
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)

- (1) CONTINUING CONNECTED TRANSACTIONS
RENEWED PRODUCT SALE AND PURCHASE FRAMEWORK AGREEMENT**
- (2) RESOLUTION IN RELATION TO THE REPURCHASE AND CANCELLATION
OF PART OF THE RESTRICTED A SHARES GRANTED
BUT SUBJECT TO LOCK-UP**
- (3) RESOLUTION IN RELATION TO THE CHANGE IN REGISTERED CAPITAL AND
THE PROPOSED AMENDMENTS
TO THE “ARTICLES OF ASSOCIATION”**
- (4) RESOLUTION IN RELATION TO THE REMUNERATION OF NON-EXECUTIVE
DIRECTORS OF THE ELEVENTH SESSION OF THE BOARD AND THE ENTERING
INTO OF WRITTEN CONTRACTS**
- (5) RESOLUTION IN RELATION TO THE CHANGE OF
NON-EXECUTIVE DIRECTORS OF THE ELEVENTH SESSION
OF THE BOARD OF THE COMPANY**
- NOTICE OF EGM
AND
NOTICE OF H SHARES CLASS MEETING**

**Independent Financial Adviser to the Independent Board Committee and
the Independent Shareholders**

VINCO  榮高

Vinco Financial Limited

A letter from the Board is set out on pages 5 to 25 of this circular and a letter from the Independent Board Committee, containing its advice and recommendations to the Independent Shareholders, is set out on pages 26 to 27 of this circular. A letter from Vinco Financial, the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders, is set out on pages 28 to 42 of this circular.

A notice convening the EGM to be held at the Conference Room of the Company at No. 6 Rong Chang East Street, Daxing District, Beijing, the PRC on 28 April 2025 at 9:30 a.m. is set out on pages EGM-1 to EGM-3 of this circular.

A notice convening the H Shares Class Meeting to be held at the Conference Room of the Company at No. 6 Rong Chang East Street, Daxing District, Beijing, the PRC on 28 April 2025 at 11:00 a.m. is set out on pages HCM-1 to HCM-3 of this circular.

Whether or not you intend to attend the above meetings, you are requested to complete the respective form of proxy for use at the above meetings 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 convention of the above meetings. The completion and return of the form of proxy will not preclude you from attending and voting in person at the above meetings or any adjournment thereof if you so wish.

3 April 2025

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DEFINITIONS

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

“A Share(s)”	ordinary shares of the Company with a nominal value of RMB1.00 each, which are issued in the PRC, subscribed for in RMB and listed on the SSE (stock code: 600860)
“A Shares Class Meeting”	the class meeting for holders of A Shares
“Articles of Association”	the articles of association of the Company as amended from time to time
“associate(s)”	has the meaning as ascribed to it under the Listing Rules
“Beijing Tianhai”	Beijing Tianhai Industry Co., Ltd.* (北京天海工業有限公司), a company established in the PRC and a wholly-owned subsidiary of the Company
“Beijing Tianhai Group”	Beijing Tianhai and its subsidiaries
“Board”	the board of Directors
“Class Meetings”	the class meeting for holders of A Shares and the class meeting for holders of H Shares
“Company”	Beijing Jingcheng Machinery Electric Company Limited (北京京城機電股份有限公司), 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
“connected person(s)”	has the meaning as ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Existing Product Sale and Purchase Framework Agreement”	the product sale and purchase framework agreement dated 16 August 2024 entered into between Beijing Tianhai and Shanghai Sunwise

DEFINITIONS

“EGM”	the extraordinary general meeting to be held by the Company on 28 April 2025 to consider and, if thought fit, approve, among other things, (i) the Renewed Product Sale and Purchase Framework Agreement (including the Proposed Annual Caps) and the Transactions; (ii) the repurchase and cancellation of part of the restricted A Shares granted but subject to lock-up; (iii) the change in registered capital and the proposed amendments to the “Articles of Association”; and (iv) the change of non-executive Directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“H Share(s)”	overseas listed foreign share(s) of the Company with a nominal value of RMB1.00 each, which are issued in Hong Kong, subscribed for in HK\$ and listed on the main board of the Stock Exchange (stock code: 00187)
“H Shares Class Meeting”	the class meeting for H Shareholders
“H Shareholder(s)”	the holder(s) of H Shares
“Independent Board Committee”	an independent Board committee comprising all independent non-executive Directors and formed to advise the Independent Shareholders on the Renewed Product Sale and Purchase Framework Agreement (including the Proposed Annual Caps) and the Transactions
“Independent Financial Adviser” or “Vinco Financial”	Vinco Financial Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, appointed by the Company as an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the Renewed Product Sale and Purchase Framework Agreement (including the Proposed Annual Caps) and the Transactions
“Independent Shareholder(s)”	Shareholder(s) other than Jingcheng Machinery Electric and its associates

DEFINITIONS

“Jingcheng Industrial Investment”	Beijing Jingcheng Machinery Electric Industrial Investment Co., Ltd.* (北京京城機電產業投資有限公司), a company established in the PRC and a wholly-owned subsidiary of Jingcheng Machinery Electric
“Jingcheng Machinery Electric”	Beijing Jingcheng Machinery Electric Holding Co., Ltd.* (北京京城機電控股有限責任公司), a company established in the PRC and the controlling shareholder of the Company
“Latest Practicable Date”	1 April 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“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 PRC and Taiwan
“Proposed Annual Caps”	the proposed annual caps for the transactions contemplated under the Renewed Product Sale and Purchase Framework Agreement (for the period from 1 January 2025 to 31 December 2027)
“Purchased Products”	the products to be purchased by the Beijing Tianhai Group from the Shanghai Sunwise Group pursuant to the Renewed Product Sale and Purchase Framework Agreement, mainly including system integration products, valves and other components, station equipment and other products
“Renewed Product Sale and Purchase Framework Agreement”	the product sale and purchase framework agreement dated 6 December 2024 entered into between Beijing Tianhai and Shanghai Sunwise
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shanghai Sunwise”	Shanghai Sunwise Energy Systems Co., Ltd.* (上海舜華新能源系統有限公司), a company established in the PRC and an associate of Jingcheng Machinery Electric
“Shanghai Sunwise Group”	Shanghai Sunwise and its subsidiaries and associates (as the case may be)

DEFINITIONS

“Shares”	the shares of the Company, including A Shares and H Shares unless otherwise specified
“Shareholder(s)”	the shareholders of the Company
“Sold Products”	the products to be sold by the Beijing Tianhai Group to the Shanghai Sunwise Group pursuant to the Renewed Product Sale and Purchase Framework Agreement, mainly including gas cylinders
“SSE”	the Shanghai Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary(ies)”	has the meaning as ascribed to it under the Listing Rules
“Transactions”	the transactions contemplated under the Renewed Product Sale and Purchase Framework Agreement
“%”	per cent.

* *For identification purposes only*

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 Director:

Mr. Zhang Jiheng

Non-executive Directors:

Mr. Li Junjie

Mr. Zhou Yongjun

Mr. Man Huiyong

Ms. Li Chunzhi

Registered office:

Room 901, No. 59 Mansion,
Dongsanhuan Road Central,
Chaoyang District,
Beijing,
PRC

Independent non-executive Directors:

Ms. Chen Junping

Mr. Zhao Xuguang

Mr. Liu Jingtai

Mr. Luan Dalong

3 April 2025

To the Shareholders

Dear Sir or Madam,

- (1) CONTINUING CONNECTED TRANSACTIONS
RENEWED PRODUCT SALE AND PURCHASE FRAMEWORK AGREEMENT**
- (2) RESOLUTION IN RELATION TO THE REPURCHASE AND CANCELLATION OF
PART OF THE RESTRICTED A SHARES GRANTED
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- (3) RESOLUTION IN RELATION TO THE CHANGE IN REGISTERED CAPITAL AND
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DIRECTORS OF THE ELEVENTH SESSION OF THE BOARD AND THE ENTERING
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- (5) RESOLUTION IN RELATION TO THE CHANGE OF
NON-EXECUTIVE DIRECTORS OF THE ELEVENTH SESSION
OF THE BOARD OF THE COMPANY
NOTICE OF EGM
AND
NOTICE OF H SHARES CLASS MEETING**

LETTER FROM THE BOARD

1. INTRODUCTION

Reference is made to the announcement of the Company dated 6 December 2024 in relation to the entering into of the continuing connected transactions under the Renewed Product Sale and Purchase Framework Agreement between Beijing Tianhai and Shanghai Sunwise, pursuant to which the Beijing Tianhai Group and the Shanghai Sunwise Group will purchase or sell hydrogen energy products from or to each other from time to time for a term of three years from 1 January 2025 to 31 December 2027.

Reference is also made to the announcement of the Company dated 27 February 2025 in relation to the repurchase and cancellation of part of the restricted A Shares granted but subject to lock-up.

Reference is also made to the announcements of the Company dated 30 October 2024 and 27 February 2025 in relation to the change in registered capital and the proposed amendments to the “Articles of Association”.

Reference is also made to the announcement of the Company dated 30 December 2024 in relation to the change of non-executive Directors of the eleventh session of the Board.

The purpose of this circular is to provide you with the following information and all the information necessary to enable you to make an informed decision on whether to vote for or against the proposed resolutions in relation to (i) matters relating to the entering into of the Renewed Product Sale and Purchase Framework Agreement; (ii) the repurchase and cancellation of part of the restricted A Shares granted but subject to lock-up; (iii) the change in registered capital and the proposed amendments to the “Articles of Association”; and (iv) matters relating to the change of non-executive Directors of the eleventh session of the Board and the entering into of written contracts at the EGM, and/or to vote for or against the proposed resolutions in relation to the repurchase and cancellation of part of the restricted A Shares granted but subject to lock-up at the H Shares Class Meeting:

- (i) a letter from the Board containing further details of the Renewed Product Sale and Purchase Framework Agreement and the Proposed Annual Caps, the repurchase and cancellation of part of the restricted A Shares granted but subject to lock-up, the change in registered capital and the proposed amendments to the “Articles of Association”, and the change of non-executive Directors of the eleventh session of the Board and the entering into of written contracts;
- (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Transactions and the adoption of the Proposed Annual Caps;
- (iii) a letter of recommendation from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Transactions and the adoption of the Proposed Annual Caps;

LETTER FROM THE BOARD

- (iv) a notice convening the EGM at which (i) ordinary resolutions will be proposed to consider and, if thought fit, approve, among other things, the Renewed Product Sale and Purchase Framework Agreement (including the Proposed Annual Caps) and the Transactions, the remuneration of and the entering into of written contracts by non-executive Directors of the eleventh session of the Board, and the change of non-executive Directors of the eleventh session of the Board of the Company; and (ii) special resolutions will be proposed to consider and, if thought fit, approve, among other things, the repurchase and cancellation of part of the restricted A Shares granted but subject to lock-up, and the change in the registered capital of the Company and the proposed amendments to the “Articles of Association”;
- (v) a notice convening the H Shares Class Meeting at which a special resolution will be proposed to consider and, if thought fit, approve, among other things, the repurchase and cancellation of part of the restricted A Shares granted but subject to lock-up; and
- (vi) such other information as may be required under the Listing Rules.

2. RENEWED PRODUCT SALE AND PURCHASE FRAMEWORK AGREEMENT

The principal terms of the Renewed Product Sale and Purchase Framework Agreement are set out below:

- Date** : 6 December 2024
- Parties** : (1) Beijing Tianhai (a wholly-owned subsidiary of the Company)
(2) Shanghai Sunwise
- Term** : From 1 January 2025 to 31 December 2027
- Subject matter** : The Beijing Tianhai Group and the Shanghai Sunwise Group shall purchase or sell hydrogen energy products (including gas cylinders and system integration products, valves and other components, station equipment and other products) from or to each other from time to time. Such products are manufactured by the Beijing Tianhai Group and the Shanghai Sunwise Group.

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Pursuant to the Renewed Product Sale and Purchase Framework Agreement, the products to be purchased by the Beijing Tianhai Group from the Shanghai Sunwise Group mainly include system integration products, valves and other components, station equipment and other products. On the other hand, the products to be sold by the Beijing Tianhai Group to the Shanghai Sunwise Group mainly include gas cylinders. There is no overlapping of products to be purchased and sold by the Beijing Tianhai Group.

Price and payment terms : The prices of the hydrogen energy products to be supplied by the Beijing Tianhai Group and the Shanghai Sunwise Group will be determined in accordance with individual product sale and purchase agreements entered into by the parties. The parties will enter into separate sale and purchase agreements based on specific project requirements, in which the specifications, quantities, prices, payment terms, delivery terms and other terms will be specified.

The Purchased Products

The fee payable by the Beijing Tianhai Group to the Shanghai Sunwise Group will be determined in accordance with normal commercial terms with reference to the market price in the PRC, while the actual amount will be determined by the Beijing Tianhai Group and the Shanghai Sunwise Group through negotiations.

Specifically, the fee payable by the Beijing Tianhai Group to the Shanghai Sunwise Group will be determined by the following: (i) quotations via bidding and competitive bidding or inquiry; or (ii) by reference to the market price charged for products of same category provided by two to three independent third party suppliers. The Shanghai Sunwise Group will provide the products of same category to the Beijing Tianhai Group on terms and conditions no less favourable than those offered to independent third parties.

LETTER FROM THE BOARD

Payment for the purchase of hydrogen energy products by the Beijing Tianhai Group from the Shanghai Sunwise Group will be settled by bank telegraphic transfer or other means upon receipt of the relevant products by the Beijing Tianhai Group.

The Beijing Tianhai Group will pay the fee payable to the Shanghai Sunwise Group for the Purchased Products with its own funds.

Before the Beijing Tianhai Group enters into individual product sale and purchase agreements pursuant to the Renewed Product Sale and Purchase Framework Agreement, it will review the price of the Purchased Products provided by the Shanghai Sunwise Group to the Beijing Tianhai Group and compare the prices with the quotations obtained from other independent third party suppliers (if any) for comparable products of similar quantity and specifications during the same period of time. If the prices or terms of the products obtained by the Beijing Tianhai Group from the Shanghai Sunwise Group are less favourable than the quotations obtained from other independent third party suppliers (if any) for comparable products of similar quantity and specifications during the same period of time, the Beijing Tianhai Group has the right to refrain from entering into the relevant transaction. In the event that there is no other comparable independent third party supplier available in the market, the Beijing Tianhai Group will compare the terms offered by the Shanghai Sunwise Group to the Beijing Tianhai Group with the terms offered by the Shanghai Sunwise Group to independent third party customers (if any) to ensure that the terms offered by the Shanghai Sunwise Group to the Beijing Tianhai Group are no less favourable than those offered by it to independent third party customers.

LETTER FROM THE BOARD

The Sold Products

The pricing of the Sold Products by the Beijing Tianhai Group to the Shanghai Sunwise Group will be determined in accordance with normal commercial terms with reference to the market price in the PRC, while the actual amount will be determined by the Beijing Tianhai Group and the Shanghai Sunwise Group through negotiations.

Specifically, the price of the Sold Products provided by the Beijing Tianhai Group to the Shanghai Sunwise Group will be based on the costs calculated according to the category and quantity of products, transportation costs, the place of storage and its duration, manpower, processing and packaging costs and other factors, and also by referencing to the price of products of same category provided by other suppliers in the market, with a premium of not more than 20% above the cost price.

Payment for the hydrogen energy products purchased by the Shanghai Sunwise Group from the Beijing Tianhai Group will be settled by bank telegraphic transfer or other means upon receipt of the relevant products by the Shanghai Sunwise Group.

Before the Beijing Tianhai Group enters into individual product sale and purchase agreements with the Shanghai Sunwise Group pursuant to the Renewed Product Sale and Purchase Framework Agreement, it will review the prices and terms of the products provided by the Beijing Tianhai Group to the Shanghai Sunwise Group and compare them with the price lists of similar products provided by the Beijing Tianhai Group to independent third party customers in Beijing Tianhai Group's transaction database to ensure that the prices and other terms of the sale of the products by the Beijing Tianhai Group to the Shanghai Sunwise Group are not less favourable than those offered by the Beijing Tianhai Group to independent third party customers.

