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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 RESIGNATION AND ELECTION
OF DIRECTORS AND SUPERVISOR OF THE COMPANY**

The Board and all members of the Board of the Company warrant that this announcement does not contain any false information, misleading statement or material omission and severally and jointly accept full responsibility for the truthfulness, accuracy and completeness of the contents herein contained.

1. Resignation of directors

- (1) The Board announces that it has accepted the resignation of Mr. Hu Chuanzhang, and has released an announcement in relation to the resignation of the chairman of the board and change of remuneration and appraisal committee member (Lin 2015-062) on the website of the Shanghai Stock Exchange at <http://www.sse.com.cn> and the website of the HKEx at <http://www.hkexnews.hk> on 14 October 2015.

Proposed appointment of director:

The twelfth extraordinary general meeting of the eighth session of the Board considered and approved that Mr. Wang Jun was added as an executive director candidate of the eighth session of the Board, and the resolution shall be submitted to the first extraordinary general meeting of 2015 for consideration.

The Company will enter into relevant service contract with Mr. Wang Jun, the proposed executive director. His annual remuneration shall comprise of three parts: i.e. basic annual salary, regular annual performance salary and special contribution income. Each of the executive directors will be entitled to a basic annual salary in the range of RMB200,000 to RMB550,000. The regular annual performance salary ranges from RMB120,000 to RMB850,000, depending on the result of the performance appraisal of each executive director. Special contribution income may be granted to executive directors in the event that they

have made significantly outstanding contributions to the implementation of the strategies of the Company or received special recognition for significant managerial innovation and technological innovation. Special contribution income, which shall not exceed RMB100,000, will be reviewed by the remuneration and monitoring committee of the Board and will be presented to the Board for review and approval.

Please refer to the Appendix for biographical details of Mr. Wang Jun.

- (2) The board of directors of Beijing Jingcheng Machinery Electric Company Limited (“the Company”) announces that, Mr. Liu Zhe and Ms. Jiang Chi, submitted their resignation notifications to the Board to resign from the positions of directors due to job reallocation. Mr. Liu Zhe resigned from the positions of director and member of the Strategic Committee of the Company, and Ms. Jiang Chi resigned from positions of director of the Company. The Board of the Company fully respects the decisions of Mr. Liu Zhe and Ms. Jiang Chi and has accepted their resignation applications. The resignations of Mr. Liu Zhe and Ms. Jiang Chi take effect from 23 October 2015.

Mr. Liu Zhe and Ms. Jiang Chi confirmed that there is no matter relating to their resignations that needs to be brought to the attention of the shareholders of the Company. The Board of the Company, Mr. Liu Zhe and Ms. Jiang Chi have confirmed that they are not aware of any unfulfilled personal obligations of Mr. Liu Zhe and Ms. Jiang Chi towards the Company and its subsidiaries, nor any impact on such obligations as a result of their resignations, and there is no disagreement between Mr. Liu Zhe, Ms. Jiang Chi and the Company which has led to the resignations of Mr. Liu Zhe and Ms. Jiang Chi.

The Board hereby expresses its gratitude towards Mr. Liu Zhe and Ms. Jiang Chi for their contributions to the Company during their tenure of office.

Proposed appointment of directors:

The twelfth extraordinary general meeting of the eighth session of the Board considered and approved that Ms. Chen Changge and Mr. Du Yuexi were added as executive director candidates of the eighth session of the Board of the Company, and the resolution shall be submitted to the first extraordinary general meeting of 2015 for consideration.

The Company will enter into relevant service contract with Mr. Chen Changge and Mr. Du Yuexi, the proposed executive directors. Their annual remuneration shall comprise of three parts: i.e. basic annual salary, regular annual performance salary and special contribution income. Each of the executive directors will be entitled to a basic annual salary in the range of RMB200,000 to RMB550,000. The regular annual performance salary ranges from RMB120,000 to RMB850,000, depending on the result of the performance appraisal of each executive director. Special contribution income may be granted to executive directors in the event that they have made significantly outstanding contributions to the implementation of the strategies of the Company or received special recognition for significant managerial innovation and technological innovation. Special contribution income, which shall not exceed RMB100,000, will be reviewed by the remuneration and monitoring committee of the Board and will be presented to the Board for review and approval.

Please refer to the Appendix for biographical details of Ms. Chen Changge and Mr. Du Yuexi.

2. Resignation of supervisor

The Supervisory Committee of the Company announces that, Mr. Wang Weijing submitted her resignation notification to the Supervisory Committee to resign from the position of supervisor due to personal reasons. The Supervisory Committee of the Company fully respects the decision of Ms. Wang Weijing and has accepted her resignation application. However, as the resignation of Ms. Wang Weijing will cause the number of supervisors to be lower than the quorum and that required by the Company's articles of association, her resignation will be effective only upon the appointment of new supervisor.

Ms. Wang Weijing has confirmed that she has no disagreement with the Supervisory Committee of the Company, and there is no matter relating to her resignation needs to be brought to the attention of the shareholders of the Company. The Supervisory Committee of the Company and Ms. Wang Weijing have both confirmed that they are not aware of any unfulfilled personal obligations of Ms. Wang Weijing towards the Company and its subsidiaries, nor any impact on such obligations as a result of her resignation.

The Supervisory Committee of the Company hereby expresses its gratitude towards Ms. Wang Weijing for her contribution to the Company during her tenure of office.

Proposed appointment of supervisor:

The thirteenth extraordinary general meeting of the eighth session of the Supervisory Committee of the Company considered and approved that Ms. Liu Zhe was included as supervisor candidate of the eighth session of the Supervisory Committee of the Company, and the resolution shall be submitted to the first extraordinary general meeting of 2015 for consideration.

