

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 EXTRAORDINARY MEETING OF THE NINTH SESSION
OF THE BOARD OF DIRECTORS
TERMINATION OF LETTER OF INTENT RELATING TO THE FORMATION
OF JOINT VENTURE**

The board of directors and all directors of the Company warrant that there are no false representations, misleading statement contained in, or material omissions from, this announcement, and jointly and severally accept responsibility for the truthfulness, accuracy and completeness of the contents in this announcement.

Pursuant to the notice of meeting dated 23 June 2017, the first extraordinary meeting of the ninth session of the 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 27 June 2017. All of the eleven eligible directors attended the meeting. 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.

1. The resolution in relation to the election of the Chairman of the ninth session of the Board was considered and passed.

All attending Directors unanimously voted for Mr. Wang Jun (please refer to appendix for his biography) as the Chairman of the ninth session of the Board for a term of three years commencing from 27 June 2017 and ending at the conclusion of 2019 annual general meeting.

Number of valid votes for this resolution: 11; affirmative votes: 11; dissenting vote: 0; abstention vote: 0.

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

2. The resolution in relation to the election of members and conveners of special committees of the ninth session of the Board was considered and passed.

All attending Directors unanimously voted for Mr. Wang Jun, Mr. Li Junjie, Mr. Zhang Jiheng, Ms. Wu Yan and Mr. Xia Zhonghua as the members of the Strategy Committee of the Company, with Mr. Wang Jun as the convener; Mr. Liu Ning, Mr. Fan Yong and Mr. Li Junjie as the members of the Nomination Committee, with Mr. Liu Ning as the convener; Mr. Yang Xiaohui, Mr. Fan Yong and Ms. Jin Chunyu as the members of the Audit Committee, with Mr. Yang Xiaohui as the convener; and Ms. Wu Yan, Mr. Liu Ning and Mr. Wang Jun as the members of the Remuneration and Monitoring Committee, with Ms. Wu Yan as the convener. The term of appointment for each member of the committees is a term of three years commencing from 27 June 2017 and ending at the conclusion of 2019 annual general meeting.

Number of valid votes for this resolution: 11; affirmative votes: 11; dissenting vote: 0; abstention vote: 0.

3. The resolution in relation to the appointment of the general manager of the Company and the secretary to the Board as nominated by the Chairman was considered and approved.

As nominated by the Chairman, and approved unanimously by attending Directors, Mr. Li Junjie was appointed as general manager of the Company and Mr. Luan Jie was appointed as the secretary to the Board (please refer to appendix for their biographies), with a term of three years commencing from 27 June 2017 and ending at the conclusion of 2019 annual general meeting.

Number of valid votes for this resolution: 11; affirmative votes: 11; dissenting vote: 0; abstention vote: 0.

4. The resolution in relation to the appointment of the deputy general manager, chief accountant, chief engineer and general counsel as nominated by the general manager of the Company was considered and approved.

As nominated by the general manager, and approved unanimously by attending Directors, Ms. Liu Zhe was appointed as deputy general manager, Ms. Jiang Chi as chief accountant (financial controller), Mr. Shi Fengwen as the chief engineer and Ms. Ma Tianying as general counsel of the Company, with a term of three years commencing from 27 June 2017 and ending at the conclusion of 2019 annual general meeting.

Number of valid votes for this resolution: 11; affirmative votes: 11; dissenting vote: 0; abstention vote: 0.

- 5. The resolution in relation to the termination of the Letter of Intent for strategic cooperation between Beijing Tianhai Industry Co., Ltd. (“Beijing Tianhai”) with Yuecheng Senior Living Investment Company Limited (“Yuecheng Investment”) was considered and approved.**

On 27 June 2017, Beijing Tianhai and Yuecheng Investment signed the termination agreement in relation to the Letter of Intent dated 29 December 2016, pursuant to which, the parties agreed to the discharge of the Letter of Intent mentioned above 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 claim in respect of any liability of the other party.

The Board considers that the termination of the Letter of Intent mentioned above does not have any material adverse effect on the current business operation and financial position of the Company. The Directors further considers that the termination of the Letter of Intent is on normal commercial terms and is fair and reasonable and in the interest of the Company and its shareholders as a whole.

Number of valid votes for this resolution: 11; affirmative votes: 11; dissenting vote: 0; abstention vote: 0.