Historical transaction amounts : The historical transaction amounts for the sale or purchase of hydrogen energy products between the Beijing Tianhai Group and the Shanghai Sunwise Group for each of the three years ended 31 December 2024 are as follows:

LETTER FROM THE BOARD

For the year ended 31 December 2022 <i>RMB</i> <i>Approximately</i>	For the year ended 31 December 2023 <i>RMB</i> <i>Approximately</i>	For the year ended 31 December 2024 <i>RMB</i> <i>Approximately</i>
21,270,000 (inclusive of value-added tax)	22,720,000 (inclusive of value-added tax)	53,290,000 (inclusive of value-added tax)
	From 1 January 2024 to the day immediately preceding the Effective Date <i>(Note)</i> <i>RMB</i> <i>Approximately</i>	From the Effective Date <i>(Note)</i> to 31 December 2024 <i>RMB</i> <i>Approximately</i>
	32,120,000 (inclusive of value-added tax)	21,170,000 (inclusive of value-added tax)

Note:

The historical transaction amount for the period from 29 September 2024 (the “**Effective Date**”), being the day on which the Existing Product Sales and Purchase Framework Agreement became effective upon completion of the acquisition of controlling interest in Shanghai Sunwise by a wholly-owned subsidiary of the controlling shareholder of the Company, to 31 December 2024 did not exceed the annual cap under the Existing Product Sales and Purchase Framework Agreement, details of which were disclosed in the announcements of the Company dated 16 August 2024 and 30 September 2024.

From 1 January 2025 to the Latest Practicable Date, no Transaction was carried out pursuant to the Renewed Product Sale and Purchase Framework Agreement. The Transactions amount (if any) under the Renewed Product Sale and Purchase Framework Agreement will be closely monitored to ensure that they do not exceed the relevant de minimis threshold prior to obtaining approval from the Independent Shareholders, so to ensure that the Transactions (if any) are fully exempt under Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

Proposed Annual Caps : The Proposed Annual Caps for each of the three years during the term of the Renewed Product Sale and Purchase Framework Agreement are as follows:

For the year ending 31 December 2025 <i>(RMB0'000)</i>	For the year ending 31 December 2026 <i>(RMB0'000)</i>	For the year ending 31 December 2027 <i>(RMB0'000)</i>
10,000	15,000	20,000
(inclusive of value-added tax)	(inclusive of value-added tax)	(inclusive of value-added tax)

Basis of the Proposed Annual Caps : The Proposed Annual Caps are determined after taking into account the following:

1. Historical transaction data

Jingcheng Industrial Investment completed the acquisition of approximately 39.77% of the shares of Shanghai Sunwise on 29 September 2024 and became the largest shareholder and de facto controller of Shanghai Sunwise. After that, there will be a significant increase in the opportunities for cooperation between the Beijing Tianhai Group and the Shanghai Sunwise Group. For the period from the Effective Date to 31 December 2024, the transaction amounts under the Existing Product Sale and Purchase Framework Agreement were approximately RMB21.17 million, which was equivalent to approximately 42% of the relevant cap amount. Therefore, the Company expects that business transactions between the Beijing Tianhai Group and the Shanghai Sunwise Group will become increasingly frequent for the next three years ending 31 December 2027.

2. National policy

With the growing global emphasis on environmental protection and sustainable development, hydrogen fuel-cell vehicles, as an important branch of new energy vehicles, are facing unprecedented opportunities for development. At the national level, the National Development and Reform Commission and the National Energy Administration prepared and published the “Medium- and Long-Term Plan for the Development of Hydrogen Energy Industry (2021-2035)” in 2021, in which the energy attributes of hydrogen and the positioning of the hydrogen energy industry are clearly defined. At the local level, in provinces including Shandong, Sichuan, Jilin, Shaanxi, Hubei and other places, the highway toll-free policy has been introduced for hydrogen fuel-cell vehicles. Benefiting from such policies, the economics of hydrogen fuel-cell vehicle operation in China will become more and more prominent. The development of the hydrogen fuel-cell vehicle industry is safeguarded by the continuous support of national policies. In the next three years, the thorough implementation and refinement of the relevant policies will further promote the growth of hydrogen storage and transportation equipment market for the hydrogen fuel-cell vehicles.

LETTER FROM THE BOARD

3. Business needs

Demand for the on-board hydrogen storage system, a core component of the hydrogen fuel-cell vehicle, has been growing along with the development of the hydrogen fuel-cell vehicle market. Especially, with the advancement in hydrogen fuel-cell system and on-board hydrogen storage technologies and the decrease in cost, the performance of the hydrogen fuel cell and on-board hydrogen storage systems continues to improve, which has further boosted the growth of their demand. Over the next three years, the market is expected to grow at an average annual rate of over 35%.

Therefore, the Company expects that the purchase of system integration products, valves and other components, station equipment and other products by the Beijing Tianhai Group from the Shanghai Sunwise Group will increase gradually in terms of both quantity and scale. Similarly, according to the latest resource plan issued by the Shanghai Sunwise Group to the Beijing Tianhai Group, the Shanghai Sunwise Group expects that the purchase of gas cylinders and other products from the Beijing Tianhai Group will also increase gradually in terms of both quantity and scale.

LETTER FROM THE BOARD

4. Corporate strategy and technological advancement

With the development of the hydrogen energy market, the Company is increasing its involvement and presence in the fields of hydrogen storage and transportation equipment and on-board hydrogen storage systems to capture market share. Shanghai Sunwise is a leading company in China in the field of hydrogen systems and components including cylinder valves, while Beijing Tianhai is a leading company in China in the field of hydrogen storage and transportation equipment including hydrogen storage cylinders. The Beijing Tianhai Group has the first-mover advantage in the Chinese market in respect of the Type IV hydrogen storage cylinders, as well as advanced product technology and a scale of production capacity that leads the market. With the continuous advancement in technology and decrease in raw material costs, the production costs of on-board hydrogen storage systems will gradually decrease, and the products will become more competitive in the market, which will further boost the growth in the sale and purchase transaction volumes of the two parties.

As a result of the foregoing, the Company is of the view that the annual growth of the Proposed Annual Caps is a reasonable projection and is in line with the market development trend and the status of the industry.

Reasons and Benefits of Entering into the Renewed Product Sale and Purchase Framework Agreement

As one of the earliest batch of companies in the PRC to engage in the hydrogen energy equipment business, the Shanghai Sunwise Group has a strong capability to independently develop and industrialise key technologies in the industrial chain of the hydrogen energy sector, and possesses an advantage in research and development and technological reserve to provide hydrogen energy products and services to domestic customers in various aspects such as transportation, decentralised energy and nuclear power, etc., and has gradually achieved domestic production. The Group will further strengthen its upstream and downstream industrial chain synergies to improve its strategic layout in the field of hydrogen energy and create an advantageous effect across the entire industrial chain. At the same time, the Beijing Tianhai Group and the Shanghai Sunwise Group will be entitled to enjoy the right of preferential prices for bulk purchasing from each other.

LETTER FROM THE BOARD

The products to be purchased by the Beijing Tianhai Group from the Shanghai Sunwise Group pursuant to the Renewed Product Sale and Purchase Framework Agreement mainly include system integration products, valves and other components, station equipment and other products. The products to be sold by the Beijing Tianhai Group to the Shanghai Sunwise Group pursuant to the Renewed Product Sale and Purchase Framework Agreement mainly include gas cylinders and other products. The Purchased Products and the Sold Products as a whole form a chain of products in the hydrogen energy market. The Shanghai Sunwise Group excels as a hydrogen energy leader with full-industry-chain integration capabilities, offering end-to-end solutions for a variety of hydrogen energy products from design to operation. It has technological and product advantages in products of national standards such as system integration products, valves and other components, station equipment and other products, and can offer them at competitive prices with its self-developed localised equipment and massive domestic production of hydrogen energy products, which enables cost-effective supply, rapid customisation and fast delivery . Therefore, in view of the upstream and downstream industrial chain synergies, the purchase of system integration products, valves and other components, station equipment and other products by the Beijing Tianhai Group from the Shanghai Sunwise Group is conducive to the enhancement of the sales of the products of the Beijing Tianhai Group, and is the interest of the Company and the Shareholders. The Shanghai Sunwise Group does not produce gas cylinders, and thus the sale of gas cylinders and other products by the Beijing Tianhai Group to the Shanghai Sunwise Group pursuant to the Renewed Product Sale and Purchase Framework Agreement is a normal business practice of the Beijing Tianhai Group. Accordingly, the purchase of products from the Shanghai Sunwise Group by the Beijing Tianhai Group and the sale of products to the Shanghai Sunwise Group under the Renewed Product Sale and Purchase Framework Agreement are conducive to the business development of both parties.

Opinion of the Board

The Transactions are conducted in the ordinary and usual course of business of the Group, and the Transactions are negotiated on an arm's length basis. The entering into of the Renewed Product Sale and Purchase Framework Agreement and the Transactions are in line with the business strategies of the Group, and it will be beneficial to the future development of the Group and enable the Group to fully utilise its strengths and achieve better operating results. With the internal control measures disclosed below, the terms of the Transactions are on normal commercial terms, in line with prevailing market terms and are no less favourable to the Group than the terms available to or from independent third parties. In view of the reasons and benefits set out above, the Board considers that the Transactions are conducted in the ordinary course of business of the Group on normal commercial terms or better terms, the terms are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

None of the Directors has any material interest in the Transactions. Given that Mr. Li Junjie, Mr. Zhou Yongjun, Mr. Man Huiyong and Ms. Li Chunzhi, the non-executive Directors, were nominated by Jingcheng Machinery Electric and serve as the senior management of Jingcheng Machinery Electric and/or its subsidiaries other than the Group, Mr. Li Junjie, Mr. Zhou Yongjun, Mr. Man Huiyong and Ms. Li Chunzhi have abstained from voting on the Board resolution approving the entering into of the Renewed Product Sale and Purchase Framework Agreement and the Transactions.

Internal Control Measures

In accordance with the procurement policy of the Group's procurement department, the Group has maintained a register of suppliers (including independent suppliers and suppliers who are connected persons of the Group). In order to ensure that the Group is provided with the most favourable pricing, for each procurement transaction, the procurement department of the Company will solicit quotations from no less than two qualified suppliers from whom the Group purchases commodities. Although the Group purchases commodities from the Shanghai Sunwise Group, the Company will also consider products manufactured by other suppliers. The main factors considered by the Company in selecting suppliers include (i) pricing terms; (ii) production capacity; (iii) quality; and (iv) after-sales service capabilities. The Company generally purchases commodities from suppliers who provide quotations that enable the Company to achieve the highest cost-effectiveness. The Beijing Tianhai Group will strictly enforce the Company's procurement management measures. Based on the procurement demand issued by the Beijing Tianhai Group to the Shanghai Sunwise Group, the business personnel of the Beijing Tianhai Group will purchase from the Shanghai Sunwise Group in accordance with the Company's procurement policy, and enter into individual agreements with the Shanghai Sunwise Group. The legal department of the Company will review and ensure that the individual agreements and the transactions contemplated thereunder are in compliance with the relevant laws and regulations, including but not limited to the annual cap requirement under the Listing Rules.

In accordance with the sales system of the Group's sales department, the Group has maintained a register of sales customers (including independent customers and customers who are connected persons of the Group). Although the Group sells commodities to the Shanghai Sunwise Group, the Company will also consider selling products to other customers. The main factors considered by the Company in selecting customers include (i) pricing terms; (ii) payment terms; (iii) delivery terms; and (iv) warranty terms. The Beijing Tianhai Group will strictly enforce the Company's sales management system. Based on the demand issued by Shanghai Sunwise Group to the Beijing Tianhai Group, the business personnel of the Beijing Tianhai Group will prepare individual and specific sales agreements to be entered into with the Shanghai Sunwise Group. The legal department of the Company will review and ensure that the individual agreements and the transactions contemplated thereunder are in compliance with the relevant laws and regulations, including but not limited to the annual cap requirement under the Listing Rules.

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Further, the Company will provide information and supporting documents to its independent non-executive Directors and auditors for them to conduct annual review of the Transactions, so as to enable them to issue an annual confirmation in respect of the Transactions to the Company in accordance with Rules 14A.55 and 14A.56 of the Listing Rules respectively.

The Board is of the view that given the implementation of such internal control measures, the pricing provided to the Company is in the interests of the Company and the Shareholders as a whole.

Implications under the Listing Rules

As at the Latest Practicable Date, Jingcheng Machinery Electric owns 245,735,052 A Shares of the Company (representing approximately 44.87% of the total issued Shares of the Company) and is the controlling shareholder of the Company and a connected person of the Company. As Jingcheng Machinery Electric holds all the equity interest in Jingcheng Industrial Investment, and Jingcheng Industrial Investment holds approximately 39.77% equity interest in Shanghai Sunwise, Shanghai Sunwise is an associate of Jingcheng Machinery Electric and a connected person of the Company. Therefore, the Transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Proposed Annual Caps during the term of the Renewed Product Sale and Purchase Framework Agreement are more than 5% but are less than 25%, the Transactions are subject to the reporting, announcement, annual review, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company has formed the Independent Board Committee to advise the Independent Shareholders in respect of the Transactions and the adoption of the Proposed Annual Caps. The Company has also appointed Vinco Financial as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of these matters.

Information on the Parties

Information on the Company

The Company's general scope of operation includes general logistics; professional contracting; developing, designing, selling, installing, adjusting and maintaining cryogenic containers, compressors (piston compressor, membrane compressor and membrane compressor of nuclear grading) and accessories; machinery equipment and electrical equipment; technical consultancy and technical services; economic and trade consultation; import and export of commodities and technology and acting as import and export agency. As at the Latest Practicable Date, the controlling shareholder of the Company is Jingcheng Machinery Electric.

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Information on Beijing Tianhai

Beijing Tianhai is principally engaged in production of gas cylinders, accumulator shells, pressure vessels and auxiliary equipment, add-on components, fire extinguishers, fire extinguishing system products and components, gas cylinders for medical equipment, gas cylinders for life rescues, gas cylinders and components for food machineries, gas and wrapped cylinders and components for gas vehicles, gas storage special containers, bundled devices, cryogenic gas cylinders and components, LPG cylinders and components, aluminium cores, aluminium cylinders and components, new enhanced complex materials (complex materials such as carbon fibre, organic fibre and high strength glass fibre) and products, complex gas cylinders (natural gas storage cylinders for vehicles, gas storage cylinders for respirators, containers for water treatment), testing equipment for complex gas cylinders; providing installation, adjustment, maintenance, technical consultancy and technical services of self-production products; sales of self-production products; wholesale of cryogenic containers for storage and transportation; providing after-sales service and maintenance; import and export of commodities and technology and acting as import and export agency; renting of commercial premises. As at the Latest Practicable Date, Beijing Tianhai is a wholly-owned subsidiary of the Company.

Information on Shanghai Sunwise

Shanghai Sunwise is principally engaged in the provision of technical services, technology development, technical consultation, technology exchange, technology transfer, technology promotion; manufacturing of specialised equipment (excluding manufacturing of permitted professional equipment); manufacturing of instruments and meters; manufacturing of experimental analytical instruments; manufacturing of gas compression machines; manufacturing of general valves and plugs (excluding manufacturing of specialised equipment); manufacturing of pneumatic power machines and components; manufacturing of gas and liquid separation and purification equipment; sales of electronic components and electromechanical components; sales of electrical equipment; retail of hardware products; import and export of commodities and technology; advertising production; advertising design and agency; advertising distribution; and leasing of non-residential properties.

As at the Latest Practicable Date, Jingcheng Industrial Investment holds approximately 39.77% equity interest in Shanghai Sunwise, while Shanghai Electric Power Co., Ltd.* (上海電力股份有限公司) (a company established in the PRC with limited liability and the shares of which are listed on the SSE (stock code: 600021)) holds approximately 13.14% equity interest in Shanghai Sunwise, and it is principally engaged in power generation, heating and integrated smart energy. The remaining approximately 47.09% equity interest in Shanghai Sunwise is held by 12 different shareholders, with each shareholder holding less than 10%.

