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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 SIXTH MEETING OF
THE EIGHTH SESSION OF THE BOARD OF DIRECTORS**

The board of directors of the Company (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 board meeting dated 10 November 2015, the sixth meeting of the eighth session of the board of Beijing Jingcheng Machinery Electric Company Limited (the “Company”) was held at the first conference room, No. 2 Huo Xian Nan San Road, Huo Xian Town, Tongzhou District, Beijing, on 26 November 2015. All of the 8 eligible directors attended the meeting in person. The supervisors and senior management members of the Company also attended the meeting. The convening of the meeting was in compliance with the applicable laws and the Articles of Association of the Company.

The meeting was presided over by Mr. Li Junjie, the acting chairman of the Board, at which the following resolutions were considered and approved:

- I. Resolution in relation to the issue of shares in consideration of asset purchase and fund raising meet the qualification requirements as stipulated in relevant laws and regulations was considered and approved.**

Pursuant to relevant regulations, laws and regulatory documents such as the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, Measures on the Administration of Material Asset Restructuring of Listed Companies, Regulation in relation to Certain Issues of Material Asset Reorganization of Listed Companies, the Administration Measures on Securities Issuance of Listed Companies, Implementation Details of Non-Public Issuance of

Shares by Listed Companies, the Company fulfils the conditions for non-public issue of shares, and the material asset reorganization of the Company fulfils the following conditions:

- (1) The Company to acquire 100% equity interests in Beijing Jingcheng International Financial Leasing Co., Ltd. (here below referred to as “Financial Lease Company”) in the Transaction complies with the national industrial policy; the business operates by Financial Lease Company does not suffer from administrative penalties from Environmental Protection Department in any ways, nor there is any environmental infringement litigation which is related to the business it engages in; the Transaction does not violate the PRC laws and regulations in relation to land and antitrust;
- (2) The total share capital and shareholding distribution of the Company complies with the regulations of the Securities Law of the People’s Republic of China, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the Transaction will not result in the Company does not satisfy with the conditions for listing;
- (3) The transaction price for the Transaction is based on the price determined in the asset valuation report, issued by asset appraisal institution which possess appropriate qualifications, and approved by and filed with Beijing SASAC and the amount received by Jingcheng International in its registered capital of RMB16,666,700 after the valuation benchmark date, and after negotiations by both parties to the transaction. The issue price of the shares issued to all shareholders of Financial Lease Company by the Company in the Transaction complies with the relevant regulations of the China Securities Regulatory Commission (“CSRC”). The pricing of the assets of the Transaction is fair, there does not exist any situation which would damage the legitimate rights and interests of the Company and shareholders;
- (4) The 100% shareholding involved in the Transaction is clear, subject to the appropriate fulfillment of the relevant laws and regulations and the conditions precedent, there does not exist any substantial barrier in relation to the transfer of subject assets to the Company;
- (5) Upon the completion of the Transaction, the Financial Lease Company will become the wholly-owned subsidiary of the Company, the principal business of the Company will not be changed. The business which the Financial Lease Company engages in complies with national industrial policy, there does not exist any situation where the laws, regulations and regulatory documents are violated, which would lead to the operation of the Finance Lease Company cannot be continued. Upon the completion of the Transaction, the Company shall possess the ability for continuous operation, there does not exist the situation which would result in the main assets of the Company to be cash or no specific business operation upon the completion of the Transaction;
- (6) Upon the completion of the Transaction, the Finance Lease Company, as the wholly-owned subsidiary of the Company, business, assets, finance, staff, institution are still independent to the controlling shareholder, actual controller and other enterprises controlled by it. The Transaction shall not affect the independence of the Company, complies with the relevant regulation of CSRC related to the independence of the listed companies;

- (7) The Company has set up organizations such as general meeting, board of directors, supervisory committee etc. according to laws and regulations and regulatory documents such as the Company Law of the People's Republic of China, Standards for Corporate Governance of Listed Companies, and implemented relevant management system for the organizations, the organizations are well-organized. The above standardized corporate governance measures shall not have material change due to the Transaction, upon the completion of the Transaction, the Company shall maintain its sound and effective corporate governance structure;
- (8) Certified public accountants issued an unqualified report in respect of the financial accounting report of the Company for the most recent year.