- 6. The resolution in relation to the establishment of the management system in recognizing and writing off of loss of accounts receivable was considered and approved.**

Number of valid votes for this resolution: 11; affirmative votes: 11; dissenting vote: 0; abstention vote: 0.

- 7. The resolution in relation to the provision of bridging loan of RMB45 million (Renminbi Forty five million) to Beijing Tianhai by Beijing Jingcheng Machinery Electric Holding Co., Ltd., the controlling shareholder, was considered and approved.**

In order to support the development of the Company, Beijing Jingcheng Machinery Electric Holding Co., Ltd. (“Jincheng Holding”), the controlling shareholder of the Company, provides a bridging loan of RMB45 million (Renminbi Forty five 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 does not provide any security or guarantee for such financial assistance. Beijing Tianhai will ensure repayment of the loan by measures such as strengthening collection of accounts receivable, reducing costs and enhancing profitability.

As Jincheng Holding is the controlling shareholder of the Company, and Jingcheng Holding is the 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 have to apply to the Shanghai Stock Exchange. If certain self-exemption conditions are reached, the matter can be considered and disclosed by way of exempted-connected transaction.

Mr. Wang Jun, Mr. Xia Zhonghua, Ms. Jin Chunyu and Ms. Li Chunzhi, being connected directors, abstained from voting for this resolution. The number of valid votes for this resolution: 7; affirmative votes: 7; dissenting vote: 0; abstention vote: 0.

8. 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 financing bank and bank loans of RMB50 million was considered and approved.

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
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

Wang Jun, Chinese, male, aged 45. He is an economist with a bachelor's degree and MBA. Mr. Wang was a sales clerk, director of export department, director of international business department and deputy general manager of Beijing Tianhai Industry Co., Ltd., party secretary, chairman of the board of Beijing Beikai Electric Co., Ltd., head of the office, head of the office of the board of directors, director of the legal affairs department, secretary to the board of directors, member of the party of Beijing Jingcheng Machinery Electric Holding Co., Ltd. He was an executive director of the eighth session of the Board of the Company from 10 December 2015 to 26 June 2017 and chairman of the eighth session of the Board of the Company from 11 December 2015 to 26 June 2017. Currently, he is a standing committee member of party committee, deputy general manager and general counsel of Beijing Jingcheng Machinery Electric Holding Co., Ltd. He is an executive director of the ninth session of the board of directors of Beijing Jingcheng Machinery Electric Company Limited.

Li Junjie, Chinese, male, aged 39. He obtained a bachelor degree in economics from Taiyuan Heavy Machinery Institute and an EMBA degree from Guanghua School of Management of Peking University. He was an accountant of finance department, salesman of marketing department, deputy manager of human resources department, deputy general manager, deputy party secretary and general manager in Beijing Tianhai Industry Co., Ltd. He was an executive director of the eighth session of the Board of the Company from 16 December 2013 to 26 June 2017 and was the general manager of the Company from 26 June 2014 to 10 December 2015. He was the general manager of the Company from 25 April 2017 to 26 June 2017. He is currently the party secretary of Beijing Tianhai Industry Co., Ltd. He is an executive director of the ninth session of the board of directors of Beijing Jingcheng Machinery Electric Company Limited.

Zhang Jiheng, Chinese, male, aged 42. He is the holder of a bachelor's degree and a senior engineer. Mr. Zhang served as a the head of the first production division, deputy minister of the production department, assistant of general manager and deputy general manager of Beijing Tianhai Industry Co., Ltd., the general manager of Langfang Tianhai High Pressure Container Co., Ltd. and the general manager of Beijing Minghui Tianhai Gas Storage Equipment Sales Co., Ltd. He is currently the general manager of Beijing Tianhai Industry Co., Ltd. He is an executive director of the ninth session of the board of directors of Beijing Jingcheng Machinery Electric Company Limited.

Du Yuexi, Chinese, male, aged 57. He is a senior political engineer with a MBA. Mr. Du was a cadre of Beijing Tong County Maizhuang Community, vice factory director of Beijing Construction Machinery Factory, general manager of Huaxin Metal Structure Company, a Sino-Japanese joint venture, deputy general manager of Beijing Xihai Company, general manager of Chinese Party and secretary of Beijing Modern Jingcheng Construction Machinery Co., Ltd., deputy general manager and secretary of Beijing Jingcheng Heavy Industry Co., Ltd. He was an executive director of the eighth session of the Board of the Company from 10 December 2015 to 26 June 2017. Currently, he is the secretary of the branch of party and general manager of Beijing Jingcheng International Financing Lease Co., Ltd. He is a non-executive director of the ninth session of the board of directors of Beijing Jingcheng Machinery Electric Company Limited.

