

Rules of Procedure of the General Meeting of Shareholders
of Beijing Jingcheng Machinery Electric Company Limited

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

Chapter 1 General Provisions

Article 1 With a view to regulating the acts of the Company and ensuring the General Meeting lawfully exercises its functions, the Rules of Procedure are established in accordance with the *Company Law of the People's Public of China* (hereinafter referred to as the "Company Law") and the *Securities Law of the People's Public of China* (herein after referred to as the "Securities Law").

Article 2 The Company shall hold General Meetings strictly in accordance with the laws, administrative regulations, these Rules of Procedure and *the Company's Articles of Association* so as to ensure shareholders being able to lawfully exercise their rights.

The Board of Directors of the Company shall duly perform its duties and organize General Meetings as scheduled. All the directors of the Company shall be diligent and responsible so as to ensure that General Meetings are held normally and exercise their functions on a legal basis.

Article 3 The General Meeting shall perform its functions to the extent as provided by the *Company Law and the Company's Articles of Association*.

Article 4 General Meetings may be either annual or extraordinary. The annual General Meeting shall be held once a year within six months after the closing of the previous accounting year. The extraordinary General Meeting may be held from time to time and shall be held within two months where any of circumstances as set forth in the Section 101 of *the Company Law* for holding such a meeting occurs.

In case that the Company is unable to hold a General Meeting within the aforesaid time frame, it shall be reported and explained to the local office of the China Securities Regulatory Commission ("CSRC") in the region where the

Company operates and the stock exchange where its stock is traded (hereinafter referred to as the "stock exchange"), and make an announcement.

Article 5 When holding a General Meeting, the Company shall engage lawyers to advise on the following matters and make an announcement:

- (i) Whether the procedures for convening and holding the meeting are compliant with the laws, administrative regulations, these *Rules of Procedure and the Company's Articles of Association*;
- (ii) Whether the qualifications of the attendees and the conveners are lawful and valid;
- (iii) Whether the voting procedures and results of the meeting are lawful and valid; and
- (iv) Other relevant matters at the request of the Company.

Chapter 2 Convening of General Meetings

Article 6 The Board of Directors shall convene General Meetings within the time frame as prescribed in Article 4 hereof.

Article 7 Independent non-executive directors shall be entitled to make a proposal to the Board of Directors on holding an extraordinary General Meeting. For such a proposal, the Board of Directors shall give a written reply on whether to agree or not to hold such meeting within ten days upon receipt of the proposal in accordance with the laws, administrative regulations, these *Rules of Procedure and the Company's Articles of Association*.

Where the Board of Directors agrees to hold such a meeting, a notice of General Meeting shall be given within five days after the resolution of the Board of Directors is made. Where the Board of Directors does not agree to hold such a meeting, its reasons shall be given and an announcement be made.

Article 8 The Board of Supervisors shall be entitled to make a proposal to the Board of Directors on holding an extraordinary General Meeting and shall make such a proposal in written form. The Board of Directors shall give a written reply on whether to agree or not to hold such meeting within ten days upon receipt of the proposal in accordance with the laws, administrative regulations, these *Rules of Procedure* and *the Company's Articles of Association*.

Where the Board of Directors agrees to hold such meeting, a notice of General Meeting shall be given within five days after the resolution of the Board of Directors is made. Any change to the original proposal in the notice shall be subject to the approval from the Board of Supervisors.

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

Article 9 Where shareholders request to hold an extraordinary General Meeting or class meeting, the following procedures shall be followed:

(i) Two or more shareholders who collectively hold 10% or more of the voting shares at the proposed meeting may make a proposal to the Board of Directors on holding an extraordinary General Meeting or class meeting by signing one or several written requests with same content in same format and define the meeting agenda. The Board of Directors shall convene such meeting as soon as possible upon receipt of the aforesaid written request. The aforesaid number of shares held shall be calculated as of the date when the written request was put forward by the shareholders.

