the Company and all shareholders, especially the minority shareholders.

In conclusion, I approve the above resolution in advance and agree to submit the above resolution to the third meeting of the eleventh session of the Board of the Company for consideration.

3. On 24 July 2023, as an independent Director of the Company, after fully understanding and reviewing the third meeting of the eleventh session of the Board of the Company, I hereby express my independent opinion on the connected transactions involving the termination of the non-public issuance of A Shares by the Company as follows:

The termination of the non-public issuance of A Shares is a prudent decision made by the Company considering various factors and taking into account of the actual situation of the Company, and will not affect the normal business activities and sustainable development of the Company. The consideration procedures of the Board on this resolution is in compliance with the provisions of the relevant laws, regulations and the Articles of Association. The connected Directors shall abstain from voting on this resolution, and there is no circumstance that harms the interests of the Company and all shareholders, especially the minority shareholders. I agree to terminate the Company's non-public issuance of A Shares.

4. On 7 July 2023, the resolution in relation to the application made to Jingcheng Machinery Electric for a bridge loan of RMB30 million by Beijing Tianhai Industry Co., Ltd., a subsidiary of the Company was considered at the second extraordinary meeting of the eleventh session of the Board of the Company. Jingcheng Machinery Electric is the controlling shareholder of the Company, and this transaction constituted a connected transaction. According to the relevant provisions of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, matters on the financial assistance can be exempted from approval and disclosure for connected transactions.
5. On 14 November 2023, as an independent Director of the Company, after fully understanding and reviewing the fifth extraordinary meeting of the eleventh session of the Board of the Company, I expressed my independent opinion on the connected transaction related to the adjustment of the 2023 restricted share incentive scheme considered and approved at this meeting as follows:
 - a. Independent opinion on matters relating to the adjustment of the 2023 restricted share incentive scheme

After careful review, I believe that:

The adjustment of the 2023 restricted share incentive scheme of the Company (the “**Incentive Scheme**”) regarding the list of the participants of the grant and the amount granted are in compliance with

the relevant provisions of the “Company Law of the People’s Republic of China” (the “**Company Law**”), the “Securities Law of the People’s Republic of China” (the “**Securities Law**”), the “Administrative Measures for Share Incentive of Listed Companies” (the “**Administrative Measures**”) and other laws, regulations and regulatory documents and the necessary consideration procedures have been fulfilled. The adjustment was made within the scope of the authorization of the Board of the Company at the first extraordinary general meeting of 2023, the first A Share class meeting of 2023 and the first H Share class meeting of 2023 of the Company. The connected Directors abstained from voting on the relevant resolutions. The adjustment procedures were legal, compliant, without detriment to the interests of the Company and all Shareholders. After adjustment, there are no circumstances under which the grant of restricted share to the participants is prohibited. The eligibility of the participants is lawful and valid.

In conclusion, I agreed to the adjustment on relevant matters of the incentive scheme by the Company.

- b. Independent opinion on the initial grant of restricted share to the participants of the 2023 Restricted Share Incentive Scheme

After careful review, I believed that:

- 1) Pursuant to the authorisation by the first extraordinary general meeting of 2023, the first A Share class meeting of 2023 and the first H Share class meeting of 2023 of the Company, the initial grant date of the incentive scheme determined by the Board is 14 November 2023, which is in compliance with the relevant provisions of the “Administrative Measures” and the “2023 Restricted Share Incentive Scheme” of the Company (the “**Incentive Scheme**”) regarding the grant date.
- 2) There are no circumstances in the Company under which the implementation of the Incentive Scheme is prohibited according to the provisions of the relevant laws, regulations and regulatory documents such as the “Administrative Measures”, and the Company is eligible to implement the Incentive Scheme.
- 3) The participants for the initial grant of restricted shares determined by the Company meet the qualifications under the provisions of the “Company Law”, the “Securities Law” and other laws, regulations and the Articles of Association in relation to the eligibility for appointment, and have fulfilled the conditions for participants under the “Administrative Measures” and are within

the scope of participants stipulated in the Incentive Scheme and its summary. The eligibility of the participants of the Incentive Scheme of the Company is lawful and valid.

- 4) The Company has no plans or arrangements to provide loans, loan guarantees or any other financial assistance to the participants.
- 5) The implementation of the Incentive Scheme by the Company is conducive to further establishing and improving the long-term incentive mechanism of the Company, attracting and retaining outstanding talents, fully mobilizing the enthusiasm and sense of responsibility of the management and core backbone personnel, effectively aligning the interests of shareholders with the interests of the Company and the personal interests of the core teams, so that all parties can jointly focus on the long-term development of the Company, ensuring the realization of the Company's future development strategies and business objectives, with no harm to the interests of the Company and all shareholders.
- 6) When the connected Directors have abstained from voting on the resolutions in accordance with the laws, regulations and regulatory documents such as the "Company Law", the "Securities Law" and the "Administrative Measures" as well as the relevant provisions of the Articles of Association, and the resolutions are voted by non-connected Directors.

In conclusion, we believed that the conditions of the initial grant prescribed under the Incentive Scheme have been fulfilled. I agreed that the initial grant date of the Incentive Scheme is 14 November 2023, and the initial grant of 5.8800 million restricted shares were initially granted at a price of RMB7.33 per share to 123 participants who meet the grant conditions.

(II) External guarantee and misappropriation of capital

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

(III) Mortgage loans

On 7 July 2023, the resolution in relation to the obtaining of working capital loans and promissory notes from China Construction Bank by way of security by Tianjin Tianhai High Pressure Container Co., Ltd., a subsidiary of the Company, was considered and approved at the second extraordinary meeting of the eleventh session of the Board of the Company.

On 30 October 2023, the resolution in relation to the application for promissory notes and working capital loans from the Tianjin Branch of SPD Bank by way of security by Tianjin Tianhai High Pressure Container Co., Ltd., a subsidiary of the Company, was considered and approved at the second meeting of the eleventh session of the Board of the Company.

For the above two resolutions, I attended the relevant Board meeting and had no objection.

(IV) Disposal of assets:

There was no disposal of assets by the Company.

(V) Nomination and Remuneration of Directors and senior management officers:

On 30 March 2023, the results of remuneration and performance assessment for the senior management members of the Company for the year of 2022 were considered and approved at the eleventh meeting of the tenth session of the Board. For the above-mentioned resolution, we attended the relevant Board meeting and had no objection.

On 28 April 2023, the resolution on the change of chairman of the Board of the Company, the resolution on the appointment of the general manager by the Company, the resolution on the by-election of members and conveners of each of the special committee of the tenth session of the Board of the Company were considered and approved at the eleventh meeting of the tenth session of the Board. For the above-mentioned resolution, we attended the relevant Board meeting and had no objection.

In addition, the resolution in relation to the general election of the Board was considered and approved at the meeting, and I expressed the following independent opinions on the resolution:

The resolutions in relation to the nomination of Mr. Li Junjie, Mr. Wu Yanzhang, Mr. Zhou Yongjun, Mr. Cheng Lei, Mr. Man Huiyong and Ms. Li Chunzhi by the substantial shareholder as the non-executive Director candidates of the eleventh session of the Board of the Company; the nomination of Mr. Zhang Jiheng by the nomination committee of the Board as the executive Director candidate of the eleventh session of the Board of the Company and the nomination of Mr. Xiong Jianhui, Mr. Zhao Xuguang, Mr. Liu Jingtai and Mr. Luan Dalong by the nomination committee of the Board as the independent non-executive Director candidates of the eleventh session of the Board of the Company were approved.

As the independent non-executive Director of the tenth session of the Board of the Company, after reviewing relevant documents such as the declaration and biographies of the above-mentioned candidates, I was of the opinion that:

- 1) The relevant procedures of the nomination of Mr. Li Junjie, Mr. Wu Yanzhang, Mr. Zhou Yongjun, Mr. Cheng Lei, Mr. Man Huiyong and Ms. Li Chunzhi by the substantial shareholder as the non-executive Director candidates of the eleventh session of the Board of the Company; the nomination of Mr. Zhang Jiheng by the nomination committee of the Board as the executive Director candidate of the eleventh session of the Board of the Company and the nomination of Mr. Xiong Jianhui, Mr. Zhao Xuguang, Mr. Liu Jingtai and Mr. Luan Dalong by the nomination committee of the Board as the independent non-executive Director candidates of the eleventh session of the Board of the Company were in compliance with relevant provisions of the Articles of Association.
- 2) Mr. Li Junjie, Mr. Zhang Jiheng, Mr. Wu Yanzhang, Mr. Zhou Yongjun, Mr. Cheng Lei, Mr. Man Huiyong and Ms. Li Chunzhi met the relevant requirements of the Director's qualifications of the relevant national laws and regulations and the Articles of Association.
- 3) Mr. Xiong Jianhui, Mr. Zhao Xuguang, Mr. Liu Jingtai and Mr. Luan Dalong met the requirements of qualifications and independence of the "Guidance on the Establishment of Independent Directors System by Listed Companies of the China Securities Regulatory Commission".
- 4) I agree to submit the resolution in relation to the general election of the Board to the 2022 annual general meeting of the Company for consideration.

(VI) Results forecast and preliminary results estimate

During the reporting period, the Company disclosed the annual results forecast for 2023, of which the illustration results were in a timely manner, accurate and complete.

(VII) Engagement or change of external auditors

1. I, being the independent Director of the Company, have completed a prior review of the relevant resolutions proposed by the Company to the eleventh meeting of the tenth session of the Board for consideration on 30 March 2023, and expressed my prior approval opinion as follows:
 - 1) Resolution in relation to the appointment of the auditor for the 2023 annual 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 reports 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 for Certified Public Accountants and followed the code of practice of independence, objectiveness and

impartiality in the audit. It has smoothly completed the auditing work of the 2022 annual financial report of the Company and 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. I agreed to propose the resolution in relation to the re-appointment of ShineWing Certified Public Accountants (Special General Partnership) as the auditor for the 2023 annual financial report of the Company to the Board for consideration.

Having considered the size of the Company and the workload of auditing, I was of the view that payment for the audit fee for 2022 to ShineWing Certified Public Accountants (Special General Partnership) was reasonable.

- 2) Resolution in relation to the appointment of the auditor for the 2023 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 reports 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 for Certified Public Accountants and followed the code of practice of independence, objectiveness and impartiality in the audit. It has smoothly completed the auditing work of the 2022 internal control report of the Company and 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. I agreed to propose the resolution in relation to the re-appointment of Da Hua Certified Public Accountants (Special General Partnership) as auditor for the 2023 internal control report of the Company to the Board for consideration.

Having considered the size of the Company and the workload of auditing, I was of the view that payment for the audit fee for 2022 to Da Hua Certified Public Accountants (Special General Partnership) was reasonable.

2. On 30 March 2023, as the independent non-executive Director of the Company, according to the 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 the relevant requirements of the “Articles of Association” and the “Independent Director System of the Company”, after fully understanding and reviewing relevant resolutions at the eleventh meeting of the tenth session of Board of the Company, in respect of certain Board resolutions, I expressed my independent opinion as follows:

As the independent non-executive Director of the tenth session of Board of the Company, after reviewing the relevant documents, I was of the opinion that:

- 1) Resolution in relation to the Company's 2023 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) Resolution in relation to the re-appointment of the auditor for the 2023 annual 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 reports 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 for Certified Public Accountants and followed the code of practice of independence, objectiveness and impartiality. It has smoothly completed the auditing work of the 2022 annual financial report of the Company and 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. I agreed to re-appoint ShineWing Certified Public Accountants (Special General Partnership) as the auditor for the 2023 annual 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 2023 on the appropriation of funds by the controlling Shareholder and other connected persons etc..

- 3) Resolution in relation to the re-appointment of the auditor for the internal control of the 2023 annual 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 reports 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 for Certified Public Accountants and followed the code of practice of independence, objectiveness and impartiality. It has smoothly completed the auditing work of the 2022 internal control report of the Company and 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. I agreed to re-appoint Da Hua Certified Public Accountants (Special General Partnership) as auditor for the internal control of the 2023 annual financial report of the Company. The content of the audit includes giving audit opinion on the effectiveness of the internal control of financial reports and disclosing major deficiencies of internal control discovered on the non-financial report etc..

(VIII) Resolution on the deposit and use of funds raised

On 30 March 2023, the eleventh 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 2022.

On 16 August 2023, the first meeting of the eleventh session of the Board of the Company considered and approved a special report on the deposit and use of the Company's proceeds for the half year of 2023.

Having fully understood and considered the resolutions at the meeting of the Company, I was 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 Shanghai Stock Exchange 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, especially the minority Shareholders.

(IX) Resolution in relation to the changes of accounting policies

On 16 August 2023, the Company convened the first meeting of the eleventh session of the Board. The resolution in relation to the changes of accounting policies was considered and approved at the meeting. The changes of accounting policies were reasonable and were made according to the latest accounting standards amended and issued by the Ministry of Finance, which were in compliance with the relevant regulations. By implementing the changes of accounting policies, the Company's

financial position and operating results can be reflected in a more objective and fair way. The relevant changes of accounting policies have no significant impact on the financial position and operating results of the Company.

(X) Commitments fulfilled by the Company and its 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.

(XI) Implementation of information disclosure

During 2023, the Company strictly complied with the requirements under the relevant laws and regulations, including the “Security Law”, the “Rules Governing the Listing of Stocks” in Hong Kong and the PRC, 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.

(XII) 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 and 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.

(XIII) 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 2023, the Company held 3 nomination committee meetings of the Board. As a member of the nomination committee of the Board of the Company, I attended all the meetings that should be attended to perform my duties diligently, so that the committees operated within their standardised frameworks and played their respective roles.

IV. OTHER CIRCUMSTANCES WHICH REQUIRE EXPLANATION

1. I had not proposed to convene Board meetings;
2. I had not proposed to appoint or remove the accountant firms;

3. I had not independently engaged any external auditors and advisers.

V. OVERALL COMMENT AND ADVICE

During 2023, I diligently and faithfully performed my duty as an independent non-executive Director and leveraged on my professional expertise to give professional advice to the Company. In 2024, I will continue to perform my duty earnestly and further follow the principle of prudence, diligence and honesty to constantly learn and improve my professional standards, strengthen communication and improve the decision-making ability of the Board; proactively perform my duty as an independent non-executive Director and effectively play my role in decision-making and supervision as an independent non-executive Director, so as to safeguard the legitimate interests 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 Director

Luan Dalong

28 March 2024

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 1 Beijing Jingcheng Machinery Electric Company Limited (hereafter “the Company”) was established prior to the implementation of the company Law of the People’s Republic of China (“the Company Law”) in accordance with relevant laws and regulations of the state and the <i>Guideline Opinions for Joint Stock Liability Company</i> promulgated by the State Commission for Restructuring the Economic System, and continues to exist upon the entry into force of the Company Law, and has been restructured pursuant to the <i>Company Law and the State Council’s Special Regulations Regarding the Issue and Listing of Shares Overseas by Joint Stock Liability Companies</i> (the “Special Regulations”) and satisfied the conditions specified by the Company Law.</p> <p>The Company was established by the promoter on July 12, 1993 with the approval of the State Commission for Restructuring the Economic System (Ti Gai Sheng (1993) No.117), and registered in Beijing Administration of Industry and Commerce on July 13, 1993, and obtained the <i>Business License for Legal Person</i>, and the unified social credit code of the Company is: 91110000101717457X.</p> <p>Beiren Group Corporation is the promoter of the Company.</p>	<p>Article 1 Beijing Jingcheng Machinery Electric Company Limited (hereafter “the Company”) was established prior to the implementation of the company Law of the People’s Republic of China (“the Company Law”) in accordance with relevant laws and regulations of the state and the <i>Guideline Opinions for Joint Stock Liability Company</i> promulgated by the State Commission for Restructuring the Economic System, and continues to exist upon the entry into force of the Company Law, and has been restructured pursuant to the <i>Company Law</i> and the State Council’s Special Regulations Regarding the Issue and Listing of Shares Overseas by Joint Stock Liability Companies (the “Special Regulations”) and satisfied the conditions specified by the Company Law.</p> <p>The Company was established by the promoter on July 12, 1993 with the approval of the State Commission for Restructuring the Economic System (Ti Gai Sheng (1993) No.117), and registered in Beijing Administration of Industry and Commerce on July 13, 1993, and obtained the <i>Business License for Legal Person</i>, and the unified social credit code of the Company is: 91110000101717457X.</p> <p>Beiren Group Corporation is the promoter of the Company.</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
<p>Article 2 These Articles of Association are formulated in accordance with the <i>Company Law, Securities Law of the People’s Republic of China (the “Securities Law”), “Constitution of the Communist Party of China” (the “Constitution”), Special Regulations and Mandatory Provisions for Articles of Associations of Companies Listed Overseas</i> (the “Mandatory Provisions”) and other relevant regulations to safeguard the legal interests of the Company, its shareholders and creditors, and to regulate the organizations and activities of the Company.</p>	<p>Article 2 These Articles of Association are formulated in accordance with the <i>Company Law, Securities Law of the People’s Republic of China (the “Securities Law”), “Constitution of the Communist Party of China” (the “Constitution”), Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules of Hong Kong Stock Exchange”)Special Regulations and Mandatory Provisions for Articles of Associations of Companies Listed Overseas</i> (the “Mandatory Provisions”) and other relevant regulations to safeguard the legal interests of the Company, its shareholders and creditors, and to regulate the organizations and activities of the Company.</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
<p>Article 3 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. 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.</p>	<p>Article 3 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. 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. The Company launched the 2023 share incentive scheme after the consideration and approval at the general meeting and class meeting, and made the initial grant of restricted shares to the eligible participants on November 14 2023 and issued an additional 5.4 million RMB ordinary shares to the domestic investors, and completed the registration of the new shares at the Shanghai Branch of China Securities Depository and Clearing Corporation Limited on December 28 2023.</p>