The Company will enter into relevant service contracts with Ms. Liu Zhe, the proposed supervisor, and her annual fee shall not exceed RMB 40,000.

Please refer to the Appendix for biographical details of Ms. Liu Zhe.

The independent directors of the Company have given independent opinion. They are of the opinion that, the appointment of Mr. Wang Jun, Mr. Chen Changge and Mr. Du Yuexi are verified as validly qualified, the nomination procedures are in compliance with the regulations of the Articles of Association of the Company, and the procedures for consideration and voting are legal and valid.

The board of directors of
Beijing Jingcheng Machinery Electric Company Limited

Beijing, the PRC, 23 October 2015

As at the date of this announcement, the Board comprises Mr. Li Junjie as executive director, Mr. Xia Zhonghua as non-executive director and Ms. Wu Yan, Mr. Liu Ning, Mr. Yang Xiaohui and Mr. Fan Yong as independent non-executive directors.

Appendix:

Biographical details of the directors candidates

- (1) Wang Jun, Chinese, male, aged 44. He is an economist with a bachelor's degree and MBA. Mr. Wang was a sales clerk, director of export department, director of international business department and deputy general manager of Beijing Tianhai Industry Co., Ltd., party secretary, chairman of the Board of Beijing Beikai Electric Co., Ltd., head of the office, head of the office of the Board of Directors, director of the legal affairs department, secretary to the Board of Directors, member of the party of Beijing Jingcheng Machinery Electric Holding Co., Ltd. Currently, he is a standing committee member of party committee, deputy general manager and general counsel of Beijing Jingcheng Machinery Electric Holding Co., Ltd..
- (2) Chen Changge, Chinese, male, aged 48. He is a senior policy advisor with a bachelor's degree and MBA. Mr. Chen was an assistant to production manager of No. 3 Factory of Beiren Holdings Limited, party secretary of Single and Double Color Machine Branch Company, manager and party secretary of Web Offset Printing Machine Manufacturing Branch Company, member of the party committee, deputy general manager of Beiren Holding Limited, director of the youth league, deputy secretary, secretary, member of the party and deputy general manager of Beiren Group Corporation. He also was a director of human resource department, head of the office and secretary to the board of directors of Beijing Jingcheng Machinery Electric Holding Co., Ltd.. Currently, he is the party secretary and chairman of the board of Beijing Tianhai Industry Co., Ltd..
- (3) Du Yuexi, Chinese, male, aged 56. He is a senior policy advisor with a MBA. Mr. Du was a cadre of Beijing Tong County Maizhuang Community, vice factory director of Beijing Construction Machinery Factory, general manager of Huaxin Metal Structure Company, a Sino-Japanese joint venture, deputy general manager of Beijing Xihai Company, general manager of Chinese Party and secretary of Beijing Modern Jingcheng Construction Machinery Co., Ltd., deputy general manager and secretary of Beijing Jingcheng Heavy Industry Co., Ltd.. Currently, he is the secretary of the branch of party and general manager of Beijing Jingcheng International Financing Lease Co., Ltd..

Ms. Wang Jun serves as the standing committee member of party committee, deputy general manager and general counsel of Beijing Jingcheng Machinery Electric Holding Co., Ltd., a substantial shareholder of the Company. Mr. Chen Changge has no relationship with any substantial shareholder or controlling shareholder of the Company. Mr. Du Yuexi serves as the secretary of the branch of party and general manager of Beijing Jingcheng International Financial Leasing Co., Ltd., a holding subsidiary of Beijing Jingcheng Machinery Electric Holding Co., Ltd., the substantial shareholder of the Company. Save as disclosed in this announcement, the directors candidates have no relationship with other directors, supervisors, senior management, substantial or controlling shareholder of the Company. They do not hold any interests in shares of the Company as defined in Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO"), nor do they hold directorship or supervisorship in any other listed public companies in the last three years. Save as disclosed above, in respect of the directors candidates, there is no other information which is required to be disclosed pursuant to any provisions under Rule 13.51(2) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("Listing Rules") nor other information that need to be brought to the attention of the shareholders of the Company.

As at the date of this announcement, according to the register maintained pursuant to section 352 of the SFO, all of the director candidates do not have any interest or short positions in the shares, underlying shares and debentures of the Company.

Biographical detail of the supervisor candidate

Liu Zhe, Chinese, female, aged 37, is a lecturer with a bachelor's degree in engineering. Ms. Liu was a teacher, group leader in teaching and research, Secretary of the Youth League Committee, branch secretary of student party of Light Industry Branch of Beijing Industry and Trade Technicians College, Youth League secretary and director of publicity department of the party/company of Beijing Jingcheng Machinery Electric Holding Co., Ltd. and Chairman of Supervisory Committee of Beijing Jingcheng Machinery Electric Company Limited. Currently, she is deputy party secretary, secretary of discipline inspection commission and chairman of labour union of Beijing Tianhai Industry Co., Ltd..

Save as disclosed in this announcement, the supervisor candidate has no relationship with other directors, supervisors or senior management of the Company. Ms. Liu Zhe has no relationship with any substantial shareholder or controlling shareholder of the Company. The supervisor candidate does not hold any interests in shares of the Company as defined in Part XV of the SFO, nor does she hold directorship or supervisorship in any other listed public companies in the last three years. Save as disclosed above, in respect of the supervisor candidate, there is no other information which is required to be disclosed pursuant to any provisions under Rule 13.51(2) of the Listing Rules nor other information that need to be brought to the attention of the shareholders of the Company.

As at the date of this announcement, according to the register maintained pursuant to section 352 of the SFO, the supervisor candidate does not have any interest or short positions in the shares, underlying shares and debentures of the Company.