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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 FOURTEENTH
MEETING OF THE SEVENTH 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 12 March 2014, the fourteenth meeting of the seventh board of directors (the "Board") of Beijing Jingcheng Machinery Electric Company Limited (the "Company") was held at conference room on second floor, No. 9 Office Building, Tianying North Road, Chaoyang District, Beijing, China on 27 March 2014. 11 Directors of the Company eligible for attending meeting, 10 of them attended the meeting. Ms. Wang Hui, the independent non-executive director, was unavailable to attend the meeting in person due to business engagement and has entrusted Mr. Wang Deyu, the independent non-executive Director, to attend the meeting and exercise her voting rights by proxy. 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. Jiang Zili, at which the following resolutions were considered and approved:

1. The 2013 Annual Report of the Company and its summary were considered and approved.

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

2. The 2013 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 2013 Audited Financial Statements of the Company were 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 2013 Self 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 2013 Audited Internal Control 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.
6. The 2013 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 report of the independent non-executive Directors for the year 2013 was 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 performance of functions by the Audit Committee for 2013 was 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 payment for the audit fee for 2013 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 determine their remuneration which was considered and approved at the 2012 annual general meeting, the Board considered and approved the audit fee in a total amount of RMB1.05 million to be paid to Shinewing in 2013. The audit fee includes fees related to audit services provided to the Company by the auditors, including audit fee, review fee and translation fee.

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

10. The resolution on the payment for the audit fee for 2013 to Shu Lun Pan Certified Public Accountants LLP (hereinafter “Shu Lun Pan”) was considered and approved.

According to the resolution regarding authorizing the Board to enter into agreements with Shu Lun Pan and determine their remuneration which was considered and approved at the 2012 annual general meeting, the Board considered and approved the audit fee in a total amount of RMB500,000 to be paid to Shu Lun Pan in 2013. The audit fee includes fees related to the auditing services provided by the auditor in respect of the design and execution of internal control of the Company’s financial report.

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

11. The reappointment of Shinewing as the audit organization for the 2014 financial report of the Company was considered and approved, and the authorization of the Board to enter into letter of appointment and determine its remuneration at the annual general meeting was proposed.

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

12. The reappointment of Shu Lun Pan as the audit organization for the 2014 internal control report of the Company was considered and approved, and the authorization of the Board to enter into letter of appointment and determine its remuneration at the annual general meeting was proposed.

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

13. The 2013 proposal of the Company to distribute profit was considered and approved.

In accordance with China Accounting Standards, the Company realized a net profit of RMB-108,239,000 attributable to the parent company during the reporting period while the undistributed net profit at the end of the year was RMB-222,701,500. The Board did not recommend a profit distribution and transfer of capital reserve to share capital for the year 2013 due to the undistributed net profit is negative during the reporting period.

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

14. The resolution on provision for impairment of the Company for the year 2013 was considered and approved.

Based on the balance of accounts receivable and actual age of accounts and actual usage of assets as of 31 December 2013 upon physical stock take, analysis and audit, provisions for impairment were made by the Company in accordance with the Corporate Accounting Standard issued by the Ministry of Finance and the Internal Control System on Bad Debt Provision and Assets Impairment Provision and Loss Treatment of the Company.

As at 31 December 2013, the accumulative bad debt provision and assets impairment provision of the Company were RMB46,439,600, of which RMB23,277,100 and RMB23,162,500 were from Beijing Jingcheng Compressor Co., Ltd. and Beijing Tianhai Industry Co., Ltd, all being subsidiaries of the Company, respectively.

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

15. The 2014 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.

16. The 2014 Internal Control 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.

17. The 2014 Technological Reform Plan was considered and approved.

The technical reform investment budget of the Company for the year 2014 is RMB4,581,700 (excluding certain technical reform investment in specific investment projects of Huo Xian new base), of which new equipment projects shall be RMB1,805,200, equipment upgrading projects shall be RMB1,106,500, equipment transformation projects shall be RMB13,000 and projects for adjustment on processing routes shall be RMB1,567,000. The objectives of the above technology reform investment are to enhance the consistency of the quality of parts, shorten the production cycle, increase the number of detection equipments, strengthen the ability in quality check and to solve the equipment transformation and additions needed for process allocation adjustments by adjustments on processing routes.

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

18. The Administrative Measures for Remuneration and Performance Assessment of the Senior Management of the Company was considered and approved, details of which were published on the websites of the Shanghai Stock Exchange at www.sse.com.cn and the Hong Kong Stock Exchange at www.hkexnews.hk.

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

19. The 2014 Performance Assessment Contract for the Senior Management was considered and approved, and authorizations were given to the Chairman of the Board to enter into contracts with the senior management of the Company.

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

20. The resolution on explanations of the differences between the promised results in material asset reorganization and the actual results recorded by the Company was considered and approved.

According to the pro forma profit forecast report prepared by the Company, the forecasted net profit of incoming assets in 2013 shall be RMB54,065,600. The actual net profit of incoming assets attributable to the parent company in 2013 was RMB-46,094,100. The unfinished profit forecasted shortfall shall be RMB-100,159,700.

As the substantial shareholder of the Company, Beijing Jingcheng Machinery Electric Holding Co., Ltd. upholds the principles in maintaining the stability of capital market, protecting the interests of small and medium-sized investors and supporting the healthy and continuous development of listed companies, and will make compensation amounted to RMB100,159,700 to the Company. For details of the compensation, please refer to the “Announcement in relation to the compensation made by the substantial shareholder for the loss of incoming assets and amount not attaining profit forecasts in 2013” (Lin No. 2014-004) dated 28 January 2014 of the Company.

In order to turn from deficits to profits, the Company will accelerate its pace of industrial restructuring and strive to reduce operational risks so as to ensure the healthy and sustainable development of the Company.

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

21. The resolution on filing an application to the Shanghai Stock Exchange for delisting risk warning to be imposed on the A shares of the Company was considered and approved, details of which were set out in the “Announcement on Delisting Risk Warning to be Imposed on the A shares of Beijing Jingcheng Machinery Electric Company Limited”. (Lin No. 2014-018)

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

22. The resolution on amendments to the articles of association of the Company was considered and approved, details of which were set out in the “Announcement on amendments to the Articles of Association of the Company” (Lin No. 2014-019) of the Company.

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

23. The resolution on passing the Supplemental Agreement of routine related transactions entered by Tianjin Tianhai High Pressure Containers Co., Ltd., a subsidiary of the Company, and Tianjin Pipe Steel Trade Co., Ltd. was considered and approved, details of which were set out in the “Supplemental Notice on routine related transactions of the Company”. (Lin No.2014-020).

The transactions contemplated under the Supplemental Agreement a continuing connected transaction under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. There is no connected director abstained from voting for this resolution.

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

24. The resolution regarding the convening of the 2013 annual general meeting of the Company on Thursday, 26 June 2014 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 No. 1, 2, 3, 5, 7, 11, 12, 13, 18, 22 and 23 will be put forward to the 2013 annual general meeting of the Company for consideration.

The board of directors of
Beijing Jingcheng Machinery Electric Company Limited

27 March 2014

As at the date of this announcement, the Board of the Company comprises Mr. Wang Pingsheng, Mr. Hu Chuanzhong, Mr. Wu Yanzhang, Mr. Li Junjie and Ms. Jiang Chi as executive directors, Mr. Jiang Zili and Ms. Wu Dongbo as non-executive directors and Mr. Zhang Shuangru, Ms. Wang Hui, Mr. Xie Bingguang and Mr. Wang Deyu as independent non-executive directors.