LETTER FROM THE BOARD

Information on Jingcheng Machinery Electric

As at the Latest Practicable Date, Jingcheng Machinery Electric holds 245,735,052 A Shares of the Company (representing approximately 44.87% of the total issued Shares of the Company) and is the controlling shareholder of the Company. Jingcheng Machinery Electric is a state-owned enterprise incorporated in the PRC. The licensed scope of operation of Jingcheng Machinery Electric includes labour dispatch; operation and management of state-owned assets within authorized scope; investment and investment management; property development, sale of real estate; property leasing; property management; technology transfer, technical training, technical consultation, technical services; sale of mechanical and electrical equipment (excluding vehicles); technology development. The ultimate beneficial owner of Jingcheng Machinery Electric is the State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality.

3. THE REPURCHASE AND CANCELLATION OF PART OF THE RESTRICTED A SHARES GRANTED BUT SUBJECT TO LOCK-UP

Reference is made to the announcement of the Company dated 27 February 2025 in relation to, among other things, the repurchase and cancellation of part of the restricted A Shares granted but subject to lock-up. According to the relevant provisions of the “2023 Restricted Share Incentive Scheme of Beijing Jingcheng Machinery Electric Company Limited” (the “**Incentive Scheme**”), due to unusual changes in participants under the initial grant, it is proposed to repurchase a total of 180,000 restricted A Shares that have been granted to those participants but subject to lock-up, involving 5 individuals, and to cancel that part of A Shares after the repurchase (the “**Repurchase and Cancellation**”).

Reasons for and the number of Repurchase and Cancellation

Given three of the participants under the initial grant resigned due to personal reasons and are no longer eligible to be participants, the Company is required to repurchase and cancel all of the 80,000 restricted A Shares that have been granted but subject to lock-up at the lower of the grant price and the market price pursuant to the provisions of the Incentive Scheme.

In addition, given one of the participants under the initial grant no longer holds any position in the Company due to internal retirement and it is not appropriate to continue to incentivise him, the Board has decided to refer to the treatments on the participants as specified in the item (3) under Part (II) in Chapter XIII of the Incentive Scheme, “if the Participant resigns or the employment relationship is terminated due to personal reasons, the Company shall repurchase the Restricted Shares subject to lock-up at the lower of the Grant Price and the market price”, and the Company is required to repurchase and cancel all of the 50,000 restricted A Shares granted but subject to lock-up from the participant at the lower of the grant price and the market price.

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Furthermore, given one of the participants under the initial grant terminates the employment relationship with the Company due to the transfer of job, the Company is required to repurchase and cancel the 50,000 restricted A Shares that have been granted but have not been unlocked at the sum of the Grant Price plus the interest earned from bank fixed deposits pursuant to the provisions of the Incentive Scheme.

Based on the above, a total of 180,000 restricted shares that have been granted but have not been unlocked (all being the part under the initial grant) shall be repurchased due to the changes in the personal circumstances of the participants, representing approximately 0.03% of the total share capital of the Company before the repurchase.

Repurchase price

Among the five participants in this proposed repurchase, four of the participants who resigned or retired internally hold a total of 130,000 restricted shares subject to lock-up, with the repurchase price of RMB7.33/share while one of them who terminates the employment relationship with the Company due to transfer of job holds a total of 50,000 restricted shares subject to lock-up, with the repurchase price at the sum of RMB7.33/share plus the interest earned on time deposits calculated in accordance with the latest benchmark deposit rate issued by the People's Bank of China.

Total amount of funds and the source of funds for the repurchase

The total amount of funds to be used for the repurchase of restricted shares is approximately RMB1,319,400 (plus interests payable for the time deposits in banks as required), which will be financed by the Company's own funds.

Changes in the Company's shareholding structure after the Repurchase and Cancellation

After the Repurchase and Cancellation, the total number of the Company's Shares is expected to decrease from 547,665,988 shares to 547,485,988 shares, and the registered capital will correspondingly decrease from RMB547,665,988 to RMB547,485,988.

The Repurchase and Cancellation of part of the restricted A Shares shall not result in any change in the controlling shareholders of the Company, and the shareholding distribution of the Company still complies with the relevant provisions as specified in the Listing Rules of the SSE and the Stock Exchange. The Repurchase and Cancellation will not have any substantial impact on the operating results and the financial position of the Company.

LETTER FROM THE BOARD

4. RESOLUTION IN RELATION TO THE CHANGE IN REGISTERED CAPITAL AND THE PROPOSED AMENDMENTS TO THE “ARTICLES OF ASSOCIATION”

Reference is made to the announcement of the Company dated 30 October 2024, the Company intends to amend the relevant provisions of the “Articles of Association” such as the legal representative system, the method of convening the general meeting, the relevant rules of procedure of the Board and the supervisory committee, the relevant description methods of some contents, and the reference of some glossary, etc., in accordance with the “Company Law of the People’s Republic of China” implemented on 1 July 2024 and in combination with the actual situation of the Company.

Reference is also made to the announcement of the Company dated 27 February 2025, according to the relevant provisions of the Incentive Scheme, due to unusual changes in participants, the Company intends to repurchase a total of 180,000 restricted A Shares that have been granted to those participants but subject to lock-up, involving 5 individuals, and to cancel that part of A Shares after the repurchase. After this Repurchase and Cancellation, the total number of the Company’s Shares is expected to decrease from 547,665,988 shares to 547,485,988 shares, and the registered capital will correspondingly decrease from RMB547,665,988 to RMB547,485,988. In accordance with the aforementioned reduction of registered capital, it is proposed to amend the “Articles of Association”.

The legal advisers to the Company have confirmed that the proposed amendments to the “Articles of Association” comply with the requirements of the Listing Rules (where applicable) and the laws of the PRC. The Company has also confirmed that the proposed amendments are not unusual for a company listed in Hong Kong.

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.

The proposed amendments are set out in Appendix II to this circular. The change in registered capital and the proposed amendments to the “Articles of Association” are subject to approval by Shareholders by way of passing a special resolution at the EGM. After considering and approving the proposed amendments, the Board will be authorized to handle the relevant registration procedures for industrial and commercial changes.

5. THE CHANGE OF NON-EXECUTIVE DIRECTORS OF THE ELEVENTH SESSION OF THE BOARD

As disclosed in the announcement of the Company dated 30 December 2024 in relation to the resolutions passed at the tenth extraordinary meeting of the eleventh session of the Board, since Mr. Wu Yanzhang (“**Mr. Wu**”) had applied to the Board to resign as a non-executive Director of the eleventh session of the Board and a member of the strategy committee of the Board, and Mr. Cheng Lei (“**Mr. Cheng**”) had applied to the Board to resign as a non-executive Director of the eleventh session of the Board, the Board has considered and approved the resolution in relation to the change of non-executive Directors of the eleventh session of the Board of the Company. Having been duly informed and

LETTER FROM THE BOARD

recommended by the nomination committee of the eleventh session of the Board, the Board has agreed to nominate Mr. Wang Kai (“**Mr. Wang**”) to replace Mr. Wu and nominate Mr. Zhao Xihua (“**Mr. Zhao**”) to replace Mr. Cheng as candidates for non-executive Directors of the eleventh session of the Board of the Company. The proposed term of office will commence on the date when the resolution is considered and passed at the EGM and end on the date of the 2025 annual general meeting.

As at the Latest Practicable Date, Mr. Wang was the head of the investment and development department of Jingcheng Machinery Electric, the controlling shareholder of the Company, while Mr. Zhao was the head of the organization department (human resources department) and the director of the inspection office of Jingcheng Machinery Electric. Save as disclosed above, neither Mr. Wang nor Mr. Zhao has relationship with other Directors, supervisors and senior management of the Company or hold any positions with the Company or other members of the Group. Neither Mr. Wang nor Mr. Zhao has any interests in the Shares of the Company within the meaning of Part XV of the SFO or hold any directorships or supervisory positions in other companies listed in Hong Kong or overseas in the past three years.

Save as disclosed above, there is no other information required to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules in respect of Mr. Wang and Mr. Zhao and there are no other matters that need to be brought to the attention of the Shareholders.

As at the Latest Practicable Date, none of the Director candidates of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company as recorded in the register required to be kept under section 352 of the SFO.

Upon the consideration and approval of the appointment of Mr. Wang and Mr. Zhao as non-executive Directors of the Company by the Shareholders at the EGM, the Company intends to enter into service contracts with Mr. Wang and Mr. Zhao. Non-executive Directors do not receive remuneration from the Company.

According to the “Articles of Association”, the appointment of Directors is subject to Shareholders’ approval. Ordinary resolutions will be proposed at the EGM to approve the election of Mr. Wang and Mr. Zhao as non-executive Directors and their entering into of written contracts.

The biographical details of the candidates proposed to be elected as non-executive Directors at the EGM are set out in Appendix III to this circular. An announcement will be made by the Company in compliance with Rule 13.51 of the Listing Rules as soon as the proposed election of Directors has been approved at the EGM.

6. THE EGM AND CLASS MEETING

The EGM will be held at the Conference Room of the Company at No. 6 Rong Chang East Street, Daxing District, Beijing, the PRC on 28 April 2025 at 9:30 a.m. During the meeting, (i) ordinary resolutions will be proposed for the Independent Shareholders to consider and, if thought fit, approve, among other things, the Renewed Product Sale and

LETTER FROM THE BOARD

Purchase Framework Agreement (including the Proposed Annual Caps) and the Transactions, the remuneration of and the entering into of written contracts by non-executive Directors of the eleventh session of the Board, and the change of non-executive Directors of the eleventh session of the Board of the Company; and (ii) special resolutions will be proposed for the Shareholders to consider and, if thought fit, approve, among other things, the repurchase and cancellation of part of the restricted A Shares granted but subject to lock-up, and the change in registered capital and the proposed amendments to the “Articles of Association”. A notice convening the EGM is set out on pages EGM-1 to EGM-3 of this circular.

A notice convening the H Shares Class Meeting to be held at the Conference Room of the Company at No. 6 Rong Chang East Street, Daxing District, Beijing, the PRC on 28 April 2025 at 11:00 a.m. is set out on pages HCM-1 to HCM-3 of this circular. A special resolution will be proposed at the meeting to enable H Shareholders to consider and, if thought fit, approve, among other things, the repurchase and cancellation of part of the restricted A Shares granted but subject to lock-up.

Any Shareholder and its associates with a material interest in the Transactions shall not vote upon the resolution approving the Transactions to be proposed at the EGM. As Jingcheng Machinery Electric is the controlling shareholder of the Company and has a material interest in the Transactions, Jingcheng Machinery Electric and its associates are required to abstain from voting on the resolution. Shareholders who are the participants or are related to the participants will abstain from voting at the above meetings. Save as disclosed above, to the best of the Directors’ knowledge, information and belief, no other Shareholder has a material interest in all the resolutions to be put to the vote at the above meetings and, accordingly, no other Shareholder is required to abstain from voting at the relevant meetings.

Whether or not you intend to attend the above meetings, you are requested to complete the respective form of proxy for use at the above meetings 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 convention of the above meetings. The completion and return of the form of proxy will not preclude you from attending and voting in person at the above meetings or any adjournment thereof if you so wish.

For the purpose of ascertaining the entitlement of the holders of H Shares to attend and vote at the EGM and the H Shares Class Meeting, the register of members of the Company will be closed from Wednesday, 23 April 2025 to Monday, 28 April 2025 (both days inclusive), during which time no share transfers will be registered. In order to be valid, an instrument of transfer accompanied by share certificates and other appropriate documents must be lodged with 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 no later than 4:30 p.m. on Tuesday, 22 April 2025. The Shareholders of the Company

LETTER FROM THE BOARD

whose names appear on the register of members of the Company after the close of business on Tuesday, 22 April 2025 are entitled to attend and vote at the EGM and/or the H Shares Class Meeting.

7. VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes on the ordinary resolutions or special resolutions at the EGM and/or the H Shares Class Meeting 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. RECOMMENDATION

The Directors (including the independent non-executive Directors whose view is set out in the section headed “Letter from the Independent Board Committee” in this circular below) consider that the Transactions are on normal commercial terms or better and in the ordinary and usual course of business of the Group, the terms of the Renewed Product Sale and Purchase Framework Agreement are fair and reasonable, and the Transactions are in the interests of the Company and its Shareholders as a whole and accordingly recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Renewed Product Sale and Purchase Framework Agreement (including the Proposed Annual Caps) and the Transactions.

The Directors also consider that the repurchase and cancellation of part of the restricted A Shares granted but subject to lock-up, the change in registered capital and the proposed amendments to the “Articles of Association” and the change of non-executive Directors of the eleventh session of the Board and the entering into of written contracts are in the best interests of the Company and its Shareholders as a whole, and accordingly recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM and/or the H Shares Class Meeting to approve such matters.

9. ADDITIONAL INFORMATION

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

Yours faithfully,
By order of the Board
Beijing Jingcheng Machinery Electric Company Limited
Luan Jie
Company Secretary

* *For identification purposes only*



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)

3 April 2025

To the Independent Shareholders

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTIONS
RENEWED PRODUCT SALE AND PURCHASE FRAMEWORK AGREEMENT**

We refer to the circular of the Company to the Shareholders dated 3 April 2025 (the “**Circular**”), of which this letter forms part. Unless the context requires otherwise, terms used in this letter will have the same meanings as given to them in the section headed “Definitions” of the Circular.

We have been established by the Board as the Independent Board Committee to advise the Independent Shareholders on whether the Transactions and the adoption of the Proposed Annual Caps are on normal commercial terms or better and in the ordinary and usual course of business of the Group, the terms of the Renewed Product Sale and Purchase Framework Agreement are fair and reasonable, and the Transactions and the adoption of the Proposed Annual Caps are in the interests of the Company and its Shareholders as a whole. Vinco Financial has been appointed as the Independent Financial Adviser to advise us and the Independent Shareholders in this regard.

We wish to draw your attention to the “Letter from the Board” as set out on pages 5 to 25 of the Circular, which contains, among other things, information on the terms of the Transactions, and the “Letter from the Independent Financial Adviser” as set out on pages 28 to 42 of the Circular, which contains its views on the Transactions and the principal factors it has considered in arriving at its views.

Having considered the terms of the Renewed Product Sale and Purchase Framework Agreement and having taken into account the principal factors and reasons considered by Vinco Financial, its conclusion and advice, we concur with the opinion of Vinco Financial that (i) the Transactions and the adoption of the Proposed Annual Caps are on normal commercial terms or better and in the ordinary and usual course of business of the Group, (ii) the terms of the Renewed Product Sale and Purchase Framework Agreement are fair and reasonable, and (iii) the Transactions and the adoption of the Proposed Annual Caps are in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Transactions and the adoption of the Proposed Annual Caps.

Yours faithfully,

The Independent Board Committee

Chen Junping

Independent non-executive Director

Liu Jingtai

Independent non-executive Director

Zhao Xuguang

Independent non-executive Director

Luan Dalong

Independent non-executive Director

LETTER FROM VINCO FINANCIAL

The following is the text of a letter of advice from Vinco Financial to the Independent Board Committee and the Independent Shareholders in connection with the Renewed Product Sale and Purchase Framework Agreement (including the Proposed Annual Caps) and the Transactions, which has been prepared for the purpose of incorporation in this circular:

VINCO  榮高
Vinco Financial Limited

3 April 2025

*To the Independent Board Committee and the Independent Shareholders of
Beijing Jingcheng Machinery Electric Company Limited*

Dear Sirs,

**CONTINUING CONNECTED TRANSACTIONS
IN RELATION TO
RENEWED PRODUCT SALE AND PURCHASE FRAMEWORK
AGREEMENT**

A. INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Renewed Product Sale and Purchase Framework Agreement (including the Proposed Annual Caps) and the Transactions, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular issued by the Company to the Shareholders dated 3 April 2025 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings ascribed to them in the Circular unless the context otherwise requires.

