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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 SECOND MEETING OF
THE TENTH SESSION OF THE BOARD OF DIRECTORS**

The Board and all members of the Board of the Company 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 15 October 2020, the second meeting of the tenth session of the board of directors (the “**Board**”) of Beijing Jingcheng Machinery Electric Company Limited (the “**Company**”) was held on 29 October 2020 by way of on-site meeting at the conference room of the Company. Eleven directors are eligible for attending the meeting and all eleven directors were present at 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 Mr. Wang Jun, the Chairman of the Board, at which each of the following resolutions was considered and approved by the attending directors one by one:

1. The 2020 Third 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. The resolution in relation to the provision for a loan of RMB25 million (twenty-five million) to Beijing Tianhai Industry Co., Ltd., a subsidiary of the Company, by Beijing Jingcheng Machinery Electric Holding Co., Ltd., the controlling shareholder, was considered and approved.

In order to support the development of the Company, Beijing Jingcheng Machinery Electric Holding Co., Ltd. (“**Jingcheng Machinery Electric**”), the controlling shareholder of the Company, provides a loan of RMB25 million (twenty-five million) to Beijing Tianhai Industry Co., Ltd. (“**Beijing Tianhai**”), a subsidiary of the Company, for a term of one year. The loan bears interests at the one-year benchmark lending interest rate as determined by the People’s Bank of China. The Company will not provide corresponding security or guarantee over 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 matter is not required to apply to the Shanghai Stock Exchange. Certain self-exemption conditions are met and the matter can be considered and disclosed by way of exempted-connected transaction. Details of which are set out in “Voluntary Announcement on the Financial Assistance provided by the Controlling Shareholder of the Company to the Company’s Subsidiary Beijing Tianhai Industry Co., Ltd.”.

Mr. Wang Jun, Ms. Jin Chunyu, Mr. Wu Yanzhang, 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.

3. The resolution in relation to the amendments to the related systems of the Company was considered and approved.

In accordance with “the Company Law of the People’s Republic of China” (2018 Revision), “the Securities Law of the People’s Republic of China” (2019 Revision), “the Code of Corporate Governance for Listed Companies” (2018 Revision), and the “Rules Governing the Listing of Stocks on the Shanghai Stock Exchange” (2019 Revision) issued by the Shanghai Stock Exchange, the “Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited” (2020 Revision) and other relevant laws and regulations, and the regulations of the “Articles of Association of Beijing Jingcheng Machinery Electric Company Limited” (2020 Revision), combined with the actual situation of the Company, in order to further improve the corporate governance system and promote the standardized operation of the Company, the Company revised a total of 18 systems including the “Rules of Procedure for the General Meetings of Shareholders”, the “Rules of Procedure for the Board of Directors”, and the “Terms of Reference of the Nomination Committee of the Board of Directors”. Of which, the “Rules of Procedure of the General Meeting of Shareholders”, the “Rules of Procedure of the Board of Directors”, and the “Measures for the Fund Raising Management” shall be submitted to the general meeting for consideration and approval.

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

For and on behalf of the Board of
Beijing Jingcheng Machinery Electric Company Limited
Luan Jie
Company Secretary

Beijing, the PRC
29 October 2020

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. Wu Yanzhang, Mr. Xia Zhonghua and Ms. Li Chunzhi as non-executive directors and Mr. Xiong Jianhui, Mr. Zhao Xuguang, Mr. Liu Jingtai and Mr. Luan Dalong as independent non-executive directors.