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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 RESOLUTIONS PASSED AT
THE SEVENTH MEETING OF THE NINTH SESSION OF
THE SUPERVISORY COMMITTEE**

The Supervisory Committee and all members thereof guarantee that the information contained in this announcement does not contain any false statements, misleading representations or material omissions, and all of them jointly and severally accept responsibility as to the truthfulness, accuracy and completeness of the contents of this announcement.

The seventh meeting of the ninth session of the Supervisory Committee (the “Supervisory Committee”) of Beijing Jingcheng Machinery Electric Company Limited (the “Company”) was held at the conference room, Jingcheng Holding Mansion, Beijing on 26 April 2018. The meeting was presided over by the Chairman of the Supervisory Committee, Mr. Li Gejun, and all of the three eligible supervisors attended the meeting in person. The convening of the meeting was in compliance with the Company Law and the Articles of Association. The following resolutions were considered and approved by the Supervisory Committee:

1. The 2018 First Quarterly Report of the Company was considered and approved.

The Supervisory Committee had carefully reviewed the Company’s 2018 First Quarterly Report prepared by the board of directors of the Company (the “Board”) according to relevant requirements of China Securities Regulatory Commission. At the meeting, all supervisors unanimously considered that:

- (1) The preparation of the First Quarterly Report and the procedures for considering the First Quarterly Report are in compliance with the laws, regulations, provisions of the Articles of Association of the Company and all stipulations of the Company’s internal control system;

- (2) The content and format of the First Quarterly Report are in compliance with all requirements of China Securities Regulatory Commission and the stock exchange, and the information contained therein can truly reflect the operation, management and financial position of the Company during the first quarter period;
- (3) Before arriving at this opinion, no person participating in preparation and consideration of the First Quarterly Report had been found to have acted in breach of the rules of confidentiality;
- (4) The Supervisory Committee has agreed that the information disclosure of the First Quarterly Report is on schedule.

The number of valid votes for this resolution: 3; Affirmative votes: 3; 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: 3; Affirmative votes: 3; Dissenting vote: 0; Abstention vote: 0.

3. 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.

The number of valid votes for this resolution: 3; Affirmative votes: 3; Dissenting vote: 0; Abstention vote: 0.

The Supervisory Committee of
Beijing Jingcheng Machinery Electric Company Limited

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.