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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 NINTH BOARD OF DIRECTORS**

The board of directors of the Company (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 9 March 2018, the third meeting of the ninth board of directors (the “Board”) of Beijing Jingcheng Machinery Electric Company Limited (the “Company”) was held at the fourth conference room, 18/F, Jingcheng Holding Mansion, Beijing on 26 March 2018. 11 directors of the Company are eligible for attending the meeting and 11 of them attended the meeting. 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. Wang Jun, at which the following resolutions were considered and approved by the attending directors of the Company:

1. The 2017 Annual Report of the Company and its summary and the H Shares results announcement were considered and approved.

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

2. The 2017 Annual Work Report of the Board was considered and approved.

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

3. The 2017 audited financial 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: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

4. The 2017 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: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

5. The 2017 Audit Report on Internal Control over Financial Reporting 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: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

6. The 2017 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: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

7. The resolution on the Corporate Governance Report (draft) required to be disclosed for H Shares and authorising the secretary to the Board to be responsible for subsequent review and amendment of the Corporate Governance Report were considered and approved,.

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

8. The resolution on the 2017 Environmental, Social and Governance Report (draft) of the Company and authorising the secretary to the Board to be responsible for subsequent review and amendment of the 2017 Environmental, Social and Governance Report were considered and approved.

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

9. The resolution on the report of the independent non-executive directors of the Company for the year 2017 was considered and approved.

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

10. The resolution on the performance of functions by the Audit Committee of the Company for the year 2017 was considered and approved.

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

11. The resolution on the payment for the audit fee for 2017 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 to determine its remuneration which was considered and approved at the 2016 annual general meeting, the Board considered and approved the audit fee in a total amount of RMB900,000 to be paid to Shinewing in 2017. The audit fee includes fees related to audit services provided to the Company by the auditors, including audit, review and translation.

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

12. The resolution on the payment for the audit fee for 2017 to Da Hua Certified Public Accountants (Special General Partnership) (hereinafter “Da Hua”) was considered and approved.

According to the resolution regarding authorizing the Board to enter into agreements with Da Hua and to determine its remuneration which was considered and approved at the 2017 first extraordinary general meeting, the Board considered and approved the audit fee in a total amount of RMB318,000 to be paid to Da Hua in 2017. The audit fee includes fees related to the audit services provided by the auditor in respect of the effectiveness of the design and execution of the Company’s internal control mentioned in its financial report.

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

13. The re-appointment of Shinewing as the auditor for the Company’s 2018 financial reports and the proposal to the annual general meeting for authorising the Board to enter into a service contract with it and determine its remuneration were considered and approved.

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

14. The re-appointment of Da Hua as the auditor for the Company’s 2018 internal control report and the proposal to the annual general meeting for authorising the Board to enter into a service contract with it and determine its remuneration were considered and approved.

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

15. The proposal of the Company not to distribute profit for 2017 was considered and approved.

In accordance with China Accounting Standards, the Company realized a net profit of RMB20,868,400 attributable to the shareholders of the Company during the reporting period while the undistributed net profit at the end of the year was RMB-567,793,500. The Company will not distribute profit and transfer of capital reserve to share capital for the year 2017.

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

16. The resolution on provision for impairment of the Company for the year 2017 was considered and approved.

Based on the balance of accounts receivable and actual age of accounts and actual usage of each asset as of 31 December 2017, upon physical stock taking, analysis and audit, provisions for bad debt and assets impairment were made by the Company in accordance with the Corporate Accounting Standard prepared and issued by the Ministry of Finance and the Internal Control System on Bad Debt Provision and Assets Impairment Provision and Loss Treatment of Beijing Jingcheng Machinery Electric Company Limited.

The accumulative bad debt provision and assets impairment provision reserve of the Company were RMB103,673,700, of which bad debt provision reserve amounted to RMB35,102,800, inventory impairment provision reserve amounted to RMB30,490,600, fixed assets impairment provision reserve amounted to RMB35,197,600 and goodwill impairment amounted to RMB2,882,700.

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

17. The 2018 Audit Plan of the Company was considered and approved.

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

18. The 2018 Assessment Plan of the Company's internal control was considered and approved.

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

19. The 2018 Business Plan of the Company was considered and approved.

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

20. The 2018 Research and Development Plan of the Company was considered and approved.

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

21. The resolution on 2018 Financial Budget of the Company was considered and approved.

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

22. The 2018 Financing Guarantee Plan of the Company was considered and approved.

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

23. The resolution of the changes in accounting policy was considered and approved.

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

24. The resolution on the formulation of the Measures for the Administration of Remuneration and Performance Assessment for the Senior Management of the Company were considered and approved.

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

25. The resolution on the result of remuneration and performance assessment for the senior management of the Company in 2017 was considered and approved.

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

26. The resolution on continuing to purchase directors, supervisors and senior management liability insurance was considered and approved.

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

27. The resolution on the Company's application for cancellation of the delisting risk warning to the Shanghai Stock Exchange was considered and approved, please refer to the "Announcement regarding the application for cancellation of the delisting risk warning of A Shares" (No. Lin 2018-007) for details.

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

28. The resolution to be submitted to the 2017 annual general meeting for approving the authorisation of the Board to issue new H Shares not exceeding 20% of the total issued H Shares was considered and approved, and agreed to submit the resolution to the 2017 annual general meeting.

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

29. The resolution regarding the convening of the 2017 annual general meeting of the Company on Tuesday, 12 June 2018 was considered and approved, details of which will be announced otherwise.

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

Among the above resolutions, resolutions Nos. 1, 2, 3, 5, 9, 13, 14, 15 and 28 will be put forward to the 2017 annual general meeting of the Company for consideration.

The board of directors of
Beijing Jingcheng Machinery Electric Company Limited

Beijing, the PRC
26 March 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, Mr. Du Yuexi, Ms. Jin Chunyu, 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.