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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 THIRD MEETING  
OF THE EIGHTH BOARD OF DIRECTORS**

**The Board 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.**

Pursuant to the notice of meeting dated 3 March 2015, the third meeting of the eighth board of directors (the "Board") of Beijing Jingcheng Machinery Electric Company Limited (the "Company") was held at conference room on second floor, No. 9 Office Building, Tianying North Road, Chaoyang District, Beijing, China on 17 March 2015. 10 Directors of the Company eligible for attending meeting, 9 of them attended the meeting. Mr. Xia Zhonghua, the director, could not attend the meeting due to business engagement and had appointed Ms. Chang Yun, the director, to attend the meeting and exercise the voting right. 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.

The meeting was presided over by the Chairman of the Company, Mr. Hu Chuanzhong, at which the following resolutions were considered and approved:

1. The 2014 Annual Report of the Company and its summary were considered and approved.

The number of valid votes for this resolution: 10; Affirmative votes: 10; Dissenting vote: 0; Abstention vote: 0.

2. The 2014 Annual Work Report of the Board was considered and approved.

The number of valid votes for this resolution: 10; Affirmative votes: 10; Dissenting vote: 0; Abstention vote: 0.

3. The 2014 audited financial report of the Company were considered and approved, details of which are set out in the Annual Report.  
  
The number of valid votes for this resolution: 10; Affirmative votes: 10; Dissenting vote: 0; Abstention vote: 0.
4. The 2014 Self Assessment Report on the Company's internal control was considered and approved, details of which are set out in the Annual Report.  
  
The number of valid votes for this resolution: 10; Affirmative votes: 10; Dissenting vote: 0; Abstention vote: 0.
5. The 2014 Internal Control Audited Report of the Company was considered and approved, details of which are set out in the Annual Report.  
  
The number of valid votes for this resolution: 10; Affirmative votes: 10; Dissenting vote: 0; Abstention vote: 0.
6. The 2014 Social Responsibility Report of the Company was considered and approved, details of which are set out in the Annual Report.  
  
The number of valid votes for this resolution: 10; Affirmative votes: 10; Dissenting vote: 0; Abstention vote: 0.
7. The resolution on the report of the independent non-executive Directors for the year 2014 was considered and approved.  
  
The number of valid votes for this resolution: 10; Affirmative votes: 10; Dissenting vote: 0; Abstention vote: 0.
8. The resolution on the performance of functions by the Audit Committee for 2014 was considered and approved.  
  
The number of valid votes for this resolution: 10; Affirmative votes: 10; Dissenting vote: 0; Abstention vote: 0.

9. The resolution on the payment for the audit fee for 2014 to Shinewing Certified Public Accountants LLP (hereinafter “Shinewing”) was considered and approved.

According to the resolution regarding authorizing the Board to enter into agreements with Shinewing and determine their remuneration which was considered and approved at the 2013 annual general meeting, the Board considered and approved the audit fee in a total amount of RMB1.05 million to be paid to Shinewing in 2014. The audit fee includes fees related to audit services provided to the Company by the auditors, including audit fee, review fee and translation fee.

The number of valid votes for this resolution: 10; Affirmative votes: 10; Dissenting vote: 0; Abstention vote: 0.

10. The resolution on the payment for the audit fee for 2014 to Shu Lun Pan Certified Public Accountants LLP (hereinafter “Shu Lun Pan”) was considered and approved.

According to the resolution regarding authorizing the Board to enter into agreements with Shu Lun Pan and determine their remuneration which was considered and approved at the 2013 annual general meeting, the Board considered and approved the audit fee in a total amount of RMB500,000 to be paid to Shu Lun Pan in 2014. The audit fee includes fees related to the auditing services provided by the auditor in respect of the design and execution of internal control of the Company’s financial report.

The number of valid votes for this resolution: 10; Affirmative votes: 10; Dissenting vote: 0; Abstention vote: 0.

11. The reappointment of Shinewing as the audit organization for the 2015 financial report of the Company was considered and approved, and the authorization of the Board to enter into letter of appointment and determine its remuneration at the annual general meeting was proposed.

The number of valid votes for this resolution: 10; Affirmative votes: 10; Dissenting vote: 0; Abstention vote: 0.

12. The reappointment of Shu Lun Pan as the audit organization for the 2015 internal control report of the Company was considered and approved, and the authorization of the Board to enter into letter of appointment and determine its remuneration at the annual general meeting was proposed.

The number of valid votes for this resolution: 10; Affirmative votes: 10; Dissenting vote: 0; Abstention vote: 0.