Xia Zhonghua, Chinese, male, aged 52. He obtained a bachelor's degree in Engineering from Hefei University of Technology. He is a senior engineer. Mr. Xia was designer of construction of Beijing Metal Structure Factory (new factory) of Beijing Machinery Industrial Engineering Contract Corporation (北京機械工業建設工程承發包公司) and its technical director, project assistant manager and project manager, director in basic construction of Beijing Jingcheng Machinery Electric Holding Co. Ltd. ("Jingcheng Holding"), director of the construction project planning department of Beijing Jianji Real Estate Co., Ltd. (北京建機房地產公司)(Part-time), head of Resource Allocation and Restructuring and head of project investment of Jingcheng Holding, vice-president of Party School of Beijing Machinery Industry Administrative Bureau (北京機械工業管理局黨校), deputy minister of the asset management department and the head of the securities and reform department of Jingcheng Holding, director of Beijing Xihai Industrial and Trading Company and Beijing Jingcheng Mechanical & Electrical Asset Management Co., Ltd. He was a non-executive director of the eighth session of the Board of the Company from 26 June 2014 to 26 June 2017. He is currently the head of the property resource department of Jingcheng Holding. He is a non-executive director of the ninth session of the board of directors of Beijing Jingcheng Machinery Electric Company Limited.

Jin Chunyu, Chinese, female, aged 45. She obtained a bachelor's degree in engineering and a master's degree in business administration, and is a senior accountant. Ms. Jin previously served as clerical officer in the Finance Department and vice director of Beijing Electric Motor General Corporation, deputy director of assets, finance and audit department of Beijing Jingcheng Machinery Electric Holding Co., Ltd., director and chief accountant (of the Chinese partner) of Babcock & Wilcox Beijing Company Ltd., and convener of Supervisory Committee of Beijing B.J. Electric Motor Co., Ltd. She was a non-executive director of the eighth session of the Board of the Company from 9 June 2015 to 26 June 2017. Currently, she is the department head of planning and finance department of Beijing Jingcheng Machinery Electric Holding Co., Ltd. She is a non-executive director of the ninth session of the board of directors of Beijing Jingcheng Machinery Electric Company Limited.

Li Chunzhi, Chinese, female, aged 40. She is the holder of a MBA degree and a middle-grade economist. Ms. Li served as the manager of translation and project of Beijing Mechanical Industry Automation Research Institute, product manager of product service department of Beijing Century Yinghua Information Technology Co., Ltd. (北京世紀盈華資訊技術有限公司) and investment management manager of the strategic and investment department of Beijing Jingcheng Machinery Electric Holding Co., Ltd. She is currently the deputy head of the investment and asset management department of Beijing Jingcheng Machinery Electric Holding Co., Ltd. She is a non-executive director of the ninth session of the board of directors of Beijing Jingcheng Machinery Electric Company Limited.

Wu Yan, Chinese, female, aged 70. She graduated from Xi'an Jiaotong University majoring in boiler design and manufacturing. Ms. Wu was the technician of the First Research & Design Institute of Nuclear Industry (核工業第一設計研究院), technician of Tianjin Bureau of Labor, deputy director and director in the Boiler and Pressure Vessel Detection & Research Center under the Ministry of Labour, director and assistant inspector of Boiler and Pressure Vessel Safety Supervision Bureau under the State Bureau of Quality Technical Supervision, and assistant inspector of Special Equipment

Safety Supervision Bureau under the State Administration for Quality Supervision and Inspection and Quarantine. She was an independent non-executive director of the eighth session of the Board of the Company from 26 June 2014 to 26 June 2017. She was deputy secretary general and secretary general of China Gas Cylinders Standardization Technical Committee, and currently serves as the consultant of the committee. She is an independent non-executive director of the ninth session of the board of directors of Beijing Jingcheng Machinery Electric Company Limited.