(ii) In case that the Board of Directors fails to give a notice of convening such meeting within thirty days after receipt of the aforesaid written request, the shareholders who put forward the request may convene such a meeting within

four months after receipt of the request by the Board of Directors, and the procedures shall be the same as those for convening a General Meeting by the Board of Directors where possible.

The expenses reasonably incurred by shareholders in convening and holding such a meeting for the Board of Directors fails to hold such a meeting on the aforesaid request shall be borne out by the Company and shall be deducted from any payment due by the Company to breaching directors.

Article 10 Where the Board of Supervisors or shareholders decide to convene a General Meeting, it/they shall give a written notice to the Board of Directors and shall report it to the local office of the CSRC in the region where the Company operates and the stock exchange for record.

Prior to the announcement of the resolution of the General Meeting, the shareholding by the shareholders who convene the meeting shall be not less than 10%.

The Board of Supervisors or shareholders who convene the meeting shall submit relevant certification materials to the local office of the CSRC in the region where the Company operates and the stock exchange, while sending out a notice of General Meeting and making the announcement of the resolution of the General Meeting.

Article 11 With respect to a General Meeting convened by the Board of Supervisors or shareholders, the Board of Directors and the Secretary of the Board shall give cooperation. Where the Board of Directors fails to offer the members registration list on the equity registration date, the convener(s) may apply to the securities registration and clearing institution for such a registration list by resorting to the announcement relating to the notice of convening the General Meeting. The members' registration list offered to the convener(s) shall not be used for other purposes, except for the General Meeting.

Article 12 The expenses required for a General Meeting convened by the Board of Supervisors or shareholders shall be borne out by the Company.

Chapter 3 Proposals and Notification of General Meetings

Article 13 The content of a proposal shall be determined by General Meeting, which shall have definite topics to be discussed and specific matters for resolution and shall be in line with the laws, administrative regulations and *the Company's Articles of Association*.

Article 14 Shareholders that independently or collectively hold 3% or more of shares in the Company may make a temporary proposal and submit it to the convener(s) in written form ten days prior to a General Meeting. The convener(s) shall give a supplementary notice of General Meeting to announce the content of the temporary proposal within two days upon receipt of the proposal.

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

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

Article 15 The convener(s) shall notify all the shareholders in the form of announcement forty-five days prior to a General Meeting.

Article 16 Details of all proposals as well as all of information or explanations required for shareholders to make sound judgment of the matters to be discussed shall be disclosed on a full and complete basis in the notice and supplementary notice of General Meeting. Where opinions from independent

non-executive directors are required on any matters to be discussed, such opinions and reasons from independent non-executive directors shall be disclosed, while a notice or supplementary notice of General Meeting is given.

Article 17 Where the election of directors or supervisors is proposed to be discussed at a General Meeting, the detailed information about the candidates for directors or supervisors shall be disclosed in the notice of General Meeting, including:

- (i) Personal information such as educational background, employment experience and concurrent positions;
- (ii) Whether he/she has any related relationship with the Company or its controlling shareholders or actual controllers;
- (iii) The number of shares held in the Company; and
- (iv) Whether he/she has been punished by the CSRC, other authorities or the stock change.

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

Article 18 A notice of General Meeting shall indicate the date, time and place of the meeting and specify the equity registration date. Once confirmed, the equity registration date shall not be altered.

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

Chapter 4 Holding of General Meetings

Article 20 The Company shall hold General Meetings at Jingcheng Holding Mansion, No. 59 Dongsanhuan Road Central, Chaoyang District, Beijing, the PRC.

A General Meeting shall be held at a meeting place in the form of on-the-spot meeting. The Company may enable shareholders to have access to the General Meeting by using safe, economic and convenient network or any other means. The shareholders that have participated in the meeting through access of any aforesaid means shall be deemed as having attended the meeting.

A shareholder may attend a General Meeting in person and exercise his voting right, or may entrust other person to attend the meeting and exercise the voting right to the extent of the authorization given.

Article 21 Where a General Meeting is held online or by any other means, the notice of General Meeting shall specify the time and procedures of the voting online or by any other means.