13. The 2014 proposal of the Company not to distribute profit was considered and approved.

In accordance with China Accounting Standards, the Company realized a net profit of RMB21,416,200 attributable to the shareholders of listed company during the reporting period while the undistributed net profit at the end of the year was RMB-232,056,900. The Board did not recommend a profit distribution and transfer of capital reserve to share capital for the year 2014 due to the undistributed net profit is negative during the reporting period.

The number of valid votes for this resolution: 10; Affirmative votes: 10; Dissenting vote: 0; Abstention vote: 0.

14. The resolution on provision for impairment of the Company for the year 2014 was considered and approved.

Based on the balance of accounts receivable and actual age of accounts and actual usage of assets as of 31 December 2014 upon physical stock take, analysis and audit, provisions for impairment were made by the Company in accordance with the Corporate Accounting Standard issued by the Ministry of Finance and the Internal Control System on Bad Debt Provision and Assets Impairment Provision and Loss Treatment of the Company.

As at 31 December 2014, the accumulative bad debt provision and assets impairment provision of the Company were RMB21,236,600, of which bad debt provision amounted to RMB13,836,300, inventory impairment provision amounted to RMB6,963,800 and fixed assets provision amounted to RMB436,500.

The number of valid votes for this resolution: 10; Affirmative votes: 10; Dissenting vote: 0; Abstention vote: 0.

15. The 2015 Audit Plan of the Company was considered and approved.

The number of valid votes for this resolution: 10; Affirmative votes: 10; Dissenting vote: 0; Abstention vote: 0.

16. The 2015 Internal Control Plan of the Company was considered and approved.

The number of valid votes for this resolution: 10; Affirmative votes: 10; Dissenting vote: 0; Abstention vote: 0.

17. The resolution on the result of remuneration and performance assessment contract for the senior management of the Company in 2014 was considered and approved.

The remuneration and performance of the senior management of the Company in 2014 was assessed pursuant to the Performance Assessment Contract for the Senior Management at the beginning of 2014. The directors agreed to the result of remuneration and performance assessment for the senior management of the Company in 2014.

The number of valid votes for this resolution: 10; Affirmative votes: 10; Dissenting vote: 0; Abstention vote: 0.

18. The 2015 Performance Assessment Contract for the Senior Management was considered and approved, and authorizations were given to the Chairman of the Board to enter into contracts with the senior management of the Company.

The number of valid votes for this resolution: 10; Affirmative votes: 10; Dissenting vote: 0; Abstention vote: 0.

19. The resolution on filing an application to the Shanghai Stock Exchange for cancelling the delisting risk warning imposed on the A shares of the Company was considered and approved, details of which were set out in the “Announcement on Cancellation of the Delisting Risk Warning on the A Shares of the Company” (Lin No. 2015-012).

The number of valid votes for this resolution: 10; Affirmative votes: 10; Dissenting vote: 0; Abstention vote: 0.

20. The resolution on application of the newly issued or amended Accounting Standards for Relevant Business Enterprises in 2014 was considered and approved, details of which were set out in the “Announcement of the application of newly issued or amended Accounting Standards for Business Relevant Enterprises promulgated by the Ministry of Finance in 2014” (Lin No. 2015-013).

The number of valid votes for this resolution: 10; Affirmative votes: 10; Dissenting vote: 0; Abstention vote: 0.

21. The resolution on the impact on the financial statements in 2014 due to the changes of accounting estimation was considered and approved.

The changes of accounting estimation applied prospectively and therefore, profits stated in the financial statements for the current period increased to RMB25,933,868.24, of which impairment increased by RMB3,892,214.90, bad debt provision increased by RMB22,041,653.36 (including the increase in bad debt provision of Beijing Jingcheng Compressor Co., Ltd. of RMB12,069,832.53).

The number of valid votes for this resolution: 10; Affirmative votes: 10; Dissenting vote: 0; Abstention vote: 0.

22. The resolution regarding the convening of the 2014 annual general meeting of the Company on Tuesday, 9 June 2015 was considered and approved, details of which will be announced otherwise.

The number of valid votes for this resolution: 10; Affirmative votes: 10; Dissenting vote: 0; Abstention vote: 0.

Among the above resolutions, resolutions No. 1, 2, 3, 5, 7, 11, 12 and 13 will be put forward to the 2014 annual general meeting of the Company for consideration.

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

Beijing, the PRC, 17 March 2015

*As at the date of this announcement, the board of directors of the Company comprises Mr. Hu Chuanzhong, Mr. Li Junjie 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.*