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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 FOURTH MEETING OF THE NINTH SESSION
OF THE SUPERVISORY COMMITTEE**

The supervisory committee of the Company (the “Supervisory Committee”) and all supervisors 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.

The fourth meeting of the ninth session of 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 17 October 2017. The meeting was presided over by Mr. Li Gejun, a 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 application for a loan of RMB81.40 million by Langfang Tianhai High Pressure Containers Co., Ltd. (“Langfang Tianhai”), a subsidiary of the Company, to Beijing Jingcheng Machinery Electric Holding Co., Ltd. (“Jingcheng Machinery Electric”), the controlling shareholder of the Company, was considered and approved.

In order to support the development of the Company, Jingcheng Machinery Electric provided a loan of RMB81.40 million to Langfang Tianhai for a term of one year. The loan bears interests at the benchmark one-year lending interest rate determined by the People's Bank of China. The Company does not provide corresponding security or guarantee over such financial assistance.

As Jingcheng Machinery Electric is the controlling shareholder of the Company, and it is 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 requirements of the Guidelines on the Shanghai Stock Exchange for the Listed Companies' Postponement of and Exemption from Information Disclosure, such financial assistance is not required to apply for exemption from the Shanghai Stock Exchange. If the self-exemption conditions 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.

2. The resolution in relation to the application for a bridging loan of RMB30.00 million by Beijing Tianhai Industry Co., Ltd. ("Beijing Tianhai"), a subsidiary of the Company, to Jingcheng Machinery Electric was considered and approved.

In order to support the development of the Company, Jingcheng Machinery Electric provided a bridging loan of RMB30.00 million to Beijing Tianhai for a term of six months. The loan bears interests at the benchmark one-year lending interest rate determined by the People's Bank of China. The Company does not provide corresponding security or guarantee over such financial assistance.

As Jingcheng Machinery Electric is the controlling shareholder of the Company, and it is 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 requirements of the Guidelines on the Shanghai Stock Exchange for the Listed Companies' Postponement of and Exemption from Information Disclosure, such financial assistance is not required to apply for exemption from the Shanghai Stock Exchange. If the self-exemption conditions 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.

3. The resolution in relation to the provision of security guarantee by Beijing Minghui Tianhai Gas Storage and Transportation Equipment Sales Co., Ltd. (“Minghui Tianhai”) , a subsidiary of the Company, with its housing and land resources in favor of Beijing Tianhai in its application for credit line from Bank of Dalian was considered and approved.

In view of the difficulty in securing bank credit due to the persistent loss-making position for recent years of Beijing Tianhai, and considering the current state of operation and capital needs of Beijing Tianhai, the Company hereby applies for the provision of security guarantee by Minghui Tianhai with its housing and land resources in favor of Beijing Tianhai in its application for credit line from Bank of Dalian. The accounts payable factoring facilities, not exceeding RMB70.00 million in total and for a term of one year, are used for replenishment of working capital for its subsidiaries. The interest rate is subject to the approval of the bank.

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
17 October 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, Ms. Jin Chunyu, Mr. Du Yuexi, Mr. Xia Zhonghua 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.