Reference is made to the announcement of the Company dated 6 December 2024 in relation to the entering into of the continuing connected transactions under the Renewed Product Sale and Purchase Framework Agreement between Beijing Tianhai and Shanghai Sunwise, pursuant to which the Beijing Tianhai Group and the Shanghai Sunwise Group will purchase or sell hydrogen energy products from or to each other from time to time for a term of three years from 1 January 2025 to 31 December 2027.

Listing Rules Implication

As at the Latest Practicable Date, Jingcheng Machinery Electric owns 245,735,052 A Shares of the Company (representing approximately 44.87% of total issued shares of the Company) and is the controlling shareholder of the Company and a connected person of the Company. As Jingcheng Machinery Electric holds all the equity interest in Jingcheng Industrial Investment and Jingcheng Industrial Investment holds 39.77% equity interest in

LETTER FROM VINCO FINANCIAL

Shanghai Sunwise, Shanghai Sunwise is an associate of Jingcheng Machinery Electric and a connected person of the Company. Therefore, the Transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Proposed Annual Caps during the term of the Renewed Product Sale and Purchase Framework Agreement are more than 5% but are less than 25%, the Transactions are subject to the reporting, announcement, annual review, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Independent Board Committee

The Independent Board Committee comprising Ms. Chen Junping, Mr. Zhao Xuguang, Mr. Liu Jingtai and Mr. Luan Dalong, all being the independent non-executive Directors, has been formed to advise the Independent Shareholders as to the fairness and reasonableness of the terms of the Renewed Product Sale and Purchase Framework Agreement (including the Proposed Annual Caps) and the Transactions. We have been appointed and approved by the Independent Board Committee, as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Renewed Product Sale and Purchase Framework Agreement (including the Proposed Annual Caps) and the Transactions. In our capacity as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders for the purposes of the Listing Rules, our role is to give you an independent opinion as to whether the Renewed Product Sale and Purchase Framework Agreement (including the Proposed Annual Caps) and the Transactions are in the ordinary and usual course of business of the Group on normal commercial terms, and in the interests of the Company and Independent Shareholders as a whole and whether the Renewed Product Sale and Purchase Framework Agreement (including the Proposed Annual Caps) and the Transactions are fair and reasonable so far as the Independent Shareholders are concerned.

Our Independence

As at the Latest Practicable Date, we were not connected with the Directors, chief executive and substantial shareholders of the Company or any of their respective subsidiaries or their respective associates and, as at the Latest Practicable Date, did not have any shareholding, directly or indirectly, in any member of the Group or any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group. We were not aware of any relationships or interests between us and the Company or any other parties that could be reasonably be regarded as hindrance to our independence as defined under Rule 13.84 of the Listing Rules to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Renewed Product Sale and Purchase Framework Agreement (including the Proposed Annual Caps) and the Transactions. We are eligible to give independent advice and recommendations on the Renewed Product Sale and Purchase Framework Agreement (including the Proposed Annual Caps) and the Transactions. Apart from the normal professional fees payable to us in connection with the present appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent

LETTER FROM VINCO FINANCIAL

Shareholders, no arrangement exists whereby we will receive any fees from the Company, its subsidiaries, its associates or their respective substantial shareholders or associates. During the past two years, there was no engagement between the Group and us. Also, we are not aware of the existence of or change in any circumstances that could affect our independence. Accordingly, we consider that we are eligible to give independent advice on the Renewed Product Sale and Purchase Framework Agreement (including the Proposed Annual Caps) and the Transactions.

B. BASIS OF OUR OPINION AND RECOMMENDATION

In forming our opinion and recommendation, we have relied on the information, facts and representations contained or referred to in the Circular and the information, facts and representations provided by, and the opinions expressed by the Directors, management of the Company and its subsidiaries. We have no reason to believe that any information and representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any material facts, the omission of which would render the information provided and the representations made to us untrue, inaccurate or misleading.

We have assumed that all information, facts, opinions and representations made or referred to in the Circular were true, accurate and complete at the time they were made and continued to be true, accurate and complete as at the date of the circular and that all expectations and intentions of the Directors, management of the Company and its subsidiaries, will be met or carried out as the case may be. We have no reason to doubt the truth, accuracy and completeness of the information, facts, opinions and representations provided to us by the Directors, management of the Company and its subsidiaries. We have no reason to doubt that any relevant material facts have been withheld or omitted from the information provided and referred to in the Circular or the reasonableness of the opinions and representations provided to us by the Directors, management of the Company and its subsidiaries.

We also sought and received confirmation from the Directors that no material facts have been omitted from the information supplied and opinions expressed. We have relied on such information and opinions and have not, however, conducted any independent verification of the information provided, nor have we carried out any independent investigation into the business, financial conditions and affairs of the Group or its future prospect.

The Directors collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading.

We consider that we have reviewed all currently available information and documents particularly, (i) the annual report of the Company for the year ended 31 December 2023; (ii) the interim report of the Company for the six months ended 30 June 2024; (iii) the annual results announcement of the Company for the year ended 31 December 2024; (iv) the Existing Product Sale and Purchase Framework Agreement; (v) the Renewed Product Sale

LETTER FROM VINCO FINANCIAL

and Purchase Framework Agreement; (vi) the historical transactions between the Beijing Tianhai Group and the Shanghai Sunwise Group under the Existing Product Sale and Purchase Framework Agreement; and (vii) the historical transactions between the Group and the independent third parties and their samples of transaction documents. Based on the foregoing, we confirm that we have taken all reasonable steps, which are applicable to the entering into the Renewed Product Sale and Purchase Framework Agreement (including the Proposed Annual Caps) and the Transactions.

This letter is issued for the information of the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the terms of the Renewed Product Sale and Purchase Framework Agreement (including the Proposed Annual Caps) and the Transactions and, except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

C. PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion on the fairness and reasonableness of the terms of the Renewed Product Sale and Purchase Framework Agreement (including the Proposed Annual Caps) and the Transactions and whether the Transactions are in the interests of the Company and its Shareholders as a whole, we have taken the following factors and reasons into consideration:

1. Background of the parties involved

(i) Information on the Company

The Company's general scope of operation includes general logistics; professional contracting; developing, designing, selling, installing, adjusting and maintaining cryogenic containers, compressors (piston compressor, membrane compressor and membrane compressor of nuclear grading) and accessories; machinery equipment and electrical equipment; technical consultancy and technical services; economic and trade consultation; import and export of commodities and technology and acting as import and export agency. As at the Latest Practicable Date, the controlling shareholder of the Company is Jingcheng Machinery Electric.

(ii) Information on Beijing Tianhai

Beijing Tianhai is principally engaged in production of gas cylinders, accumulator shells, pressure vessels and auxiliary equipment, add-on components, fire extinguishers, fire extinguishing system products and components, gas cylinders for medical equipment, gas cylinders for life rescues, gas cylinders and components for food machineries, gas and wrapped cylinders and components for gas vehicles, gas storage special containers, bundled devices, cryogenic gas cylinders and components, LPG cylinders and components, aluminium cores, aluminium cylinders and components, new enhanced complex materials (complex materials such as carbon fibre, organic fibre and high strength glass fibre) and products, complex gas cylinders (natural gas storage cylinders for vehicles, gas storage cylinders for respirators, containers for water treatment), testing equipment for complex gas

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cylinders; providing installation, adjustment, maintenance, technical consultancy and technical services of selfproduction products; sales of self-production products; wholesale of cryogenic containers for storage and transportation; providing after-sales service and maintenance; import and export of commodities and technology and acting as import and export agency; renting of commercial premises. As at the Latest Practicable Date, Beijing Tianhai is a wholly-owned subsidiary of the Company.

(iii) Information on Shanghai Sunwise

Shanghai Sunwise is principally engaged in the provision of technical services, technology development, technical consultation, technology exchange, technology transfer, technology promotion; manufacturing of specialised equipment (excluding manufacturing of permitted professional equipment); manufacturing of instruments and meters; manufacturing of experimental analytical instruments; manufacturing of gas compression machines; manufacturing of general valves and plugs (excluding manufacturing of specialised equipment); manufacturing of pneumatic power machines and components; manufacturing of gas and liquid separation and purification equipment; sales of electronic components and electromechanical components; sales of electrical equipment; retail of hardware products; import and export of commodities and technology; advertising production; advertising design and agency; advertising distribution; and leasing of non-residential properties.

As at the Latest Practicable Date, Jingcheng Industrial Investment holds approximately 39.77% equity interest in Shanghai Sunwise, while Shanghai ElectricPower Co., Ltd.* (上海電力股份有限公司) (a company established in the PRC with limited liability and the shares of which are listed on the SSE (stock code: 600021)) holds approximately 13.14% equity interest in Shanghai Sunwise, and it is principally engaged in power generation, heating and integrated smart energy. The remaining approximately 47.09% equity interest in Shanghai Sunwise is held by 12 different shareholders, with each shareholder holding less than 10%.

(iv) Information on Jingcheng Machinery Electric

As at the Latest Practicable Date, Jingcheng Machinery Electric holds 245,735,052 A Shares of the Company (representing approximately 44.87% of the total issued shares of the Company) and is the controlling shareholder of the Company. Jingcheng Machinery Electric is a state-owned enterprise incorporated in the PRC. The licensed scope of operation of Jingcheng Machinery Electric includes labour dispatch; operation and management of state-owned assets within authorized scope; investment and investment management; property development, sale of real estate; property leasing; property management; technology transfer, technical training, technical consultation, technical services; sale of mechanical and electrical equipment (excluding vehicles); technology development. The ultimate beneficial owner of Jingcheng Machinery Electric is the State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality.

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2. Reasons and benefits of entering into the Renewed Product Sale and Purchase Framework Agreement

As stated in the Letter from the Board, as one of the earliest batch of companies in the PRC to engage in the hydrogen energy equipment business, the Shanghai Sunwise Group has a strong capability to independently develop and industrialise key technologies in the industrial chain of the hydrogen energy sector, and possesses an advantage in research and development and technological reserve to provide hydrogen energy products and services to domestic customers in various aspects such as transportation, decentralised energy and nuclear power, etc., and has gradually achieved domestic production. The Group will further strengthen its upstream and downstream industrial chain synergies to improve its strategic layout in the field of hydrogen energy and create an advantageous effect across the entire industrial chain. At the same time, the Beijing Tianhai Group and the Shanghai Sunwise Group will be entitled to enjoy the right of preferential prices for bulk purchasing from each other.

The products to be purchased by the Beijing Tianhai Group from the Shanghai Sunwise Group pursuant to the Renewed Product Sale and Purchase Framework Agreement mainly include system integration products, valves and other components, station equipment and other products. The products to be sold by the Beijing Tianhai Group to the Shanghai Sunwise Group pursuant to the Renewed Product Sale and Purchase Framework Agreement mainly include gas cylinders and other products. The Purchased Products and the Sold Products as a whole form a chain of products in the hydrogen energy market. The Shanghai Sunwise Group excels as a hydrogen energy leader with full-industry-chain integration capabilities, offering end-to-end solutions for a variety of hydrogen energy products from design to operation. It has technological and product advantages in products of national standards such as system integration products, valves and other components, station equipment and other products, and can offer them at competitive prices with its self-developed localised equipment and massive domestic production of hydrogen energy products, which enables cost-effective supply, rapid customisation and fast delivery. Therefore, in view of the upstream and downstream industrial chain synergies, the purchase of system integration products, valves and other components, station equipment and other products by the Beijing Tianhai Group from the Shanghai Sunwise Group is conducive to the enhancement of the sales of the products of the Beijing Tianhai Group, and is the interest of the Company and the Shareholders. The Shanghai Sunwise Group does not produce gas cylinders, and thus the sale of gas cylinders and other products by the Beijing Tianhai Group to the Shanghai Sunwise Group pursuant to the Renewed Product Sale and Purchase Framework Agreement is a normal business practice of the Beijing Tianhai Group. Accordingly, the purchase of products from the Shanghai Sunwise Group by the Beijing Tianhai Group and the sale of products to the Shanghai Sunwise Group under the Renewed Product Sale and Purchase Framework Agreement is conducive to the business development of both parties.

Having considered that (i) the Renewed Product Sale and Purchase Framework Agreement (including the Proposed Annual Caps) is entered into under the usual and ordinary course of business of the Group; and (ii) the Beijing Tianhai Group will be benefited from better allocation of resources with the Shanghai Sunwise Group and hence enjoy competitive cost advantages, we are of the view that the entering into of the the

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Renewed Product Sale and Purchase Framework Agreement (including the Proposed Annual Caps) and the Transactions, are conducted in the ordinary and usual course of the Group's business and are in the interests of the Company and the Shareholders as a whole.

3. Principal terms of the Renewed Product Sale and Purchase Framework Agreement

The table below summarises the major terms of the Renewed Product Sale and Purchase Framework Agreement:

Date:	6 December 2024
Parties:	(1) Beijing Tianhai (a wholly-owned subsidiary of the Company) (2) Shanghai Sunwise
Terms:	From 1 January 2025 to 31 December 2027
Subject matter:	The Beijing Tianhai Group and the Shanghai Sunwise Group shall purchase or sell hydrogen energy products (including gas cylinders and system integration products, valves and other components, station equipment and other products) from or to each other from time to time. Such products are manufactured by the Beijing Tianhai Group and the Shanghai Sunwise Group.

Pursuant to the Renewed Product Sale and Purchase Framework Agreement, the products to be purchased by the Beijing Tianhai Group from the Shanghai Sunwise Group mainly include system integration products, valves and other components, station equipment and other products. On the other hand, the products to be sold by the Beijing Tianhai Group to the Shanghai Sunwise Group mainly include gas cylinders. There is no overlapping of products to be purchased and sold by the Beijing Tianhai Group.

With reference to the Letter from the Board, the prices of the hydrogen energy products to be supplied by the Beijing Tianhai Group and the Shanghai Sunwise Group will be determined in accordance with individual product sale and purchase agreement entered into by the parties. The parties will enter into separate sale and purchase agreement(s) based on specific project requirements, in which the specifications, quantities, prices, payment terms, delivery terms and other terms will be specified.

Pricing policy for the Purchased Products

With reference to the Letter from the Board, the fee payable by the Beijing Tianhai Group to the Shanghai Sunwise Group will be determined in accordance with normal commercial terms with reference to the market price in the PRC, while the actual amount will be determined by the Beijing Tianhai Group and the Shanghai Sunwise Group through negotiations.

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Specifically, the fee payable by the Beijing Tianhai Group to the Shanghai Sunwise Group will be determined by the following: (i) quotations via bidding and competitive bidding or inquiry; or (ii) reference to the market price charged for products of same category provided by two to three independent third party suppliers. The Shanghai Sunwise Group will provide the products of same category to the Beijing Tianhai Group on terms and conditions no less favourable than those offered to independent third parties. As confirmed by the management of the Company, the Beijing Tianhai Group will accept on terms and conditions from the Shanghai Sunwise Group which are no less favourable than those offered by independent third parties.

For our due diligence purpose, we obtained an exhaustive list of historical purchases between the Beijing Tianhai Group and Shanghai Sunwise Group for the year ended 31 December 2024. The selection basis of samples regarding Purchased Products is based on the following criteria: (i) the total number of selected samples is not less than 5 sets; and (ii) the total transaction amount of the selected samples is not less than 50% of the total transaction amount of Purchased Products, for the period from 29 September 2024 (the “**Effective Date**”), being the day on which the Existing Product Sale and Purchase Framework Agreement became effective upon completion of the acquisition of controlling interest in Shanghai Sunwise by a wholly-owned subsidiary of the controlling shareholder of the Company, to 31 December 2024, which is the entire period of the Existing Product Sale and Purchase Framework Agreement. We then selected and reviewed four sets of historical purchases invoice between the Beijing Tianhai Group and Shanghai Sunwise Group and compared the contracts of similar products provided by independent third party suppliers for the period of the Existing Product Sale and Purchase Framework Agreement and noted that the terms of the same products provided by the Shanghai Sunwise Group to the Beijing Tianhai Group were no less favourable than those offered by the independent third parties. We consider the selected samples we reviewed are sufficient to justify the fairness and reasonableness of the pricing policies although the number of invoices we reviewed is less than 5 sets as they cover all the historical transactions related to the Purchased Products under the Existing Product Sale and Purchase Framework Agreement.