The voting online or by any other means shall be started not earlier than 3:00pm on the day before the on-the-spot General Meeting is held and not later than 9:30am on the day when the on-the-spot General Meeting is held, and shall be concluded not earlier than 3:00pm on the day when the on-the-spot General Meeting ends.

Article 22 The Board of Directors and other convener(s) shall take necessary measures to ensure the smooth running of the General Meeting, including measures taken to deter any acts of intervening in the General Meeting, picking quarrels, provoking troubles and infringing of legal rights and interests of shareholders, and shall report them to the authorities for investigation and punishment on a timely basis.

Article 23 All the shareholders or their proxies registered on the equity registration date shall be entitled to attend a General Meeting, and the Company or the convener(s) shall not refuse them for whatever reasons.

Article 24 A shareholder shall attend a General Meeting upon the strength of his stock account card, identity card or any other valid certificates or proof that can show his identity.

Article 25 The convener(s) and lawyers shall jointly verify the validity of shareholders' qualifications based on the members registration list offered by the securities registration and clearing institution, and shall register names of shareholders and the number of voting shares they hold. The registration for the meeting shall be terminated before the presider of the meeting announces the number of shareholders and proxies present at the meeting as well as the total number of voting shares they hold.

Article 26 Where the Company holds a General Meeting, all the directors, supervisors and the Secretary of the Board shall attend the meeting, and managers and other executives shall be present at the meeting as non-voting attendees.

Article 27 A General Meeting shall be presided over by Chairman of the Board of Directors. Where Chairman of the Board of Directors is unable or fails to perform the duty, the meeting shall be presided over by Vice Chairman of the Board of Directors. Where Vice Chairman of the Board of Directors is unable or fails to perform his duties, the meeting shall be presided over by a director jointly elected by a simple majority of the directors.

A General Meeting convened by the Board of Supervisors shall be presided over by Chairman of the Board of Supervisors. Where Chairman of the Board of Supervisors is unable or fails to perform the duty, the meeting shall be

presided over by a supervisor jointly elected by a simple majority of the supervisors.

A General Meeting convened by shareholders shall be presided over by one representative appointed by conveners.

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

Article 28 At an annual General Meeting, the Boards of Directors and Supervisors as well as each independent non-executive director shall report their work in the past year, respectively.

Article 29 Directors, supervisors and senior managers shall provide explanation about inquiries by shareholders at a General Meeting.

Article 30 The presider of the meeting shall, prior to voting, announce the number of shareholders and proxies present at the meeting as well as the total number of voting shares they hold, which shall be that as indicated in the meeting's register.

Article 31 In case any shareholder is involved in any matter to be reviewed at the General Meeting, he shall avoid the voting process, and the voting shares he holds shall not be included in the total number of voting shares held by shareholders present at the meeting.

The Company has no voting right for the shares it holds, and these shares shall not be included in the total number of voting shares held by shareholders present at the meeting.

Article 32 When the General Meeting votes for election of directors or supervisors, the cumulative voting system may be adopted according to the Company's Articles of Association or the Resolution of the General Meeting.

The "cumulative voting system" as referred to in the preceding paragraph means that when a General Meeting elects directors or supervisors, each share shall carry the same number of voting right as the number of directors or supervisors to be elected, and the voting rights owned by shareholders may be cumulatively used.

Article 33 Except for the cumulative voting system, the General Meeting shall vote on all proposals item by item, and shall vote on the basis of time sequence in case that more than one proposal which is for one matter are received. The General Meeting shall not shelve or take no votes on any proposal, unless the meeting is adjourned or unable to make any resolution due to any special reasons, e.g., force majeure.

Article 34 When reviewing any proposal, the General Meeting shall make no change to the proposal; otherwise, the relevant alteration shall be deemed as a new proposal and shall not be voted at the current General Meeting.

Article 35 Any voting right may be exercised through only one means: on site, online or any other means. The first voting result shall prevail where one voting right is repeatedly exercised.

