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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)

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In order to effectively protect the legal interests of small and medium investors, establish a sound corporate management system as well as regulate and optimize the corporate governance structure, after taking the actual situation of Beijing Jingcheng Machinery Electric Company Limited (the “Company”) in consideration and in accordance with the Letter of Proposal for Shareholders issued by China Securities Investor Services Center, the resolution in relation to the amendments to the Articles of Association of the Company was considered and approved at the fourth meeting of the ninth session of the board of directors of the Company (the “Board”), and the resolution shall be submitted to general meeting for shareholders’ approval. The Board proposes to amend the Articles of Association. The comparison table of amendments to the Articles of Association is as follows:

No.	Original text of the Articles of Association	Proposed amendments to the Articles of Association
1	Chapter 1 Article 1 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 Business License for Legal Person, and the license number is: 110000005015956.	Chapter 1 Article 1 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 Business License for Legal Person, and the unified social credit code of the Company is: 91110000101717457X.

2	<p>Chapter 9 Article 72</p> <p>The shareholders present at a general meeting shall express one of the following opinions on the proposed resolutions that are put to a vote: consent, opposition or abstention, except that securities registration and settlement institutions, being the nominal holders of shares subject to Shanghai-Hong Kong Stock Connect, may express opinions according to the intentions of actual holders.</p>	<p>Chapter 9 Article 72</p> <p>The shareholders present at a general meeting shall express one of the following opinions on the proposed resolutions that are put to a vote: consent, opposition or abstention, except that securities registration and settlement institutions, being the nominal holders of shares subject to Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, may express opinions according to the intentions of actual holders.</p>
3	<p>Chapter 9 Article 81</p> <p>For a matter relating to the election of directors and supervisors is proposed to be discussed at the general meeting, the notice of the meeting shall fully disclose the detailed information of the candidates for directors and supervisors, which should at least include the following: (1) personal information such as educational background, working experience, and any part-time job; (2) whether there is any connected relationship between them and the Company or its controlling shareholder(s) or beneficial owner(s); (3) disclosure the number of their shareholdings in the Company; (4) whether or not they have been subject to any punishment by China Securities Regulatory Commission or other related authorities or stock exchanges. In addition to adopting the accumulative voting system to elect directors and supervisors, each of the candidates for directors or supervisors shall be proposed in a separate motion.</p>	<p>Deleted in its entirety</p>
		<p><i>The subsequent articles will be renumbered accordingly.</i></p>

<p>4</p>	<p>Chapter 17 Article 231</p> <p>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, submit such to the general meeting with network voting method accessible to shareholders for consideration after independent directors express their opinions thereon and disclose the same in the designated media of the Company.</p>	<p>Chapter 17 Article 230</p> <p>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 229, the board of directors shall explain the specific reasons for not distributing cash dividends, the exact purpose for the retained profit and the estimated investment return, and submit such to the general meeting for consideration after independent directors express their opinions thereon.</p> <p>In considering the profit distribution plan at the general meeting, the Company shall communicate and exchange information with the shareholders, especially the small and medium shareholders, through hotlines and other related channels, take into full account their opinions and requests, and answer questions concerned by the small and medium shareholders in a timely manner. The Company shall make network voting method accessible to shareholders. The votes of the small and medium shareholders should be counted separately, and the poll results should be disclosed in the designated media of the Company.</p>
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<p>Alteration of the Company's profit distribution policy:</p> <p>In case of war, natural disasters and other force majeure, or changes to the Company's external operational environment resulting in material impact on its production and operation, or relatively significant changes to the Company's operational position, the Company may adjust its profit distribution policy.</p> <p>The board of directors shall conduct specific discussion over adjustment to the Company's profit distribution policy, provide detailed reasons for such adjustment, provide a written report to be considered by independent directors, and then submit to the general meeting for approval by way of a special resolution. In considering alterations to the profit distribution policy, the Company shall make network voting method accessible to shareholders.</p>	<p>Alteration of the Company's profit distribution policy:</p> <p>In case of war, natural disasters and other force majeure, or changes to the Company's external operational environment resulting in material impact on its production and operation, or relatively significant changes to the Company's operational position, the Company may adjust its profit distribution policy.</p> <p>The board of directors shall conduct specific discussion over adjustment to the Company's profit distribution policy, provide detailed reasons for such adjustment, provide a written report to be considered by independent directors, and then submit to the general meeting for approval by way of a special resolution. In considering alterations to the profit distribution policy, the Company shall make network voting method accessible to shareholders to provide convenience for the small and medium shareholders for attending the shareholders' meeting and the votes of the small and medium shareholders should be counted separately.</p>
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Save for the above amendments, other provisions of the Articles of Association remained unchanged.

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

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

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

Beijing, the PRC
26 April 2018

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