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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 ON THE RESOLUTION PASSED AT
THE TWENTIETH EXTRAORDINARY MEETING OF
THE EIGHTH SESSION OF THE BOARD OF DIRECTORS
THE RESIGNATION OF COMPANY SECRETARY AND
CHANGE OF AUTHORIZED REPRESENTATIVE**

The board of directors of the Company and all members of the Board warrant that there are no false representations, misleading statements and material omissions in this announcement, and are severally and jointly responsible for the truthfulness, accuracy and completeness of the contents herein contained.

Pursuant to the notice of meeting dated 11 November 2016, the twentieth extraordinary meeting of the eighth session of the board of directors (the "Board") of Beijing Jingcheng Machinery Electric Company Limited (the "Company") was held on 18 November 2016 at conference room 1, No. 2 Huo Xian Nan San Road, Huo Xian Town, Tongzhou District, Beijing, the PRC. 9 of the 11 eligible directors attended the meeting in person. The directors, Mr. Li Junjie and Ms. Wu Yan, were absent from the meeting due to business engagement and had appointed the directors, Mr. Wang Jun and Mr. Liu Ling, to attend the meeting and vote on their behalf. The supervisors and senior management 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:

1. The resolution related to the appointment of the secretary of the Board of the Company was considered and approved.

The Board announces that Ms. Jiang Chi has tendered her resignation as the secretary of the Board, the company secretary, the head of the secretariat of the Remuneration and Monitoring Committee of Board with effect from 18 November 2016 due to work reasons.

Ms. Jiang Chi has confirmed that she has no disagreement with the Board and that there is no matter relating to her resignation that needs to be brought to the attention of the shareholders of the Company or The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

After the thorough understanding of the nomination committee of the Board, as nominated by the chairman, and approved unanimously by the attending directors, Mr. Luan Jie (see Appendix I for his biographical details) was appointed as the secretary of the Board, with a term from 18 November 2016 to the closing of 2016 annual general meeting. Mr. Luan Jie has obtained the Certificate for Qualification of Secretary to the Board Training issued by the Shanghai Stock Exchange in 2010.

The Board has also approved that Mr. Luan Jie’s appointment as the company secretary of the Company. The Board noted that Mr. Luan Jie does not have professional qualifications specified under Rule 3.28 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). The Company intends to recruit a qualified person with qualifications required under Rule 3.28 of the Listing Rules to assist Mr. Luan Jie to acquire the relevant experience to discharge his functions as a company secretary. The Company will make an application to the Stock Exchange to grant a waiver from strict compliance with the requirements under Rule 3.28 of the Listing Rules. Upon the approval of such waiver by the Stock Exchange, the Company will make further announcement in relation to the date of appointment of Mr. Luan Jie as the company secretary of the Company and other details as and when appropriate.

The Board would like to express its gratitude to Ms. Jiang Chi for her valuable contribution during her term of office as the secretary of the Board.

The independent non-executive directors of the Company issued their independent opinion in respect of matters such as the appointment of the secretary of the Board at the twentieth extraordinary meeting of the eighth session of the Board. (see Appendix II).

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

2. The resolution on the change of authorized representative of the Company in Hong Kong was considered and approved.

Due to the change of the Company’s staff and the resignation of Ms. Jiang Chi as the authorized representative of the Company in Hong Kong, the Board, therefore, appoints Mr. Luan Jie as the authorized representative of the Company in Hong Kong. Mr. Wang Jun remains as the authorized representative of the Company in Hong Kong.

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

3. The resolution related to the change of the heads of the Secretariat of the Strategic Committee, Secretariat of the Audit Committee, Secretariat of the Remuneration and Monitoring Committee of the Board was considered and approved.

Due to the change of staff, it was approved unanimously by the attending directors, that Liu Ruping will be the head of the Secretariat of the Strategic Committee, Yang Yi will be the head of the Secretariat of the Audit Committee, and Luan Jie will be the head of Secretariat of the Remuneration and Monitoring Committee of the Board.

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

4. The resolution of providing bridging loan of RMB45 million to Beijing Tianhai Industry Co., Ltd. (“Beijing Tianhai”), a subsidiary of the Company, by Beijing Jingcheng Machinery Electric Holding Co., Ltd. (“Jingcheng Holding”), the controlling shareholder of the Company, was considered and approved by the directors who attended the meeting.