Article 36 Shareholders attending the General Meeting shall vote "Yes", "No" or "Abstain" on each proposal presented.

A blank that is blank, improperly marked or not voted shall be considered as an abstention by the voter, and the voting result of the shares held by the voter shall be deemed "Abstain".

Article 37 The General Meeting shall, prior to the voting on any proposal, elect two representatives from shareholders to take part in vote counting and polling scrutiny. In case any shareholder is involved in any matter to be reviewed, the shareholder and his proxy shall not take part in vote counting and polling scrutiny.

When the General Meeting votes on any proposals, lawyers, representatives of shareholders and supervisors, auditors, and/or the share registrar shall be jointly responsible for vote counting and polling scrutiny.

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

Article 38 The on-the-spot General Meeting shall not end earlier than the end of the meeting held online or by any other means, and the presider of the meeting shall announce the voting results on each proposal at the on-the-spot meeting and whether the proposal is adopted based on the voting results.

All parties involved in the voting on the spot, online or by any other means at the General Meeting, including the Company, vote counters, scrutineers, major shareholders and network service providers, shall be obliged to keep confidential the voting before the voting results are formally announced.

Article 39 Any resolution of the General Meeting shall be announced in a timely manner, and such an announcement shall indicate the number of shareholders and proxies present at the meeting, the total number of voting shares they hold and its proportion to the total voting shares of the Company, the means of voting, the voting results of each proposal as well as the details of each resolution adopted.

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

Article 40 In the event a proposal is not adopted, or the General Meeting makes any modification to any resolution adopted at the previous meeting, a specific indication shall be made in the announcement on resolutions of the General Meeting.

Article 41 Minutes of a General Meeting shall be taken by the Secretary of the Board of Directors and include:

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

Such minutes shall be signed by directors present, the Secretary of the Board of Directors, the convener(s) or his/their representative and the presider of the meeting, which shall be true, accurate and complete. The minutes shall be kept together with the signed register of shareholders in attendance, the powers of attorney of shareholders who attend by proxy and the effective materials on voting online and by any other means for at least ten years.

Article 42 The convener(s) shall ensure the General Meeting goes on smoothly until final resolutions are made. Where the General Meeting is adjourned or

unable to make any resolution due to any special reasons, e.g., force majeure, necessary measures shall be taken to resume or terminate the meeting as soon as possible, and an announcement shall be made in a timely manner. And the convener(s) shall report it to the local office of the CSRC in the region where the Company operates and the stock exchange.

Article 43 Where any proposal on the election of directors or supervisors is adopted at the General Meeting, new directors or supervisors shall take their posts in accordance with the Company's Articles of Association.

Article 44 Where any proposal on cash dividends, bonus shares or capital surplus into share capital is adopted at the General Meeting, the Company shall implement the specific scheme within two months upon the conclusion of the General Meeting.

Article 45 Any resolution of the General Meeting of the Company that is inconsistent with the laws or administrative regulations shall be invalid.

Where any of the procedures for convening a General Meeting or the means of voting is inconsistent with the laws, administrative regulations or the Company's Articles of Association, or the content of any resolution is inconsistent with the Company's Articles of Association, shareholders may request the people's court to cancel such resolution within sixty days from the date on which the resolution is made.

Chapter 5 Addendum

Article 46 The "announcement" or "notice" as referred to herein shall mean information disclosure published on the newspapers designated by the CSRC. In case that such announcement or notice is too long, the Company may disclose a summary thereof on the newspapers designated by the CSRC,

provided that the full text thereof shall be posted on the website designated by the CSRC.

The "supplementary notice of General Meeting" as referred to herein shall be announced on the designated newspaper where the notice of the meeting is published.

Article 47 The terms "or more" or "within" herein shall include the given figure, while "over", "less than" or "more than" shall not include the given figure.

Article 48 The Rules of Procedure shall be established by the Board of Directors and shall subject to the approval from the General Meeting. The same thing shall apply in case of modification.

Article 49 The Rules of Procedure shall be construed and interpreted by the Board of Directors.