APPENDIX III PROPOSED 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 11 The Company may invest in other limited liability companies or joint stock liability companies, and its liabilities to the invested company shall be limited to the amount of its capital contribution.</p>	<p>Article 11 The Company may invest in other limited liability companies or joint stock liability companies enterprises; and its liabilities to the invested company shall be limited to the amount of its capital contribution. However, unless otherwise provided by laws, regulations and other regulatory documents, the Company shall not become contributors who are jointly and severally liable for the debts of the invested enterprises.</p>
<p>Article 18 Subject to the approval of the securities authority of the State Council, the Company may issue shares to domestic investors and foreign investors.</p> <p>“Foreign investors” in the preceding paragraph shall mean those investors who subscribe shares issued by the Company and are located in foreign countries and in the regions of Hong Kong, Macau and Taiwan. “Domestic investors” shall refer to those who subscribe shares issued by the Company and are located within the territory of the PRC, excluding the above-mentioned areas.</p>	<p>Article 18 Subject to the approval of the securities authority of the State Council; The Company may issue shares to domestic investors and foreign investors in compliance with the law, and register or file with the China Securities Regulatory Commission (the “CSRC”) in accordance with regulations.</p> <p>“Foreign investors” in the preceding paragraph shall mean those investors who subscribe shares issued by the Company and are located in foreign countries and in the regions of Hong Kong, Macau and Taiwan. “Domestic investors” shall refer to those who subscribe shares issued by the Company and are located within the territory of the PRC, excluding the above-mentioned areas.</p>

APPENDIX III PROPOSED 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 20 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 542,265,988 ordinary shares, of which:</p> <p>I. When the Company was established, 250,000,000 shares were issued to the promoter, accounting for 46.1% 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 18.44% 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 9.22% 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 4.06% 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 11.62% 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 8.57% of the total number of ordinary shares which may be issued by the Company.</p>	<p>Article 20 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 542,265,988547,665,988 ordinary shares, of which:</p> <p>I. When the Company was established, 250,000,000 shares were issued to the promoter, accounting for 46.1% 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 18.44% 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 9.22% 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 4.06% 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 11.62% 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 8.57% of the total number of ordinary shares which may be issued by the Company.</p>

APPENDIX III PROPOSED AMENDMENTS TO THE “ARTICLES OF ASSOCIATION”

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
<p>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.</p>	<p>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.</p> <p>VIII. After its establishment, on December 28 2023, the Company issued 5,400,000 shares to domestic investors, accounting for 0.99% of the total number of ordinary shares which may be issued by the Company.</p>
<p>Article 21 The Company’s board of directors may make separate arrangements for the issuance of overseas-listed foreign invested shares and domestic-invested shares after getting the approvals by the competent department authorized by the State Council.</p> <p>Proposals to issue overseas-listed foreign-invested shares and domestic-invested shares pursuant to the preceding paragraph may be implemented respectively within fifteen (15) months as from the date of approval by the Securities Committee of the State Council.</p>	<p>To be deleted</p>
<p>Article 22 Where the total number of shares stated in the issuance proposal includes overseas- listed foreign-invested shares and domestic shares, such shares shall be fully subscribed for at their respective offerings. If the shares cannot be fully subscribed for at one time due to special circumstances, the shares may, subject to the approval of the Securities Committee of the State Council, be issued in separate offerings.</p>	<p>To be deleted</p>
<p>Article 23 The Company’s registered capital is RMB542,265,988.</p>	<p>Article 23 Article 21 The Company’s registered capital is RMB542,265,988547,665,988.</p>

APPENDIX III PROPOSED 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 24 The Company may, based on its operation and development needs, approve the increase of its capital pursuant to the Articles of Associations.</p> <p>The Company may increase its capital in the following ways:</p> <ol style="list-style-type: none"> (1) by public issuance of shares; (2) by non-public issuance of shares; (3) by allotting bonus shares to its existing shareholders; (4) by converting reserve funds into capital; (5) by other means permitted by laws, administrative regulations, and approved by the CSRC. <p>Upon the approval in accordance with the Company’s Articles of Association, the increasing of share capital by issuing new shares shall be conducted pursuant to the procedures set out in the relevant PRC laws and administrative regulations.</p>	<p>Article 24Article 22 The Company may, based on its operation and development needs, approve the increase of its capital pursuant to the Articles of Associations.</p> <p>The Company may increase its capital in the following ways: in accordance with the provisions of laws and regulations, increase the capital in the following ways upon approval of resolutions at the general meeting respectively:</p> <ol style="list-style-type: none"> (1) by public issuance of shares; (2) by non-public issuance of shares; (3) by allotting bonus shares to its existing shareholders; (4) by converting reserve funds into capital; (5) by other means permitted by laws, administrative regulations, and approved by the CSRC. <p>Upon the approval in accordance with the Company’s Articles of Association, the increasing of share capital by issuing new shares shall be conducted pursuant to the procedures set out in the relevant PRC laws and administrative regulations.</p>
<p>Article 26 Unless otherwise specified by laws and administrative regulations, shares of the Company may be freely transferred without any right of lien.</p>	<p>To be deleted</p>
<p>Article 27 Pursuant to the Company’s Articles of Association, the Company may reduce its registered capital.</p>	<p>Article 27Article 24 Pursuant to the Company’s Articles of Association, theThe Company may reduce its registered capital. The reduction of registered capital shall be conducted in compliance with the Company Law and other relevant regulations and procedures stipulated in these Articles of Association.</p>

APPENDIX III PROPOSED 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 28 When its registered capital is reduced, a balance sheet and an inventory of assets must be prepared.</p> <p>The Company shall notify its creditors within ten days upon making a resolution for capital reduction, and shall publish an announcement in a newspaper for at least three times within thirty days. A creditor has the right, within thirty days upon receiving the notice from the Company or, in case that he fails to receive such a notice, within ninety days after the first public announcement, to require the Company to repay its debts or to provide a corresponding guarantee for such debts.</p> <p>The Company’s registered capital, after capital reduction, may not be less than the minimum amount prescribed by law.</p>	<p>To be deleted</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 30Article 26 Subject to the approval of the competent authorities; theThe Company may repurchase its acquire the shares of the Company 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 law, administrative regulations and 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 295 herein shall be conducted through centralized trading in an open manner.</p>

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Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
<p>Article 31 The company must obtain the prior approval from the general meeting of the shareholders as stipulated in the Company’s Articles of Association before it can repurchase shares outside the stock exchange by means of an agreement. By obtaining the prior approval from the general meeting of the shareholders in the same manner, the Company may release, vary or waive its rights under an agreement which has been so entered into.</p> <p>The repurchase agreement referred to in the preceding paragraph shall include (but not limited to) an agreement undertaking to repurchase shares or acquiring a right to repurchase shares.</p> <p>The Company may not assign an agreement for repurchase of its shares or any right contained in such an agreement.</p>	To be deleted

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Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
<p>Article 33 Unless in the process of liquidation, when repurchasing its issued shares, the Company must comply with the following provisions:</p> <p>(1) Where the Company repurchases its shares at par value, payment shall be made out of the book surplus of distributable profit or out of the proceeds of new issuance made for that purpose.</p> <p>(2) Where the Company repurchases its shares at a premium, payment up to the par value shall be made out of the book surplus of distributable profit or out of the proceeds of new issuance made for that purpose. Payment of the portion in excess of the par value shall be made as follows:</p> <p>a) If the shares repurchased were issued at par value, payment shall be made out of the book surplus of distributable profit;</p> <p>b) If the shares repurchased were issued at a premium, payment shall be made out of the book surplus of distributable profit or out of the proceeds of new issuance made for that purpose, provided that the amount paid out of the proceeds of new issuance shall not exceed the aggregate premiums received by the Company on issuing the shares repurchased, nor shall it exceed the book value of the Company’s premiums account (or capital reserve account) (including premiums from the new issuance);</p> <p>(3) Payment for the following purchases shall be made out of the Company’s distributable profit:</p> <p>a) acquiring the right to repurchase its shares;</p> <p>b) modifying any contract for the repurchase of its shares;</p> <p>c) releasing its obligations under any contract for the repurchase of its shares.</p>	<p>To be deleted</p>

APPENDIX III PROPOSED AMENDMENTS TO THE “ARTICLES OF ASSOCIATION”

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
<p>(4) After the aggregate par value of the cancelled shares is reduced from the Company’s registered capital in accordance with relevant provisions, the amount deducted from the distributable profit for the payment of the par value of repurchased shares shall be included under the Company’s premiums account (or capital reserve account).</p>	
<p>CHAPTER 5: FINANCIAL ASSISTANCE FOR THE ACQUISITION OF SHARES Article 34 Article 36</p>	<p>To be deleted</p>
<p>Article 44 When the company needs to convene a general meeting, distribute dividends, liquidate the Company or for any other purpose that requires the confirmation of the rights attached to the shares in the Company, the board of directors shall decide on a date for the determination of the rights attached to the shares in the Company. The shareholders of the Company shall be such persons who appear in the register of shareholders at the close of such determination date.</p>	<p>Article 44Article 35 When the company needs to convene a general meeting, distribute dividends, liquidate the Company or for any other purpose that requires the confirmation of the rights attached to the shares in the Company identity of the shareholder, the board of directors or the convenor of the general meeting shall determine the record date, and the shareholders whose names appear in the register of shareholders after the close of business on the record date shall be the shareholders entitled to the relevant interests. the board of directors shall decide on a date for the determination of the rights attached to the shares in the Company. The shareholders of the Company shall be such persons who appear in the register of shareholders at the close of such determination date.</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
<p>Article 46 ……</p> <p>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:</p> <p>(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.</p> <p>(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.</p>	<p>Article 46Article 37 ……</p> <p>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:</p> <p>(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.</p> <p>(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.</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
<p>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.</p> <p>(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.</p> <p>(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.</p> <p>(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.</p> <p>(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.</p> <p>(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.</p>	<p>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.</p> <p>(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.</p> <p>(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.</p> <p>(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.</p> <p>(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.</p> <p>(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.</p>

APPENDIX III PROPOSED 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 47 Where the Company issues a replacement share certificate pursuant to the Articles of Association and a bona fide purchaser acquires or becomes the registered owner of such shares, his name (title) shall not be removed from the register of shareholders.</p>	<p>To be deleted</p>
<p>Article 48 The Company shall not be liable for any damages sustained by any person by reason of the cancellation of the original share certificate or the issuance of the replacement share certificate, unless the claimant is able to prove that the Company has acted in a deceitful manner.</p>	<p>To be deleted</p>
<p>Article 54 Ordinary shareholders of the Company shall enjoy the following rights</p> <p>(1) to receive dividends and other distributions in proportion to the number of shares held;</p> <p>(2) to request, convene, preside at, attend or appoint a proxy in accordance with the laws to attend the general meeting of the shareholders and to vote thereat;</p> <p>(3) to supervise the Company’s business operations and to present proposals or to raise queries;</p> <p>(4) to transfer, gift, or pledge its shares in accordance with laws, administrative regulations and the Company’s Articles of Association;</p>	<p>Article 54 Article 43 Ordinary shareholders of the Company shall enjoy the following rights</p> <p>(1) to receive dividends and other distributions in proportion to the number of shares held;</p> <p>(2) to request, convene, preside at, attend or appoint a proxy in accordance with the laws to attend the general meeting of the shareholders and to exercise corresponding voting rights thereat;</p> <p>(3) to supervise the Company’s business operations and to present proposals or to raise queries;</p> <p>(4) to transfer, gift, or pledge its shares in accordance with laws, administrative regulations and the Articles of Association;</p>

APPENDIX III PROPOSED AMENDMENTS TO THE “ARTICLES OF ASSOCIATION”

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
<p>(5) to obtain relevant information in accordance with the Company’s Articles of Association, including:</p> <p>1. to obtain a copy of the Company’s Articles of Association, subject to payment of costs;</p> <p>2. subject to payment of a reasonable fee, to inspect and copy:</p> <p>(1) all parts of the register of shareholders;</p> <p>(2) personal particulars of each of the Company’s directors, supervisors, managers and other senior officers, including:</p> <p>(a) present and former name and alias;</p> <p>(b) principal address (place of residence);</p> <p>(c) nationality;</p> <p>(d) primary and all other concurrent occupations and duties;</p> <p>(e) identification documents and the numbers thereof;</p> <p>(3) reports on the state of the Company’s share capital;</p> <p>(4) reports showing the aggregate par value, quantity, highest and lowest price paid in respect of each class of shares repurchased by the Company since the end of the last accounting year and the aggregate amount paid for the Company for this purpose;</p> <p>(5) minutes of shareholders’ meetings.</p> <p>(6) to know and participate in the Company’s important matters prescribed by laws, administrative regulations and the Company’s Articles of Association;</p>	<p>(5) to inspect these Articles of Association, the register of shareholders, the register of bondholders, minutes of general meetings, resolutions of the meetings of the board of directors, resolutions of the meetings of the supervisory committee and financial reports;</p> <p>(6) with respect to shareholders who vote against any resolution adopted at the general meeting on the merger or demerger of the Company, the right to demand the Company to acquire the shares held by them;</p> <p>(7) in the event of the termination or liquidation of the Company, to participate in the distribution of remaining assets of the Company in accordance with the number of shares held;</p> <p>(8) other rights stipulated by laws, administrative regulations, departmental regulations, rules of stock exchange or these Articles of Association.</p> <p>Shareholders demanding inspection of the relevant information or copies of the materials mentioned in the preceding article shall provide to the Company written documents evidencing the class and number of shares of the Company they hold. After confirmation of the shareholder’s identity, the Company shall provide such information at the shareholder’s request.</p> <p>(2) to request, convene, preside at, attend or appoint a proxy in accordance with the laws to attend the general meeting of the shareholders and to vote thereat;</p>

APPENDIX III PROPOSED AMENDMENTS TO THE “ARTICLES OF ASSOCIATION”

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
<p>(7) to protect their lawful rights through civil action or other legal means in accordance with laws and administrative regulations; in case that any resolution adopted by the general meeting of the shareholders or the board of directors violates laws and administrative regulations and infringes upon shareholders’ lawful rights and interests, shareholders shall have the right to demand the termination of the aforesaid violation or infringement; directors, supervisors or managers shall be held liable for compensation if they violate laws, administrative regulations or the Company’s Articles of Association in the course of performing their duties and cause damages to the Company. Shareholders shall have the right to ask the Company to sue for compensation in accordance with law;</p> <p>(8) in in the event of the termination or liquidation of the Company, to participate in the distribution of surplus assets of the Company in accordance with the number of shares held;</p> <p>(9) other rights conferred by laws, administrative regulations and the Company’s Articles of Association.</p>	<p>(3) to supervise the Company’s business operations and to present proposals or to raise queries;</p> <p>(4) to transfer, gift, or pledge its shares in accordance with laws, administrative regulations and the Company’s Articles of Association;</p> <p>(5) to obtain relevant information in accordance with the Company’s Articles of Association, including:</p> <p>1. to obtain a copy of the Company’s Articles of Association, subject to payment of costs;</p> <p>2. subject to payment of a reasonable fee, to inspect and copy:</p> <p>(1) all parts of the register of shareholders;</p> <p>(2) personal particulars of each of the Company’s directors, supervisors, managers and other senior officers, including:</p> <p>(a) present and former name and alias;</p> <p>(b) principal address (place of residence);</p> <p>(c) nationality;</p> <p>(d) primary and all other concurrent occupations and duties;</p> <p>(e) identification documents and the numbers thereof;</p> <p>(3) reports on the state of the Company’s share capital;</p> <p>(4) reports showing the aggregate par value, quantity, highest and lowest price paid in respect of each class of shares repurchased by the Company since the end of the last accounting year and the aggregate amount paid for the Company for this purpose;</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
	<p>(5) minutes of shareholders’ meetings.</p> <p>(6) to know and participate in the Company’s important matters prescribed by laws, administrative regulations and the Company’s Articles of Association;</p> <p>(7) to protect their lawful rights through civil action or other legal means in accordance with laws and administrative regulations; in case that any resolution adopted by the general meeting of the shareholders or the board of directors violates laws and administrative regulations and infringes upon shareholders’ lawful rights and interests, shareholders shall have the right to demand the termination of the aforesaid violation or infringement; directors, supervisors or managers shall be held liable for compensation if they violate laws, administrative regulations or the Company’s Articles of Association in the course of performing their duties and cause damages to the Company. Shareholders shall have the right to ask the Company to sue for compensation in accordance with law;</p> <p>(8) in in the event of the termination or liquidation of the Company, to participate in the distribution of surplus assets of the Company in accordance with the number of shares held;</p> <p>(9) other rights conferred by laws, administrative regulations and the Company’s Articles of Association.</p>

