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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 PROPOSED AMENDMENTS TO
THE ARTICLES OF ASSOCIATION**

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.

After implementing the material assets reorganisation, Beijing Jingcheng Machinery Electric Company Limited (the “Company”) becomes a joint-stock company. The board of directors of the Company (the “Board”) proposes to make the following amendments to the articles of association of the Company (the “Articles”) in order to maintain its smooth operation of the Company:

Original text of the Articles:

Article 14

Authorised scope of operation: general logistics; professional contractor.

General scope of operation: development, design, sales, installation, adjustment, maintenance of cryogenic containers for storage, compressors (piston compressor, membrane compressor and membrane compressor of nuclear grading) and accessories; machinery equipment and electrical equipment; technical consultancy and technical services; import and export of commodities and technology and acting as import and export agency.

The Company shall file application with registration authority based on the scope of operation set out in this article. The scope of business of the Company shall be consistent with and subject to that approved by the authority responsible for the registration of the Company.

The Company is allowed to set up branches, subsidiaries, jointly controlled enterprises and offices overseas based on the scope of operation set out in this article upon gaining approval in accordance with the approval procedures.

is proposed to be amended as:

Article 14 Authorised scope of operation: general logistics; professional contractor.

General scope of operation: development, design, sales, installation, adjustment, maintenance of cryogenic containers for storage, compressors (piston compressor, membrane compressor and membrane compressor of nuclear grading) and accessories; machinery equipment and electrical equipment; technical consultancy and technical services; information consulting services; import and export of commodities and technology and acting as import and export agency.

The Company shall file application with registration authority based on the scope of operation set out in this article. The scope of business of the Company shall be consistent with and subject to that approved by the authority responsible for the registration of the Company.

The Company is allowed to set up branches, subsidiaries, jointly controlled enterprises and offices overseas based on the scope of operation set out in this article upon gaining approval in accordance with the approval procedures.

Original text of the Articles:

Article 162 The board of directors may set aside a special fund as per 1‰ of annual sales income, for paying independent non-executive directors' remunerations and allowances, exchange and training expenses of relevant persons and other items approved by the chairman of the board.

is proposed to be amended as:

Article 162 The board of directors may set aside a special fund as per 3‰ of annual sales income, for paying independent non-executive directors' remunerations and allowances, exchange and training expenses of relevant persons and other items approved by the chairman of the board.

The proposed amendments to the Articles are subject to approval of the shareholders of the Company (the "Shareholders") by way of a special resolution to be proposed at the annual general meeting of the Company to be held on 26 June 2014 ("Annual General Meeting").

A circular containing, amongst other things, particulars relating to the proposed amendments to the Articles together with a notice convening the Annual General Meeting will be despatched to the Shareholders in due course.

The board of directors of
Beijing Jingcheng Machinery Electric Company Limited

Beijing, the PRC
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.