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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 further optimize the governance structure of Beijing Jingcheng Machinery Electric Company Limited (the “**Company**”), fully implement the spirit of the the Party Building Work Conference of National State-owned Enterprises and General Secretary Xi Jinping’s important speech, improve the Company’s corporate governance under the centralized leadership of the Party, construct a modern state-owned corporate system with Chinese Characteristics as well as clarify the statutory status of the Party in the corporate governance structure of the Company, after taking into account the actual situation of the Company and in accordance with the requirements of the “Company Law” of the People’s Republic of China and the”Notice of Accelerating the Inclusion of General Provisions into the Articles of Association of Central Level State-Owned Enterprises for Party Building” (Guo Zi Dang Wei Dang Jian [2017] No. 1) (《關於加快推進中央企業黨建工作總體要求納入公司章程有關事項的通知》(國資委黨建(2017)1 號)) and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the resolution in relation to the amendments to the Articles of Association of the Company was considered and approved at the seventh meeting of the ninth session of the board of directors of the Company (the “**Board**”) where articles relating to establishment of vice-chairman of the

Company are also proposed to be amended 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	<p>Article 2</p> <p>These Articles of Association are formulated in accordance with the <i>Company Law</i>, <i>Securities Law of the People's Republic of China (the "Securities Law")</i>, <i>Special Regulations and Mandatory Provisions for Articles of Associations of Companies Listed Overseas (the Mandatory Provisions)</i> 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</p> <p>These Articles of Association are formulated in accordance with the <i>Company Law</i>, <i>Securities Law of the People's Republic of China (the "Securities Law")</i>, "<i>Constitution of the Communist Party of China</i>" (<i>the "Constitution"</i>), <i>Special Regulations and Mandatory Provisions for Articles of Associations of Companies Listed Overseas (the Mandatory Provisions)</i> 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>
2	<p>Article 10</p> <p>The Company's Articles of Association are binding upon the Company and its shareholders, directors, supervisors, managers and other senior officers, the fore-mentioned may, according to the Company's Articles of Association, assert rights in respect of the affairs of the Company.</p> <p>...</p>	<p>Article 10</p> <p>The Company's Articles of Association are binding upon the Company and its shareholders, members of the Party Committee (Discipline Inspection Commission), directors, supervisors, managers and other senior officers, the fore-mentioned may, according to the Company's Articles of Association, assert rights in respect of the affairs of the Company.</p> <p>...</p>
3	Not Applicable	<p><i>Add the "Party Committee" in Chapter 11 of the Articles of Association, and the subsequent chapter numbers will be renumbered accordingly.</i></p>

The specific contents of the “ Party Committee” in Chapter 11 of the Articles of Association are set out below:

Article 142

According to requirements of the Constitution, the Company shall establish an organization under the Communist Party of China. The Party organization will play a core leadership and core political role, managing the general situation and ensuring the implementation. The Company shall establish the related working organs of the Party which shall be equipped with sufficient staff to provide the necessary conditions for the activities carried out by the Party Organization.

The Company established the Committee of the Communist Party of the PRC of Beijing Jingcheng Machinery Electric Company Limited (hereinafter referred to as the “Party Committee of the Company”) and the Discipline Inspection Commission of the Communist Party of the PRC of Beijing Jingcheng Machinery Electric Company Limited Disciplinary Inspection Committee (hereinafter referred to as the “Discipline Inspection Commission of the Company”). According to the laws and regulations of the PRC, the laws of the venues of listing or the relevant provisions of the stock exchanges, eligible members of the Party Committee of the Company may take seats in the board of directors, the supervisory committee and the senior management through statutory procedures, while eligible members of the board of directors, the supervisory committee and the senior management may take seats in the Party Committee of the Company in accordance with relevant rules and procedures.

		<p>Article 143</p> <p>The Party Committee of the Company shall perform the following duties in accordance with the internal regulations included in the Constitution:</p> <ol style="list-style-type: none"> (1) Guarantee and supervise the implementation of policies and guidelines of the Party and the State and key strategic deployment of higher-level Party organizations in the Company. (2) Insist on the integration of the principle that the Party manages the officials with the function of the Board in the lawful selection of the management and with the lawful exercise of authority of appointment, promotion and demotion of personnel by the management. During the election or appointment of senior management of the Company, the members of the Party Committee of the Company shall carefully consider, conduct investigations on the candidates to be appointed and collective research to raise opinions and suggestions. (3) Study and discuss reform, development and stability of the Company, material operation and management issues and material issues concerning employees' immediate interests, and propose opinions and suggestions thereon.
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		(4) Assume the primary responsibility to run the Party comprehensively with strict disciplines, lead the Company's ideological and political work, the United Front work, the cultural and ethical progress, corporate culture cultivation as well as the work of groups such as the Labor Union of the Company and the Communist Youth League, lead the construction of the Party's working style and its clean and honest administration, and support the Discipline Inspection Commission in earnestly performing its supervisory responsibilities.
4	Article 142 The board of directors is established to consist of 11 directors, 4 of which are independent non-executive directors. The board shall have 1 chairman and 1 vice-chairman.	Article 144 The board of directors is established to consist of 11 directors, 4 of which are independent non-executive directors. The board shall have 1 chairman.
5	Article 143 ... The chairman and the vice-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 and the vice-chairman is three years, which is renewable upon re-election. ...	Article 145 ... 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. ...
6	Article 150 ... The vice-chairman shall assist with the chairman's work, in event that the chairman is unable to or does not perform his powers, the vice-chairman may exercise such powers on the chairman's behalf. In case that the vice-chairman is unable to or does not perform his powers, a director named by more than half of the directors may perform such powers.	Article 152 ... In event that the chairman is unable to or does not perform his powers, a director named by more than half of the directors may perform such powers.

7	<p>Article 127</p> <p>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, the vice-chairman of the board of directors shall convene and chair the meeting. If both the chairman and vice-chairman of the board of directors are unable to attend the meeting, 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. 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>...</p>	<p>Article 127</p> <p>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. 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>...</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
25 March 2019

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.