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Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
<p style="text-align: center;">–</p>	<p style="text-align: center;">Article 44 If a resolution of the Company’s general meeting or board meeting violates the laws or administrative regulations, the shareholders shall have the right to submit a petition to the People’s Court to invalidate the same. If the procedures for convening, or the method of voting at, a general meeting or board meeting violate the laws, administrative regulations or the Articles of Association, or the contents of a resolution violates the Articles of Association, shareholders shall be entitled to submit a petition to the People’s Court to rescind such resolutions within 60 days from the date on which such resolution is adopted.</p>
<p>Article 57 Shareholders of the Company shall have the following obligations:</p> <p>(1) to comply with laws, administrative regulations and these Articles of Association;</p> <p>(2) to pay subscription monies according to the number of shares subscribed and the method of subscription;</p> <p>(3) not to divest the shares other than is provided by the laws or regulations;</p> <p>(4) not to abuse the shareholders’ rights to prejudice the interests of the Company or other shareholders; not to abuse the independence of the Company as a legal person and the limited liabilities of shareholders to prejudice the interests of creditors of the Company;</p>	<p>Article 57 Article 47 Shareholders of the Company shall have the following obligations:</p> <p>(1) to comply with laws, administrative regulations and these Articles of Association;</p> <p>(2) to pay subscription monies according to the number of shares subscribed and the method of subscription;</p> <p>(3) not to divest the shares other than is provided by the laws or regulations;</p> <p>(4) not to abuse the shareholders’ rights to prejudice the interests of the Company or other shareholders; not to abuse the independence of the Company as a legal person and the limited liabilities of shareholders to prejudice the interests of creditors of the Company;</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
<p>In the event that shareholders of the Company have abused their rights as shareholders or they have caused losses to the Company or other shareholders, they shall bear compensation in accordance with the laws.</p> <p>In the event that shareholders of the Company have abused the company’s independent position as a legal person or the limited liabilities of shareholders to avoid indebtedness and caused serious damage to the interests of the Company’s creditors, they shall be liable to the joint liabilities of the Company thereon.</p> <p>(5) other obligations imposed by laws, administrative regulations and these Articles of Association.</p> <p>Shareholders are not liable to make any further contribution to the share capital other than as agreed by the subscriber of the relevant shares on subscription.</p>	<p>In the event that shareholders of the Company have abused their rights as shareholders or they have caused losses to the Company or other shareholders, they shall bear compensation in accordance with the laws.</p> <p>In the event that shareholders of the Company have abused the company’s independent position as a legal person or the limited liabilities of shareholders to avoid indebtedness and caused serious damage to the interests of the Company’s creditors, they shall be liable to the joint liabilities of the Company thereon.</p> <p>(5) other obligations imposed by laws, administrative regulations and these Articles of Association.</p> <p>If a shareholder of the Company abuses its shareholder’s rights and thereby causes loss on the Company or other shareholders, such shareholder shall be liable for indemnity in accordance with the law.</p> <p>If a shareholder of the Company abuses the Company’s independent legal person status and the limited liability of shareholders for the purposes of avoiding debts, thereby materially impairing the interests of the creditors of the Company, such shareholder shall be jointly and severally liable for the debts owed by the Company.</p> <p>Shareholders are not liable to make any further contribution to the share capital other than as agreed by the subscriber of the relevant shares on subscription.</p>
<p>Article 58 When shareholders holding more than 5% of voting shares pledge their shares, they shall give a written report to the Company within three working days after the occurrence of such fact.</p>	<p>Article 58Article 48 When shareholders holding more than 5% of voting shares pledge their shares, they shall give a written report to the Company within three working days after on the date of the occurrence of such fact.</p>

APPENDIX III PROPOSED 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 59 With the exception of obligations imposed by laws, administrative regulations or the listing rules of the stock exchange on which the Company’s shares are listed, a controlling shareholder shall not exercise his voting rights in respect of the following matters in a manner prejudicial to the interests of all or part of the shareholders of the Company:</p> <p>(1) to relieve a director or supervisor of his duty to act honestly in the best interests of the Company;</p> <p>(2) to approve a director or supervisor to expropriate the Company’s assets in any for (for such director or supervisor’s own benefit or that of another person), including (but not limited to) opportunities beneficial to the Company;</p> <p>(3) to approve a director or supervisor to expropriate the personal rights of other shareholders (for such director or supervisor’s own benefit or that of another person), including (but not limited to) rights to distribution, and voting rights, but not including the restructuring submitted for the approval of the general meeting in accordance with the Company’s Articles of Association.</p>	<p>To be deleted</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
<p>Article 60 A controlling shareholder referred to in the preceding Article shall satisfy one of the following conditions:</p> <p>(1) a person who, acting alone or in concert with others, has the power to elect more than half of the board of directors;</p> <p>(2) a person who, acting alone or in concert with others, has the power to exercise or to control the exercise of 30% or more of the voting rights in the Company;</p> <p>(3) a person who, acting alone or in concert with others, holds 30% or more of the issued outstanding shares of the Company;</p> <p>(4) a person who, acting alone or in concert with others, has de facto control of the Company in any other way.</p>	<p>Article 60Article 49 A controlling shareholder refers to a shareholder whose shares occupy more than fifty percent of the Company’s total share capital or a shareholder who holds less than fifty percent of the shares but the voting powers attached to the shares held by him is enough to impose significant impact on the resolution of the general meeting of shareholders. A actual controller refers to a natural person, legal person or other organization who is able to actually govern the behavior of the Company through investment relationships, agreements or other arrangements.</p> <p>A controlling shareholder referred to in the preceding Article shall satisfy one of the following conditions:</p> <p>(1) a person who, acting alone or in concert with others, has the power to elect more than half of the board of directors;</p> <p>(2) a person who, acting alone or in concert with others, has the power to exercise or to control the exercise of 30% or more of the voting rights in the Company;</p> <p>(3) a person who, acting alone or in concert with others, holds 30% or more of the issued outstanding shares of the Company;</p> <p>(4) a person who, acting alone or in concert with others, has de facto control of the Company in any other way.</p>

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Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
<p>Article 61 The Company’s controlling shareholders and beneficial owners shall not take advantage of their relationship to damage the Company’s interests, and in case of any violation causing losses to the Company, they shall be liable for compensation.</p> <p>The Company’s controlling shareholders and beneficial owners have an obligation of good faith to the Company and its public shareholders. A controlling shareholder shall exercise his rights as an investor in strict accordance with law, and shall not harm the lawful rights and interests of the Company and the public shareholders through means such as profit distribution, assets reorganization, external investment, funds appropriation and lending guarantee, or shall he take advantage of his controlling position to damage the interests of the Company and the public shareholders.</p>	<p>Article 61 Article 50 The Company’s controlling shareholders and beneficial owners shall not take advantage of their relationship to damage the Company’s interests, and in case of any violation causing losses to the Company, they shall be liable for compensation.</p> <p>The Company’s controlling shareholders and beneficial owners have an obligation of good faith to the Company and its public shareholders. A controlling shareholder shall exercise his rights as an investor in strict accordance with law, and shall not harm the lawful rights and interests of the Company and the public shareholders through means such as profit distribution, assets reorganization, external investment, funds appropriation and lending guarantee, or shall he take advantage of his controlling position to damage the interests of the Company and the public shareholders.</p>
<p>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:</p> <ol style="list-style-type: none"> 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 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; 4. a guarantee provided to a party whose asset-liability ratio is higher than 70%; 	<p>Article 70 Article 59 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:</p> <ol style="list-style-type: none"> 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 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; 4. a guarantee provided to a party whose asset-liability ratio is higher than 70%;

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<p>5. a guarantee, the amount of which exceeds 10% of the latest audited net assets;</p> <p>6. a guarantee provided to the shareholder, beneficial controller or their respective related parties.</p> <p>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.</p> <p>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.</p> <p>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.</p>	<p>5. a guarantee, the amount of which exceeds 10% of the latest audited net assets;</p> <p>6. a guarantee provided to the shareholder, beneficial controller or their respective related parties.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>If a director or senior management officer violates a provision on the approval authority or consideration procedure for the provision of external guarantees as specified in laws, administrative regulations or the Articles of Association, thereby causing the Company to sustain a loss, he shall be liable for damages and the Company may institute a legal action against him in accordance with the law.</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
<p>Article 71 General meetings of the shareholders are divided into annual general meetings and extraordinary general meetings. General meetings shall be convened by the board of directors. Annual general meetings are held once every year and within six months from the end of the preceding financial year.</p> <p>In any of the following circumstances, the board of directors shall convene an extraordinary general meeting within two months:</p> <p>(1) where the number of directors is less than that stipulated in the Company Law or two thirds of the number specified in the Company’s Articles of Association;</p> <p>(2) where the unrecovered losses of the Company amount to one third of the total share capital;</p> <p>(3) where shareholders, individually or collectively, holding 10% or more of the Company’s issued outstanding voting shares request in writing for convening an extraordinary general meeting;</p> <p>(4) whenever the board of directors deems necessary;</p> <p>(5) when the supervisory committee requests;</p> <p>(6) other circumstances required by the laws, administrative regulations, departmental rules or the Articles of Association.</p>	<p>Article 71Article 60 General meetings of the shareholders are divided into annual general meetings and extraordinary general meetings. General meetings shall be convened by the board of directors. Annual general meetings are held once every year and within six months from the end of the preceding financial year.</p> <p>In any of the following circumstances, the board of directors shall convene an extraordinary general meeting within two months:</p> <p>(1) where the number of directors is less than that stipulated in the Company Law or two thirds of the number specified in the Company’s Articles of Association;</p> <p>(2) where the unrecovered losses of the Company amount to one third of the total share capital;</p> <p>(3) where shareholders, individually or collectively, holding 10% or more of the Company’s issued outstanding voting shares request in writing for convening an extraordinary general meeting;</p> <p>(4) whenever the board of directors deems necessary;</p> <p>(5) when the supervisory committee requests;</p> <p>(6) other circumstances required by the laws, administrative regulations, departmental rules or the Articles of Association.</p>

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<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 fifteenth 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>	<p>Article 74Article 63 The convenor shall notify the shareholders of the annual general meeting twenty-one days prior to the meeting by way of an announcement or the notification method stipulated in the Articles of Association or other methods permitted by the stock exchange where the Company’s shares are listed, and the extraordinary general meeting will be notified to the shareholders fifteen days prior to the meeting by way of an announcement or the notification method stipulated in the Articles of Association or other methods permitted by the stock exchange where the Company’s shares are listed.</p> <p>Where laws, administrative regulations, other regulatory documents and the securities regulatory authorities of the place where the Company’s shares are listed provide otherwise, such provisions shall apply.</p> <p>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 fifteenth 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>

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<p>Article 76 A motion to the general meeting shall satisfy the following conditions:</p> <p>(1) Its contents do not contradict with the provisions of laws, regulations and the Articles of Association, and are within the scope of the operation of the Company or the powers of the general meeting;</p> <p>(2) Contains clear topics and matters to be resolved;</p> <p>(3) Submitted or delivered to the board of directors in writing.</p>	<p>Article 76Article 65 Content of the motions at the general meeting shall be matters falling within the functions and powers of general meeting. It shall have definite topics to discuss and specific matters to resolve and comply with the laws, administrative regulations and the relevant requirements in the Articles of Association.</p> <p>A motion to the general meeting shall satisfy the following conditions:</p> <p>(1) Its contents do not contradict with the provisions of laws, regulations and the Articles of Association, and are within the scope of the operation of the Company or the powers of the general meeting;</p> <p>(2) Contains clear topics and matters to be resolved;</p> <p>(3) Submitted or delivered to the board of directors in writing.</p> <p style="text-align: center;">—</p>

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<p>Article 79 A notice of a meeting of the shareholders shall satisfy the following criteria:</p> <p>(1) be in writing;</p> <p>(2) specify the place, date and time of the meeting;</p> <p>(3) state the matters to be discussed at the meeting;</p> <p>(4) provide necessary information and explanation for the shareholders to make an informed decision on the proposals. Without limiting the generality of the foregoing, where a proposal is made to amalgamate the Company with another, to repurchase the shares of the Company, to reorganize its share capital, or to restructure the Company in any other way, the terms of the proposed transaction must be provided in detail together with copies of the proposed agreement, if any, and the cause and effect of such proposal must be properly explained;</p> <p>(5) contain a disclosure of the nature and extent, if any, of the material interests of any director, supervisor, manager and other senior officers in the proposed transaction and state the difference when the effect which the proposed transaction will have on them in their capacity as shareholders is different from other shareholders of the same class.</p> <p>(6) contain the full text of any special resolution to be proposed at the meeting;</p> <p>(7) contain a conspicuous statement that a shareholder entitled to attend and vote at such meeting is entitled to appoint one or more proxies to attend and vote at such meeting on his behalf and that a proxy need not be a shareholder;</p> <p>(8) specify the time and place for delivering proxy forms for the relevant meeting;</p> <p>(9) record date for shareholders who are entitled to attend the general meeting;</p>	<p>Article 79Article 68 The notice of the general meeting shall set forth the following particulars:</p> <p>(1) time, place, convenor and duration of the meeting;</p> <p>(2) matters and proposals submitted to the meeting for consideration;</p> <p>(3) a conspicuous statement that all ordinary shareholders (including preference shareholders with restored voting rights) are entitled to attend at the general meeting, and a shareholder may appoint a proxy in writing to attend the meeting and vote on his/her behalf and such proxy is not necessarily a shareholder of the Company;</p> <p>(4) record date for shareholders who are entitled to attend the meeting;</p> <p>(5) name and telephone number of the contact person;</p> <p>(6) voting time and the voting procedures for online or other forms of meeting.</p> <p>A notice of a meeting of the shareholders shall satisfy the following criteria:</p> <p>(1) be in writing;</p> <p>(2) specify the place, date and time of the meeting;</p> <p>(3) state the matters to be discussed at the meeting;</p> <p>(4) provide necessary information and explanation for the shareholders to make an informed decision on the proposals. Without limiting the generality of the foregoing, where a proposal is made to amalgamate the Company with another, to repurchase the shares of the Company, to reorganize its share capital, or to restructure the Company in any other way, the terms of the proposed transaction must be provided in detail together with copies of the proposed agreement, if any, and the cause and effect of such proposal must be properly explained;</p>

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<p>(10) name and telephone number of the contact person.</p> <p>The notice and supplementary notice of general meeting shall sufficiently and fully disclose the entire content of all proposed resolutions. Independent directors shall express opinions on the matters proposed for discussion and such opinions from independent directors shall be disclosed on the notice and supplementary notice of general meeting. The notice of general meeting shall clearly state the time and procedure of online voting or any other method of voting. Online voting or any other method of voting shall not start earlier than 3:00 p.m. one day before the date of the general meeting and later than 9:30 a.m. of the date of general meeting. Also, online voting or any other method of voting shall not end earlier than 3:00 p.m. of the date of conclusion of the general meeting. The time interval between share record date and the date of general meeting shall not exceed 7 working days and share record date and the date of general meeting shall not be changed except for the mandatory exceptions.</p>	<p>(5) contain a disclosure of the nature and extent, if any, of the material interests of any director, supervisor, manager and other senior officers in the proposed transaction and state the difference when the effect which the proposed transaction will have on them in their capacity as shareholders is different from other shareholders of the same class;</p> <p>(6) contain the full text of any special resolution to be proposed at the meeting;</p> <p>(7) contain a conspicuous statement that a shareholder entitled to attend and vote at such meeting is entitled to appoint one or more proxies to attend and vote at such meeting on his behalf and that a proxy need not be a shareholder;</p> <p>(8) specify the time and place for delivering proxy forms for the relevant meeting;</p> <p>(9) record date for shareholders who are entitled to attend the general meeting;</p> <p>(10) name and telephone number of the contact person.</p>

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	<p>The notice and supplementary notice of general meeting shall sufficiently and fully disclose the entire content of all proposed resolutions. Independent directors shall express opinions on the matters proposed for discussion and such opinions from independent directors shall be disclosed on the notice and supplementary notice of general meeting. Among the motions to be voted on at the general meeting, if a motion taking effect is conditional upon other motions becoming effective, the convener shall explicitly disclose the relevant preconditions in the notice of the general meeting and shall give special reminders that the approval of such motion is the precondition to the voting results of subsequent motions taking effect. The notice of general meeting shall clearly state the time and procedure of online voting or any other method of voting. Online voting or any other method of voting shall not start earlier than 3:00 p.m. one day before the date of the general meeting and later than 9:30 a.m. of the date of general meeting. Also, online voting or any other method of voting shall not end earlier than 3:00 p.m. of the date of conclusion of the general meeting. The time interval between share record date and the date of general meeting shall not exceed 7 working days and share record date and the date of general meeting, once confirmed, shall not be changed except for the mandatory exceptions.</p>

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<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>	<p>Article 80Article 69 Notice of general meeting shall be served on the shareholders (whether or not such shareholder is entitled to vote at the general meeting), by announcement or by the methods otherwise stipulated in the Article of Association. Where a notice is given by way of announcement, all relevant persons shall be deemed as being served when the announcement is made.</p> <p>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>
<p>Article 81 The accidental omission to give notice of a meeting, or the failure to receive the notice by, any person entitled to receive such notice shall not invalidate the meeting and the resolutions adopted thereat.</p>	<p>To be deleted</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
<p>Article 83 Any shareholder who is entitled to attend and vote at a general meeting of the Company shall be entitled to appoint one or more persons (whether such person is a shareholder or not) as his proxies to attend and vote on his behalf, and a proxy so appointed shall be entitled to exercise the following rights pursuant to the authorization from that shareholder:</p> <p>(1) the shareholder’s right to speak at the general meeting;</p> <p>(2) the right to demand or join in demanding a poll;</p> <p>(3) the right to vote by hand or on a poll, but when the proxy of a shareholder is more than one may only vote on a poll.</p> <p>If the shareholder is the recognized clearing house or its attorney as defined under the securities and futures regulations (Hong Kong laws Chapter 571), such shareholder is entitled to appoint one or more persons as his proxies to attend on his behalf at a general meeting or at any class meeting, but, if one or more persons have such authority, the letter of authorization shall contain the number and class of the shares in connection with such authorization. Such person can exercise the right on behalf of the recognized clearing house (or its attorney) as if he were the individual shareholder of the Company.</p>	<p>Article 83 Article 71 All the shareholders in the register of shareholders and their proxies on the record date are entitled to attend the general meeting, and shall exercise their voting rights pursuant to the laws, regulations and the Articles of Association. Shareholders may attend the general meeting in person, or may appoint proxies (proxy may not be a shareholder) to attend the meeting and vote on their behalf.</p> <p>Any shareholder who is entitled to attend and vote at a general meeting of the Company shall be entitled to appoint one or more persons (whether such person is a shareholder or not) as his proxies to attend and vote on his behalf, and a A proxy so appointed shall be entitled to exercise the following rights pursuant to the authorization from that shareholder:</p> <p>(1) the shareholder’s right to speak at the general meeting;</p> <p>(2) the right to demand or join in demanding a poll;</p> <p>(3) the right to vote by hand or on a poll, but when the proxy of a shareholder is more than one may only vote on a poll.</p> <p>If the shareholder is the recognized clearing house or its attorney as defined under the securities and futures regulations (Hong Kong laws Chapter 571), such shareholder is entitled to appoint one or more persons as his proxies to attend on his behalf at a general meeting or at any class meeting, but, if one or more persons have such authority, the letter of authorization shall contain the number and class of the shares in connection with such authorization. Such person can exercise the right on behalf of the recognized clearing house (or its attorney) as if he were the individual shareholder of the Company.</p>

