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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)**

**ANNOUNCEMENT OF RESOLUTIONS PASSED AT THE SEVENTH MEETING  
OF THE EIGHTH BOARD OF DIRECTORS**

**The Board and all members of the Board warrant that this announcement does not contain any false information, misleading statement or material omission and accept joint and several responsibilities for the truthfulness, accuracy and completeness of the contents herein contained.**

Pursuant to the notice of meeting dated 3 March 2016, the seventh meeting of the eighth board of directors (the "Board") of Beijing Jingcheng Machinery Electric Company Limited (the "Company") was held at the first conference room, No. 2 Huo Xian Nan San Road, Huo Xian Town, Tongzhou District, Beijing, the PRC on 17 March 2016. 11 Directors of the Company eligible for attending meeting and 9 of them attended the meeting. Mr. Chen Changge and Ms. Jin Chunyu, the directors, were absent due to other business engagement and had respectively appointed Mr. Li Junjie and Mr. Xia Zhonghua, the directors, to attend the meeting on their behalf and exercise their voting rights. The supervisors and senior management members of the Company also attended the meeting. The convening of the meeting was in compliance with the requirements of all applicable laws and the articles of association of the Company.

The meeting was presided over by the Chairman of the Company, Mr. Wang Jun, at which the following resolutions were considered and approved:

1. The 2015 Annual Report of the Company and its summary were considered and approved.

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

2. The 2015 Annual Work Report of the Board was considered and approved.

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

3. The 2015 audited financial report of the Company were considered and approved, details of which are set out in the Annual Report.  
  
The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.
4. The 2015 Self Assessment Report on the Company's internal control was considered and approved, details of which are set out in the Annual Report.  
  
The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.
5. The 2015 Internal Control Audited Report of the Company was considered and approved, details of which are set out in the Annual Report.  
  
The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.
6. The 2015 Social Responsibility Report of the Company was considered and approved, details of which are set out in the Annual Report.  
  
The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.
7. The resolution on the report of the independent non-executive Directors for the year 2015 was considered and approved.  
  
The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.
8. The resolution on the performance of functions by the Audit Committee for 2015 was considered and approved.  
  
The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

9. The resolution on the payment for the audit fee for 2015 to Shinewing Certified Public Accountants LLP (hereinafter “Shinewing”) was considered and approved.

According to the resolution regarding authorizing the Board to enter into agreements with Shinewing and determine their remuneration which was considered and approved at the 2014 annual general meeting, the Board considered and approved the audit fee in a total amount of RMB900,000 to be paid to Shinewing in 2015. The audit fee includes fees related to audit services provided to the Company by the auditors, including audit, review and translation.

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

10. The resolution on the payment for the audit fee for 2015 to Shu Lun Pan Certified Public Accountants LLP (hereinafter “Shu Lun Pan”) was considered and approved.

According to the resolution regarding authorizing the Board to enter into agreements with Shu Lun Pan and determine their remuneration which was considered and approved at the 2014 annual general meeting, the Board considered and approved the audit fee in a total amount of RMB380,000 to be paid to Shu Lun Pan in 2015. The audit fee includes fees related to the auditing services provided by the auditor in respect of the design and execution of internal control of the Company’s financial report.

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

11. The reappointment of Shinewing as the audit organization for the 2016 financial report of the Company was considered and approved, and the authorization of the Board to enter into letter of appointment and determine its remuneration at the annual general meeting was proposed.

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

12. The reappointment of Shu Lun Pan as the audit organization for the 2016 internal control report of the Company was considered and approved, and the authorization of the Board to enter into letter of appointment and determine its remuneration at the annual general meeting was proposed.

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

13. The 2015 proposal of the Company not to distribute profit was considered and approved.

In accordance with China Accounting Standards, the Company realized a net profit of RMB-207,817,400 attributable to the shareholders of listed company during the reporting period while the undistributed net profit at the end of the year was RMB-439,874,300. The Board did not recommend a profit distribution and transfer of capital reserve to share capital for the year 2015 due to the undistributed net profit is negative during the reporting period.

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

14. The resolution on provision for impairment of the Company for the year 2015 was considered and approved.

Based on the balance of accounts receivable and actual age of accounts and actual usage of assets as of 31 December 2015 upon physical stock take, analysis and audit, provisions for bad debt and assets impairment were made by the Company in accordance with the Corporate Accounting Standard issued by the Ministry of Finance and the Internal Control System on Bad Debt Provision and Assets Impairment Provision and Loss Treatment of Beijing Jingcheng Machinery Electric Company Limited.

During the period, the accumulative bad debt provision and assets impairment provision of the Company were RMB98,799,800, of which bad debt provision amounted to RMB3,123,200, inventory impairment provision amounted to RMB93,697,800 and fixed assets provision amounted to RMB1,978,800.

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

15. The 2016 Audit Plan of the Company was considered and approved.

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

16. The 2016 Internal Control Plan of the Company was considered and approved.

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

17. The 2016 Business Plan of the Company was considered and approved.

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

18. The 2016 Research and Development Plan of the Company was considered and approved.

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

19. The 2016 Financial Budget Report of the Company was considered and approved.

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

20. The Financing Guarantee Plan of the Company was considered and approved.

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

21. The resolution on the result of remuneration and performance assessment contract for the senior management of the Company in 2015 was considered and approved.

The result of remuneration and performance assessment for the senior management of the Company:

The appraisal coefficient of the General Manager, Chan Changge: 0.6.

The appraisal coefficient of the Chief Accountant and Secretary of the Board, Jiang Chi: 0.6.

The appraisal coefficient of the Chief Engineer, Shi Fengwen: 0.6, with 2-months performance-based emolument paid.

Since Mr. Li Junjie has resigned as the General Manager of the company in December 2015, the appraisal coefficient of the former General Manager, Li Junjie is 0.6 after combining his contribution to the Company as General Manager during his tenure of office, with 12-months performance-based emolument paid.

Since Ms. Xie Yuemei has resigned as the Chief Accountant of the company in October 2015, the appraisal coefficient of the former Chief Accountant, Xie Yuemei is 0.6 after combining her contribution to the Company as Chief Accountant during her tenure of office, with 10-months performance-based emolument paid.

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

22. The resolution regarding the convening of the 2015 annual general meeting of the Company on Thursday, 16 June 2016 was considered and approved, details of which will be announced otherwise.

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

Among the above resolutions, resolutions No. 1, 2, 3, 5, 7, 11, 12 and 13 will be put forward to the 2015 annual general meeting of the Company for consideration.

The board of directors of  
**Beijing Jingcheng Machinery Electric Company Limited**

Beijing, the PRC, 17 March 2016

*As at the date of this announcement, the board of directors of the Company comprises Mr. Wang Jun, Mr. Chen Changge, Mr. Li Junjie and Mr. Du Yuexi as executive directors, Mr. Xia Zhonghua, Ms. Jin Chunyu and Mr. Fu Hongquan as non-executive directors and Ms. Wu Yan, Mr. Liu Ning, Mr. Yang Xiaohui and Mr. Fan Yong as independent non-executive directors.*