Mr. Xia Zhonghua, Ms. Jin Chunyu and Mr. Fu Hongquan, the connected directors in relation to this resolution, abstained from voting. The remaining 5 directors voted. The number of valid votes for this resolution: 5; affirmative votes: 5; dissenting vote: 0; abstention: 0.

II. Resolution in relation to the issue of shares in consideration of asset purchase and fund raising to specific targets whom satisfied with conditions was considered and approved.

The Company intends to acquire 100% equity interests in the Finance Lease Company, which is jointly held by Beijing Jingcheng Machinery Electric Holding Co., Ltd. ("Jingcheng Holding") and Jingcheng Holding Europe GmbH ("Jingcheng Europe Company"), by way of a combination of non-public share issue and payment of cash, and the target of issue is shareholder of the Finance Lease Company, Jingcheng Holding, and the transaction party to use the raising fund is the shareholder of the Finance Lease Company, Jingcheng Europe Company. At the same time, the Company intends to non-public issuance of shares for fund-raising to no more than 10 specific investors (including Jingcheng Holding). The fund raised is intended to use to pay the cash consideration of the acquisition in the Transaction, relevant expenses of the reorganization, and capital increase of Finance Lease Company. The Transaction proposal is consisted of two parts, share issue and payment of cash to purchase assets, and issuance of shares for fund-raising.

(1) Share issue and payment of cash to purchase assets

1. Method, transaction subject and transaction party of share issue and payment of cash to purchase assets

The Company intends to purchase 100% equity interests in target assets owned by transaction party by way of share issue and payment of cash to purchase assets to specific investors.

The transaction subject for the share issue and payment of cash to purchase assets is 100% equity interests in the Finance Lease Company.

The transaction party for the share issue to purchase assets is the shareholder of the Finance Lease Company, Jingcheng Holding, while the transaction party for the using of fund raised to purchase assets is the shareholder of the Finance Lease Company, Jingcheng Europe Company.

2. *Transaction subject price and the pricing method*

Transaction party of the share issue and payment of cash to purchase assets appoint valuation institution which possess securities business qualification, using 31 October 2015 as the valuation reference date, made an initial valuation in respect of the subject assets, and the estimated valuation value is RMB481,718,100.

Each transaction party agrees that 31 October 2015 shall be used as the valuation reference date, and the assets valuation report shall be issued by subject assets by the valuation institution and subject to the approval by and filed with Beijing SASAC, transaction price shall be determined based on the valuation results of assets valuation report after negotiation and the amount received by Jingcheng International in its registered capital of RMB16,666,700 after the valuation reference date.

3. *Payment method of transaction consideration*

The preliminary transaction consideration of the subject assets is RMB498,384,800. According to the preliminary pricing, the Company shall pay all the transaction price by way of share issue and payment in cash, among which, the amount of share consideration is 75% of the total purchase price, i.e. RMB373,788,600, while the amount of cash consideration is 25% of the total purchase price, i.e. RMB124,596,200.

4. *Method of issue*

The share issue is non-public issue.

5. *Target of issue*

The specific target of share issue is shareholder of the Finance Lease Company, Jingcheng Holding.

6. *Issue price*

The pricing reference date for the share issue and payment of cash to purchase assets is the date of announcement of resolutions considered and approved at the sixth meeting of the eighth session of the board of directors of the listed company. The issue price of the share issue adopts 90% of the average share price of the Company for 120 trading days before the pricing reference date, that is, RMB 10.86 per share. Average share price of the Company for 120 trading days before the announcement date of consideration and approval = total amount of transaction of shares of the Company for 120 trading days before announcement date of consideration and approval/total transaction volume of shares of the Company for 120 trading days before announcement date of consideration and approval. The final issue price is subject to approve at the general meeting of the Company.

In case of ex-rights or ex-dividend such as distribution of dividend, bonus issue, transfer to share capital, new issue or placing by the Company during the period from the pricing reference date to issue date, the issue price above shall be adjusted accordingly and the number of shares to be issued shall also be adjusted accordingly.

7. *Number of shares to be issued*

The share issue for the purchase of assets are 34,418,800 shares in total. The specific number of shares to be issued is subject to the consideration and approval from the general meeting of the Company and the Beijing SASAC and the CSRC and the approval from relevant business competent authorities on the reorganization, which shall be related to the transaction price of the subject assets.

