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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 ON THE RESOLUTION PASSED AT
THE FIRST MEETING OF THE NINTH SESSION
OF THE SUPERVISORY COMMITTEE**

The Supervisory Committee and all supervisors of the Company 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.

The first meeting of the ninth session of the supervisory committee (the “Supervisory Committee”) of Beijing Jingcheng Machinery Electric Company Limited (the “Company”) was held at the Conference Room of the Company, No. 2 Huo Xian Nan San Road, Huo Xian Town, Tongzhou District, Beijing on 27 June 2017. The meeting was presided over by Mr. Li Gejun, the supervisor. All of the three eligible supervisors attended the meeting in person. The convening of the meeting was in compliance with the relevant requirements of the Companies Law and the articles of association of the Company. The following resolutions were considered and approved by the Supervisory Committee:

1. The resolution in relation to the election of the chairman of the ninth session of the Supervisory Committee.

All attending supervisors unanimously agreed to elect Mr. Li Gejun (please refer to the appendix for his biography) as the chairman of the ninth session of the Supervisory Committee of the Company for a term of three years commencing from 27 June 2017 and until the closing of the 2019 annual general meeting.

Number of valid votes for this resolution: 3; affirmative votes: 3; dissenting vote: 0; abstention vote: 0.

2. The resolution in relation to the appointment of the secretary of the ninth session of the Supervisory Committee.

After the nomination of the chairman of the Supervisory Committee, all attending supervisors unanimously agreed to appoint Mr. Chen Jian as the secretary of the ninth session of the Supervisory Committee for a term of three years commencing from 27 June 2017 and until the closing of the 2019 annual general meeting.

Number of valid votes for this resolution: 3; affirmative votes: 3; dissenting vote: 0; abstention vote: 0.

3. The resolution in relation to the termination of the letter of intent for strategic cooperation between Beijing Tianhai Industry Co., Ltd. (“Beijing Tianhai”) and Yuecheng Senior Living Investment Co., Ltd. (“Yuecheng Investment”)

On 27 June 2017, Beijing Tianhai and Yuecheng signed the termination agreement (the “Termination Agreement”), pursuant to which, the parties agreed to the discharge of the Letter of Intent from the signing date of the Termination Agreement and that the parties will not further negotiate on the proposed cooperation. The parties also agreed that performance will be ceased for any unperformed part of the Letter of Intent and that the parties shall have no liability to each other nor make any claims in respect of any liability of the other party.

Number of valid votes for this resolution: 3; affirmative votes: 3; dissenting vote: 0; abstention vote: 0.

4. The resolution in relation to the establishment of the management system in recognizing and writing off of loss of accounts receivable.

Number of valid votes for this resolution: 3; affirmative votes: 3; dissenting vote: 0; abstention vote: 0.

5. The resolution in relation to the provision of bridging loan of RMB45 million to Beijing Tianhai, by Beijing Jingcheng Machinery Electric Holding Co., Ltd., the controlling shareholder.

In order to support the development of the Company, Beijing Jingcheng Machinery Electric Holding Co., Ltd. (“Jingcheng Holding”), the controlling shareholder of the Company, provided a bridging loan of RMB45 million to Beijing Tianhai, for a term of six months. The bridging loan bears interest at the one-year benchmark interest rate of the People’s Bank of China. The Company did not provide any security or guarantee for such financial assistance.

As Jingcheng Holding is the controlling shareholder of the Company, and a connected party of the Company according to the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, such matter constitutes a connected transaction. According to the regulation of the Guidelines on the Shanghai Stock Exchange for the Listed Companies’ Postponement of and Exemption from Information Disclosure, such financial assistance does not need to be approved by the Shanghai Stock Exchange. Since the conditions for the exemption are met, the matter can be considered and disclosed by way of exempted-connected transaction.

Number of valid votes for this resolution: 3; affirmative votes: 3; dissenting vote: 0; abstention vote: 0.

6. The resolution in relation to the adjustment of the finance budget of Beijing Jingcheng Machinery Electric Company Limited and its subsidiaries and the addition of bank financing and bank loans of RMB50 million.

Number of valid votes for this resolution: 3; affirmative votes: 3; dissenting vote: 0; abstention vote: 0.

The Supervisory Committee of
Beijing Jingcheng Machinery Electric Company Limited

Beijing, the PRC
27 June 2017

As at the date of this announcement, the board of Directors of the Company comprises Mr. Wang Jun, Mr. Li Junjie, and Mr. Zhang Jiheng as executive Directors, Mr. Du Yuexi, Mr. Xia Zhonghua, Ms. Jin Chunyu and Ms. Li Chunzhi as non-executive Directors and Ms. Wu Yan, Mr. Liu Ning, Mr. Yang Xiaohui and Mr. Fan Yong as independent non-executive Directors.

BIOGRAPHICAL DETAILS

Li Gejun, Chinese, male, aged 54. He is a senior engineer. He had served as a technician, deputy director, deputy plant manager and plant manager in Beijing Hydraulic Parts Factory (北京液壓件廠). He was also the assistant of the general manager, deputy general manager, secretary of discipline inspection commission and chairman of labour union of Beijing Huade Hydraulic Industrial Group Co., Ltd. He is currently a supervisor at Beijing Jingcheng Machinery Electric Holding Co., Ltd.'s despatched supervisory office and a supervisor of Beijing Jingcheng Machinery Electric Company Limited.

Mr. Li Gejun, the supervisor, does not have any relationship with any other directors, supervisors or senior management of the Company. Mr. Li Gejun is a supervisor at the despatched supervisory office of Beijing Jingcheng Machinery Electric Holding Co., Ltd. He does not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance, and did not hold supervisorship in any other public companies listed in Hong Kong or overseas for the last three years. Save as disclosed above, there is no other information which is required to be disclosed pursuant to any provisions under Rule 13.51(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or other matters that need to be brought to the attention of the Shareholders of the Company.