Pricing policy for the Sold Products

With reference to the Letter from the Board, the pricing of the Sold Products by the Beijing Tianhai Group to the Shanghai Sunwise Group will be determined in accordance with normal commercial terms with reference to the market price in the PRC, while the actual amount will be determined by the Beijing Tianhai Group and the Shanghai Sunwise Group through negotiations. Specifically, the price of the Sold Products provided by the Beijing Tianhai Group to the Shanghai Sunwise Group will be based on the costs calculated according to the category and quantity of products, transportation costs, the place of storage and its duration, manpower, processing and packaging costs and other factors, and also by referencing to the price of products of same category provided by other suppliers in the market, with a premium of not more than 20% above the cost price.

For our due diligence purpose, we obtained an exhaustive list of historical sales between the Beijing Tianhai Group and Shanghai Sunwise Group for the year ended 31 December 2024. The selection basis of samples regarding Sold Products is based on the following criteria: (i) the total number of selected samples is not less than 5 sets; and (ii)

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the total transaction amount of the selected samples is not less than 50% of the total transaction amount of Sold Products, for the period from the Effective Date to 31 December 2024, which is the entire period of the Existing Product Sale and Purchase Framework Agreement. We then selected and reviewed five sets of historical sales invoice between the Beijing Tianhai Group and Shanghai Sunwise Group which cover approximately 68% of the total historical transactions related to the Sold Products under the Existing Product Sale and Purchase Framework Agreement and compared the contracts of similar products provided to independent third party customers for the period of the Existing Product Sale and Purchase Framework Agreement 2024 and note that the terms of the same products provided by the Beijing Tianhai Group to the Shanghai Sunwise Group were no more favourable than those offered to independent third party customers. We consider the selected samples we reviewed are sufficient to justify the fairness and reasonableness of the pricing policies given that they represent the largest transactions of Sold Products we selected independently from the exhaustive list in relation to the Existing Product Sale and Purchase Framework Agreement and meet all the selection criteria mentioned above.

Based on the above, we are of the view that the terms of the Renewed Product Sale and Purchase Framework Agreement are fair and reasonable so far as the Company and the Independent Shareholders are concerned and in the interest of the Company and the Shareholders as a whole.

4. Proposed Annual Caps

Set out below are the historical transaction amounts for the sale and purchase transactions of hydrogen energy products between the Beijing Tianhai Group and the Shanghai Sunwise Group for each of the three years ended 31 December 2024:

For the year ended 31 December 2022 <i>RMB</i> <i>Approximately</i>	For the year ended 31 December 2023 <i>RMB</i> <i>Approximately</i>	For the year ended 31 December 2024 <i>RMB</i> <i>Approximately</i>
21,270,000 (inclusive of value-added tax)	22,720,000 (inclusive of value-added tax)	53,290,000 (inclusive of value-added tax)
		From 1 January 2024 to the day immediately preceding the Effective Date <i>(Note)</i> <i>RMB</i> <i>Approximately</i>
		From the Effective Date <i>(Note)</i> to 31 December 2024 <i>RMB</i> <i>Approximately</i>
		32,120,000 (inclusive of value-added tax)
		21,170,000 (inclusive of value-added tax)

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Note:

The historical transaction amount for the period from the Effective Date to 31 December 2024 did not exceed the annual cap under the Existing Product Sale and Purchase Framework Agreement, details of which were disclosed in the announcements of the Company dated 16 August 2024 and 30 September 2024.

From 1 January 2025 to the Latest Practicable Date, no Transaction was carried out pursuant to the Renewed Product Sale and Purchase Framework Agreement. The Transactions amount (if any) under the Renewed Product Sale and Purchase Framework Agreement will be closely monitored to ensure that they do not exceed the relevant de minimis threshold prior to obtaining approval from the Independent Shareholders, so to ensure that the Transactions (if any) are fully exempt under Chapter 14A of the Listing Rules.

Set out below are the historical annual caps for the period from the Effective Date to 31 December 2024 and the Proposed Annual Caps for each of the three years during the term of the Renewed Product Sale and Purchase Framework Agreement:

From the Effective Date to 31 December 2024	For the year ending 31 December 2025	For the year ending 31 December 2026	For the year ending 31 December 2027
<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
50,000,000	100,000,000	150,000,000	200,000,000
(inclusive of value-added tax)	(inclusive of value-added tax)	(inclusive of value-added tax)	(inclusive of value-added tax)

As depicted from the table above, we note that the Proposed Annual Caps increased by RMB50 million year-on-year. The Proposed Annual Caps are determined after taking into account the following: (i) historical transaction data; (ii) national policy; (iii) business needs; and (iv) corporate strategy and technological advancement.

(i) Historical transaction data

As stated in the Letter from the Board, Jingcheng Industrial Investment completed the acquisition of approximately 39.77% of the shares of Shanghai Sunwise on 29 September 2024 and became the largest shareholder and de facto controller of Shanghai Sunwise. After that, there will be a significant increase in the opportunities for cooperation between the Beijing Tianhai Group and the Shanghai Sunwise Group. For the period from the Effective Date to 31 December 2024, the transaction amount under the Existing Product Sale and Purchase Framework Agreement was approximately RMB21.17 million, which was approximately RMB84.70 million for the year ended 31 December 2024 by annualising the historical transactions amount for the three months ended 31 December 2024. As discussed with the management, the Company expects that business transactions between the Beijing Tianhai Group and the Shanghai Sunwise Group will become increasingly frequent for the next three years ending 31 December 2027. Also, we noted that such annualised amount of the expected transaction for the three months ended 31 December 2024 represents approximately 85% of Proposed Annual Caps for the year ending 31 December 2025.

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As depicted from the table above, we note that the transaction amount (i) increased by approximately RMB1.5 million or 6.8% from approximately RMB21.3 million the year ended 31 December 2022 to approximately RMB22.7 million for the year ended 31 December 2023; and (ii) increased by approximately RMB30.6 million or 134.6% from approximately RMB22.7 million for the year ended 31 December 2023 to approximately RMB53.3 million for the year ended 31 December 2024. Such growth of the historical transaction amounts aligned with the expected increase of approximately 87.6% in the transaction amount for the year ending 31 December 2025.

As such, we are of the view that the Proposed Annual Caps including the increase for each of the three years ending 31 December 2027 (which are approximately 50.0% for the year ending 31 December 2026 and approximately 33.3% for the year ending 31 December 2027) are relatively conservative by comparing the historical transaction amounts and the corresponding historical growth rates.

(ii) National policy

With the growing global emphasis on environmental protection and sustainable development, hydrogen fuel-cell vehicles, as an important branch of new energy vehicles, are facing unprecedented opportunities for development. At the national level, the National Development and Reform Commission and the National Energy Administration prepared and published the “Medium- and Long-Term Plan for the Development of Hydrogen Energy Industry (2021-2035)” in 2021, in which the energy attributes of hydrogen and the positioning of the hydrogen energy industry are clearly defined. At the local level, in provinces including Shandong, Sichuan, Jilin, Shaanxi, Hubei and other places, the highway toll-free policy has been introduced for hydrogen fuel-cell vehicles. Benefiting from such policies, the economics of hydrogen fuel-cell vehicle operation in China will become more and more prominent. The development of the hydrogen fuel-cell vehicle industry is safeguarded by the continuous support of national policies. In the next three years, with the thorough implementation and refinement of the relevant policies, it will further promote the growth of hydrogen storage and transportation equipment market for hydrogen fuel-cell vehicles.

Pursuant to the “Medium- and Long-Term Plan for the Development of Hydrogen Energy Industry (2021-2035)” issued by the PRC National Development and Reform Commission on 23 March 2022 (source: <https://www.ndrc.gov.cn/xxgk/zcfb/ghwb/202203/P020220323314396580505.pdf>) we reviewed, it is expected that in 2025, a sound institutional and policy environment for the development of the hydrogen energy industry will be formed. Industrial innovation capabilities will be significantly improved, and core technologies and manufacturing processes will become mature. A complete supply chain and industrial system will be established. The number of hydrogen fuel-cell vehicles will reach approximately 50,000 and a number of hydrogen refueling stations will be deployed. The hydrogen production capacity of renewable energy will reach approximately 100,000-200,000 tons/year, and the carbon dioxide emission reduction will be approximately 1-2 million tons/year. In 2030, a relatively complete hydrogen energy industry technology innovation system, clean energy hydrogen production and supply system will be formed. Hydrogen production from renewable energy will be widely used, which will strongly support the realisation of the carbon peak target. In 2035, a hydrogen energy industry system

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will be formed, and a diversified hydrogen energy will apply to transportation, energy storage, industrial business and so forth. The proportion of hydrogen produced to renewable energy in energy consumption will increase significantly and play an important role in the development of green energy.

(iii) Business needs

Demand for the on-board hydrogen storage system, a core component of the hydrogen fuel-cell vehicle, has been growing along with the development of the hydrogen fuel-cell vehicle market. Especially, with the advancement in hydrogen fuel-cell system and on-board hydrogen storage technologies and the decrease in cost, the performance of the hydrogen fuel cell and on-board hydrogen storage systems continues to improve, which has further boosted the growth of their demand. Over the next three years, the market is expected to grow at an average annual rate of over 35%.

Therefore, the Company expects that the purchase of system integration products, valves and other components, station equipment and other products by the Beijing Tianhai Group from the Shanghai Sunwise Group will increase gradually in terms of both quantity and scale. Similarly, according to the latest resource plan issued by the Shanghai Sunwise Group to the Beijing Tianhai Group, the Shanghai Sunwise Group expects that the purchase of gas cylinders and other products from the Beijing Tianhai Group will also increase gradually in terms of both quantity and scale.

As mentioned in the above analysis under the section headed “(ii) National policy”, it is expected that the number of hydrogen fuel-cell vehicles will reach approximately 50,000 in 2025. According to the statistic reports in relation to hydrogen vehicle in PRC issued by Belong ZeData (Beijing) Co., Ltd* (北龍澤達(北京)數據科技有限公司) issued in 2022-2024 respectively, we noted that the average growth rate of the annual sales of hydrogen vehicles in PRC for the four years ended 31 December 2024 was over 50%. As such, it is reasonable for Company to adopt a conservative approach in anticipating the market to grow at an average annual rate of over 35% over the next three years, which aligns with the expected growth for the Proposed Annual Caps on average.

(iv) Corporate strategy and technological advancement

With the development of the hydrogen energy market, the Company is increasing its involvement and presence in the fields of hydrogen storage and transportation equipment and on-board hydrogen storage systems to capture market share. Shanghai Sunwise is a leading company in China in the field of hydrogen systems and components including cylinder valves, while Beijing Tianhai is a leading company in China in the field of hydrogen storage and transportation equipment including hydrogen storage cylinders. The Beijing Tianhai Group has the firstmover advantage in the Chinese market in respect of the Type IV hydrogen storage cylinders, as well as advanced product technology and a scale of production capacity that leads the market. With the continuous advancement in technology and decrease in raw material costs, the production costs of on-board hydrogen storage systems will gradually decrease, and the products will become more competitive in the market, which will further boost the growth in the sale and purchase transaction volumes of the two parties.

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Based on the above review we performed including (i) the transaction amount for the period from the Effective Date to 31 December 2024 and the growth rates of the historical transaction amount for the period from 1 January 2022 to the day immediately preceding the Effective Date; (ii) the promotion of hydrogen energy in relation to the national policy; (iii) the business needs together with the industry forecast; and (iv) the corporate strategy and technological advancement we reviewed, we are of the view the Proposed Annual Caps are fair and reasonable.

INTERNAL CONTROL MEASURES

In accordance with the procurement policy of the Group's procurement department, the Group has maintained a register of suppliers (including independent suppliers and suppliers who are connected persons of the Group). In order to ensure that the Group is provided with the most favourable pricing, for each procurement transaction, the procurement department of the Company will solicit quotations from no less than two qualified suppliers from whom the Group purchases commodities. Although the Group purchases commodities from the Shanghai Sunwise Group, the Company will also consider products manufactured by other suppliers. The main factors considered by the Company in selecting suppliers include (i) pricing terms; (ii) production capacity; (iii) quality; and (iv) after-sales service capabilities. The Company generally purchases commodities from suppliers who provide quotations that enable the Company to achieve the highest cost-effectiveness. The Beijing Tianhai Group will strictly enforce the Company's procurement management measures. Based on the procurement demand issued by the Beijing Tianhai Group to the Shanghai Sunwise Group, the business personnel of the Beijing Tianhai Group will purchase from the Shanghai Sunwise Group in accordance with the Company's procurement policy, and enter into individual agreements with the Shanghai Sunwise Group. The legal department of the Company will review and ensure that the individual agreements and the transactions contemplated thereunder are in compliance with the relevant laws and regulations, including but not limited to the annual cap requirement under the Listing Rules. Pursuant to the quotations issued by the Shanghai Sunwise Group and the independent third party suppliers for the period of the Existing Product Sale and Purchase Framework Agreement we reviewed, we noted that the (i) pricing terms; (ii) production capacity; (iii) quality; and (iv) after-sales service capabilities of the similar products provided by the Shanghai Sunwise Group to the Beijing Tianhai Group were no less favourable than those offered by at least two independent third parties before entering into each of the individual contracts. Also, we obtained the correspondence documents with the responsible personnel of the relevant departments regarding the review and approval of the procurement under the Existing Product Sale and Purchase Framework Agreement and the Company's procurement policy and noted that the legal department of the Company reviewed and ensured that the individual agreements and the transactions contemplated thereunder are in compliance with the relevant laws and regulations, including but not limited to the annual cap requirement under the Listing Rules. As such, we consider the above procedures taken previously for the Purchased Products were implemented effectively by the Company to ensure fair pricing of the historical transactions.

In accordance with the sales system of the Group's sales department, the Group has maintained a register of sales customers (including independent customers and customers who are connected persons of the Group). Although the Group sells commodities to the

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Shanghai Sunwise Group, the Company will also consider selling products to other customers. The main factors considered by the Company in selecting customers include (i) pricing terms; (ii) payment terms; (iii) delivery terms; and (iv) warranty terms. The Beijing Tianhai Group will strictly enforce the Company's sales management system. Based on the demand issued by Shanghai Sunwise Group to the Beijing Tianhai Group, the business personnel of the Beijing Tianhai Group will prepare individual and specific sales agreements to be entered into with the Shanghai Sunwise Group. The legal department of the Company will review and ensure that the individual agreements and the transactions contemplated thereunder are in compliance with the relevant laws and regulations, including but not limited to the annual cap requirement under the Listing Rules. Pursuant to the contracts entered by the Shanghai Sunwise Group and the Beijing Tianhai Group and those entered by the independent third party customers and the Beijing Tianhai Group for the period of the Existing Product Sale and Purchase Framework Agreement we reviewed, we noted that the (i) pricing terms; (ii) payment terms; (iii) delivery terms; and (iv) warranty terms of the similar products provided by the Beijing Tianhai Group to the Shanghai Sunwise Group were no more favourable than those offered to the independent third parties customers. Also, we obtained the correspondence documents with the responsible personnel of the relevant departments regarding the review and approval of the sales under the Existing Product Sale and Purchase Framework Agreement and noted that the legal department of the Company reviewed and ensured that the individual agreements and the transactions contemplated thereunder are in compliance with the relevant laws and regulations, including but not limited to the annual cap requirement under the Listing Rules. As such, we consider the above procedures taken previously for the Sold Products were implemented effectively by the Company to ensure fair pricing of the historical transactions.