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<p>Article 84 The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorized in writing, or if the appointor is a legal entity, either under seal or under the hand of a director or a duly authorized attorney of the legal entity</p>	<p>To be deleted</p>
<p>Article 85 When an individual shareholder attends the meeting on his own, he shall show his identification card and share certificate, and when he authorizes a proxy to attend the meeting, he shall provide his identification card, the power of attorney and the share certificate.</p> <p>When a shareholder is a legal entity, its legal representative or an attorney authorized by its legal representative shall attend the meeting. If its legal representative attends the meeting, he shall present his identification card, a valid document certifying his position as the legal representative and the share certificate; if an attorney attends the meeting, he shall present his identification card, a written power of attorney duly issued by the legal representative of the shareholder, and the share certificate.</p>	<p>Article 85Article 72 When an individual shareholder attends the meeting on his own, he shall show his identification card or any other valid identification or certification which can prove his identity or stock account cards and share certificate, and when he authorizes a proxy to attend the meeting, he shall provide his valid identification card, proxy form, the power of attorney and the share certificate.</p> <p>When a shareholder is a legal entity, its legal representative or an attorney authorized by its legal representative shall attend the meeting. If its legal representative attends the meeting, he shall present his identification card, a valid document certifying his position as the legal representative and the share certificate; if an attorney attends the meeting, he shall present his identification card, a written power of attorney duly issued by the legal representative of the shareholder, and the share certificate.</p>

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<p>Article 87 The proxy form shall be deposited at the address of the Company or another place specified in the notice of the meeting not less than 24 hours prior to the time appointed for the holding of the meeting as stated in the proxy from in which a proxy will be appointed or 24 hours prior to the time appointed for voting. Where the proxy form is signed by a person authorized by the appointer, the power of attorney or other authorization instruments shall be notarized. The notarized power of attorney and other authorization instruments, together with the proxy form, shall be lodged at the address of the Company or such other place as specified in the notice to the meeting.</p> <p>In the case that the appointer is a legal person, the proxy shall be authorized by the legal representative, the board of directors or other authority body of that legal person to attend the Company’s general meeting.</p>	<p>Article 87 Article 74 The proxy form shall be deposited at the address of the Company or another place specified in the notice of the meeting not less than 24 hours prior to the time appointed for the holding of the meeting as stated in the proxy from in which a proxy will be appointed or 24 hours prior to the time appointed for voting. Where the proxy form in respect of voting authorization is signed by a person authorized by the appointer, the power of attorney or other authorization instruments shall be notarized. The notarized power of attorney and other authorization instruments, together with the proxy form, shall be lodged at the address of the Company or such other place as specified in the notice to the meeting.</p> <p>In the case that the appointer is a legal person, the proxy shall be authorized by the legal representative, the board of directors or other authority body of that legal person to attend the Company’s general meeting.</p>
<p>Article 88 The Company shall prepare the album for attendee signatures, which shall contain each attendee’s name (company name), ID number, address of residence, the number of shares held or with voting rights, and the name or (company name) of the appointor, etc.</p>	<p>Article 88 Article 75 The Company shall prepare a meeting register the album for attendee signatures, which shall contain each attendee’s name (company name), ID number, address of residence, the number of shares held or with voting rights, and the name or (company name) of the appointor, etc.</p>
<p>Article 89 Any form issued to a shareholder by the directors for the appointment of a proxy to attend and vote at meetings of the Company shall enable the shareholder to freely instruct the proxy to vote in favor of or against the motions, such instructions being given in respect of each individual matter to be voted on at the meeting. Such a form shall contain a statement that, in the absence of specific instructions from the shareholder, the proxy may vote as he thinks fit.</p>	<p>To be deleted</p>

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<p>Article 90 A vote given in accordance with the terms of a proxy shall be valid notwithstanding the death or loss of capacity of the appointor or revocation of the proxy or the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given, provided that the Company did not receive any written notice in respect of such matters before the commencement of the relevant meeting.</p>	<p>To be deleted</p>
<p>Article 101 Resolutions of the general meeting shall be divided into ordinary resolutions and special resolutions.</p> <p>An ordinary resolution must be passed by more than one half of the voting rights represented by the shareholders (including proxies) present at the meeting.</p> <p>A special resolution must be passed by more than two thirds of the voting rights represented by the shareholders (including proxies) present at the meeting.</p>	<p>Article 101 Article 86 Resolutions of the general meeting shall be divided into ordinary resolutions and special resolutions.</p> <p>An ordinary resolution must be passed by over more than one half of the voting rights represented by the shareholders (including proxies) present at the meeting.</p> <p>A special resolution must be passed by more than two thirds of the voting rights represented by the shareholders (including proxies) present at the meeting.</p>

APPENDIX III PROPOSED 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 103 At any general meeting, a resolution shall be decided on a show of hands unless a poll is demanded by the following persons:</p> <p>(1) by the chairman of the meeting;</p> <p>(2) by at least two shareholders present in person or by proxy entitled to vote thereat;</p> <p>(3) by one or more shareholders (including proxies) either individually or collectively representing 10% or more of the shares with voting rights.</p> <p>Unless a poll is demanded, a declaration by the chairman that a resolution has been passed on a show of hands and the record of such in the minutes of the meeting shall be conclusive evidence of the fact that such resolution has been passed. There is no need to provide evidence of the number or proportion of votes in favor of or against such resolution.</p> <p>The demand for a poll may be withdrawn by the person who demands the same.</p>	<p>To be deleted</p>
<p>Article 104 If a poll demanded is for the election of the chairman, or on a question of adjournment of the meeting, shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs, and any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. The result of the poll shall be deemed to be a resolution of the meeting at which the poll was demanded.</p>	<p>To be deleted</p>
<p>Article 105 On a poll taken at a meeting, a shareholder (including a proxy) entitled to two or more votes need not cast all his votes in the same way.</p>	<p>To be deleted</p>

APPENDIX III PROPOSED 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 106 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall have a casting vote.</p>	<p>To be deleted</p>
<p>Article 107 The following matters shall be resolved by an ordinary resolution at a general meeting:</p> <p>(1) work reports of the board of directors and the supervisory committee;</p> <p>(2) profit distribution plans and loss recovery plans formulated by the board of directors;</p> <p>(3) election or removal of members of the board of directors and members of the supervisory committee, their remuneration and manner of payment;</p> <p>(4) annual preliminary and final budgets, balance sheets, profit and loss accounts and other financial statements of the Company;</p> <p>(5) matters other than those required by laws and administrative regulations or the Company’s Articles of Association to be adopted by a special resolution.</p>	<p>Article 107 Article 88 The following matters shall be resolved by an ordinary resolution at a general meeting:</p> <p>(1) work reports of the board of directors and the supervisory committee;</p> <p>(2) profit distribution plans and loss recovery plans formulated by the board of directors;</p> <p>(3) election or removal of members of the board of directors and members of the supervisory committee, their remuneration and manner of payment;</p> <p>(4) annual preliminary budgets and final budgets, annual report of the Company, balance sheets, profit and loss accounts and other financial statements of the Company;</p> <p>(5) engagement, termination or non-renewal of the accounting firm and audit fees (irrespective of the terms of the contract entered into between the accounting firm and the Company);</p> <p>(65) matters other than those required by laws and administrative regulations or the Company’s Articles of Association to be adopted by a special resolution.</p>

APPENDIX III PROPOSED 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 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, spin-off, 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>(8) other matters which may have a significant impact on the Company if passed by ordinary resolutions, which need to be passed by special resolutions.</p>	<p>Article 108 Article 89 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>(24) division, spin-off, merger, dissolution and liquidation of the Company;</p> <p>(35) amendments to the Articles of Association of the Company;</p> <p>(46) 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>(57) share incentive scheme.</p> <p>(68) other matters stipulated by the law, administrative regulations or the Articles of Association and which may have a significant impact on the Company if passed by ordinary resolutions, which need to be passed by special resolutions.</p>
<p>–</p>	<p>Article 92 The list of candidates for directors and supervisors shall be submitted to the general meeting by way of a proposal.</p> <p>When the general meeting votes on the election of directors and supervisors, the cumulative voting system may be implemented in accordance with the provisions of the Articles of Association or the resolutions of the general meeting.</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
<p>Article 115 Shareholders attending the general meeting shall submit their voting in the following ways: “for”, “against” or “abstain”.</p> <p>Ballot papers that are left blank, unduly completed or illegible or that have not been used, are regarded as the voter having waived his voting rights, and the voting results corresponding to the shares in their possession shall be treated as “abstain from voting”.</p>	<p>Article 115 Article 97 Shareholders attending the general meeting shall submit their voting in the following ways: “for”, “against” or “abstain”, except for the declaration by securities depository and clearing institution as the nominee holder of shares under the Mainland-Hong Kong Stock Connect, based on the actual holders’ intentions.</p> <p>Ballot papers that are left blank, unduly completed or illegible or that have not been used, are regarded as the voter having waived his voting rights, and the voting results corresponding to the shares in their possession shall be treated as “abstain from voting”.</p>
<p>Article 120 Shareholders who request for the convening of an extraordinary general meeting or a class shareholder meeting shall comply with the following procedures:</p> <p>(1) Two or more shareholders holding in aggregate 10 % or more of the shares carrying the right to vote at the meeting sought to be held shall sign one or more counterpart requisitions stating the object of the meeting and requiring the board of directors to convene an extraordinary general meeting or a class shareholder meeting thereof. The board of directors shall proceed to convene the extraordinary general meeting or a class shareholder meeting thereof after receipt of such requisition(s). The amount of shareholdings referred to above shall be calculated as at the date of deposit of the requisition(s).</p>	<p>Article 120 Article 102 Shareholders who request for the convening of an extraordinary general meeting or a class shareholder meeting shall comply with the following procedures:</p> <p>Any shareholders individually or aggregately holding more than 10% of the shares of the Company are entitled to request, in writing, to the board of directors to convene an extraordinary general meeting or class meeting. The board of directors shall reply, in writing, within ten (10) days of receiving such request, whether it consents to such request in accordance with the provisions of the laws, administrative regulations and the Articles of Association.</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
<p>(2) If the board of directors fails to issue a notice of such meeting within thirty days from the date of receipt of the requisition(s), the requesting shareholders may themselves convene such a meeting (in a manner as similar as possible to the manner in which shareholders’ meetings are convened by the board of directors) within four months from the date of receipt of the requisition(s) by the board of directors.</p> <p>Any reasonable expenses incurred by reason of failure by the board of directors to duly convene a meeting shall be repaid by the Company and any sum so repaid shall be set-off against sums owed by the Company to the defaulting directors.</p>	<p>If the board of directors agrees to convene an extraordinary general meeting or a class meeting, the board of directors shall give the notice convening an extraordinary general meeting or class meeting within five (5) days after it has passed the relevant resolution. Any change to the original request is subject to the consent of the relevant shareholders.</p> <p>If the board of directors rejects to convene such a general meeting or class meeting or fails to reply within ten (10) day of receiving such request, such shareholders individually or aggregately holding more than 10% of the shares of the Company are entitled to request, in writing, to the supervisory committee to convene such an extraordinary general meeting or a class meeting.</p> <p>If the supervisory committee agrees to convene an extraordinary general meeting or a class meeting, the supervisory committee shall give the notice convening an extraordinary general meeting or a class meeting within five (5) days of receiving such request. Any change to the original request is subject to the consent of the relevant shareholders.</p> <p>If the supervisory committee fails to give a notice convening such a general meeting or class meeting within the prescribed time, it shall be deemed as having failed to convene and preside at such a general meeting or class meeting, in which circumstance, shareholders individually or aggregately holding more than 10% of the shares of the Company are entitled to convene and preside at the meeting after ninety (90) consecutive days.</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
	<p>(1) Two or more shareholders holding in aggregate 10 % or more of the shares carrying the right to vote at the meeting sought to be held shall sign one or more counterpart requisitions stating the object of the meeting and requiring the board of directors to convene an extraordinary general meeting or a class shareholder meeting thereof. The board of directors shall proceed to convene the extraordinary general meeting or a class shareholder meeting thereof after receipt of such requisition(s). The amount of shareholdings referred to above shall be calculated as at the date of deposit of the requisition(s).</p> <p>(2) If the board of directors fails to issue a notice of such meeting within thirty days from the date of receipt of the requisition(s), the requesting shareholders may themselves convene such a meeting (in a manner as similar as possible to the manner in which shareholders' meetings are convened by the board of directors) within four months from the date of receipt of the requisition(s) by the board of directors.</p> <p>Any reasonable expenses incurred by reason of failure by the board of directors to duly convene a meeting shall be repaid by the Company and any sum so repaid shall be set-off against sums owed by the Company to the defaulting directors.</p>
<p>Article 125 Expenses arising from convening of a general meeting by the supervisory committee shall be borne by the Company.</p>	<p>Article 125 Article 107 Expenses arising from convening of a general meeting by the supervisory committee or shareholders shall be borne by the Company.</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
<p>Article 126 The chairman of the board of directors shall convene and chair a general meeting. If the chairman is unable to attend the meeting for any reason, then the board of directors may designate a director to convene and chair the meeting. If no chairman of the meeting has been so designated, shareholders present shall choose one person to act as the chairman of the meeting. If for any reason, the shareholders fail to elect a chairman, then the shareholder (including a proxy) holding the largest number of shares carrying the right to vote thereat shall be the chairman of the meeting.</p> <p>The general meeting convened by the supervisory committee shall be presided over by the chairman of the supervisory committee. If the chairman of the supervisory committee is unable to perform his duties or has failed to perform his duties, a supervisor elected by more than half of the supervisors shall preside over the meeting.</p> <p>Shareholders may convene the meeting themselves and a representative nominated by the convener shall preside over the meeting.</p> <p>In the event that when convening the general meeting, the person presiding over the general meeting violates the rules of procedures so that the meeting could not proceed, another person may be nominated to preside over the meeting, subject to the approval of shareholders present at the meeting entitled to more than half of the voting rights.</p>	<p>Article 126Article 108 The general meetings shall be presided over by the chairman of the board of directors. Where the chairman of the board of directors is unable or fails to perform his duty, the general meetings shall be presided over by a director jointly elected by no less than one half of the directors. The chairman of the board of directors shall convene and chair a general meeting. If the chairman is unable to attend the meeting for any reason, then the board of directors may designate a director to convene and chair the meeting. If no chairman of the meeting has been so designated, shareholders present shall choose one person to act as the chairman of the meeting. If for any reason, the shareholders fail to elect a chairman, then the shareholder (including a proxy) holding the largest number of shares carrying the right to vote thereat shall be the chairman of the meeting.</p> <p>The general meeting convened by the supervisory committee shall be presided over by the chairman of the supervisory committee. If the chairman of the supervisory committee is unable to perform his duties or has failed to perform his duties, a supervisor elected by more than half of the supervisors shall preside over the meeting.</p> <p>Shareholders may convene the meeting themselves and a representative nominated by the convener shall preside over the meeting.</p> <p>In the event that when convening the general meeting, the person presiding over the general meeting violates the rules of procedures so that the meeting could not proceed, another person may be nominated to preside over the meeting, subject to the approval of shareholders present at the meeting entitled to more than half of the voting rights.</p>

