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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 NINTH 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 27 July 2016, the ninth 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 11 August 2016. 11 directors of the Company were eligible for attending the meeting and 9 of them attended the meeting. Mr. Du Yuexi and Mr. Liu Ning, the directors, were absent due to other business engagement and had respectively appointed Mr. Wang Jun and Ms. Wu Yan, 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 following resolutions were considered and approved by the directors at the meeting:

1. The 2016 Interim 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 resolution on provision for impairment of the Company for the first half of 2016 was considered and approved.

Based on the balance of accounts receivable and actual age of accounts and actual usage of assets as of 30 June 2016, 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. The bad debt provision and assets impairment provision of the Company recovered for the period were RMB12,642,000, of which bad debt provision amounted to RMB6,952,900 and inventory impairment provision amounted to RMB5,689,100.

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

3. The resolution on the 2016 finance budget of BTIC America Corporation, a subsidiary of Beijing Tianhai Industry Co., Ltd., was considered and approved.

The Company agreed that BTIC America Corporation applies for the 2016 finance budget of USD6,000,000, of which, current loan facilities of USD3,000,000 are to be secured by receivables and inventories. Beijing Tianhai Industry Co., Ltd. (“Tianhai Industrial”) applies for internal guarantee and external loan financing from Chaoyang sub-branch under Beijing Branch of Shanghai Pudong Development Bank, which enables BTIC America Corporation to obtain bank loans of USD3,000,000 (equivalent to approximately RMB20,000,000) in overseas, and provides guarantee for it, for the purpose of replenishing its liquidity. The finance budget of BTIC America Corporation is covered by the loan facilities of Tianhai Industrial.

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

4. The resolution on the financial assistance provided by the Company to Beijing Tianhai Industry Co. Ltd., a subsidiary 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.

The board of directors of
Beijing Jingcheng Machinery Electric Company Limited

Beijing, the PRC, 11 August 2016

As at the date of this announcement, the Board 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.