8. *Lock-up period arrangement*

Jingcheng Holding shall not transfer the shares of the Company acquired through the Transaction within 36 months after the completion of share issue, including but not limited to, open transfer through security market or transfer through agreement. In case the closing prices of the Company lowered than the issue price for 20 consecutive trading days during the 6 months after the completion of the reorganization, or the closing price is lowered than the issue price during the end of the 6 months after the completion of reorganization, the lock-up period for the acquisition of shares of the Company in the material assets reorganization shall be extended automatically for 6 months.

9. *Arrangement for profit or loss for the transition period*

During the transition period, profit or loss arise from the operation of the subject assets, shall receive and assume according to the following agreement: profits arise from the operation of the subject assets during the transition period shall be received by the Company, loss or decrease in net assets due to any other reasons shall be assumed by Jingcheng Holding, Jingcheng Holding shall compensate the Finance Lease Company in full within 10 working days after the above report issued, according to the shareholding as at the date of execution of the agreement. Within 30 working days after the completion date, profit or loss arise during the transition period shall be audited by the accounting firm which possess securities qualification and recognised by both parties, and relevant report shall be issued for confirmation.

Upon the completion of the share issue, un-distributed profits accumulated by Jingcheng Company shall be shared by new and old shareholders according to shareholding after the share issue.

10. Contract obligations and default liabilities under the transfer of ownership of the subject assets of relevant assets

According to the assets purchase agreement entered into between the Company and transaction party, each party shall complete the subject assets delivery before the date of non-public share issue of the Company, the date of share issue shall be after the date of delivery, and the Transaction shall be completed within the approval validity period of the CSRC. Any party whom cannot fulfil the obligation, responsibility and commitment under the agreement, or representations or warranties made are inaccurate or seriously wrong, such party shall deemed to be in breach of the agreement. The party in breach shall assume the liability for the breach to the observant party according to agreement and laws and regulations. In case both parties are in breach, each party shall assume the relevant liability arise from its breach. In case the Transaction cannot be completed but not due to the faults of any party, each party does not have to assume liability for such breach.

11. Listing place

The intended place for listing of shares to be issued to the specific targets is Shanghai Stock Exchange.

(2) Share issue for fund raising

1. Target of issue and method of issue

Listed Company intends to issue shares through non-public issue to not more than 10 specific investors, including Jingcheng Holding, it is expected that the fund raised shall not over RMB200,000,000.

The method of issue of share issue for fund raising is non-public issue, targets of issue are not more than 10 specific investors such as securities investment fund management companies, securities companies, trust and investment companies, financial companies, insurance institutional investors and qualified foreign institutional investors, domestic institutional investors and other domestic institutional investors, and natural person, which fulfil the regulations of the CSRC.

2. Par value and type of the share issue

The type of share issue is domestically-listed Renminbi ordinary shares (A Shares), with a nominal value of RMB1.

3. Issue price and pricing principle

The pricing principle for the Company to non-public share issue to specific investors for fund-raising is based on prices quoted from investors, issue price shall not be lowered than 90% of the average transaction price of the shares of the Company for 20 trading days before the pricing reference date. The pricing reference date is the date of general meeting, on which Jingcheng Company considered and approved the resolution in relation to the reorganization.

The final issue price shall be determined after the CSRC having approved the issue, and the board of the Company will confirm in accordance with the authorization from the general meeting and according to the regulations of relevant laws, administrative regulations and regulatory documents, and the purchase price quoted by the targets of issue. In case of ex-rights or ex-dividend such as distribution of dividend, bonus issue, transfer of capital reserve to share capital, new issue or placing by the Company during the period from the pricing reference date to issue date, the issue price above shall be adjusted accordingly and the number of shares to be issued shall also be adjusted accordingly.

4. The number of shares to be issued

It is expected that the fund raised in the Transaction shall not exceed RMB200 million. The final number of shares to be issued shall be determined by prices quoted from investors. In case of distribution of dividend, bonus issue, transfer of capital reserve to share capital by the Listed Company during the period from the pricing reference date to issue date, the issue price shall be adjusted accordingly and the number of shares to be issued shall also be adjusted accordingly in accordance with the relevant regulations of the stock exchange.

5. Lock-up period arrangement of shares

In the Transaction, price consultation method is used in the non-public share issuance to not more than 10 specific investors, including Jingcheng Holding, among which, the shares issued to Jingcheng Holding shall not be transferred with 36 months after the share listing date, while shares issued to other specific investors shall not be transferred within 12 months after the closing of share issue.

