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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 RESOLUTIONS PASSED AT
THE FOURTEENTH MEETING OF THE NINTH SESSION OF
THE SUPERVISORY COMMITTEE**

The Supervisory Committee and all supervisors warrant that there are no false representations, misleading statements 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 fourteenth 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, Jingcheng Holding Mansion, Beijing on 29 October 2018. The meeting was presided over by the Chairman of the Supervisory Committee, Mr. Li Gejun, and all of the three eligible supervisors attended the meeting in person. The convening of the meeting was in compliance with the Company Law and the Articles of Association. The following resolutions were considered and approved by the Supervisory Committee:

1. The 2018 Third Quarterly Report of the Company was considered and approved.

The Supervisory Committee had carefully reviewed the Company's Third Quarterly Report prepared by the board of directors according to relevant requirements of China Securities Regulatory Commission. At the meeting, all supervisors unanimously considered that:

- (1) The preparation of the Third Quarterly Report and the procedures for considering the Third Quarterly 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 Third Quarterly 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 third quarter period;
- (3) Before arriving at this opinion, no person participating in preparation and consideration of the Third Quarterly Report had been found to have acted in breach of the rules of confidentiality;
- (4) The Supervisory Committee has agreed that the information disclosure of the Third Quarterly 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 in relation to the provision of loan of RMB25 million to Beijing Tianhai Industry Co., Ltd., a subsidiary of the Company, by Beijing Jingcheng Machinery Electric Holding Co., Ltd., the controlling shareholder, was considered and approved. Details of which was set out in “Voluntary Announcement on the Financial Assistance provided by the Controlling Shareholder of the Company to the Company’s subsidiary Beijing Tianhai Industry Co., Ltd.”.

In order to support the development of the Company, Beijing Jingcheng Machinery Electric Holding Co., Ltd. (“**Jingcheng Machinery Electric**”), the controlling shareholder of the Company, provides a loan of RMB25 million to Beijing Tianhai Industry Co., Ltd. (“**Beijing Tianhai**”), a subsidiary of the Company, for a term of one year. The loan bears interests at the one-year benchmark lending interest rate as determined by the People’s Bank of China. The Company will not provide corresponding security or guarantee over such financial assistance.

As Jingcheng Machinery Electric is the controlling shareholder of the Company, and Jingcheng Machinery Electric 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.

The number of valid votes for this resolution: 3; Affirmative votes: 3; Dissenting vote: 0; Abstention vote: 0.

- 3. The resolution in relation to loan secured by properties and land of Tianjin Tianhai High Pressure Co., Ltd., an indirect subsidiary of the Company, was considered and approved.

Considering the current state of operation and capital needs, Tianjin Tianhai High Pressure Container Co., Ltd. (“**Tianjin Tianhai**”) hereby applies for the security of properties and land in its application for comprehensive credit line of RMB80 million from Tianjin Branch of Hua Xia Bank

Co., Ltd., for a term of one year, which are used for replenishment of Tianjin Tianhai's own working capital for its own. The interest rate is subject to the approval of the bank.

The number of valid votes for this resolution: 3; Affirmative votes: 3; Dissenting vote: 0; Abstention vote: 0.

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

Considering the current state of operation and capital needs, Beijing Tianhai hereby applies for the provision of security guarantee by Beijing Minghui Tianhai Gas Storage and Transportation Equipment Sales Co., Ltd., a subsidiary of the Company, with its housing and land resources in favor of Beijing Tianhai in its application for credit line of RMB80 million from Bank of Beijing, for a term of one year, which are used for replenishment of working capital for its subsidiaries. The interest rate is subject to the approval of the bank.

The 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
29 October 2018

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.