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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 RESOLUTIONS PASSED AT
THE SECOND EXTRAORDINARY GENERAL MEETING OF THE NINTH SESSION
OF THE BOARD OF DIRECTORS**

The Board of the Company and all members of the Board 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 17 July 2017, the second extraordinary general 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 forth conference room, 18/F, Jingcheng Holding Mansion, Beijing, the PRC on 21 July 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 transfer of property assets through public tender by Langfang Tianhai High Pressure Containers Co., Ltd. and to authorise the board of directors of Langfang Tianhai to determine the transfer-related matters including the tender price based on an asking price not less than the valuation price approved by the State-owned Assets Supervision and Administration Commission was considered and approved.

Details are set out in the Announcement on the Transfer of Property Assets through Public Tender by Langfang Tianhai High Pressure Containers Co., Ltd., an Indirect Subsidiary of the Company (Announcement No.: Lin 2017-031) disclosed by the Company on 21 July 2017.

Independent non-executive directors hereby give their independent opinions in respect of this resolution.

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

2. The resolution in relation to the appointment of Da Hua Certified Public Accountants (Special General Partnership) as the internal control auditor for the Company's 2017 internal control report was considered and approved and to authoris the Board to sign a service contract with it and determine its remuneration.

At the twenty-second extraordinary general meeting of the eighth session of the Board of the Company held on 6 April 2017, the re-appointment of BDO China Shu Lun Pan Certified Public Accountants LLP as the internal control auditor for the Company's 2017 internal control report was considered and approved and it was proposed at the general meeting to authorize the Board to sign an appointment agreement with it and determine its remuneration. Subsequently, since BDO China Shu Lun Pan Certified Public Accountants LLP was required by the Accounting Department of Ministry of Finance and the Accounting Department of the China Securities Regulatory Commission to suspend acceptance of new securities businesses and to make rectification within the prescribed period (Cai Kuai Bian [2017] No. 24 "Notice Requiring BDO China Shu Lun Pan Certified Public Accountants LLP to Suspend Acceptance of New Security Business and to Make Rectification within Prescribed Period"), the Company has decided at the annual general meeting to withdraw the aforesaid resolution. In order to ensure the normal operation of the Company, the Company engaged Da Hua Certified Public Accountants (Special General Partnership) as the internal control auditor for the Company's 2017 internal control report and to authorize the Board to sign a service contract with it and determine its remuneration.

Independent non-executive directors hereby give their independent opinions in respect of this resolution.

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

The above resolutions No. 1 and 2 will be put forward to the general meeting of the Company for consideration.

The Board of
Beijing Jingcheng Machinery Electric Company Limited

Beijing, the PRC
21 July 2017

As at the date of this announcement, the Board 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.