In case the number of shares issued in the Transaction increased due to reasons such as bonus issue, transfer of capital reserve to share capital by the Company, then the number of shares increased will also have to follow the lock-up period mentioned above.

Lock-up period for the newly issued shares of the Listed Company in the Transaction shall be determined by the Board authorized in the general meeting and according to the relevant laws and regulations and audit requirements of competent authorities.

6. *Use of fund raised*

The fund raised, net of issuance charge, will be used by Jingcheng Holding (Hong Kong) Company Limited (“Jingcheng HK”), a wholly-owned subsidiary, to acquire 25% equity interests held by Jingcheng Europe Company in the Finance Lease Company. Among which, RMB124,596,200 shall be used to pay the cash consideration of the Transaction, and the remaining amount after payment of relevant expenses, is used for capital increase of the Company, so as to enhance the consolidated results after reorganisation. The Company mainly base on the consideration of the Transaction proposal and the financial situation of the transaction subject and the development strategies, to carry out fund raising in the Transaction. In case the fund raising cannot be implemented or the fund raised is not enough, the Company shall pay part of the cash consideration from the own fund raising.

7. *Listing place*

The intended place for listing of shares to be issued to the specific targets is Shanghai Stock Exchange.

(3) Validity period of the resolution of the Transaction

The validity period for resolution in relation to the share issue and payment in cash to purchase assets and fund raising shall be 12 months from the date of submission to the general meeting for consideration and approval.

The number of valid votes for this resolution: 8; affirmative votes: 8; dissenting vote: 0; abstention vote: 0.

III. Resolution in relation to the issue of shares in consideration of asset purchase and fund raising of the Company constitute connected transaction was considered and approved.

The Company intends to acquire 100% equity interests in the Finance Lease Company, which is jointly held by Beijing Jingcheng Machinery Electric Holding Co., Ltd. and Jingcheng Europe Company, by way of a combination of share issue and payment of cash. In which, 75% equity interests held by Jingcheng Holding in Finance Lease Company shall be paid by the Company by way of consideration shares, while 25% equity interests held by Jingcheng Europe Company in Finance Lease Company shall be paid by Jingcheng HK, the wholly-owned subsidiary of the Company, by way of cash. In the issue of shares in consideration of asset purchase transaction, Jingcheng Holding is the controlling shareholder of the Company. In the fund raising for share acquisition transaction, Jingcheng HK is the wholly-owned subsidiary of the Company, Jingcheng Europe Company is the wholly-owned subsidiary of Beijing Beiyi Machine Tool Co., Ltd., the controlling subsidiary of the controlling shareholder of the Company. According to relevant laws and regulations, regulatory documents such as the Company Law and the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and the Articles of Association, Jingcheng Holding, Jingcheng Europe Company are connected parties to the Company before the Transaction. As such, the share issue and fund raising constitutes connected transaction.

Mr. Xia Zhonghua, Ms. Jin Chunyu and Mr. Fu Hongquan, the connected directors in relation to this resolution, abstained from voting. The remaining 5 directors voted. The number of valid votes for this resolution: 5; affirmative votes: 5; dissenting vote: 0; abstention: 0.

IV. Considered and approved the resolution on the entering into of “the agreement of the issuance of shares and purchase of assets between Beijing Jingcheng Machinery Electric Holding Co. and Beijing Jingcheng Machinery Electric Company Limited” and “the conditional non-public offering share subscription agreement between Beijing Jingcheng Machinery Electric Holding Co. and Beijing Jingcheng Machinery Electric Company Limited”

To ensure the assets reorganization of the Company can carry out smoothly, and fully reflect the fair and equitable trading principles, the Company has recently signed “the agreement of the issuance of shares and purchase of assets between Beijing Jingcheng Machinery Electric Holding Co. and Beijing Jingcheng Machinery Electric Company Limited” and “the conditional non-public offering share subscription agreement between Beijing Jingcheng Machinery Electric Holding Co. and Beijing Jingcheng Machinery Electric Company Limited”, the agreements defined the scope of target assets of the Transaction, pricing principles and transaction price, payment method of consideration, lock-up arrangement for the issuance of shares, profit and loss arrangement for the transaction target assets during the transition period, delivery of the transaction target assets, rights and obligations for all parties of the transaction, conditions of the agreements, liabilities for breach of contract etc.

