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北京京城机电股份有限公司
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 ON THE RESOLUTION PASSED AT
THE TWENTY-SECOND MEETING OF THE EIGHTH SESSION OF
THE SUPERVISORY COMMITTEE**

The supervisory committee of the Company and all members thereof guarantee that the information contained in this announcement does not contain any false statements, misleading representations or material omissions, and all of them jointly and severally accept responsibility as to the truthfulness, accuracy and completeness of the contents of this announcement.

The twenty-second meeting of the eighth session of the Supervisory Committee of Beijing Jingcheng Machinery Electric Company Limited (the “Company”) was held at the second conference room, No. 2 Huo Xian Nan San Road, Huo Xian Town, Tongzhou District, Beijing, the PRC, on 11 August 2016. All of the three eligible supervisors attended the meeting in person. The convening of the meeting was in compliance with the Company Law of the PRC and the Articles of Association of the Company. The following resolutions were unanimously considered and approved by the Supervisory Committee:

1. The 2016 Interim Report of the Company and its summary were considered and approved.

The Supervisory Committee reviewed the 2016 Interim Report (hereinafter referred to as “Interim Report”) prepared by the Board of Directors, and issued its opinion as follows:

- (1) The preparation of the Interim Report and the procedures for considering the Interim Report are in compliance with the laws, regulations, provisions of the Articles of Association of the Company and all stipulations of the Company’s internal control system;
- (2) The content and format of the Interim Report are in compliance with all requirements of China Securities Regulatory Commission and the stock exchange, and the information contained therein can truly reflect the operation, management and financial position of the Company during the reporting period;

- (3) Before arriving at this opinion, no person participating in preparation and consideration of the Interim Report had been found to have acted in breach of the rules of confidentiality;
- (4) The Supervisory Committee has agreed that the information disclosure in the Interim Report is on schedule.

The number of valid votes for this resolution: 3; Affirmative votes: 3; 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.

After reviewing by the Supervisory Committee, no provision for impairment on assets is in breach of relevant accounting rules or requirements; nor is there any violation of the laws, regulations, the Articles of Association of the Company or internal control system of the Company during the course of reviewing such resolutions by the Board of Directors.

The number of valid votes for this resolution: 3; Affirmative votes: 3; 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: 3; Affirmative votes: 3; 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: 3; Affirmative votes: 3; 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.