Further, the Company will provide information and supporting documents to its independent non-executive Directors and auditors for them to conduct annual review of the Transactions, so as to enable them to issue an annual confirmation in respect of the Transactions to the Company in accordance with Rules 14A.55 and 14A.56 of the Listing Rules respectively. We reviewed the internal control guideline stated the independent non-executive Directors and auditors of the Company would conduct an annual review of the continuing connected transactions. Hence, we consider such practice to be executed by the Company under the Renewed Product Sale and Purchase Framework Agreement would ensure the Group to comply with its terms and the relevant Listing Rules. Based on the above, we concur with the Board's view that given the implementation of such internal control measures, the pricing provided to the Company is in the interests of the Company and the shareholders as a whole.

OPINION

Having considered the above reasons, we are of the view that the entering into of the Renewed Product Sale and Purchase Framework Agreement (including the Proposed Annual Caps) and the Transactions are in the ordinary and usual course of business of the Group and the terms of it are on normal commercial terms, are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders; and we advise the

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Independent Shareholders, to vote in favour of the resolution to be proposed at the EGM to approve the Renewed Product Sale and Purchase Framework Agreement (including the Proposed Annual Caps) and the Transactions.

Yours faithfully,
For and on behalf of
Vinco Financial Limited
Alister Chung
Managing Director

Note: Mr. Alister Chung is a licensed person registered with the Securities and Future Commission of Hong Kong and a responsible officer of Vinco Financial Limited to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO and has participated in the provision of independent financial advisory services for various transactions involving companies listed in Hong Kong for over 10 years.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, so far as was known to the Directors, the interests or short positions of the Directors, supervisors and chief executives of the Company or their respective associates in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or (ii) entered in the register required to be kept under Section 352 of the SFO or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) adopted by the Company were as follows:

Long position in the Shares

Name	Capacity	Number of Shares held	Approximate percentage of shareholding in the entire share capital of the Company (A Shares and H Shares) as at the Latest Practicable Date ¹
Zhang Jiheng	Beneficial owner	150,000	0.027%

Note:

- The percentage was calculated based on 547,665,988 Shares in issue as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, supervisors and chief executives of the Company or their respective associates had any interest or short position in any Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and

8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

As at the Latest Practicable Date, so far as was known to the Directors, the following Directors were also directors or employees of a company which had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO:

Name of Director	Name of Shareholder	Capacity of the Director in the Shareholder	Number of Shares held by the Shareholder	Approximate percentage of shareholding in the entire share capital of the Company (A Shares and H Shares) as at the Latest Practicable Date ¹
Li Junjie	Jingcheng Machinery Electric	deputy general manager	245,735,052	44.87%
Zhou Yongjun	Jingcheng Machinery Electric	head of the technology and information department	245,735,052	44.87%
Man Huiyong	Jingcheng Machinery Electric	chief financial officer and director of its equity participating company Beijing Peitian Technology Co., Ltd.* (北京配天技術有限公司)	245,735,052	44.87%
Li Chunzhi	Jingcheng Machinery Electric	deputy general manager of its subsidiary Beijing Humanoid Robot Innovation Center Co., Ltd.* (北京人形機器人創新中心有限公司)	245,735,052	44.87%

Note:

1. The percentage was calculated based on 547,665,988 Shares in issue as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors was a director or employee of a company which had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any members of the Group other than contracts expiring or determinable by the relevant member of the Group within one year without payment of compensation (other than statutory compensation).

4. DIRECTORS' INTERESTS IN ASSETS AND/OR CONTRACTS AND OTHER INTEREST

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been, since 31 December 2023, being the date to which the latest published audited accounts of the Company were made up, acquired or disposed of by or leased to, or were proposed to be acquired or disposed of by or leased to, any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting which was significant in relation to the business of the Group.

5. COMPETING INTERESTS

As at the Latest Practicable Date, so far as the Directors were aware, none of the Directors or their respective close associates (as defined in the Listing Rules) had any interest in a business that competed or might compete, either directly or indirectly, with the business of the Group.

6. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2023, being the date to which the latest published audited accounts of the Group were made up.

7. EXPERTS AND CONSENT

The following is the qualification of the expert who has given opinion or advice which is contained in this circular:

Name	Qualification
Vinco Financial Limited	A corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

As at the Latest Practicable Date, Vinco Financial had given and had not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and references to its name in the form and context in which they respectively appear.

The letter given by Vinco Financial is given as of the date of this circular for incorporation herein.

As at the Latest Practicable Date, Vinco Financial did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, Vinco Financial did not have any direct or indirect interest in any assets which had been, since 31 December 2023, being the date to which the latest published audited accounts of the Group were made up, acquired or disposed of by or leased to, or were proposed to be acquired or disposed of by or leased to, any member of the Group.

8. DOCUMENTS ON DISPLAY

A copy of the Renewed Product Sale and Purchase Framework Agreement will be available for inspection on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.jingchenggf.cn) for the period of 14 days from the date of this circular.

* *For identification purposes only*

THE COMPARISON TABLE OF AMENDMENTS TO
THE “ARTICLES OF ASSOCIATION”

No.	Original text of the “Articles of Association”	Text of the “Articles of Association” after the proposed amendments
1	<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</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</p>

No.	Original text of the “Articles of Association”	Text of the “Articles of Association” after the proposed amendments
	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.	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, and reduced its registered capital accordingly after repurchasing and cancelling 180,000 restricted A shares on [•] 2025.
2	Article 6 The Company’s legal representative is the chairman of the Company.	Article 6 The Company’s legal representative is the chairman of the Company. If the chairman serving as the legal representative resigns, he/she is deemed to resign as the legal representative at the same time. If the legal representative resigns, the Company shall determine a new legal representative within thirty days from the date of the legal representative’s resignation.
3	Article 11 The Company may invest in other enterprises; provided that unless otherwise provided by law, regulations and other normative documents, the Company shall not act as a capital contributor which assumes joint and several liabilities of the enterprises it invested in.	Article 11 The Company may invest in other enterprises; provided that unless otherwise provided by law, regulations and other normative documents, the Company shall not act as a capital contributor which assumes joint and several liabilities of the enterprises it invested in. Where the law stipulates that the Company shall not be the investor who assumes joint and several liabilities of the invested enterprise, such provisions shall prevail.

No.	Original text of the “Articles of Association”	Text of the “Articles of Association” after the proposed amendments
4	<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 547,665,988 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>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 547,665,988547,485,988 ordinary shares, of which:</p> <p>I. When the Company was established, 250,000,000 shares were issued to the promoter, accounting for 46.145.66% 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 18.4418.27% 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 9.229.13% 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 4.064.02% 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 11.6211.51% of the total number of ordinary shares which may be issued by the Company.</p>

No.	Original text of the “Articles of Association”	Text of the “Articles of Association” after the proposed amendments
	<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>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>VI. After its establishment, on June 24, 2022, the Company issued 46,481,314 shares to domestic investors, accounting for 8.578.49% 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 1.991.97% 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>IX. After its establishment, on [•] 2025, the Company repurchased and cancelled 180,000 restricted A shares that had been granted to 5 participants but had not been unlocked. After the repurchase and the cancellation, the total number of shares of the Company was reduced from 547,665,988 shares to 547,485,988 shares.</p>
5	Article 21 The Company’s registered capital is RMB547,665,988.	Article 21 The Company’s registered capital is RMB547,665,988 547,485,988 .

No.	Original text of the “Articles of Association”	Text of the “Articles of Association” after the proposed amendments
6	<p>Article 23 The Company or its subsidiaries (including its affiliated companies) shall not, by way of a gift, advance, guarantee, compensation, loans etc., provide any financial assistance to a person who acquires or intends to acquire the shares of the Company.</p>	<p>Article 23 The Company shall not provide gifts, loans, guarantees and other financial assistance for others to acquire shares of the Company or its parent company, except for the Company’s implementation of employee share schemes.</p> <p>In the interests of the Company, by resolution of the general meeting, or by resolution of the board of directors in accordance with the Articles of Association or the authorization of the general meeting, the Company may provide financial assistance for others to acquire shares of the Company or its parent company, provided that the cumulative total amount of the financial assistance shall not exceed 10% of the total amount of the issued share capital. Resolutions made by the board of directors shall be passed by more than two-thirds of all directors.</p> <p>In the event of any damages caused to the Company due to their violation of the preceding provisions, the responsible directors, supervisors and senior managers shall be liable for compensation or its subsidiaries (including its affiliated companies) shall not, by way of a gift, advance, guarantee, compensation, loans etc., provide any financial assistance to a person who acquires or intends to acquire the shares of the Company.</p>

No.	Original text of the “Articles of Association”	Text of the “Articles of Association” after the proposed amendments
7	<p>Article 25 The Company shall not repurchase its own shares, except in one of the following situations:</p> <p>(1) cancelling shares for the purpose of capital reduction;</p> <p>(2) merging with another company that holds shares in the Company;</p> <p>(3) using for employees share ownership plans or share incentives;</p> <p>(4) merger or division resolutions proposed at the general meeting of the shareholders are opposed by some shareholders who ask the Company to repurchase their shares;</p> <p>(5) using for converting the corporate bonds issued by the Company which are convertible into shares;</p> <p>(6) protecting the Company’s value and the shareholders’ rights and interests when necessary.</p> <p>Acquisition by the Company of its shares due to the circumstances referred to in the preceding items (1) and (2) shall be subject to the approval in general meeting by resolutions; acquisition by the Company of its shares due to the circumstances referred to in the preceding items (3), (5) and (6) shall be subject to the approval in board meeting attended by more than two-third of the directors by resolutions in accordance with the mandate from the general meeting.</p>	<p>Article 25 The Company shall not repurchase its own shares, except in one of the following situations:</p> <p>(1) cancelling shares for the purpose of registered capital reduction;</p> <p>(2) merging with another company that holds shares in the Company;</p> <p>(3) using shares for employees share ownership plans or share incentives;</p> <p>(4) merger or division resolutions proposed at the general meeting of the shareholders are opposed by some shareholders who ask the Company to repurchase their shares;</p> <p>(5) using shares for converting the corporate bonds issued by the Company which are convertible into shares;</p> <p>(6) protecting the Company’s value and the shareholders’ rights and interests when necessary.</p> <p>Acquisition by the Company of its shares due to the circumstances referred to in the preceding items (1) and (2) shall be subject to the approval in general meeting by resolutions; acquisition by the Company of its shares due to the circumstances referred to in the preceding items (3), (5) and (6) shall be subject to the approval in board meeting attended by more than two-thirds of the directors by resolutions in accordance with the mandate from the general meeting.</p>
8	<p>Article 29 Share certificates of the Company shall be signed by the chairman of the board of directors. Where the stock exchanges on which the Company’s shares are listed require other senior officers’ signatures, the share certificates shall also be signed by such senior officers. Share certificates shall take effect after being imprinted or printed with the seal of the Company under the authorization of the board of directors. The signatures of the chairman of the board of directors or other senior officers also can be printed.</p>	<p>Article 29 Share certificates shall be in paper form, specify the serial number of the share certificate. The share certificate shall be signed by the legal representative and affixed with the seal of the Company</p> <p>Share certificates of the Company shall be signed by the chairman of the board of directors. Where the stock exchanges on which the Company’s shares are listed require other senior officers’ signatures, the share certificates shall also be signed by such senior officers. Share certificates shall take effect after being imprinted or printed affixed with the seal of the Company in printed form under the authorization of the board of directors. The signatures of the chairman of the board of directors or other senior officers also can be printed in the form of printing.</p>

No.	Original text of the “Articles of Association”	Text of the “Articles of Association” after the proposed amendments
9	<p>Article 40 Shares in the Company held by the promoters shall not be transferred within 1 year from the date of the Company’s establishment. The shares which were issued before the public offer shall not be transferred within 1 year since the shares of the Company were listed on the stock exchange(s).</p> <p>During their tenure, directors, supervisors and the senior management officers of the Company shall report to the Company their shareholdings in the Company and changes therein and shall not transfer more than 25% per year of the total number of shares held by them; the shares held by them shall not be transferred within 1 year from the date when the shares of the Company were listed and traded on the stock exchange. The aforesaid persons shall not transfer their shares within 6 months from the date on which their resignation comes into effect.</p>	<p>Article 40 Shares in the Company held by the promoters shall not be transferred within 1 year from the date of the Company’s establishment. The shares which were issued before the public offer shall not be transferred within 1 year since the shares of the Company were listed on the stock exchange(s). Where the transfer of the Company’s shares held by the shareholders or its de facto controllers is otherwise stipulated by laws, administrative regulations, the CSRC, or the stock exchange where the Company’s shares are listed, such provisions shall prevail.</p> <p>During their tenure determined at the time of taking office, directors, supervisors and the senior management officers of the Company shall report to the Company their shareholdings in the Company and changes therein and shall not transfer more than 25% per year of the total number of shares held by them; the shares held by them shall not be transferred within 1 year from the date when the shares of the Company were listed and traded on the stock exchange. The aforesaid persons shall not transfer their shares within 6 months from the date on which their resignation comes into effect.</p> <p>Where the shares are pledged within the time limit for transfer prescribed by laws or administrative regulations, the pledgee may not exercise the pledge right within the time limit for transfer.</p>

No.	Original text of the “Articles of Association”	Text of the “Articles of Association” after the proposed amendments
10	<p>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 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 may request the People’s Court to revoke the resolution within sixty days from the date of adoption of the resolution 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. However, this excludes situations where there is only a minor defect in the procedures for the convening of a general meeting or the board meeting or in the manner of voting thereat, which does not have material impact on the resolution.</p>

No.	Original text of the “Articles of Association”	Text of the “Articles of Association” after the proposed amendments
11	<p>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%; 5. a guarantee, the amount of which exceeds 10% of the latest audited net assets; 6. a guarantee provided to the shareholder, beneficial controller or their respective related parties. <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>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%; 5. a guarantee, the amount of which exceeds 10% of the latest audited net assets; 6. a guarantee provided to the shareholder, beneficial controller or their respective related parties. <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 more than half 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 meeting with a resolution being adopted.</p> <p>When a an external 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>

No.	Original text of the “Articles of Association”	Text of the “Articles of Association” after the proposed amendments
	<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>	<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>
<p>12</p>	<p>Article 64 When the Company convenes a general meeting, the board of directors, supervisory committee and shareholders either individually or collectively holding 3% or more of the Company’s shares may propose motions. Shareholders either individually or collectively holding 3% or more of the Company’s shares may submit their provisional motions in writing to the convener 10 days before the meeting date. The convener shall issue a supplementary notice of the general meeting 2 days after the motions have been received and announce the contents of the motions. Other than the circumstances referred to in the preceding paragraph, after the issuance of announcement by the convener, no changes shall be made to the stated motions in the notice of the meeting or the newly added motions. The general meeting shall not vote on or resolve the motions that not stated in the notice of the general meeting or that not meet the requirements in the following article of this Articles of Association.</p>	<p>Article 64 When the Company convenes a general meeting, the board of directors, supervisory committee and shareholders either individually or collectively holding 3% or more of the Company’s shares may propose motions. Shareholders either individually or collectively holding 3% or more of the Company’s shares may submit their provisional motions in writing to the convener 10 days before the meeting date. The provisional proposals should have clear topics and specific resolutions. The convener shall issue a supplementary notice of the general meeting within 2 days after the motions have been received and announce the contents of the motions. However, this excludes such interim proposals that are in violation of the requirements under the laws, administrative regulations or the Articles of Association, or do not fall within the scope of duties of the general meeting. Other than the circumstances referred to in the preceding paragraph, after the issuance of announcement by the convener, no changes shall be made to the stated motions in the notice of the meeting or the newly added motions. The general meeting shall not vote on or resolve the motions that not stated in the notice of the general meeting or that not meet the requirements in the following article of this Articles of Association.</p>

No.	Original text of the “Articles of Association”	Text of the “Articles of Association” after the proposed amendments
13	<p>Article 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>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>Article 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 1%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>A written notice stating the intention to propose a director candidate nominate a candidate for the position of director 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, which shall come into effect from the date on which such resolution is made, remove any director before the expiry of his term. Where a director is removed from office prior to expiration of his/her term of office without reasonable cause, the director may demand compensation from the Company 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>

