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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 FOURTH MEETING  
OF THE NINTH SESSION OF THE 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 11 April 2018, the fourth meeting of the ninth session of board of directors (the "Board") of Beijing Jingcheng Machinery Electric Company Limited (the "Company") was held at the conference room, Jingcheng Holding Mansion, Beijing on 26 April 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 2018 First Quarterly Report 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.

2. Amendment to the Articles of Association 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.

3. Amendments to the Rules of Procedures for each of the committee 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.

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

In order to support the development of the Company, Jingcheng Machinery Electric, the controlling shareholder of the Company, provides a bridging loan of RMB45 million to Tianhai Industry, a subsidiary of the Company, for a term of six months. The bridging loan bears interest at the one-year benchmark interest rate of the People’s Bank of China. The Company does not provide any security or guarantee for such financial assistance.

As Jingcheng Machinery Electric is the controlling shareholder of the Company, and Jingcheng Machinery Electric 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.

Mr. Wang Jun, Ms. Jin Chunyu, Mr. Du Yuexi, Mr. Xia Zhonghua, and Ms. Li Chunzhi, being connected directors, abstained from voting for this resolution. The number of valid votes for this resolution: 6; affirmative votes: 6; dissenting vote: 0; abstention vote: 0.

Among the above resolutions, resolution No. 2 will be put forward to the general meeting of the Company for consideration.

By Order of the Board  
**Beijing Jingcheng Machinery Electric Company Limited**  
**Luan Jie**  
*Company Secretary*

Beijing, the PRC  
26 April 2018

*As at the date of this announcement, the Board comprises Mr. Wang Jun, Mr. Li Junjie and Mr. Zhang Jiheng as executive directors, Ms. Jin Chunyu, Mr. Du Yuexi, 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.*