APPENDIX III PROPOSED 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 127 The board of directors and the supervisory committee shall reply or account for questions and recommendations of the shareholders at the general meeting unless any business secret of the Company is involved.</p>	<p>To be deleted</p>
<p>Article 128 The chairman of the meeting shall be responsible for determining whether a resolution has been passed. His decision, which shall be final and conclusive, shall be announced at the meeting and recorded in the minutes.</p>	<p>To be deleted</p>
<p>Article 129 If the chairman of the meeting has any doubt as to the result of a resolution which has been put to vote at a shareholders’ meeting, he may have the votes counted. If the chairman of the meeting has not counted the votes, any shareholder who is present in person or by proxy and who objects to the result announced by the chairman of the meeting may, immediately after the declaration of the result, demand that the votes be counted and the chairman of the meeting shall have the votes counted immediately.</p>	<p>Article 129 Article 109 If the chairman presiding person of the meeting has any doubt as to the result of a resolution which has been put to vote at a shareholders’ meeting, he may have organise vote counting the votes counted. If the chairman presiding person of the meeting has not counted the votes, any shareholder who is present in person or by proxy and who objects to the result announced by the chairman presiding person of the meeting may, immediately after the declaration of the voting result, demand that the votes be counted and the chairman presiding person of the meeting shall organise vote counting have the votes counted immediately.</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
<p>Article 130 In the course of considering matters relating to the connected transactions at a general meeting, the shareholders involving connected transactions will abstain from voting. The number of voting shares represented by such shareholders shall be excluded from the total number of voting shares attending the meeting.</p> <p>Subject to the knowledge of the Company, when a shareholder, pursuant to securities listing rules of Hong Kong Exchanges and Clearing, gives up his voting right or only can vote in favor of or against a matter, votes by shareholders themselves or their proxies violating relevant provisions or restrictions shall not be included in the voting result.</p>	<p>Article 130Article 110 When the general meeting is considering matters in relation to connected transactions, the connected shareholders shall not vote and the voting shares they held shall not be counted towards the total valid votes. The announcement of the resolution of the general meeting should fully disclose the votes of non-connected shareholders.</p> <p>In the course of considering matters relating to the connected transactions at a general meeting, the shareholders involving connected transactions will abstain from voting. The number of voting shares represented by such shareholders shall be excluded from the total number of voting shares attending the meeting.</p> <p>Subject to the knowledge of the Company, when a shareholder, pursuant to securities listing rules of Hong Kong Exchanges and Clearing, gives up his voting right or only can vote in favor of or against a matter, votes by shareholders themselves or their proxies violating relevant provisions or restrictions shall not be included in the voting result.</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
<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>	<p>Article 144Article 124 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>The board of directors and shareholder(s) individually or jointly holding more than 3% of the Company’s shares may nominate candidate(s) for non-independent directors, and the board of directors, the supervisory committee and the shareholder(s) individually or jointly holding more than 1% of the Company’s shares in issue may nominate candidate(s) for independent directors. An investor protection agency established by law may publicly request shareholders to entrust it with the right to nominate independent non-executive directors on their behalf.</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>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
	<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 150 The board of directors may decide on using the Company’s assets for risk investment, provided the amount of such investment is 15% or less of the latest audited net assets of the Company, and an investment in excess of this percentage must be decided by a general meeting. Venture investment may include business acquisition, merger, restructuring and project investment, financial investment and the like. The board of directors shall establish strict procedures of review and decision making, and subject important investments to expert consideration and examination important investments beyond the scope of authority shall be sent to the general meeting for approval.</p>	<p>To be deleted</p>
<p>Article 154 A board meeting shall only be convened if more than half of the directors are present.</p> <p>Each director has one vote. Any resolution requires the affirmative votes of more than half of all directors in order to be passed.</p> <p>In the case of an equality of votes, the chairman of the board of directors is entitled to a casting vote.</p>	<p>Article 154Article 133 A board meeting shall only be convened if over more than half of the directors are present.</p> <p>Each director has one vote. Any resolution requires the affirmative votes of more than half of all directors in order to be passed.</p> <p>In the case of an equality of votes, the chairman of the board of directors is entitled to a casting vote.</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
<p>Article 156 Any regular or extraordinary board meeting may be held by way of teleconference or similar communication equipment so long as all directors participating in the meeting can clearly hear and communicate with each other. All such directors shall be deemed to be present in person at the meeting.</p>	<p>Article 156 Article 135 Any regular or extraordinary board meeting may be held by way of teleconference or similar communication equipment so long as all directors participating in the meeting can clearly hear and communicate with each other. All such directors shall be deemed to be present in person at the meeting.</p>
<p>Article 161 The board of directors may establish special committee(s) under it as the case may be.</p>	<p>Article 161Article 140 The board of directors of the Company establishes the audit committee, and establishes other relevant special committees such as strategy, nomination, remuneration and monitoring committee. Special committees are accountable to the board of directors and perform their duties in accordance with the Articles of Association and the authorization of the board of directors, and proposals shall be submitted to the board of directors for consideration and decision. Members of the special committees are all directors. Among which, a majority of members of the audit committee, nomination committee and remuneration and monitoring committee shall be independent non-executive directors who shall also be the conveners. All members of the audit committee are non-executive directors, and the accounting professional among the independent non-executive directors shall act as the convener.</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
	<p>Independent non-executive directors shall perform their duties in the special committees of the board of directors of the Company in accordance with the laws, administrative regulations, the provisions of the CSRC, the rules of the stock exchange and the Articles of Association of the Company. Independent non-executive directors shall attend the meetings of the special committees in person, and if they are unable to attend the meetings in person for any reason, they shall review the materials of the meetings in advance, form a definite opinion and entrust other independent non-executive directors in writing to attend the meetings on their behalf. When the independent non-executive directors are concerned about major matters of the Company within the scope of work of a special committee in the performance of their duties, they may, in accordance with the procedures, submit them to the special committee for discussion and deliberation in a timely manner.</p> <p>The board of directors may establish special committee(s) under it as the case may be.</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
-	<p>Article 141 The audit committee is responsible for reviewing the Company’s financial information and its disclosure and supervision, as well as evaluation of internal and external audit work and internal control. The following matters shall be submitted to the board of directors for consideration upon the consent of more than half of all members of the audit committee:</p> <p>(I) Disclosure of financial information and internal control evaluation reports in financial reports and periodic reports;</p> <p>(II) Appointment or dismissal of accounting firms that undertake audit services for the Company;</p> <p>(III) Appointment or dismissal of the chief financial officer of the Company;</p> <p>(IV) Change of accounting policies and accounting estimates, or correction of significant accounting errors due to reasons other than changes in accounting standards;</p> <p>(V) Other matters stipulated by laws, administrative regulations, the regulations of CSRC, the Articles of Association, and the terms of reference of the audit committee of the board of directors.</p> <p>The audit committee shall convene meeting at least once a quarter and may convene an extraordinary meeting if two or more members so proposed, or if the convenor deems it necessary. Meetings of the audit committee shall be held only if more than two thirds of the members are present.</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
-	<p>Article 142 The nomination committee of the board of directors is responsible for formulating the criteria and procedures for selection of the directors and senior management, selection and examination of the candidates for directors and senior management and their qualifications, and providing recommendations to the board of directors on the following matters:</p> <p>(1) nomination, appointment or dismissal of the directors;</p> <p>(2) appointment or dismissal of senior management;</p> <p>(3) other matters stipulated by the laws, administrative regulations, the regulations of the CSRC, the Articles of Association, and the terms of reference of the nomination committee of the board of directors.</p> <p>If the board of directors does not adopt or does not fully adopt the recommendations of the nomination committee, it shall record the opinion of the nomination committee and the specific reasons for its non-adoption in the resolution of the board of directors and disclose the same.</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
-	<p>Article 143 The remuneration and monitoring committee is responsible for setting appraisal standards for directors and senior management and evaluating thereof, formulating and reviewing the remuneration policies and proposals for directors and senior management, and making recommendations to the board of directors on the following matters:</p> <p>(I) The remuneration of directors and senior management;</p> <p>(II) Formulating or revising equity incentive schemes and employee stock ownership plans, and conditions for the grant of interests to incentive participants and the exercise of interests;</p> <p>(III) The arrangement of stock ownership plans for subsidiaries to be spun off by directors and senior management;</p> <p>(IV) Other matters as required by laws, administrative regulations, the regulations of CSRC, the Articles of Association, and the terms of reference of the remuneration and monitoring committee of the board of directors.</p> <p>In the event that the board of directors has not adopted or fully adopted the recommendations of the remuneration and monitoring committee, it shall state the opinions of the remuneration and monitoring committee and the specific reasons for not adopting in the resolutions of the board of directors, and disclose such matter.</p>
-	<p>Article 144 The primary duties and functions of the strategy committee shall include conducting research and making recommendations on the long-term development strategies and major investment decisions of the Company.</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
<p>Article 163 Independent non-executive directors shall account at least one third of the board, with at least 1 accounting professional. An independent non-executive director shall faithfully perform his duties, safety the interests of the Company, and in particular, strive to keep public shareholders from damages of their lawful rights and interests.</p> <p>An independent non-executive director shall perform his duties in an independent manner, and not be affected by any shareholder, beneficial owner of the Company or any entity or individual with an interest in the Company or its leading shareholder or beneficial owner.</p>	<p>Article 163 Article 146 Independent non-executive directors shall account at least one third of the board, with at least 1 accounting professional. An independent non-executive director shall faithfully perform his duties, safety the interests of the Company, and in particular, strive to keep public shareholders from damages of their lawful rights and interests.</p> <p>Independent non-executive directors are those who assume no other office except as a director in the listed company, do not have any direct or indirect interest in the listed company in which they are employed, its substantial shareholders or de facto controller, or other relationships that may affect their ability to make independent and objective judgements.</p> <p>An independent non-executive director shall perform his duties in an independent manner, and not be affected by the Company and its substantial any shareholder, beneficial owner of the Company or any entity or individual with an interest in the Company or its leading shareholder or beneficial owner.</p>
<p>Article 164 The board of director, the supervisory committee or shareholders holding 1% or more of the shares of the Company either individually or collectively may propose a candidate for independent non-executive directors to be elected at the general meeting.</p>	<p>To be deleted</p>

APPENDIX III PROPOSED 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 165 Any important related transaction, appointment or dismissal of an accountancy firm shall be submitted to the board of directors for discussion provided that half or more independent non-executive directors have agreed. The proposal by an independent non-executive director to convene an extraordinary general meeting or a board meeting, or to publically gather votes from shareholders shall have the consent of half or more independent non-executive directors. Subject to the consent of all independent non-executive directors, an independent non-executive director may retain an auditing or consulting firm to provide the Company with specific auditing and consulting, with relevant expenses to be borne by the Company.</p>	<p>To be deleted</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
<p>Article 166 In addition to powers referred to in the preceding Article, an independent non- executive director may provide an independent opinion to the board of directors or the general meeting of the shareholders on the following matters:</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 RMB 3 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 as required by the laws, administrative regulations, the CSRC and 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.</p> <p>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>To be deleted</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
-	<p>Article 147 The following matters shall be submitted to the board of directors for consideration after approval by the majority of all independent non-executive directors of the listed company:</p> <p>(1) Connected transaction which shall be disclosed;</p> <p>(2) Plans involving change or waiver of undertaking by the listed company and relevant parties;</p> <p>(3) Decisions and measures adopted by the board of directors of an acquiree listed company in respect of the acquisition;</p> <p>(4) Other matters stipulated under provisions of the laws, administrative regulations and CSRC and the Articles of Association.</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
-	<p>Article 148 The independent non-executive directors may exercise the following special duties and functions:</p> <p>(1) independently engaging an intermediary organisation to audit, consult or verify specific matters of listed companies;</p> <p>(2) proposing to the board of directors the holding of extraordinary general meetings;</p> <p>(3) proposing the holding of board meetings;</p> <p>(4) publicly soliciting shareholders’ rights from shareholders according to law;</p> <p>(5) expressing independent opinions on matters that may be detrimental to the rights and interests of listed companies or minority shareholders;</p> <p>(6) other matters stipulated by laws, administrative regulations, CSRC regulations and the Articles of Association.</p> <p>In exercising the duties and functions set out in items (I) to (III) of the paragraph above, the consents of more than one-half of all independent non-executive directors shall be obtained.</p> <p>Where an independent non-executive director exercises his/her duties and functions under item (I), the listed company shall make timely disclosure. Where the above duties and functions cannot be exercised normally, the listed company shall disclose the specific circumstances and reasons.</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
–	<p style="text-align: center;">Article 149 Independent non-executive directors shall discharge the following duties:</p> <p style="padding-left: 40px;">(1) Participating in the decision-making of the board of directors and expressing explicit opinions on the matters considered;</p> <p style="padding-left: 40px;">(2) Supervising potential material conflicts of interest between the listed companies and its controlling shareholders, actual controllers, directors and senior management in accordance with the <i>Administrative Measures for Independent Directors of Listed Companies</i>, promoting the decision-making of the board of directors in the overall interests of the Company and protecting the lawful rights and interests of minority shareholders;</p> <p style="padding-left: 40px;">(3) Providing professional and objective advice on the operation and development of the listed company and promoting the improvement of the decision-making of the board of directors;</p> <p style="padding-left: 40px;">(4) Other duties prescribed by laws, administrative regulations, CSRC regulations and the Articles of Association.</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
<p>Article 167 An independent non-executive director shall attend the board meeting as scheduled, acquaint himself with the Company’s production and operation situation, actively investigate and obtain the information necessary for decision making. An annual report shall be submitted to the annual general meeting to report the work of all independent non-executive directors and introduce their duty performance.</p> <p>The board of directors may request the general meeting to remove an independent non-executive director provided he fails to be present at the board meeting in person for 3 consecutive times.</p>	<p>Article 167 Article 150 The independent non-executive directors shall attend the meetings of the board of directors in person. If for any reason they are unable to attend the meeting in person, the independent non-executive directors shall review the materials of the meeting in advance, form a definite opinion and entrust other independent non-executive directors in writing to attend the meeting on their behalf.</p> <p>An independent non-executive director shall attend the board meeting as scheduled, acquaint himself with the Company’s production and operation situation, actively investigate and obtain the information necessary for decision making. An annual report shall be submitted to the annual general meeting to report the work of all independent non-executive directors and introduce their duty performance.</p> <p>If an independent non-executive director fails to attend meetings of the board of directors in person for two consecutive times and does not appoint another independent non-executive director to attend the meeting on his/her behalf, the board of directors shall propose to convene a general meeting to remove the independent non-executive director from his/her position within thirty days from the date of the occurrence of such fact.</p> <p>The board of directors may request the general meeting to remove an independent non-executive director provided he fails to be present at the board meeting in person for 3 consecutive times.</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 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 170 Article 153 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>If the resignation of an independent non-executive director will result in the proportion of independent non-executive directors on the board of directors or its special committees not complying with the laws and regulations or the provisions of the Articles of Association, or if there is a lack of accounting professionals among the independent non-executive directorsIn 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>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
<p>Article 172 The secretary of the board shall be a natural person with the requisite professional knowledge and experience, and shall be appointed or removed by the board of directors. His duties mainly include:</p> <p>(1) to ensure that the Company have complete organization documents and records;</p> <p>(2) to ensure that the Company duly prepare and submit reports and documents required by the competent authorities;</p> <p>(3) to ensure the register of shareholders be properly maintained, and persons entitled to get relevant records and documents of the Company can timely get such records and documents;</p> <p>(4) to urge the Company to observe relevant Chinese laws, regulations and rules formulated by the stock exchanges on which the Company’s shares are listed;</p> <p>(5) to handle relevant matters of the board of directors.</p>	<p>Article 172Article 155 The secretary of the board of directors of the Company shall possess professional knowledge in finance, management and law necessary for the performance of his/her duties, as well as good professional ethics and personal qualities.</p> <p>The secretary of the board of directors shall be responsible for the preparation of the general meeting and board of directors’ meetings of the Company, the custody of documents as well as the management of the Company’s shareholders’ information, and the handling of information disclosure affairs. The secretary of the board of directors shall comply with the laws, administrative regulations, departmental rules and relevant provisions of the Articles of Association.</p> <p>The secretary of the board shall be a natural person with the requisite professional knowledge and experience, and shall be appointed or removed by the board of directors. His duties mainly include:</p> <p>(1) to ensure that the Company have complete organization documents and records;</p> <p>(2) to ensure that the Company duly prepare and submit reports and documents required by the competent authorities;</p> <p>(3) to ensure the register of shareholders be properly maintained, and persons entitled to get relevant records and documents of the Company can timely get such records and documents;</p> <p>(4) to urge the Company to observe relevant Chinese laws, regulations and rules formulated by the stock exchanges on which the Company’s shares are listed;</p> <p>(5) to handle relevant matters of the board of directors.</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
<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>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.</p>	<p>Article 184 Article 167 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 chairman of the supervisory committee shall be elected by a majority of all supervisors. 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>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.</p>

APPENDIX III PROPOSED 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 188 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 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.</p> <p>The supervisory committee may set up office(s) as is necessary for its supervision functions.</p>	<p>Article 188Article 171 Resolutions of the supervisory committee shall be passed by the affirmative votes of more than half of the supervisors.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 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.</p> <p>The supervisory committee may set up office(s) as is necessary for its supervision functions.</p>
<p>Article 195 The validity of an act carried out by a director, manager and other senior officers of the Company on behalf of the Company as against a bona fide third party, shall not be affected by any irregularity in his office, election or any defect in his qualification.</p>	<p>To be deleted</p>

APPENDIX III PROPOSED 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 196 In addition to the obligations imposed by laws, administrative regulations or the listing rules of the stock exchange on which shares of the Company are listed, each of the Company’s directors, supervisors, manager and other senior officers, in the exercise of the functions and powers entrusted to him by the Company, owes the following duties to every shareholder:</p> <p>(1) not to cause the Company to exceed the scope of business stipulated in its business license;</p> <p>(2) to act honestly and in the best interests of the Company;</p> <p>(3) not to expropriate the Company’s property in any way, including (but not limited to) usurpation of opportunities which benefit the Company;</p> <p>(4) not to expropriate the individual rights of shareholders, including (but not limited to) rights to distribution and voting rights, save and except pursuant to a restructuring of the Company which has been submitted to a general meeting for approval in accordance with the Company’s Articles of Association.</p>	<p>To be deleted</p>
<p>Article 202 Each of the Company’s directors, supervisors, managers and other senior officers has a duty, in the exercise of his powers and in the discharge of his duties, to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.</p>	<p>To be deleted</p>

APPENDIX III PROPOSED 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 203 Each of the Company’s directors, supervisors, managers and other senior officers shall exercise his powers or perform his duties in accordance with the fiduciary duty towards the Company; and shall not put himself in a position where his duty and his interest may conflict. This fiduciary duty includes (without limitation) discharging the following obligations:</p> <p>(1) to act honestly in the best interests of the Company;</p> <p>(2) to act within the scope of his powers and not to exceed such powers;</p> <p>(3) to exercise the discretion vested in him personally and not to allow himself to act under the control of another and, unless and to the extent permitted by laws, administrative regulations or with the informed consent of shareholders given at a general meeting, not to delegate the exercise of his discretion;</p> <p>(4) to treat shareholders of the same class equally and to treat shareholders of different classes fairly;</p> <p>(5) unless otherwise provided for in the Company’s Articles of Association or except with the informed consent of the shareholders given at a general meeting, not to enter into any contract, transaction or arrangement with the Company;</p> <p>(6) not to use the Company’s property for his own benefit, without the informed consent of the shareholders given at a general meeting;</p> <p>(7) not to take advantage of his position to accept bribes or other illegal income or expropriate the Company’s property in any way, including (but not limited to) opportunities which benefit the Company;</p>	<p>To be deleted</p>

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Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
<p>(8) not to accept commissions in connection with the Company’s transactions, without the informed consent of the shareholders given at a general meeting;</p> <p>(9) to comply with the Company’s Articles of Association, to perform his official duties faithfully, to protect the Company’s interests and not to take advantage of his position and power in the Company to advance his own interests;</p> <p>(10) not to compete with the Company in any way, save with the informed consent of the shareholders given at a general meeting;</p> <p>(11) not to misappropriate the Company’s funds or to lend such funds to any other person, not to use the Company’s assets to set up deposit accounts in his own name or in any other name or to use such assets to guarantee the debts of a shareholder of the Company or any other personal liabilities;</p> <p>(12) not to release any confidential information which he has obtained during his term of office, without the informed consent of the shareholders at a general meeting; nor shall he use such information otherwise than for the Company’s benefit, save that disclosure of such information to the court or other governmental authorities is permitted if:</p> <ul style="list-style-type: none"> a) law requires so; b) public interest so warrants; c) the interest of relevant director, supervisor, manager or other senior officer so requires. 	