In order to support the development of the Company, Jingcheng Holding provided a bridging loan of RMB45 million to Beijing Tianhai for a term of six months. The bridging loan bears interests at the loan rate for one-year period determined by the People’s Bank of China. Such financial assistance is on normal commercial term and the Company does not have corresponding security or guarantee over such financial assistance.

Jingcheng Holding is the controlling shareholder of the Company, and Jingcheng Holding 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 financial assistance matter is conducted on normal commercial terms and it is not secured by the assets of the Company and its subsidiaries. The financial assistance matter is fully exempted according to Rule 14A.90 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Mr. Wang Jun, Mr. Xia Zhonghua, Ms. Jin Chunyu and Mr. Fu Hongquan, being connected directors, abstained from voting for this resolution. The number of valid votes for this resolution: 7; Affirmative votes: 7; Dissenting vote: 0; Abstention vote: 0.

5. The resolution on loan secured by properties and land of Tianjin Tianhai High Pressure Co., Ltd., an indirect subsidiary of the Company was considered and approved.

For details, please refer to the ANNOUNCEMENT IN RELATION TO LOAN SECURED BY PROPERTIES AND LAND OF TIANJIN TIANHAI HIGH PRESSURE CO., LTD., AN INDIRECT SUBSIDIARY OF THE COMPANY published on the website of The Shanghai Stock Exchange (<http://www.sse.com.cn>) and the website of The Stock Exchange of Hong Kong Limited (<http://www.hkexnews.hk>).

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

The board of directors of
Beijing Jingcheng Machinery Electric Company Limited

Beijing, the PRC
18 November 2016

As at the date of this announcement, the Board comprises Mr. Wang Jun, Mr. Chen Changge, Mr. Li Junjie and Mr. Du Yuexi as executive directors, Mr. Xia Zhonghua, Ms. Jin Chunyu and Mr. Fu Hongquan as non-executive directors and Ms. Wu Yan, Mr. Liu Ning, Mr. Yang Xiaohui and Mr. Fan Yong as independent non-executive directors.

Appendix I

BIOGRAPHICAL DETAILS OF MR. LUAN JIE

Luan Jie, Chinese, male, aged 35. Mr. Luan previously worked as the chief legal officer of Golden Harvest (Beijing) Cinema Management Consultancy Company Limited (北京嘉禾影城管理諮詢有限公司), manager in the securities and legal department and board secretary of Beijing Jingkelong Company Limited (stock code: 0814), a listed company on the Stock Exchange, legal practitioner in Beijing Jingdu Law Firm (北京市京都律師事務所) and staff in the legal department of Beijing Chaopi Trading Co., Ltd. (Jingkelong) (北京朝批商貿股份有限公司(京客隆)). Mr. Luan graduated from the Beijing University of Chemical Technology (北京化工大學) in 2004 with a major in Law and obtained a Bachelor's degree in Law. He also obtained a Master's degree in Accountancy from the University of International Business and Economics (對外經濟貿易大學) in 2013.

Appendix II:

INDEPENDENT OPINIONS FROM INDEPENDENT NON-EXECUTIVE DIRECTORS OF THE EIGHTH SESSION OF THE BOARD

The twentieth extraordinary meeting of the eighth session of the Board of Beijing Jingcheng Machinery Electric Company Limited (the "Company") was held on 18 November 2016, at which the resolution in relation to the appointment of Mr. Luan Jie as the secretary of the Board of the Company was considered and approved.

As the independent non-executive directors of the eighth session of the Board, after reviewing relevant documents, we were of the opinion that:

1. After reviewing the biography, performance record and other relevant materials of Mr. Luan Jie as provided by the Company before the meeting, we considered that he is legally qualified for the senior management appointment.
2. The nomination process and the appointment approval process of Mr. Luan Jie are in compliance with relevant provisions of the Company Law and the Articles of Association. Mr. Luan Jie is engaged under legal nomination and appointment process.
3. Mr. Luan Jie's academic background, professional experience and physical condition will be able to meet the requirements of his respective duty in the Company, and will be beneficial to the normal operation of the Company.

Beijing Jingcheng Machinery Electric Holding Co., Ltd.
*Independent non-executive directors of the eighth session
of the board of directors*

Wu Yan, Liu Ling, Yang Xiaohui and Fan Yong

18 November 2016