Liu Ning, Chinese, male, aged 58. He obtained a bachelor of laws from China University of Political Science and Law. He was the postgraduate in international economic law of Institute for International Economics of Nankai University and a lawyer. Mr. Liu obtained his qualification of lawyer in 1984 and has been practicing as a lawyer for over twenty years, during which he had dealt with various representative cases and legal affairs, and participated in legislation and other work. Mr. Liu served as director of Tianjin Dongfang Law Office and Beijing New Era Law Firm. He was an independent non-executive director of the eighth session of the Board of the Company from 26 June 2014 to 26 June 2017. He is currently the director and senior partner of B.J.H & New Era Law Firm (北京市公元博景泓律師事務所), member of the Economics Committee of All-China Lawyers Association, member of the Legislative Committee of the Central Committee of China Democratic League, researcher of Food and Drug Industry Development and Regulatory Research Center of Chinese Academy of Social Sciences, legislative consultant of Beijing Municipal People's Congress, member of the Eighth Committee of Chinese People's Political Consultative Conference of Haidian District of Beijing, member of Beijing Municipal Committee of China Democratic League, deputy director of the Social and Legal Affairs Committee of Beijing Municipal Committee of China Democratic League and executive member of Beijing Federation of Industry & Commerce. He is an independent non-executive director of the ninth session of the board of directors of Beijing Jingcheng Machinery Electric Company Limited.

Yang Xiaohui, Chinese, male, aged 48. He has a bachelor's degree and is a certified public accountant, certified tax agent, certified public valuer (non-practicing member) and senior accountant in China. Mr. Yang was a teacher of North China University of Technology, department manager, deputy general manager and partner of Zhonghengxin, China Rightson Certified Public Accountants and RSM China Certified Public Accountants, and also served as the member of the technical committee of Beijing Institute of Certified Public Accountants. He was an independent non-executive director of the eighth session of the Board of the Company from 26 June 2014 to 26 June 2017. He is currently the senior partner of Ruihua Certified Public Accountants. He is an independent non-executive director of the ninth session of the board of directors of Beijing Jingcheng Machinery Electric Company Limited.

Fan Yong, Chinese, male, aged 44. He obtained a master degree from Tsinghua University. Mr. Fan worked as the head of Investment Banking Division in Qinghai Securities, deputy director of general office of Shengli Oil Field Dynamic Group Co., Ltd. (Dynamic), deputy general manager of Felsted (Beijing) Investment Co., Ltd. (佛爾斯特(北京)投資有限責任公司), general manager of Capital Investment Department of Rising Securities Co., Ltd., business director of Investment Bank Headquarters of Qilu Securities Co., Ltd., director of Investment Banking of Zhong De Securities Co., Ltd. He was an independent non-executive director of the eighth session of the Board of the Company from 26 June

2014 to 26 June 2017. He is currently a founding partner of Beijing Yi Hui Jin Tong Asset Management Co., Ltd. (北京易匯金通資產管理有限責任公司), chairman of Shenzhen Houshi Network Technology Company Limited and an independent director of Shenzhen Fountain Corp., a listed company. He is an independent non-executive director of the ninth session of the board of directors of Beijing Jingcheng Machinery Electric Company Limited.

The Company will enter into service contracts with the directors of the ninth session of the Board and details of directors' remuneration are set out in the Resolution on the Remuneration of and Written Contracts to be entered into with the Directors of the Ninth Session of the Board. The proposed term of office of the directors of the ninth session of the Board will commence from the date of approval at 2016 annual general meeting to 2019 annual general meeting of the Company.

The above persons are not connected with other directors, supervisors and senior management of the Company. Mr. Wang Jun, Mr. Xia Zhonghua, Ms. Jin Chunyu and Ms. Li Chunzhi serves as a standing committee member of party committee, deputy general manager and general counsel, head of the property resource department, head of planning and finance department and the deputy head of investment and asset management department of Beijing Jingcheng Machinery Electric Holding Co., Ltd., the substantial shareholder of the Company respectively. Mr. Li Junjie, Mr. Zhang Jiheng, Mr. Du Yuexi, Ms. Wu Yan, Mr. Liu Ning, Mr. Yang Xiaohui and Mr. Fan Yong are not connected with the substantial shareholders or controlling shareholders of the Company. Except for Ms. Wu Yan, the other 10 directors do not hold any share interest of the Company as defined in Part XV of the Securities and Futures Ordinance. The directors did not hold any directorships in any other public companies listed in Hong Kong or overseas in last three years. For the 11 directors, 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, and there is no other matter which needs to be brought to the attention of the shareholders of the Company.