No.	Original text of the “Articles of Association”	Text of the “Articles of Association” after the proposed amendments
	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.	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.
14	<p>Article 126 The board of directors reports to general meetings and exercises the following powers:</p> <ol style="list-style-type: none"> 1. to convene the general meetings and report its work to the general meetings; 2. to implement the resolutions passed at the general meetings; 3. to decide on the Company’s business plans and investment schemes; 4. to formulate the Company’s annual budget schedule and budget implementation proposal; 5. to formulate the Company’s profit distribution plan and loss recovery plan; 6. to formulate proposals for increase or reduction of the Company’s registered capital and the issue of corporate debentures; 7. to draw up proposals for important acquisition, purchase of the Company’s share, or combination, division, dissolution and change in the form of the Company; 8. to decide within the authorization of the general meeting on investment, purchase, sale or mortgage of assets, guarantee, wealth management, related transaction, external donation and the like; 9. to determine the establishment of the Company’s internal management structure; 10. to decide on the appointment or dismissal of the Company’s manager and secretary of the board of directors and to determine matters in relation to their remuneration, rewards and penalties, to appoint or dismiss as nominated by the manager deputy managers, financial officers, chief engineers, general counsel and other senior officers of the Company, and to determine matters in relation to their remuneration, rewards and penalties; 	<p>Article 126 The board of directors reports to general meetings and exercises the following powers:</p> <ol style="list-style-type: none"> 1. to convene the general meetings and report its work to the general meetings; 2. to implement the resolutions passed at the general meetings; 3. to decide on the Company’s business plans and investment schemes; 4. to formulate the Company’s annual budget schedule and budget implementation proposal; 5. to formulate the Company’s profit distribution plan and loss recovery plan; 6. to formulate proposals for increase or reduction of the Company’s registered capital and the issue of corporate debentures; 7. to draw up proposals for important acquisition, purchase of the Company’s share, or combination, division, dissolution and change in the form of the Company; 8. to decide within the authorization of the general meeting on investment, purchase, sale or mortgage of assets, guarantee, wealth management, related transaction, external donation and the like; 9. to determine the establishment of the Company’s internal management structure; 10. to decide on the appointment or dismissal of the Company’s manager and secretary of the board of directors and to determine matters in relation to their remuneration, rewards and penalties, to appoint or dismiss as nominated by the manager deputy managers, financial officers, chief engineers, general counsel and other senior officers of the Company, and to determine matters in relation to their remuneration, rewards and penalties;

No.	Original text of the “Articles of Association”	Text of the “Articles of Association” after the proposed amendments
	<p>11. to formulate basic management policy for the Company;</p> <p>12. to formulate proposed amendments to the Articles of Association;</p> <p>13. to manage the Company’s information disclosure;</p> <p>14. to determine the Company’s interim dividend distribution plan;</p> <p>15. to propose to the general meeting to appoint or dismiss an accountancy firm as the internal control auditor;</p> <p>16. to listen to the work report by the manager of the Company and inspect their work;</p> <p>17. to exercise other powers conferred by laws, administrative regulations, departmental rules or the Articles of Association;</p> <p>18. to exercise any other powers conferred by the shareholders at the general meetings.</p> <p>Except for the resolutions of the board of directors in respect of the matters specified in items 6, 7 and 12 which shall be passed by two-thirds or more of the directors, the resolutions of the board of directors in respect of any other aforesaid matters may be passed by more than half of the directors.</p>	<p>11. to formulate basic management policy for the Company;</p> <p>12. to formulate proposed amendments to the Articles of Association;</p> <p>13. to manage the Company’s information disclosure;</p> <p>14. to determine the Company’s interim dividend distribution plan;</p> <p>15. to propose to the general meeting to appoint or dismiss an accountancy firm as the internal control auditor;</p> <p>16. to listen to the work report by the manager of the Company and inspect their work;</p> <p>17. to exercise other powers conferred by laws, administrative regulations, departmental rules or the Articles of Association;</p> <p>18. to exercise any other powers conferred by the shareholders at the general meetings.</p> <p>Except for the resolutions of the board of directors in respect of the matters specified in items 6, 7 and 12 which shall be passed by two-thirds or more of the directors, the resolutions of the board of directors in respect of any other aforesaid matters may be passed by more than half of the directors.</p>
15	<p>Article 130 The Chairman is entitled to exercise the following powers:</p> <p>(1) to preside over general meetings, to convene and preside over Board meetings and to lead the daily work of the board of directors;</p> <p>(2) to supervise and monitor the implementation of resolutions of the board of directors;</p> <p>(3) to exercise certain powers of the board of directors in accordance with authorization of the Board during intermissions of the meetings of the board of directors;</p> <p>(4) to sign shares, corporate debentures and other securities of the Company;</p> <p>(5) to nominate candidates for managers, secretary of the board and financial officers;</p>	<p>Article 130 The Chairman is entitled to exercise the following powers:</p> <p>(1) to preside over general meetings, to convene and preside over Board board meetings and to lead the daily work of the board of directors;</p> <p>(2) to supervise and monitor the implementation of resolutions of the board of directors;</p> <p>(3) to exercise certain powers of the board of directors in accordance with authorization of the Board board during intermissions of the meetings of the board of directors;</p> <p>(4) to sign shares, corporate debentures and other securities of the Company;</p> <p>(5) to nominate candidates for managers, secretary of the board and financial officers;</p>

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	<p>(6) to sign documents for appointment or dismissal of the Company’s managers, deputy managers, secretary of the board of directors, financial officers or other senior officers in accordance with decision of the board of directors;</p> <p>(7) to sign important documents of the board of directors and other documents that should be signed by the legal representative of the Company;</p> <p>(8) to exercise the powers of the legal representative;</p> <p>(9) in case of emergency circumstances of force majeure events such as extraordinary natural disasters, to exercise special disposal powers which comply with legal provisions and are in the interests of the Company on matters of the Company and provide post-event reports to the Board and the general meeting;</p> <p>(10) to exercise any other powers conferred by the board of directors.</p> <p>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.</p>	<p>(6) to sign documents for appointment or dismissal of the Company’s managers, deputy managers, secretary of the board of directors, financial officers or other senior officers in accordance with decision of the board of directors;</p> <p>(7) to sign important documents of the board of directors and other documents that should be signed by the legal representative of the Company;</p> <p>(8) to exercise the powers of the legal representative;</p> <p>(9) in case of emergency circumstances of force majeure events such as extraordinary natural disasters, to exercise special disposal powers which comply with legal provisions and are in the interests of the Company on matters of the Company and provide post-event reports to the Board board and the general meeting;</p> <p>(10) to exercise any other powers conferred by the board of directors.</p> <p>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.</p>

No.	Original text of the “Articles of Association”	Text of the “Articles of Association” after the proposed amendments
16	<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 the 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 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 the 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>The remuneration appraisal mechanism of directors, supervisors and senior management of the Company shall be implemented with reference to the remuneration management system and other relevant internal management systems of the Company.</p>

No.	Original text of the “Articles of Association”	Text of the “Articles of Association” after the proposed amendments
17	<p>Article 170 The supervisory committee shall be accountable to the general meeting, and shall exercise the following powers in accordance with law:</p> <p>(1) to review the Company’s periodic reports prepared by the board of directors and give written review opinions;</p> <p>(2) to review the Company’s financial position;</p> <p>(3) to supervise the directors, manager and other senior officers to ensure that they do not act in violation of any law, regulation or the Company’s Articles of Association, and to make suggestions on the removal of directors or senior officers who violated the laws, administrative regulations, the Articles of Association or the resolutions of the general meeting;</p> <p>(4) to demand any director, manager, deputy manager, financial officer or any other senior officer who acts in a manner which is harmful to the Company’s interest to rectify such behavior;</p> <p>(5) to conduct investigations into any irregularities identified in the operation of the Company and, if necessary, may engage professional institutions, including accounting firms and law firms to assist its work and the expenses so incurred shall be borne by the Company;</p> <p>(6) to propose to convene an extraordinary general meeting, and to convene and preside over the general meeting when the board of directors fails to perform its duty of convening and presiding over the general meeting as prescribed by the Company Law;</p> <p>(7) to represent the Company in negotiations with or in bringing actions against a director or senior management;</p> <p>(8) to submit proposals to the general meetings;</p> <p>(9) other functions and powers specified in the Company’s Articles of Association.</p> <p>Supervisors may attend board meetings, and raise questions or suggestions on matters to be resolved at the board meetings.</p>	<p>Article 170 The supervisory committee shall be accountable to the general meeting, and shall exercise the following powers in accordance with law:</p> <p>(1) to review the Company’s periodic reports prepared by the board of directors and give written review opinions;</p> <p>(2) to review the Company’s financial position;</p> <p>(3) to supervise the directors, manager and other senior officers to ensure that they do not act in violation of any law, regulation or the Company’s Articles of Association, and to make suggestions on the removal of directors or senior officers who violated the laws, administrative regulations, the Articles of Association or the resolutions of the general meeting;</p> <p>(4) to demand any director, manager, deputy manager, financial officer or any other senior officer who acts in a manner which is harmful to the Company’s interest to rectify such behavior;</p> <p>(5) to conduct investigations into any irregularities identified in the operation of the Company and, if necessary, may engage professional institutions, including accounting firms and law firms to assist its work and the expenses so incurred shall be borne by the Company;</p> <p>(6) to propose to convene an extraordinary general meeting, and to convene and preside over the general meeting when the board of directors fails to perform its duty of convening and presiding over the general meeting as prescribed by the Company Law;</p> <p>(7) to represent the Company in negotiations with or in bringing actions against a director or senior management;</p> <p>(8) to submit proposals to the general meetings;</p> <p>(9) other functions and powers specified in the Company’s Articles of Association.</p> <p>Supervisors may attend board meetings, and raise questions or suggestions on matters to be resolved at the board meetings.</p>

No.	Original text of the “Articles of Association”	Text of the “Articles of Association” after the proposed amendments
18	<p>Article 171 Resolutions of the supervisory committee shall be passed by the affirmative votes of more than half of the supervisors.</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 171 Resolutions of the supervisory committee shall be passed by the affirmative votes of more than half of the all supervisors. Voting on resolutions of the supervisory committee shall be carried out on a one-person-one-vote basis.</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>

No.	Original text of the “Articles of Association”	Text of the “Articles of Association” after the proposed amendments
19	<p>Article 177 A person may not serve as a director, supervisor, manager or any other senior officer of the Company if any of the following circumstances apply:</p> <p>(1) a person having no or limited capacity for civil conduct;</p> <p>(2) a person who has been sentenced for corruption, bribery, infringement or misappropriation of property or other crimes which disrupt the social economic order, or has been deprived of his political rights, with the completion of such punishments being less than five years ago;</p> <p>(3) a person who is a former director or manager of a company or an enterprise which has been dissolved or put into liquidation as a result of mismanagement, and is personally liable for the winding up of such company or enterprise, with completion of the bankruptcy liquidation being less than three years ago;</p>	<p>Article 177 A person may not serve as a director, supervisor, manager or any other senior officer of the Company if any of the following circumstances apply:</p> <p>(1) a person having no or limited capacity for civil conduct;</p> <p>(2) a person who is imposed any criminal penalty due to corruption, bribery, embezzlement, appropriation of property or jeopardizing the socialist market economic order, or if the person is deprived of the political rights due to committing crime, and the expiry of execution of such deprivation is less than five years, or if the person has been granted a suspended sentence of which the expiry of the probation period of the suspended sentence is less than two yearsa person who has been sentenced for corruption, bribery, infringement or misappropriation of property or other crimes which disrupt the social economic order, or has been deprived of his political rights, with the completion of such punishments being less than five years ago;</p> <p>(3) a person who is a former director or manager of a company or an enterprise which has been dissolved or put into liquidation as a result of mismanagement, and is personally liable for the winding up of such company or enterprise, with completion of the bankruptcy liquidation being less than three years ago;</p>

No.	Original text of the “Articles of Association”	Text of the “Articles of Association” after the proposed amendments
	<p>(4) a person who is a former legal representative of a company or an enterprise the business license of which was revoked due to violation of law and is personally liable therefor, with revocation of the business license being less than three years ago;</p> <p>(5) a person who has a relatively large amount of debts which have become overdue;</p> <p>(6) a person who is currently under investigation by judicial organs for violation of criminal law;</p> <p>(7) a person who, according to laws and administrative regulations, cannot act as a leader of an enterprise;</p> <p>(8) a person other than a natural person;</p> <p>(9) a person who has been convicted by the competent authority for violation of relevant securities regulations and fraudulent or dishonest actions, with the conviction being made less than five years ago;</p> <p>(10) a person who has been prohibited from entering the securities market by the CSRC for a period which has not been expired yet;</p> <p>(11) a person who is involved in any other circumstance specified by laws, administrative regulations or departmental rules. If the election or appointment of directors violates this Article, such election, appointment or employment shall be invalid. If any of the circumstances described in this Article occurs during the term of office of a director, the Company shall remove the director from the position.</p>	<p>(4) a person who is a former legal representative of a company or an enterprise the business license of which was revoked or ordered to close down due to violation of law and is personally liable therefor, with revocation of the business license being less than three years ago;</p> <p>(5) a person who is listed as a dishonest party by the People’s Court because the person has a relatively large amount of debts which have become overdue;</p> <p>(6) a person who is currently under investigation by judicial organs for violation of criminal law;</p> <p>(7) a person who, according to laws and administrative regulations, cannot act as a leader of an enterprise;</p> <p>(8) a person other than a natural person;</p> <p>(9) a person who has been convicted by the competent authority for violation of relevant securities regulations and fraudulent or dishonest actions, with the conviction being made less than five years ago;</p> <p>(10) a person who has been prohibited from entering the securities market by the CSRC for a period which has not been expired yet;</p> <p>(11) a person who is involved in any other circumstance specified by laws, administrative regulations or departmental rules. If the election or appointment of directors violates this Article, such election, appointment or employment shall be invalid. If any of the circumstances described in this Article occurs during the term of office of a director, the Company shall remove the director from the position.</p>

No.	Original text of the “Articles of Association”	Text of the “Articles of Association” after the proposed amendments
20	<p>Article 197 The reserve fund of the Company is used for recovery of losses and expansion of operations or is transferred to capital. However, capital reserve shall not be used for recovery of the Company’s losses.</p> <p>For transfer of statutory surplus reserve into capital, the retained statutory surplus reserve shall not be less than 25% of the Company’s registered capital before its increment through the transfer.</p>	<p>Article 197 The reserve fund of the Company is used for recovery of losses and expansion of operations or is transferred to registered capital. The discretionary reserve and the statutory reserve shall first be used in making up the losses of the Company, and for any losses left to be set off, the capital reserve may be utilized in accordance with the provisions However, capital reserve shall not be used for recovery of the Company’s losses.</p> <p>For transfer of statutory surplus reserve into additional registered capital, the retained statutory surplus reserve shall not be less than 25% of the Company’s registered capital before its increment through the transfer.</p>
21	<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 days of the date of the Company’s merger resolution and shall publish an announcement in a newspaper within thirty days of the date of the Company’s merger resolution.</p> <p>Creditors have the right, within thirty days upon receipt of the notice, or for those who have not received the notice, within forty-five days from the date of the announcement, to demand the Company to repay its debts or provide a corresponding guarantee.</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 days of the date of the Company’s merger resolution and shall publish an announcement in a newspaper or the National Enterprise Credit Information Publicity System within thirty days of the date of the Company’s merger resolution.</p> <p>Creditors have the right, within thirty days upon receipt of the notice, or for those who have not received the notice, within forty-five days from the date of the announcement, to demand the Company to repay its debts or provide a corresponding guarantee.</p>

No.	Original text of the “Articles of Association”	Text of the “Articles of Association” after the proposed amendments
22	<p>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 days from the date of the resolution on the division and announce it in a newspaper within thirty days.</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>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 days from the date of the resolution on the division and announce it in a newspaper or the National Enterprise Credit Information Publicity System within thirty days.</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>
23	<p>Article 217 The Company shall be dissolved if:</p> <p>(1) business term specified in the Articles of Association expires or other dis-solution 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>Article 217 The Company shall be dissolved if:</p> <p>(1) business term specified in the Articles of Association expires or other dis-solution 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>