Mr. Xia Zhonghua, Ms. Jin Chunyu and Mr. Fu Hongquan, the connected directors in relation to this resolution, abstained from voting. The remaining 5 directors voted. The number of valid votes for this resolution: 5; affirmative votes: 5; dissenting vote: 0; abstention: 0.

V. Resolution in relation to the signing of Equity Interest Transfer Framework Agreement by Jingcheng Holding (Hong Kong) Company Limited and Jingcheng Holding Europe GmbH was considered and approved

In this proposal, the Company will raise funds to increase the capital of its wholly owned subsidiary Jingcheng Holding (Hong Kong) Company Limited for the Jingcheng HK’s acquisition of 25% equity interest of Beijing Jingcheng International Financial Leasing Co., Ltd. held by Jingcheng Europe Company. Therefore, Jingcheng HK will sign the Equity Interest Transfer Framework Agreement with the transaction party, and the agreement will provide for the scope, pricing principle and transaction price of the target assets, the delivery of the target assets, the rights and obligations of the transaction parties, conditions of the agreement, liabilities for breach of contract etc.

Mr. Xia Zhonghua, Ms. Jin Chunyu and Mr. Fu Hongquan, the connected directors in relation to this resolution, abstained from voting. The remaining 5 directors voted. The number of valid votes for this resolution: 5; affirmative votes: 5; dissenting vote: 0; abstention: 0.

VI. Resolution in relation to the issue of shares and payment of cash to purchase assets and related fund raising and connected transaction proposal was considered and approved

The basic information of the Company's issue of shares to specific targets and payment of cash to purchase assets and related fund raising and connected transaction plan, the basic information of the counterparty, the background and purpose of the Transaction, the specific proposal of the Transaction, basic information of the transaction subject, the effect of the Transaction on the Company, approval procedures required for the Transaction, relevant arrangement for the protection of legal interest of investors, investigation opinion of independent financial adviser and relevant risk explanation etc. Independent directors of the Company have issued their independent opinion of the proposal.

The resolution relates to a plan which is subject to the completion of audit, assessment etc. The Company will complete such documents and convene further Board meeting for consideration.

Mr. Xia Zhonghua, Ms. Jin Chunyu and Mr. Fu Hongquan, the connected directors in relation to this resolution, abstained from voting. The remaining 5 directors voted. The number of valid votes for this resolution: 5; affirmative votes: 5; dissenting vote: 0; abstention: 0.

VII. Resolution in relation to the compliance of this asset reorganisation with the requirement of article 4 of the Regulation in relation to Certain Issues of Material Asset Reorganization of Listed Companies was considered and approved

According to relevant requirement relating to share issue by listed companies to acquire assets issued by CSRC, the issue of shares and payment of cash to purchase assets and related fund raising of the Company comply with article 4 of the Regulation in relation to Certain Issues of Material Asset Reorganization of Listed Companies. The detailed analysis is as follows:

1. The target asset of this material asset reorganization has performed the required approval procedures for its production and operation and obtained relevant certificates and licenses. This material asset reorganization is subject to the satisfaction of various conditions including, but not limited to, consideration and approval by general meeting of the Company, approval of the transaction proposal by Beijing SASAC and CSRC.

The above approvals matters are disclosed in details in the “the issue of shares and payment of cash to purchase assets and related fund raising and connected transaction plan of Beijing Jingcheng Machinery Electric Company Limited” and special warning has been made that such approvals may or may not be obtained.

2. The target asset intended to be acquired under this material asset reorganization is the 100% equity interest of Financial Lease Company. According to the undertaking and the business registration document provided by the transaction party, there is no falsified capital contribution or any condition affecting its legally valid existence, and the seller of the asset legally owns the complete rights of the target asset without any restriction and prohibition on transfer.

3. Upon completion of the Transaction, Financial Lease Company will become a wholly-owned subsidiary of the Company. Therefore, the Transaction will enhance the completeness of the Company's assets and will have benefits to the Company to maintain independence in its staff, procurement, production, sales, intellectual properties etc.
4. The Transaction will help the Company to enhance competitiveness, promote development strategies and strengthen risk resistance capacity, as well as improving its financial condition and enhancing profitability. There is no competition for same business between the target asset and the Company and the target asset has high independence. Although there will be new connected transactions after completion of the Reorganisation, such connected transactions have sufficient necessity and for which fair pricing will be adopted and they will be subject to consideration and approval procedures.