As at the date of this announcement, according to the register kept under section 352 of the Securities and Futures Ordinance, except for Ms. Wu Yan, the directors do not hold any interests or short positions in the shares, underlying shares and debentures of the Company.

As at the date of this announcement, Ms. Wu Yan is the holder of 43,001 A Shares of the Company. Save as disclosed above, Ms. Wu does not hold any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations.

Liu Zhe, Chinese, female, aged 38. She obtained a bachelor degree in engineering and a master degree in Business Administration, and is a senior political engineer. Ms. Liu was a teacher, group leader in teaching and research, branch secretary of student party of Light Industry Branch of Beijing Industry and Trade Technicians College, Youth League secretary and director of publicity department of the party/company of Beijing Jingcheng Machinery Electric Holding Co., Ltd., party secretary of Beijing Jingcheng Compressor Co., Ltd. Currently she is deputy party secretary, secretary of discipline inspection commission, chairman of labour union of Beijing Tianhai Industry Co., Ltd. She served as chairman of the Supervisory Committee of the Company from 16 December 2013 to 8 June 2015, executive director of the Company from 9 June 2015 to 23 October 2015 and supervisor of the Company from 10 December 2015 to 26 June 2017. She is currently deputy general manager of Beijing Tianhai Industry Co., Ltd.

Jiang Chi, Chinese, female, aged 41, is chief accountant. She graduated from Beijing Technology and Business University with a degree in Economics and is a senior accountant. She worked in Beijing Double Crane Pharmaceutical Co., Ltd. as the accountant, Century Industry Investment Co., Ltd. as financial officer, China National Pharmaceutical Group Corporation as assistant to financial manager, Huayi Pharmaceutical Co. Ltd. as financial manager, Beijing Jingcheng Mechanical & Electrical Holding Co., Ltd. as budget financial officer and deputy head of Financial Planning Department. Ms. Jiang has served Beiren Printing Machinery Holdings Limited (currently renamed as Beijing Jingcheng Machinery Electric Company Limited) as chief accountant since October 2011. She served as an executive director of the Company from 29 May 2012 to 23 October 2015, and served as the secretary to the Board from 26 June 2014 to 18 November 2016. She was the chief accountant of the Company from 26 June 2014 to 26 June 2017. Currently, Ms. Jiang is director and chief accountant of Beijing Tianhai Industry Co. Ltd. and director and financial controller of Jingcheng Holding (Hong Kong) Company Limited.

Shi Fengwen, Chinese, male, aged 46, is a senior engineer with a bachelor's degree. Mr. Shi was an assistant engineer, engineer, vice-chief and chief of technical department, vice-chief engineer and vice director of technology and quality department, vice-chief engineer and director of technology department of Beijing Tianhai Industry Co. Ltd. He was the Chief Engineer of the Company from 23 October 2015 to 26 June 2017. Currently, he is the chief engineer and director of technology department of Beijing Tianhai Industry Co., Ltd.

Ma Tianying, female, aged 53, was a doctoral student and is a senior engineer. Ms. Ma was vice director of quality inspection division, science and technology quality department, director of strategic planning department, vice director of securities department of Jincheng Holding; vice factory director of Beijing No. 2 Machine Tool Factory, head of enterprise planning department and technical vice director of Beijing No. 1 Machine Tool Factory; head of enterprise planning department, human resources department, director of the office of the board of directors and head of strategic planning of Beijing Beiyi Machine Tool Co., Ltd. She was general counsel of the Company from 6 April 2017 to 26 June 2017. Currently, she is general counsel of Beijing Tianhai Industry Co., Ltd.

Luan Jie, Chinese, male, aged 35. He has a bachelor's degree in law. Mr. Luan previously worked as the chief legal officer of Golden Harvest (Beijing) Cinema Management Consultancy Company Limited (北京嘉禾影城管理諮詢有限公司), manager in the securities and legal department and board secretary of Beijing Jingkelong Company Limited, legal practitioner in Beijing Jingdu Law Firm (北京市京都律師事務所) and staff in the legal department of Beijing Chaopi Trading Co., Ltd. (Jingkelong) (北京朝批商貿股份有限公司(京客隆)). He was the secretary to the Board of the Company from 18 November 2016 to 26 June 2017.