APPENDIX III PROPOSED 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 204 Each director, supervisor, manager and other senior officer of the Company shall not direct the following persons or institutions (“associates”) to act in a manner which such director, supervisor, manager and other senior officer himself is prohibited from so acting:</p> <p>(1) the spouse or minor child of the director, supervisor, manager or other senior officer;</p> <p>(2) the trustee of the director, supervisor, manager or other senior officer or of any person described in sub-paragraph (1) above;</p> <p>(3) the partner of that director, supervisor, manager or other senior officer or any person referred to in sub-paragraphs (1) and (2) of this Article;</p> <p>(4) a company in which that director, supervisor, manager or other senior officer, whether alone or jointly with one or more of the persons referred to in sub-paragraphs (1), (2) and (3) of this Article and other directors, supervisors, manager and other senior officers, has de facto controlling interest;</p> <p>(5) the directors, supervisors, managers and other senior officers of a company which is being controlled in the manner set out in sub-paragraph (4) above.</p>	<p>To be deleted</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
-	<p>Article 183 The directors shall comply with the laws, administrative regulations and the Articles of Association and shall owe the obligations of loyalty to the Company as follows:</p> <p>(1) not to use his functions and powers as a means to accept bribes or other unlawful income, and not to expropriate the Company’s property;</p> <p>(2) not to misappropriate the Company’s funds;</p> <p>(3) not to deposit the Company’s assets or funds in accounts opened in his own name or in another person’s name;</p> <p>(4) except as otherwise provided in the Articles of Association or with the consent of shareholders in general meeting and the board of directors, not to lend the Company’s funds to others or not to use the Company’s assets as security for others;</p> <p>(5) except as otherwise provided in the Articles of Association or with the consent of shareholders in general meeting, not to enter into a contract or transaction with the Company;</p> <p>(6) without the consent of general meeting, not to use his position, functions and powers in the Company to seek business opportunities which would otherwise belong to the Company for himself or others, and not to operate any business which is of the same kind as the business of the Company on his own or for others;</p> <p>(7) not to accept commissions in connection with the Company’s transactions;</p> <p>(8) not to disclose any secret of the Company without authorization;</p> <p>(9) not to cause harm to the interest of the Company by taking advantage of his connected relationship;</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
	<p>(10) other obligations of loyalty as required by laws, administrative regulations, departmental rules and the Articles of Association.</p> <p>Any incomes obtained by directors in violation of any provisions of this Article shall belong to the Company. The director shall be accountable to indemnify the Company against any losses incurred.</p>
-	<p>Article 184 The directors shall comply with the laws, administrative regulations and the Articles of Association and shall owe the obligations of diligence to the Company as follows:</p> <p>(1) to exercise the rights conferred by the Company in a prudent, conscientious and diligent manner so as to ensure that the business activities of the Company are in compliance with the requirements of the laws, administrative regulations and various economic policies of the state and do not fall outside the business scope of the business licence;</p> <p>(2) to treat all the shareholders equally;</p> <p>(3) to understand the business operation and management of the Company in a timely manner;</p> <p>(4) to sign a written confirmation in respect of periodic reports of the Company, and to ensure the truthfulness, accuracy and completeness of the information disclosed by the Company;</p> <p>(5) to update the supervisory committee with relevant development and information according to facts, and not to hinder the supervisory committee or supervisors to exercise its/their functions and powers;</p> <p>(6) other obligations to act diligently as required by laws, administrative regulations, departmental rules and the Articles of Association.</p>

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Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
–	<p style="text-align: center;">Article 185 Article 177 of the Articles of Association on the circumstances under which a person shall not be a director shall also apply to the senior management.</p> <p style="text-align: center;">Article 183 regarding the duty of loyalty of directors and items (4), (5) and (6) of Article 184 of the Articles of Association regarding the duty of diligence shall also apply to senior management.</p>
Article 206 to Article 216	To be deleted

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
-	<p>Article 187 When the board of directors of the Company considers matters in relation to connected transaction, the connected director shall abstain from voting and not exercise any voting rights on behalf of other directors. Such meeting of the board of directors may be convened so long as a majority of non-connected directors is present, and any resolution made at the meeting of the board of directors shall be passed by a majority of the non-connected directors. Where the number of non-connected directors present at the meeting of the board of directors is less than three, the Company shall submit the transaction to the general meeting for consideration. Connected directors as referred to in the preceding paragraph include the following directors or directors in one of the following circumstances:</p> <p>(1) The counterparty of a transaction;</p> <p>(2) The direct or indirect controller of the counterparty;</p> <p>(3) A director holding a position at the counterparty, or holding a position in the legal person or other organization that directly or indirectly controls the counterparty or that is directly or indirectly controlled by the counterparty;</p> <p>(4) A close family member of the counterparty or a close family member of the direct or indirect controller of the counterparty;</p> <p>(5) A close family member of the directors, supervisors or senior management of the counterparty or its direct or indirect controller;</p> <p>(6) Directors whose independent business judgment may be affected as determined by the CSRC, the stock exchange or the Company based on the principle of substance over form.</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
<p>Article 221 The Company’s financial reports shall be made available for shareholders’ inspection at the Company at least 20 days before the date of every annual general meeting. Each shareholder shall be entitled to obtain a copy of the financial reports referred to in this Chapter.</p> <p>The Company shall deliver or send to each holder of overseas-listed foreign-invested shares by prepaid mail at the address registered in the register of shareholders the said reports no later than 21 days before the date of every annual general meeting.</p>	<p>To be deleted</p>
<p>Article 228 After the profit distribution plan has been resolved at the general meeting, the board of directors shall complete the dividend (or share) distribution within 2 months after the holding of the general meeting.</p>	<p>Article 228 Article 198 After the profit distribution plan has been resolved at the general meeting, or after the board of directors of the Company has formulated a specific plan according to the interim dividend conditions and caps for the next year as considered and approved at the annual general meeting, the board of directors shall complete the dividend (or share) distribution within 2 months after the holding of the general meeting.</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
<p>Article 230 The profit distribution policy of the Company is as follow:</p> <p>The basic principles of the profit distribution policy of the Company</p> <p>The Company shall take full account of return to investors and distribute dividend to its shareholders each year in proportion to the distributable profit realized in the year concerned (the consolidated financial statements).</p> <p>The profit distribution policy of the Company maintains continuity and stability, and operates for the long-term interest of the Company, the entire interest of all its shareholders and the sustainable development of the Company.</p> <p>The Company shall give priority to dividend distribution in cash.</p> <p>The specific profit distribution policy of the Company</p> <p>1. The manner of profit distribution: The Company may distribute dividends in cash, in shares, in a combination of both cash and shares. Subject to conditions, the Company may propose interim profit distribution.</p> <p>2. Specific conditions and proportions of cash dividend of the Company:</p> <p>Upon satisfying all below conditions regarding cash dividend, the profits distributed by the Company in cash each year shall be no less than 5% of the annual distributable profits (the consolidated statements) realized in the year. The accumulated dividend distributed by the Company in cash in the past three years shall be no less than 30% of the average annual distributable profits (the consolidated statements) realized in the past three years:</p>	<p>Article 230 Article 200 The profit distribution policy of the Company is as follow:</p> <p>The basic principles of the profit distribution policy of the Company</p> <p>The Company shall take full account of return to investors and distribute dividend to its shareholders each year in proportion to the distributable profit realized in the year concerned (the consolidated financial statements).</p> <p>The profit distribution policy of the Company maintains continuity and stability, and operates for the long-term interest of the Company, the entire interest of all its shareholders and the sustainable development of the Company.</p> <p>The Company shall give priority to dividend distribution in cash.</p> <p>The specific profit distribution policy of the Company</p> <p>1. The manner of profit distribution: The Company may distribute dividends in cash, in shares, in a combination of both cash and shares. Of these, the cash dividend policy targets residual dividends. Subject to conditions, the Company may propose interim profit distribution.</p> <p>2. Specific conditions and proportions of cash dividend of the Company:</p> <p>Upon satisfying all below conditions regarding cash dividend, the profits distributed by the Company in cash each year shall be no less than 5% of the annual distributable profits (the consolidated statements) realized in the year. The accumulated dividend distributed by the Company in cash in the past three years shall be no less than 30% of the average annual distributable profits (the consolidated statements) realized in the past three years:</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
<p>(1) if the distributable net profit realized by the Company in the year concerned (i.e. net profit of the Company net of loss recovery and allocation of its profits to the statutory reserve) are positive with adequate liquidity, the Company may distribute dividend in cash provided that it shall not undermine the subsequent ongoing operation of the Company;</p> <p>(2) if the accumulated distributable profits made by the parent company are positive;</p> <p>(3) auditors had issued a standard unqualified audit report for the financial statements of the Company for that year;</p> <p>(4) no special circumstances have occurred in the Company (excluding projects funded by raised proceeds);</p> <p>The aforementioned “special circumstances” refer to material investment plans or significant capital expenditures (excluding projects funded by raised proceeds) with accumulated expenditure made by the Company within the following 12 months amounting to or exceeding 25% of the latest audited net assets of the Company; “material investment plans” or “significant capital expenditures” include external investment, external repayment of debts or material asset acquisitions.</p> <p>(5) there is no situation in which the principal and interest of the bond cannot be repaid on time or the principal and interest of the matured bond cannot be repaid on time.</p>	<p>(1) if the distributable net profit realized by the Company in the year concerned (i.e. net profit of the Company net of loss recovery and allocation of its profits to the statutory reserve) are positive with adequate liquidity, the Company may distribute dividend in cash provided that it shall not undermine the subsequent ongoing operation of the Company;</p> <p>(2) if the accumulated distributable profits made by the parent company are positive;</p> <p>(3) auditors had issued a standard unqualified audit report for the financial statements of the Company for that year;</p> <p>(4) no special circumstances have occurred in the Company (excluding projects funded by raised proceeds);</p> <p>The aforementioned “special circumstances” refer to material investment plans or significant capital expenditures (excluding projects funded by raised proceeds) with accumulated expenditure made by the Company within the following 12 months amounting to or exceeding 25% of the latest audited net assets of the Company; “material investment plans” or “significant capital expenditures” include external investment, external repayment of debts or material asset acquisitions.</p> <p>(5) there is no situation in which the principal and interest of the bond cannot be repaid on time or the principal and interest of the matured bond cannot be repaid on time.</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
<p>3. Conditions for distributing dividends in shares by the Company</p> <p>Where the Company’s business is in a sound condition, and the Company’s share price valuation is within a reasonable range, under the condition that the minimum cash dividend ratio and the reasonability of the Company’s share capital could be ensured, dividends in shares can be used for profit distribution according to the status of the provident fund and cash flow.</p> <p>4. The Board shall take various factors into consideration, including its industry features, development stages, business model and profitability level as well as whether it has any significant capital expenditure arrangements, to propose a differentiated policy at different stages for cash dividend distribution.</p> <p>(1) Where the Company is in a developed stage with no significant capital expenditure arrangements, the dividend distributed in the form of cash shall not be less than 80% of the total profit distribution;</p> <p>(2) Where the Company is in a developed stage with significant capital expenditure arrangements, the dividend distributed in the form of cash shall not be less than 40% of the total profit distribution;</p> <p>(3) Where the Company is in a developing stage with significant capital expenditure arrangements, the dividend distributed in the form of cash shall not be less than 20% of the total profit distribution;</p> <p>In the case that it is difficult to distinguish the Company’s stage of development but the Company has significant capital expenditure arrangements, such matter may be dealt with pursuant to the preceding provisions.</p>	<p>3. Conditions for distributing dividends in shares by the Company</p> <p>Where the Company’s business is in a sound condition, and the Company’s share price valuation is within a reasonable range, under the condition that the minimum cash dividend ratio and the reasonability of the Company’s share capital could be ensured, dividends in shares can be used for profit distribution according to the status of the provident fund and cash flow.</p> <p>4. The Board shall take various factors into consideration, including its industry features, development stages, business model and profitability level as well as whether it has any significant capital expenditure arrangements, to propose a differentiated policy at different stages for cash dividend distribution.</p> <p>(1) Where the Company is in a developed stage with no significant capital expenditure arrangements, the dividend distributed in the form of cash shall not be less than 80% of the total profit distribution;</p> <p>(2) Where the Company is in a developed stage with significant capital expenditure arrangements, the dividend distributed in the form of cash shall not be less than 40% of the total profit distribution;</p> <p>(3) Where the Company is in a developing stage with significant capital expenditure arrangements, the dividend distributed in the form of cash shall not be less than 20% of the total profit distribution;</p> <p>In the case that it is difficult to distinguish the Company’s stage of development but the Company has significant capital expenditure arrangements, such matter may be dealt with pursuant to item (3) of the preceding provisions.</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
	<p>The proportion of cash dividends in the profit distribution shall be cash dividends divided by the sum of cash dividends and share dividends.</p> <p>5. The Company may not make profit distribution when any of the following circumstances exists:</p> <p>(1) The audit report of the most recent year is modified or unmodified with a paragraph on material uncertainty related to going concern;</p> <p>(2) The year-end gearing ratio for the most recent accounting year is higher than 70%;</p> <p>(3) Negative operating cash flow in the most recent accounting year;</p> <p>(4) Any other circumstances that the Company deems inappropriate for profit distribution.</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
<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>Article 231Article 201 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 230Article 200, 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. If independent directors believe that the specific cash dividend plan may harm the rights and interests of the listed company or minority shareholders, they have the right to express independent opinions. If the board of directors does not adopt or does not fully adopt the opinions of the independent directors, the opinions of the independent directors and the specific reasons for the non-adoption shall be recorded in the board resolution and be disclosed.</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
<p>Article 235 The Company shall appoint an independent accountancy firm which is qualified under the relevant regulations of the State to audit the Company’s annual report and review the Company’s other financial reports.</p> <p>The first accountancy firm of the Company may be appointed before the first annual general meeting of the Company at the inaugural meeting. Accountancy firm so appointed shall hold office until the conclusion of the first annual general meeting.</p> <p>If the inaugural meeting does not exercise the powers under the preceding paragraph, those powers shall be exercised by the board of directors.</p>	<p>Article 235 Article 205 The Company shall engage accounting firms that complies with the requirements of the Securities Law and the listing rules of the jurisdictions where the shares of the Company are listed, to perform the tasks of auditing accounting statements, verifying the net assets and other relevant consulting services.</p> <p>The Company shall appoint an independent accountancy firm which is qualified under the relevant regulations of the State to audit the Company’s annual report and review the Company’s other financial reports.</p> <p>The first accountancy firm of the Company may be appointed before the first annual general meeting of the Company at the inaugural meeting. Accountancy firm so appointed shall hold office until the conclusion of the first annual general meeting.</p> <p>If the inaugural meeting does not exercise the powers under the preceding paragraph, those powers shall be exercised by the board of directors.</p>
<p>Article 236 The accountancy firm appointed by the Company shall be the Company’s auditors from the conclusion of the annual general meeting of shareholders at which they were appointed until the conclusion of the next annual general meeting.</p>	<p>To be deleted</p>

APPENDIX III PROPOSED 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 237 The accountancy firm appointed by the Company shall enjoy the following rights:</p> <p>(1) a right to review to the books, records and vouchers of the Company at any time, the right to require the directors, manager and other senior officers of the Company to supply relevant information and explanations;</p> <p>(2) a right to require the Company to take all reasonable steps to obtain from its subsidiaries such information and explanation as are necessary for the discharge of its duties;</p> <p>(3) a right to attend general meetings and to receive all notices of, and other communications relating to, any general meeting which any shareholder is entitled to receive, and to speak at any general meeting in relation to matters concerning its role as the Company’s accountancy firm.</p>	<p>To be deleted</p>
<p>Article 238 If there is a vacancy in the position of accountant of the Company, the board of directors may entrust an accountancy firm to fill such vacancy before the convening of the shareholders’ general meeting. Any other accountancy firm which has been appointed by the Company may continue to act during the period during which a vacancy arises.</p>	<p>To be deleted</p>
<p>Article 239 A general meeting may, by ordinary resolution, remove the Company’s accountancy firms before the expiration of its term of office, irrespective of the provisions in the contract between the Company and the Company’s accountancy firm. However, the accountancy firm’s right to claim for damages which arise from its removal shall not be affected thereby.</p>	<p>To be deleted</p>

