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

The board of directors of the Company and all members of the Board 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 second extraordinary meeting of the eighth session of the board of directors (the “Board”) of Beijing Jingcheng Machinery Electric Company Limited (the “Company”) was held by way of written resolutions on 30 October 2014. Matters regarding the convening of the meeting were notified by the Board to all directors of the Company by email and in written form on 24 October 2014. 11 directors were eligible to attend the meeting and 11 of them and 11 of them participated in the actual voting. The convening of the meeting was in compliance with the requirements of all applicable laws and the articles of association of the Company. The following resolutions were considered and approved at the meeting:

1. Full text of the 2014 Third Quarterly Report of the Company and its summary were considered and approved.

The number of valid votes for the resolution was 11; with 11 affirmative votes: 0 dissenting vote, and 0 abstention vote.

2. The resolution on the application of the newly formulated or amended Accounting Standards for Business Enterprises of the Ministry of Finance was considered and approved.

The Ministry of Finance promulgated a series of newly formulated or amended Accounting Standards for Business Enterprises during the year 2014. The Company has begun to apply such new accounting standards since 1 July 2014. For the reporting period, the application of Accounting Standards for Business Enterprises No.2 – Long-term Equity Investments, Accounting Standards for Business Enterprises No.30 – Presentation of Financial Statements, Accounting Standards for Business Enterprises No.33 – Consolidated Financial Statements, Accounting Standards for Business Enterprises No.39 – the Measurement of Fair Value, Accounting Standards for Business Enterprises No.40 – Joint Venture Arrangement and Accounting Standards for Business Enterprises No.41 – Disclosure of Interests in Other Entities had no impact on the consolidated financial statements and did not involve any adjustment to the amounts at the beginning of the period.

However, applying Accounting Standards for Business Enterprises No.9 – Employee Remunerations, post-employment benefits provided to employees by the Company are in the scope of defined benefit plan of Accounting Standards for Business Enterprises No.9 – Employee Remunerations. Therefore, the Company has to appoint professional institutions to perform measurement on defined benefit plan. No quantitative adjustment data could be provided for the time being. After preliminary estimation, it was expected that such data adjustment has no material effects on the financial conditions and operating results of the Company for the current period. The Company will strictly comply with the relevant regulations and internal control to carry out relevant work smoothly and orderly. Supplemental disclosure of the specific effects of such change in accounting policy will be made in the “Annual Report of the Company for the year 2014”. (For details, please see Specific Comments Of The Board In Respect Of The Specific Effect And Explanation In Respect Of Accounting Standards Of Business Enterprises No. 9 – Employee Compensation On The Company Which Could Not Be Disclosed In The “Third Quarterly Report Of The Company For The Year 2014” For The Time Being on the websites of Shanghai Stock Exchange and HKExNews).

The number of valid votes for the resolution was 11, with 11 affirmative votes, 0 dissenting vote, and 0 absention vote.

The board of directors of  
**Beijing Jingcheng Machinery Electric Company Limited**

Beijing, the PRC, 30 October 2014

*As at the date of this announcement, the Board comprises Mr. Hu Chuanzhong, Mr. Li Junjie, Mr. Wu Yanzhang and Ms. Jiang Chi as executive directors, Mr. Zhou Yongjun, Ms. Chang Yun and Mr. Xia Zhonghua as non-executive directors and Ms. Wu Yan, Mr. Liu Ning, Mr. Yang Xiaohui and Mr. Fan Yong as independent non-executive directors.*