No.	Original text of the “Articles of Association”	Text of the “Articles of Association” after the proposed amendments
	<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> <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>On the occurrence of the events of dissolution set out in the preceding Article, the Company shall make an announcement on the National Enterprise Credit Information Publicity System within ten days.</p> <p>For the circumstance in item (I) and (II) above, and no property has been distributed to shareholders, the Company may continue to subsist by amending the Articles of Association or by resolution of the general meeting. Amendments to the Articles of Association in accordance with the provisions of the preceding paragraph or by resolution of the general meeting shall be approved by more than two-thirds of the voting rights held by the shareholders attending the general meeting</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> <p>Where the Company is dissolved under subparagraphs (1), (2), (4) and (5) above, it shall be liquidated. The Directors, being the liquidation obligors of the Company shall form a liquidation committee for liquidation within fifteen days from the date of occurrence of the cause for dissolution. a liquidation committee shall be set up within fifteen (15) days from the occurrence of the dissolution events, to carry out liquidation.</p>

No.	Original text of the “Articles of Association”	Text of the “Articles of Association” after the proposed amendments
		<p>Members of liquidation committee shall be determined by directors or shareholders at a general meeting. If it fails to establish a liquidation committee to carry out liquidation after the expiry of the time limit or fails to carry out liquidation after establishing the liquidation committee, the interested parties can apply to the people’s court for appointing relevant officers to establish the liquidation committee to carry out the liquidationIf 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>
24	<p>Article 218 The liquidation committee shall, within ten days of its establishment, send notices to creditors and shall, within sixty days of its establishment, publish an announcement in a newspaper. Creditors shall, within thirty days upon receipt of the notice, or for those who have not received the notice, within forty-five days from the date of the announcement, declare their claims to the liquidation committee. When declaring claims, creditors shall state relevant particulars of their claims and provide supporting materials. The liquidation committee shall register the claims. The liquidation committee shall not make repayment to creditors during the claims declaration period.</p>	<p>Article 218 The liquidation committee shall, within ten days of its establishment, send notices to creditors and shall, within sixty days of its establishment, publish an announcement in a newspaper or the National Enterprise Credit Information Publicity System. Creditors shall, within thirty days upon receipt of the notice, or for those who have not received the notice, within forty-five days from the date of the announcement, declare their claims to the liquidation committee. When declaring claims, creditors shall state relevant particulars of their claims and provide supporting materials. The liquidation committee shall register the claims. The liquidation committee shall not make repayment to creditors during the claims declaration period.</p>

No.	Original text of the “Articles of Association”	Text of the “Articles of Association” after the proposed amendments
25	<p>Article 219 During the liquidation, the liquidation committee shall exercise the following functions and powers:</p> <p>(1) to sort out the Company’s assets and prepare a balance sheet and an inventory of assets respectively;</p> <p>(2) to notify the creditors or to publish public announcements;</p> <p>(3) to dispose of and liquidate any unfinished businesses of the Company;</p> <p>(4) to pay all outstanding taxes;</p> <p>(5) to settle claims and debts;</p> <p>(6) to deal with the surplus assets remaining after the Company’s debts have been repaid;</p> <p>(7) to represent the Company in any civil proceedings.</p>	<p>Article 219 During the liquidation, the liquidation committee shall exercise the following functions and powers:</p> <p>(1) to sort out the Company’s assets and prepare a balance sheet and an inventory of assets respectively;</p> <p>(2) to notify the creditors or to publish public announcements;</p> <p>(3) to dispose of and liquidate any unfinished businesses of the Company;</p> <p>(4) to pay all outstanding taxes;</p> <p>(5) to settle claims and debts;</p> <p>(6) to distribute deal with the surplus assets remaining after the Company’s debts have been repaid;</p> <p>(7) to represent the Company in any civil proceedings.</p>
26	<p>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 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>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 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>

No.	Original text of the “Articles of Association”	Text of the “Articles of Association” after the proposed amendments
27	<p>Article 221 If, after putting the Company’s assets in order and preparing a balance sheet and an inventory of assets in connection with the liquidation of the Company, the liquidation committee discovers that the Company’s assets are insufficient to repay the Company’s debts in full, the liquidation committee shall immediately apply to the people’s court for a declaration of insolvency.</p> <p>After a Company is declared insolvent by a ruling of the people’s court, the liquidation committee shall transfer all matters arising from the liquidation to the people’s court.</p>	<p>Article 221 If, after putting the Company’s assets in order and preparing a balance sheet and an inventory of assets in connection with the liquidation of the Company, the liquidation committee discovers that the Company’s assets are insufficient to repay the Company’s debts in full, the liquidation committee shall immediately apply to the people’s court for a declaration of insolvency liquidation.</p> <p>After a Company is declared insolvent by a ruling of the people’s court accepts the application for bankruptcy, the liquidation committee shall transfer all matters arising from the liquidation to the bankruptcy administrator designated by the people’s court.</p>
28	<p>Article 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 and apply for cancellation of registration of the Company, and publish a public announcement relating to the termination of the Company.</p>	<p>Article 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 and apply for cancellation of registration of the Company, and publish a public announcement relating to the termination of the Company.</p>

No.	Original text of the “Articles of Association”	Text of the “Articles of Association” after the proposed amendments
29	<p>Article 223 Members of the liquidation committee shall perform their duties in a faithful and lawful manner, not take advantage of their powers to accept bribery or other illegal income, and not misappropriate the Company’s property.</p> <p>A member of the liquidation committee who causes losses to the Company or its creditors due to intentional misconduct or gross negligence shall be liable for compensation.</p>	<p>Article 223 Members of the liquidation committee shall perform their liquidation obligation and bear duties of loyalty and diligence.</p> <p>Members of the liquidation committee shall bear the liability for damages suffered by the Company due to their negligence in performing the obligations of liquidation; a member of the liquidation committee who causes losses to its creditors due to intentional misconduct or gross negligence shall be liable for compensation</p> <p>Members of the liquidation committee shall perform their duties in a faithful and lawful manner, not take advantage of their powers to accept bribery or other illegal income, and not misappropriate the Company’s property.</p> <p>A member of the liquidation committee who causes losses to the Company or its creditors due to intentional misconduct or gross negligence shall be liable for compensation.</p>

Note: In addition to the above-mentioned amendments, according to the provisions of the new “Company Law of the People’s Republic of China”, the term “general meeting” in the “Articles of Association” has been changed to “general meeting” (the English translated version remains unchanged), and the content of other articles remains unchanged. The above changes are subject to the final approval of the market regulation department.

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.

Biographical Details of Non-executive Director Candidates

Wang Kai, Chinese nationality, male, aged 45, an engineer with a bachelor's degree in engineering and a master's degree in engineering. Mr. Wang was the deputy secretary of the youth league committee and the head of the human resources division of the management department of Beijing Modern Jingcheng Construction Machinery Co., Ltd.* (北京現代京城工程機械有限公司); the deputy head of the human resources department, the deputy head of the operations and management department (acting head), the head of the operations and management department, the production director, the general manager of the production headquarters and the general manager of the purchasing headquarters of Beijing Jingcheng Heavy Industry Co., Ltd.* (北京京城重工機械有限責任公司); and the expatriate executive director/general manager, deputy general manager, deputy secretary of party committee, deputy secretary of party branch committee, general manager and director of TGF Company in Italy. Currently, he is the head of the investment and development department of Beijing Jingcheng Machinery Electric Holding Co., Ltd.* (北京京城機電控股有限責任公司).

Zhao Xihua, Chinese nationality, male, aged 52, an economist and engineer with a bachelor's degree in engineering and a master's degree in business administration. Mr. Zhao was a technician of the forging and pressing branch factory, an organization member, deputy secretary and secretary of the youth league committee, a deputy director of the electroplating branch factory, a secretary of the party branch and the deputy head of the party committee organization department of Beijing Heavy Motor Factory* (北京重型電機廠); a supervisor of personnel, recruitment, training, labour appraisal and personnel dispatch management supervisor of the human resources department of Beijing Jingcheng Machinery Electric Holding Co., Ltd.; deputy general manager of Beijing Huade Hydraulic Industry Group Co., Ltd.* (北京華德液壓工業集團有限責任公司); deputy general manager of Beijing Jingcheng Huade Hydraulic Industrial Co., Ltd.* (北京京城華德液壓工業有限責任公司) and Beijing Huade Hydraulic Industry Group Co., Ltd.; deputy head of the human resources department of Beijing Jingcheng Machinery Electric Holding Co., Ltd. (temporary); deputy general manager of Beijing Jingcheng Huade Hydraulic Industrial Co., Ltd.; deputy general manager of Beijing Huade Hydraulic Industry Group Co., Ltd.; deputy secretary of the party committee, secretary of the discipline inspection committee, chairman of the labour union and general counsel of Beijing BEIZHONG Steam Turbine Generator Co., Ltd.* (北京北重汽輪電機有限責任公司); and deputy director and director of the inspection office of Beijing Jingcheng Machinery Electric Holding Co., Ltd.. Currently, he is the head of the organization department (human resources department) and director of the inspection office of Beijing Jingcheng Machinery Electric Holding Co., Ltd..

As at the Latest Practicable Date, Mr. Wang was the head of the investment and development department of Jingcheng Machinery Electric, the controlling shareholder of the Company, while Mr. Zhao was the head of the organization department (human resources department) and the director of the inspection office of Jingcheng Machinery Electric. Save as disclosed above, neither Mr. Wang nor Mr. Zhao has relationship with other Directors, supervisors and senior management of the Company or hold any positions with the Company or other members of the Group. Neither Mr. Wang nor Mr. Zhao has any interests in the Shares of the Company within the meaning of Part XV of the SFO or hold any directorships or supervisory positions in other companies listed in Hong Kong or overseas in the past three years.

Save as disclosed above, there is no other information required to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules in respect of Mr. Wang and Mr. Zhao and there are no other matters that need to be brought to the attention of the Shareholders.

As at the Latest Practicable Date, none of the Director candidates of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company as recorded in the register required to be kept under section 352 of the SFO.

* *For identification purposes only*

NOTICE OF EGM



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 FIRST EXTRAORDINARY GENERAL MEETING OF 2025

NOTICE IS HEREBY GIVEN that the first extraordinary general meeting of 2025 (the “**EGM**”) 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 Rong Chang East Street, Daxing District, Beijing, the PRC, on Monday, 28 April 2025 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 EGM.

Unless the context otherwise requires, capitalized terms used herein shall have the same meanings as those defined in the circular of the Company dated 3 April 2025.

MATTERS TO BE CONSIDERED AT THE EGM

Ordinary resolutions

1. To consider the resolution in relation to the Renewed Product Sale and Purchase Framework Agreement entered into between Beijing Tianhai Industry Co., Ltd. and Shanghai Sunwise Energy Systems Co., Ltd. (including the Proposed Annual Caps);
4. To consider the resolution in relation to the remuneration of non-executive Directors of the eleventh session of the Board and the entering into of written contracts;
5. To consider the resolution in relation to the change of non-executive Directors of the eleventh session of the Board;
 - 5.01. To consider the election of Mr. Wang Kai as a non-executive Director of the eleventh session of the Board of the Company;
 - 5.02. To consider the election of Mr. Zhao Xihua as a non-executive Director of the eleventh session of the Board of the Company;

NOTICE OF EGM

Special resolutions

2. To consider the resolution in relation to the repurchase and cancellation of part of the restricted A Shares granted but subject to lock-up; and
3. To consider the resolution in relation to the change in registered capital and amendments to the “Articles of Association”.

ATTENDEES OF THE MEETING AND REGISTRATION METHOD

- (I) The Directors, supervisors and senior management of the Company.
- (II) Lawyers engaged by the Company.
- (III) The Shareholders of the Company whose names appear on the register of members of the Company after the close of business on 22 April 2025 shall have the right to attend the EGM after completing the necessary registration procedures.

Holders of the Company’s H Shares should note that the register of members of the Company will be closed from 23 April 2025 to 28 April 2025 (both days inclusive), during which no H Shares transfer will be registered. For holders of H Shares who intend to attend the EGM, 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 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong no later than 4:30 p.m. on 22 April 2025.

A corporate Shareholder should attend the meeting by its legal representative or the proxy appointed by the legal representative. A 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. While 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.

1. Each Shareholder who is entitled to attend and vote at the EGM may appoint one or more proxy(ies), who need not be a Shareholder, to attend and vote on his or her behalf at the EGM.
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 signed under the hand of the appointer or his or her attorney authorised in writing. 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 documents, must be notarially certified. To be valid, the notarially certified copy of the power of attorney, or other authorisation documents, together with the form of proxy must

NOTICE OF EGM

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, not less than 24 hours before the time appointed for the holding of the EGM.

OTHER MATTERS

1. Contact for the meeting

Contact telephone: 86 10 87707288
Fax: 86 10 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 EGM is expected to last for half a day. The Shareholders attending the meeting should bear their own accommodation and travel expenses.
3. 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 original 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
3 April 2025

As at the date of this notice, the Board of the Company comprises Mr. Zhang Jiheng as an executive Director, Mr. Li Junjie, Mr. Zhou Yongjun, Mr. Man Huiyong and Ms. Li Chunzhi as non-executive Directors, and Ms. Chen Junping, Mr. Zhao Xuguang, Mr. Liu Jingtai and Mr. Luan Dalong as independent non-executive Directors.

NOTICE OF H SHARES CLASS MEETING



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 FIRST H SHARES CLASS MEETING OF 2025

NOTICE IS HEREBY GIVEN that the first H Shares Class Meeting of 2025 (the “**H Shares Class Meeting**”) 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 No. 6 Rong Chang East Street, Daxing District, Beijing, the PRC, on Monday, 28 April 2025 at 11:00 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 ways of poll, will be adopted for the H Shares Class Meeting.

Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the circular of the Company dated 3 April 2025.

MATTERS TO BE CONSIDERED AT THE H SHARES CLASS MEETING

Special resolution

To consider and approve the resolution in relation to the repurchase and cancellation of part of the restricted A Shares granted but subject to lock-up.

ATTENDEES OF THE MEETING AND REGISTRATION METHOD

- (I) The Directors, supervisors and senior management of the Company.
- (II) Lawyers engaged by the Company.
- (III) The H Shareholders of the Company whose names appear on the register of members of H Shareholders of the Company after the close of business on 22 April 2025 shall have the right to attend the H Shares Class Meeting after completing the necessary registration procedures.

The register of members of the Company will be closed from 23 April 2025 to 28 April 2025 (both days inclusive), during which no H Shares transfer will be registered. For holders of H Shares who intend to attend the H Shares Class Meeting, 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 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on 22 April 2025.

NOTICE OF H SHARES CLASS MEETING

A corporate Shareholder should attend the meeting by its legal representative or the proxy appointed by the legal representative. A 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. While 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.

1. Each Shareholder who is entitled to attend and vote at the H Shares Class Meeting may appoint one or more proxy(ies), who need not be a Shareholder, to attend and vote on his or her behalf at the H Shares Class Meeting.
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 signed under the hand of the appointer or his or her attorney authorised in writing. 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 documents, must be notarially certified. To be valid, the notarially certified copy of the power of attorney, or other authorisation documents, together with the form of proxy must be 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, not less than 24 hours before the time appointed for the holding of the H Shares Class Meeting.

OTHER MATTERS

1. Contact for the meeting

Contact telephone: 86 10 87707288

Fax: 86 10 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 H Shares Class Meeting is expected to last for half a day. The Shareholders attending the meeting should bear their own accommodation and travel expenses.

NOTICE OF H SHARES CLASS MEETING

3. 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 original 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
3 April 2025

As at the date of this notice, the Board of the Company comprises Mr. Zhang Jiheng as an executive Director, Mr. Li Junjie, Mr. Zhou Yongjun, Mr. Man Huiyong and Ms. Li Chunzhi as non-executive Directors, and Ms. Chen Junping, Mr. Zhao Xuguang, Mr. Liu Jingtai and Mr. Luan Dalong as independent non-executive Directors.