APPENDIX III PROPOSED 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 240 The remuneration of an accountancy firm or the manner in which such firm is to be remunerated shall be determined by a general meeting. Notwithstanding the foregoing, the remuneration of an accountancy firm appointed by the board of directors shall be determined by the board of directors.</p>	<p>Article 240Article 206 The audit fee remuneration of an accountancy firm or the manner in which such firm is to be remunerated shall be determined by a general meeting. Notwithstanding the foregoing, the remuneration of an accountancy firm appointed by the board of directors shall be determined by the board of directors.</p>
<p>–</p>	<p>Article 207 The Company shall guarantee that the accounting evidence, accounting books, financial reports and other accounting information provided to the accounting firm it engages are true and complete and it shall not refuse or withhold any such information nor shall it provide any false information.</p>
<p>Article 241 The Company’s appointment, removal or non-reappointment of an accountancy firm shall be resolved by a general meeting. Such resolution shall be filed with the securities authority of the State Council.</p> <p>Where a resolution at a general meeting is passed to appoint as accountant a person other than an incumbent accountancy firm to fill a casual vacancy in the office of accountant, to reappoint as accountant a retiring accountancy firm that was appointed by the board of directors to fill a casual vacancy, or to dismiss an accountancy firm before the expiration of its term of office, the following provisions shall apply:</p> <p>(1) A copy of the appointment or removal proposal shall be sent (before notice of meeting is given to the shareholders) to the accountancy firm proposed to be appointed or proposing to leave its post or the firm which has left its post in the relevant fiscal year (leaving includes leaving by removal, resignation and retirement).</p>	<p>Article 24Article 208 The Company’s appointment, removal or non-reappointment of an accountancy firm shall be resolved by a general meeting. The board of directors shall not appoint an accounting firm prior to the decision of the general meeting. Such resolution shall be filed with the securities authority of the State Council.</p> <p>Where a resolution at a general meeting is passed to appoint as accountant a person other than an incumbent accountancy firm to fill a casual vacancy in the office of accountant, to reappoint as accountant a retiring accountancy firm that was appointed by the board of directors to fill a casual vacancy, or to dismiss an accountancy firm before the expiration of its term of office, the following provisions shall apply:</p> <p>A copy of the appointment or removal proposal shall be sent (before notice of meeting is given to the shareholders) to the accountancy firm proposed to be appointed or proposing to leave its post or the firm which has left its post in the relevant fiscal year (leaving includes leaving by removal, resignation and retirement).</p>

APPENDIX III PROPOSED AMENDMENTS TO THE “ARTICLES OF ASSOCIATION”

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
<p>(2) If the accountancy firm leaving its post makes representations in writing and requests the Company to give the shareholders notice of such representations, the Company shall (unless the representations have been received too late) take the following measures:</p> <p>a) in any notice of the resolution given to shareholders, state the fact of the representations having been made; and</p> <p>b) attach a copy of the representations to the notice and deliver it to the shareholders in the manner stipulated in the Company’s Articles of Association.</p> <p>(3) If the Company fails to send out the accountancy firm’s representations in the manner set out in sub-paragraph (2) above, such accountancy firm may require that the representations be read out at the meeting.</p> <p>(4) An accountancy firm which is leaving its post shall be entitled to attend the following general meetings:</p> <p>a) the general meeting at which its term of office would otherwise have expired;</p> <p>b) the general meeting at which it is proposed to fill the vacancy caused by its removal; and</p> <p>c) the general meeting which convened as a result of its resignation,</p> <p>and to receive all notices of, and other communications relating to, any such meeting, and to speak at any such meeting which concerns it as former auditor of the Company.</p>	<p>(2) If the accountancy firm leaving its post makes representations in writing and requests the Company to give the shareholders notice of such representations, the Company shall (unless the representations have been received too late) take the following measures:</p> <p>a) in any notice of the resolution given to shareholders, state the fact of the representations having been made; and</p> <p>b) attach a copy of the representations to the notice and deliver it to the shareholders in the manner stipulated in the Company’s Articles of Association.</p> <p>(3) If the Company fails to send out the accountancy firm’s representations in the manner set out in sub-paragraph (2) above, such accountancy firm may require that the representations be read out at the meeting.</p> <p>(4) An accountancy firm which is leaving its post shall be entitled to attend the following general meetings:</p> <p>a) the general meeting at which its term of office would otherwise have expired;</p> <p>b) the general meeting at which it is proposed to fill the vacancy caused by its removal; and</p> <p>e) the general meeting which convened as a result of its resignation,</p> <p>and to receive all notices of, and other communications relating to, any such meeting, and to speak at any such meeting which concerns it as former auditor of the Company.</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
<p>Article 242 Prior notice should be given to the accountancy firm if the Company decides to remove such accountancy firm or not to renew the appointment thereof. Such accountancy firm shall be entitled to make representations at the general meeting. Where the accountancy firm resigns from its position, it shall make clear to the general meeting whether there has been any impropriety on the part of the Company.</p> <p>An accountancy firm may resign its office by depositing at the Company’s legal address a resignation notice which shall become effective on the date of such deposit or on such later date as may be stipulated in such notice. Such notice shall contain the following statements:</p> <p>(1) a statement to the effect that there are no circumstances connected with its resignation which it considers should be brought to the notice of the shareholders or creditors of the Company; or</p> <p>(2) a statement of any such circumstances.</p> <p>The Company shall, within fourteen days after receipt of the notice referred to in the preceding paragraph, send a copy of the notice to the relevant governing authority. If the notice contains a statement under the preceding sub-paragraph (2), a copy of such statement shall be placed at the Company for shareholders’ inspection. The Company should also send a copy of such statement by prepaid mail to every holder of overseas-listed foreign-invested shares at the address registered in the register of shareholders.</p> <p>Where the accountancy firm’s notice of resignation contains a statement in respect of the above, it may require the board of directors to convene an extraordinary general meeting for the purpose of receiving an explanation of the circumstances connected with its resignation.</p>	<p>Article 242—Article 209 Advance prior Prior notice of five days should be given to the accountancy firm if the Company decides to remove such accountancy firm or not to renew the appointment thereof. Such accountancy firm shall be entitled to make representations at the general meeting. Where the accountancy firm resigns from its position, it shall make clear to the general meeting whether there has been any impropriety on the part of the Company.</p> <p>An accountancy firm may resign its office by depositing at the Company’s legal address a resignation notice which shall become effective on the date of such deposit or on such later date as may be stipulated in such notice. Such notice shall contain the following statements:</p> <p>(1) a statement to the effect that there are no circumstances connected with its resignation which it considers should be brought to the notice of the shareholders or creditors of the Company; or</p> <p>(2) a statement of any such circumstances.</p> <p>The Company shall, within fourteen days after receipt of the notice referred to in the preceding paragraph, send a copy of the notice to the relevant governing authority. If the notice contains a statement under the preceding sub-paragraph (2), a copy of such statement shall be placed at the Company for shareholders’ inspection. The Company should also send a copy of such statement by prepaid mail to every holder of overseas-listed foreign-invested shares at the address registered in the register of shareholders.</p> <p>Where the accountancy firm’s notice of resignation contains a statement in respect of the above, it may require the board of directors to convene an extraordinary general meeting for the purpose of receiving an explanation of the circumstances connected with its resignation.</p>

APPENDIX III PROPOSED 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 246 In the event of the merger or division of the Company, a plan shall be presented by the Company’s board of directors and shall be approved in accordance with the procedures stipulated in the Company’s Articles of Association. The Company shall then go through the relevant approval process. A shareholder who objects to the plan of merger or division shall have the right to demand the Company or the shareholders who consent to the plan of merger or division to acquire such dissenting shareholders’ shareholding at a fair price. The contents of the resolution of merger or division of the Company shall constitute special documents which shall be available for inspection by the shareholders of the Company.</p> <p>The aforesaid documents shall be sent by mail to holders of overseas-listed foreign-invested shares listed in Hong Kong.</p>	<p>To be deleted</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
<p>Article 247 The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company.</p> <p>In the event of a merger, the merging parties shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten days of the date of the Company’s merger resolution and shall publish a public notice in a newspaper at least three times within thirty days of the date of the Company’s merger resolution.</p> <p>Upon the merger, rights in relation to debtors and indebtedness of each of the merged parties shall be assumed by the company which survives the merger or the newly established company.</p>	<p>Article 247 Article 213 The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company.</p> <p>Merger by absorption means a company absorbs another company and the absorbed company will be dissolved. Merger by the establishment of a new company means two or more companies combine together for the establishment of a new company, and the original companies will be dissolved.</p> <p>In the event of a merger, the merging parties shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten days of the date of the Company’s merger resolution and shall publish a public notice in a newspaper at least three times within thirty days of the date of the Company’s merger resolution.</p> <p>Upon the merger, rights in relation to debtors and indebtedness of each of the merged parties shall be assumed by the company which survives the merger or the newly established company.</p> <p>Article 214 In the event of a merger, the merging parties shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten (10) days of the date of the Company’s merger resolution and shall publish an announcement in a newspaper within thirty (30) days of the date of the Company’s merger resolution.</p> <p>Creditors have the right, within thirty (30) days upon receipt of the notice, or for those who have not received the notice, within forty-five (45) days from the date of the announcement, to demand the Company to repay its debts or provide a corresponding guarantee for such debt.</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
<p>Article 248 Where there is a division of the Company, its assets shall be divided up accordingly.</p> <p>In the event of division of the Company, the parties to such a division shall execute a division agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten days of the date of the Company’s division resolution and shall publish a public notice in a newspaper at least three times within thirty days of the date of the Company’s division resolution.</p> <p>Debts of the Company prior to division shall be assumed by the companies which exist after the division in accordance with the agreement of the parties.</p>	<p>Article 248 Article 215 Where there is a division of the Company, its assets shall be divided up accordingly.</p> <p>In the event of division of the Company, it shall prepare a balance sheet and a list of its property. The Company shall notify the creditors within ten (10) days from the date of the resolution on the division and announce it in a newspaper within thirty (30) days.</p> <p>In the event of division of the Company, the parties to such a division shall execute a division agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten days of the date of the Company’s division resolution and shall publish a public notice in a newspaper at least three times within thirty days of the date of the Company’s division resolution.</p> <p>The liabilities of the Company prior to the division shall be jointly or severally undertaken by the companies after division, save as otherwise specified in the written agreement on debt repayment reached between the Company and its creditors before division.</p> <p>Debts of the Company prior to division shall be assumed by the companies which exist after the division in accordance with the agreement of the parties.</p>
<p>Article 249 Creditors are entitled to claim full payment of the Company’s debts or require the provision of appropriate guarantees within 30 days of receipt of the notice, or within 90 days of publication of the first notice if such creditors did not receive the notice. The company may not be merged or divided unless debts are fully paid or appropriate guarantees are provided.</p>	<p>To be deleted</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
<p>Article 251 The Company shall be dissolved and liquidated upon the occurrence of any of the following events:</p> <p>(1) a resolution for dissolution is passed by shareholders at a general meeting;</p> <p>(2) dissolution is necessary due to a merger or division of the Company;</p> <p>(3) the Company is legally declared insolvent due to its failure to repay debts as they become due; and</p> <p>(4) the Company is ordered to close down because of its violation of laws and administrative regulations.</p>	<p>Article 251Article 217 The Company shall be dissolved if:</p> <p>(1) business term specified in the Articles of Association expires or other dissolution reasons as stipulated in the Articles of Association occur;</p> <p>(2) a resolution on dissolution is passed by the general meeting;</p> <p>(3) dissolution is necessary due to a merger or division of the Company;</p> <p>(4) the business licence is revoked or it is ordered to close down or it is cancelled according to law;</p> <p>(5) where the Company gets into serious trouble in operation and management and its continuation may cause substantial loss to the interests of its shareholders, and no solution can be found through any other channel, shareholders representing 10% or more of the total voting rights of the Company may request the People’s Court to dissolve the Company.</p> <p>The Company may survive by amending these Articles of Association in the case of subparagraph (1) above. Amendments to these Articles of Association in accordance with the preceding paragraph shall be approved by more than two-thirds of the votes held by the shareholders present at the general meeting.</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
	<p>Where the Company is dissolved under subparagraphs (1), (2), (4) and (5) above, a liquidation committee shall be set up within fifteen (15) days from the occurrence of the dissolution events, to carry out liquidation. Members of liquidation committee shall be determined by directors or shareholders at a general meeting. If a liquidation committee is not set up within the specified period to carry out liquidation, creditors may apply to the People’s Court for appointment of relevant persons to form a liquidation committee so as to proceed with the liquidation.</p> <p>The Company shall be dissolved and liquidated upon the occurrence of any of the following events:</p> <p>(1) a resolution for dissolution is passed by shareholders at a general meeting;</p> <p>(2) dissolution is necessary due to a merger or division of the Company;</p> <p>(3) the Company is legally declared insolvent due to its failure to repay debts as they become due; and</p> <p>(4) the Company is ordered to close down because of its violation of laws and administrative regulations.</p>

APPENDIX III PROPOSED 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 252 A liquidation committee shall be set up within fifteen days of the Company being dissolved pursuant to sub-paragraph (1) of the preceding Article, and the composition of the liquidation committee of the Company shall be determined by an ordinary resolution at a general meeting.</p> <p>Where the Company is dissolved under sub-paragraph (3) of the preceding Article, the people’s court shall, in accordance with the provisions of relevant laws, organize the shareholders, relevant organizations and professional personnel to establish a liquidation committee to carry out the liquidation.</p> <p>Where the Company is dissolved under sub-paragraph (4) of the preceding Article, the relevant competent authorities shall organize the shareholders, relevant organizations and professional personnel to establish a liquidation committee to carry out the liquidation.</p>	<p>To be deleted</p>

APPENDIX III PROPOSED 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 253 Where the board of directors proposes to liquidate the Company for any reason other than the Company’s declaration of its own insolvency, the board shall include a statement in its notice of convening a shareholders’ general meeting to consider the proposal to the effect that, after making full inquiry into the affairs of the Company, the board of directors is of the opinion that the Company will be able to pay its debts in full within twelve months from the commencement of the liquidation.</p> <p>Upon the passing of the resolution at a general meeting for the liquidation of the Company, all functions and powers of the board of directors shall cease.</p> <p>The liquidation committee shall act in accordance with the instructions of the general meeting to make a report at least once every year to the general meeting on the committee’s income and expenses, the business of the Company and the progress of the liquidation; and to present a final report to the shareholders’ general meeting upon completion of the liquidation.</p>	<p>To be deleted</p>
<p>Article 254 The liquidation committee shall, within ten days of its establishment, send notices to creditors and shall, within sixty days of its establishment, publish a public announcement in a newspaper at least three times, and register the creditors’ rights.</p>	<p>To be deleted</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
-	<p>Article 218 The liquidation committee shall, within ten (10) days of its establishment, send notices to creditors and shall, within sixty (60) days of its establishment, publish an announcement in a newspaper. Creditors shall, within thirty (30) days upon receipt of the notice, or for those who have not received the notice, within forty-five (45) days from the date of the announcement, declare their claims to the liquidation committee.</p> <p>When declaring claims, creditors shall state relevant particulars of their claims and provide supporting materials. The liquidation committee shall register the claims.</p> <p>The liquidation committee shall not make repayment to creditors during the claims declaration period.</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
<p>Article 256 After it has sorted out the Company’s assets and after it has prepared the balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and present it to a general meeting or to the relevant governing authority for confirmation.</p> <p>The Company’s assets shall be distributed in accordance with the following sequence:</p> <ol style="list-style-type: none"> (1) liquidation expenses; (2) salaries and labor insurance expenses of employees of the Company for three years as from the date of liquidation; (3) outstanding taxes; (4) debts of the Company. Any surplus assets of the Company remaining after payment referred to in the preceding paragraph shall be distributed to its shareholders according to the class of shares and the proportion of shares held. <p>During the liquidation, the Company shall not commence any new business activities.</p>	<p>Article 256 Article 220 After it has sorted out the Company’s assets and after it has prepared the balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and present it to a general meeting or to the People’s Court the relevant governing authority for confirmation.</p> <p>The remaining property of the Company’s assets after paying liquidation expenses, employees’ salaries, social insurance costs and statutory compensation, paying outstanding taxes and settling the Company’s debts, respectively, shall be distributed by the Company in proportion to the shares held by its shareholders.</p> <p>During the liquidation period, the Company survives, but cannot carry out business activities unrelated to the liquidation.</p> <p>The Company’s property will not be distributed to shareholders until it has been liquidated in accordance with the preceding paragraph.</p> <p>The Company’s assets shall be distributed in accordance with the following sequence:</p> <ol style="list-style-type: none"> (1) liquidation expenses; (2) salaries and labor insurance expenses of employees of the Company for three years as from the date of liquidation; (3) outstanding taxes; (4) debts of the Company. Any surplus assets of the Company remaining after payment referred to in the preceding paragraph shall be distributed to its shareholders according to the class of shares and the proportion of shares held. <p>During the liquidation, the Company shall not commence any new business activities.</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
<p>Article 258 Following the completion of the liquidation, the liquidation committee shall prepare a liquidation report, a statement of income and expenses received and made during the liquidation period and a financial report, which shall be verified by a Chinese certified accountant and submitted to the general meeting or the relevant governing authority for confirmation.</p> <p>The liquidation committee shall, within thirty days after such confirmation, submit the documents referred to in the preceding paragraph to the company registration authority and apply for cancellation of registration of the Company, and publish a public announcement relating to the termination of the Company.</p>	<p>Article 258Article 222 Upon completion of the liquidation of the Company, the liquidation committee shall prepare a liquidation report, which shall be reported to the general meeting or the People’s Court for confirmation, and shall be submitted to the Company’s registration authority. Following the completion of the liquidation, the liquidation committee shall prepare a liquidation report, a statement of income and expenses received and made during the liquidation period and a financial report, which shall be verified by a Chinese certified accountant and submitted to the general meeting or the relevant governing authority for confirmation.</p> <p>The liquidation committee shall, within thirty days after such confirmation, submit the documents referred to in the preceding paragraph to the company registration authority and apply for cancellation of registration of the Company, and publish a public announcement relating to the termination of the Company.</p>
-	<p>Article 224 If a Company is declared bankrupt by law, it shall implement bankruptcy liquidation in accordance with the laws on enterprise bankruptcy.</p>

APPENDIX III PROPOSED 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 261 Amendment of the Company’s Articles of Association which involve the contents of the Mandatory Provisions shall become effective upon receipt of approvals from the company approving department authorized by the State Council and the securities committee of the State Council. Where amendments involve the registered particulars of the Company, procedures for change of registration shall be handled in accordance with the law.</p>	<p>Article 261Article 226 If the amendment to the Articles of Association adopted by resolution of the general meeting shall be approved by the competent authorities, it shall be submitted to the competent authorities for approval; if it involves company registration matters, the change shall be registered in accordance with the law.</p> <p>Amendment of the Company’s Articles of Association which involve the contents of the Mandatory Provisions shall become effective upon receipt of approvals from the company approving department authorized by the State Council and the securities committee of the State Council. Where amendments involve the registered particulars of the Company, procedures for change of registration shall be handled in accordance with the law.</p>
<p>CHAPTER 25: DISPUTE RESOLUTION</p>	<p>To be deleted</p>
<p>–</p>	<p>CHAPTER 24 NOTICES AND ANNOUNCEMENTS</p>

APPENDIX III PROPOSED 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 264 The Company shall observe the following principles for dispute resolution:</p> <p>(1) Whenever any disputes or claims arise between: holders of overseas-listed foreign-invested shares and the Company; holders of overseas-listed foreign-invested shares and the Company’s directors, supervisors, manager or other senior officers; or holders of overseas-listed foreign-invested shares and holders of domestic-invested shares and holders of other foreign-invested shares, in respect of any rights or obligations arising from these Articles of Association, the Company Law or any rights or obligations conferred or imposed by the Company Law and other relevant laws and administrative regulations concerning the affairs of the Company, such disputes or claims shall be referred by the relevant parties to arbitration</p> <p>Where a dispute or claim of rights referred to in the preceding paragraph is submitted to arbitration, the entire claim or dispute must be submitted to arbitration, and all persons who have a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim, shall, where such person is the Company, the Company’s shareholders, directors, supervisors, manager, or other senior officers of the Company, comply with the arbitration.</p> <p>Disputes in respect of the definition of shareholders and disputes in relation to the register of shareholders need not be resolved by arbitration.</p>	<p>To be deleted</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
<p>(2) Arbitration shall be carried out either at China International Economic and Trade Arbitration Commission in accordance with its Rules or Hong Kong International Arbitration Centre in accordance with its Securities Arbitration Rules. Once a claimant submits a dispute or claim to arbitration, the other party must submit to the arbitral body elected by the claimant.</p> <p>Any party to the dispute or claim may apply for a hearing to take place in Shenzhen in accordance with the Securities Arbitration Rules of the Hong Kong International Arbitration Centre.</p> <p>(3) The laws of the PRC shall apply to these Articles of Association, save as otherwise provided in the laws and administrative regulations.</p> <p>(4) The award of an arbitral body shall be final and conclusive and binding on all parties.</p>	
<p>–</p>	<p>Article 229 The Company’s notices may be delivered by the following means:</p> <p>(1) by designated person;</p> <p>(2) by mail;</p> <p>(3) by e-mail or other electronic communication;</p> <p>(4) by way of public announcement;</p> <p>(5) by other means as recognised by the securities regulatory authority and stock exchange in the jurisdictions where the shares of the Company are listed or by other means as provided in Articles of Association.</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
-	<p>Article 230 The Company is required to issue announcements or notices on material matters in accordance with the provisions of the Company Law, the Articles of Association or other laws and administrative regulations. Where this is done by way of an announcement, the Company designates the media that meets the conditions set out by the CSRC and the website of the stock exchange for the publication of the Company’s announcements and other information required to be disclosed, and once an announcement has been made, all relevant persons shall be deemed to have received the notice.</p> <p>In respect of the manner in which the Company provides and/or distributes corporate communication to the overseas listed foreign shareholders in accordance with the requirements of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, subject to the compliance with the relevant provisions of the laws, regulations, regulatory documents and the rules of securities regulation of the place of the Company’s listing, the Company may provide and/or send corporate communication to the overseas listed foreign shareholders through electronic means and/or by making the corporate communication available on the Company’s website and the website of the Hong Kong Stock Exchange.</p>

Original text of the Articles of Association	Text of the Articles of Association after the proposed amendments
	<p>The corporate communication referred to in the preceding paragraph means any document issued or to be issued by the Company for the information or action of the overseas listed foreign shareholders or other persons as required under the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, including but not limited to: (1) the report of the board of directors, the Company’s annual accounts together with the accountant’s report; (2) the interim report; (3) the notice of meeting; (4) the listing document; (5) the circular; and (6) the proxy form. Overseas listed foreign shareholders of the Company may also elect in writing to receive printed copies of the above corporate communications by post.</p>
<p>Article 265 When a notice is sent by personal delivery, the receiver shall sign (or affix the seal to) the acknowledgement of receipt, and the date of his signature will be the date of delivery; when a notice is dispatched by mail, it will be deemed to be having delivered upon giving it to the postal office; when a notice is made by a public announcement, it will be deemed to be having delivered on the date of the publication of the first announcement.</p>	<p>Article 265 Article 231 When a notice is sent by personal delivery, the receiver shall sign (or affix the seal to) the acknowledgement of receipt, and the date of his signature will be the date of delivery; when a notice is dispatched by mail, it will be deemed to be having delivered upon giving it to the postal office; when a notice is made by a public announcement, it will be deemed to be having delivered on the date of the publication of the first announcement. If a notice is sent by e-mail or other electronic communication, the date of sending shall be the date of service.</p>

APPENDIX III PROPOSED 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 267 The Company discloses information on press designated by the China Securities Regulatory Commission, and http://www.sse.com.cn and http://www.hkexnews.hk as the websites for information disclosure.</p>	<p>Article 267 Article 233 The Company discloses information on press designated by the China Securities Regulatory Commission, and http://www.sse.com.cn and http://www.hkexnews.hk as the websites for information disclosure. If it is required to make announcements to the holders of overseas-listed foreign shares pursuant to the Articles of Association, such announcements shall also be published in such manner as required by the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange.</p>
<p>–</p>	<p>Article 237 For the purposes of the Articles of Association, the terms “at least”/“or more”/ “not less than”, “within” and “not more than” shall include the given figure; “beyond”, “below”, “more than” shall not include the given figure.</p>
<p>–</p>	<p>Article 238 The board of directors of the Company is responsible for the interpretation of the Articles of Association.</p>

Note: In addition to the above table, due to the addition, deletion, and reordering of articles in this amendment, the serial numbers of articles in the Articles of Association will be adjusted accordingly. If there is a change in the serial numbers of articles in the original Articles of Association with cross-references, the amended Articles of Association will be changed accordingly.

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.

**APPENDIX IV AMENDMENTS TO THE “RULES OF PROCEDURE
OF THE GENERAL MEETING OF SHAREHOLDERS”**

**THE COMPARISON TABLE OF AMENDMENTS TO THE RULES OF PROCEDURE
OF THE GENERAL MEETING OF SHAREHOLDERS**

Original text of the Rules of Procedure of the General Meeting of Shareholders	Text of the Rules of Procedure of the General Meeting of Shareholders after the proposed amendments
<p>Article 10 Where the supervisory 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 dispatched office of CSRC at the locality of the Company and the stock exchange.</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 Supervisory Committee or the convening shareholder shall submit relevant evidence to the dispatched office of CSRC at the locality of the Company and the stock exchange upon the issuance of the notice of general meeting and the announcement of the resolutions of the general meeting.</p>	<p>Article 10 Where the supervisory 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 dispatched office of CSRC at the locality of the Company and the stock exchange.</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 Supervisory Committee or the convening shareholder shall submit relevant evidence to the dispatched office of CSRC at the locality of the Company and the stock exchange upon the issuance of the notice of general meeting and the announcement of the resolutions of the general meeting.</p>
<p>Article 15 The convener(s) shall notify each shareholder in the form of announcement 20 days prior to an annual general meeting; shall notify each shareholder in the form of announcement 15 days or 10 business days (whichever is longer) prior to an extraordinary general meeting.</p>	<p>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 2120 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 or 10 business days (whichever is longer) prior to an extraordinary general meeting.</p> <p>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.</p>

**APPENDIX IV AMENDMENTS TO THE “RULES OF PROCEDURE
OF THE GENERAL MEETING OF SHAREHOLDERS”**

<p style="text-align: center;">Original text of the Rules of Procedure of the General Meeting of Shareholders</p>	<p style="text-align: center;">Text of the Rules of Procedure of the General Meeting of Shareholders after the proposed amendments</p>
<p>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 to make convenience for shareholders’ participation in the general meeting. If shareholders participate in the general meeting of shareholders through the foregoing means, such shareholders shall be deemed to have been present at the meeting.</p> <p>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.</p>	<p>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. In addition, safe, economical and convenient network and other means of communication shall be adopted to make convenience for shareholders’ participation in the general meeting. If shareholders participate in the general meeting of shareholders through the foregoing means, such shareholders shall be deemed to have been present at the meeting.</p> <p>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.</p>
<p>Article 21 If the General Meeting of Shareholders is held through internet or other means of communication, the notice of the General Meeting of Shareholders shall expressly indicate time and procedure of voting through internet or other means of communication.</p> <p>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.</p>	<p>Article 21 If the General Meeting of Shareholders is held through internet or other means of communication, the The notice of the General Meeting of Shareholders shall expressly indicate time and procedure of voting through internet or other means of communication.</p> <p>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.</p>

**APPENDIX IV AMENDMENTS TO THE “RULES OF PROCEDURE
OF THE GENERAL MEETING OF SHAREHOLDERS”**

Original text of the Rules of Procedure of the General Meeting of Shareholders	Text of the Rules of Procedure of the General Meeting of Shareholders after the proposed amendments
<p>Article 27 The chairman of the Board shall invite the chairmen of the Audit Committee, Remuneration Committee, Nomination Committee and any other committees to attend. If the chairman of the relevant committee fails to attend, the chairman of the Board shall invite another member or his/her duly appointed representative to attend. Such person must answer questions at the general meeting.</p>	<p>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.</p>
<p>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.</p> <p>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.</p> <p>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.</p>	<p>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.</p> <p>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.</p> <p>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.</p>

Original text of the Rules of Procedure of the General Meeting of Shareholders	Text of the Rules of Procedure of the General Meeting of Shareholders after the proposed amendments
<p>The board of directors, independent directors and shareholders in conformity with related specified conditions 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. The Company shall not impose restriction on minimum shareholding proportion against solicitation of voting rights.</p>	<p>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.</p> <p>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 and shareholders in conformity with related specified conditions 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.</p>

**APPENDIX IV AMENDMENTS TO THE “RULES OF PROCEDURE
OF THE GENERAL MEETING OF SHAREHOLDERS”**

<p style="text-align: center;">Original text of the Rules of Procedure of the General Meeting of Shareholders</p>	<p style="text-align: center;">Text of the Rules of Procedure of the General Meeting of Shareholders after the proposed amendments</p>
<p>Article 35 When the General Meeting votes on the election of Directors and Supervisors, the accumulative voting system may be implemented according to the Articles of Association or the resolution of the General Meeting.</p> <p>The accumulative voting system as described in the previous paragraph means that when the General Meeting elects Directors or Supervisors, each Share shall have a voting right equal to the number of Directors and Supervisors to be elected, and Shareholders may collectively use their voting rights.</p>	<p>Article 35 When the General Meeting votes on the election of Directors and Supervisors, the accumulative voting system may be implemented according to the Articles of Association or the resolution of the General Meeting. Listed companies in which a single shareholder and his/her concert parties are interested in thirty percent or more of the shares shall adopt the accumulative voting system.</p> <p>The accumulative voting system as described in the previous paragraph means that when the General Meeting elects Directors or Supervisors, each Share shall have a voting right equal to the number of Directors and Supervisors to be elected, and Shareholders may collectively use their voting rights.</p>
<p>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.</p> <p>When the general meeting votes on proposals, lawyers, representatives of shareholders, representatives of supervisors, and auditors, the share registrar or an external accountant qualified to act as an auditor shall be jointly responsible for vote counting and polling scrutiny.</p> <p>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.</p>	<p>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.</p> <p>When the general meeting votes on proposals, lawyers, representatives of shareholders, representatives of supervisors, and auditors, the share registrar or an external accountant qualified to act as an auditor shall be jointly responsible for vote counting and polling scrutiny. 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.</p> <p>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.</p>

**APPENDIX IV AMENDMENTS TO THE “RULES OF PROCEDURE
OF THE GENERAL MEETING OF SHAREHOLDERS”**

<p style="text-align: center;">Original text of the Rules of Procedure of the General Meeting of Shareholders</p>	<p style="text-align: center;">Text of the Rules of Procedure of the General Meeting of Shareholders after the proposed amendments</p>
<p>Article 50 The announcement or notice mentioned in these rules of procedure refers to the publication of relevant information disclosure contents on the newspapers designated by the CSRC. In the event that the text of an announcement or notice is too long, the Company may disclose summary of relevant information on the press designated by the CSRC, but full text shall be announced on the website designated by the CSRC.</p> <p>Supplementary notice of the shareholders’ meeting referred to in these rules of procedure shall be announced on the same designated press on which the notice of the meeting is published.</p>	<p>Article 50 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.</p> <p>The announcement or notice mentioned in these rules of procedure refers to the publication of relevant information disclosure contents on the newspapers designated by the CSRC. In the event that the text of an announcement or notice is too long, the Company may disclose summary of relevant information on the press designated by the China Securities Regulatory Commission, but full text shall be announced on the website designated by the China Securities Regulatory Commission.</p> <p>Supplementary notice of the shareholders’ meeting referred to in these rules of procedure shall be announced on the same designated press on which the notice of the meeting is published.</p>

Biographical Details of the Independent Non-executive Director Candidate

Chen Junping, Chinese nationality, female, aged 59, holds a doctorate in accounting from the China Academy of Fiscal Sciences. Ms. Chen Junping was formerly the director of the Financial Management Teaching and Research Room of the Finance Department of the Central Finance Management Cadre College, an associate professor and a master's degree tutor of the Finance Department of the Central University of Finance and Economics, and an associate professor and a master's degree tutor of the School of Accounting of the Central University of Finance and Economics. Currently, she is a professor and a master's degree tutor at the School of Accounting of Central University of Finance and Economics. The proposed term of office is from the date of consideration and approval at the AGM to the date of the 2025 annual general meeting.

As at the Latest Practicable Date, Ms. Chen Junping has confirmed that (i) she meets the independence guidelines as set out in Rule 3.13 of the Listing Rules; (ii) she does not have any past or present financial or other interest in the business of the Company or its subsidiaries, nor is she related to any core connected person (as defined under the Listing Rules) of the Company; and (iii) there are no other factors that may affect her independence at the time of her appointment. Having considered all of the above, the Board is also of the view that Ms. Chen Junping meets the independence guidelines set out in Rule 3.13 of the Listing Rules and is independent in accordance with the terms of the guidelines.

As at the Latest Practicable Date, save as disclosed above, Ms. Chen Junping had confirmed that: (i) she did not hold directorship or supervisorship in public companies of which the securities are listed on any securities market in Hong Kong or overseas in the last three years, nor did she hold any position in the Company or any other member companies of the Group; (ii) she did not have any relationship with any Director, Supervisor, senior management member or substantial shareholder or controlling shareholder (as defined under the Listing Rules) of the Company; (iii) she did not have any interest in the Shares of the Company within the meaning under Part XV of the SFO; (iv) she did not have any interest or short positions in the shares, underlying shares and debentures of the Company according to the register maintained pursuant to section 352 of the SFO; and (v) there is no other information required to be disclosed pursuant to any of the requirements under Rule 13.51(2) of the Listing Rules, nor is there any other matters in relation to her appointment that need to be brought to the attention of the Shareholders.

NOTICE OF AGM



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 2023

NOTICE IS HEREBY GIVEN that the annual general meeting of 2023 (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 Thursday, 27 June 2024 at 9:30 a.m. for the purpose of considering and, if thought fit, with or without modifications, passing the following resolutions. 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 28 May 2024 (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 2023;
2. To consider the 2023 work report of the board of directors of the Company;
3. To consider the 2023 work report of the supervisory committee of the Company;
4. To consider the 2023 audited financial reports of the Company;
5. To consider the internal control audit report in the 2023 annual financial report of the Company;
6. To consider the 2023 work report of the independent non-executive directors of the Company;
7. To consider the appointment of WUYIGE Certified Public Accountants LLP as the auditor for the Company's 2024 financial report and 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;

NOTICE OF AGM

8. To consider the resolution of the Company not to distribute any profit for the year of 2023;
12. To consider the resolution in relation to the remuneration of and the entering into of the written contract with the independent non-executive director of the eleventh session of the board of directors of the Company;
- 13.00. To consider the resolution in relation to the change of independent non-executive directors of the eleventh session of the board of directors of the Company;
- 13.01. To consider the election of Ms. Chen Junping as an independent non-executive director of the eleventh session of the board of directors of the Company;

Special Resolutions

9. 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;
10. To consider the resolution in relation to the proposed amendments to the “Articles of Association”; and
11. To consider the resolution in relation to the proposed amendments to the “Rules of Procedure of the General Meeting of Shareholders”.

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 shareholders of the Company at the close of market on 18 June 2024 shall have the right to attend the AGM after complying with the necessary registration procedures.

The register of shareholders of the Company will be closed from 19 June 2024 to 27 June 2024 (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 18 June 2024.

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. If a proxy is appointed 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.

NOTICE OF AGM

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: 010-87707288
Fax: 010-87707291
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.
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
28 May 2024

As at the date of this notice, the Board comprises 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, and Mr. Xiong Jianhui, Mr. Zhao Xuguang, Mr. Liu Jingtai and Mr. Luan Dalong as independent non-executive directors.