Mr. Xia Zhonghua, Ms. Jin Chunyu and Mr. Fu Hongquan, the connected directors in relation to this resolution, abstained from voting. The remaining 5 directors voted. The number of valid votes for this resolution: 5; affirmative votes: 5; dissenting vote: 0; abstention: 0.

VIII. Resolution in relation to the compliance of the Transaction with the requirement of article 43 of the Measures on the Administration of Material Asset Restructuring of Listed Companies was considered and approved

According to the requirements of the CSRC relating to the issue of shares to purchase assets, the issue of shares and payment of cash to purchase assets and related fund raising of the Company comply with the requirement of article 43 of the Measures on the Administration of Material Asset Restructuring of Listed Companies. The detailed analysis is as follows:

1. The Transaction will help the Company to enhance competitiveness, promote development strategies and strengthen risk resistance capacity, as well as improving its financial condition and enhancing profitability. There is no competition for same business between the target asset and the Company and the target asset has high independence. Although there will be new connected transactions after completion of the Reorganisation, such connected transactions have sufficient necessity and for which fair pricing will be adopted and they will be subject to consideration and approval procedures.
2. Certified public accountant issued unqualified audit reports for the financial statements of Jingcheng Company for the its latest financial year and period.
3. Jingcheng Company, its current directors and senior management are not subject to investigation by legal authorities due to suspected criminal offence or investigation by the CSRC due to suspected violation of regulations.
4. The target asset intended to be acquired under this Transaction is the 100% equity interest of Financial Lease Company. According to the undertaking and the business registration document provided by the transaction party, the title of Financial Lease Company is clear and the procedures for the transfer of title can be completed within the agreed period.

Mr. Xia Zhonghua, Ms. Jin Chunyu and Mr. Fu Hongquan, the connected directors in relation to this resolution, abstained from voting. The remaining 5 directors voted. The number of valid votes for this resolution: 5; affirmative votes: 5; dissenting vote: 0; abstention: 0.

IX. Resolution in relation to the completeness and compliance of legal procedures performed and the validity of legal documents submitted for the Transaction was considered and approved

Pursuant to relevant regulations of laws and regulatory documents such as the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, Measures on the Administration of Material Asset Restructuring of Listed Companies, Regulation in relation to Certain Issues of Material Asset Reorganization of Listed Companies, the Administration Measures on Securities Issuance of Listed Companies, Implementation Details of Non-Public Issuance of Shares by Listed Companies and the articles of association of the Company, the necessary legal procedures applicable to the current stage of the matters in respect of the Transaction have been performed and such legal procedures are complete and in compliance. There is no false information, misleading statement or material omission in the legal documents submitted for the Transaction. The Board and all directors of the Company accept joint and several responsibilities for the truthfulness, accuracy and completeness of the documents.

The number of valid votes for this resolution: 8; affirmative votes: 8; dissenting vote: 0; abstention vote: 0.

X. Resolution in relation to the Transaction constitute a material asset reorganization but not constitute backdoor listing was considered and approved.

After careful analysis, Board of directors of the Company considers that the reorganization meets the standard of material asset reorganization under Article 12 of the Administrative Measures on Material Asset Reorganization of Listing Companies, and constitute material asset reorganization. The reorganization does not result in the change in actual controller, which does not constitute backdoor listing under Article 13 of the Administrative Measures on Material Asset Reorganization of Listing Companies.

Mr. Xia Zhonghua, Ms. Jin Chunyu and Mr. Fu Hongquan, the connected directors in relation to this resolution, abstained from voting. The remaining 5 directors voted. The number of valid votes for this resolution: 5; affirmative votes: 5; dissenting vote: 0; abstention: 0.

XI. Resolution in relation to whether the share price fluctuation of the Company reached the relevant standard under Article 5 of “notice of standardization of information disclosure of listed companies and act of each relevant party” was considered and approved.

According to the requirements of relevant laws, regulations and regulatory documents, it is now proposed that “The Board of Director of Beijing Jingcheng Machinery Electric Company Limited in relation to the share price fluctuation of the Company does not reach the relevant standard under relevant explanation of Article 5 of “notice of standardization of information disclosure of listed companies and act of each relevant party” (Zheng Jian Gong Si Zi [2007] No. 128). Excluding the

effects of large-cap factor and the effect of peer industry segments, the total fluctuation for the share price of the Company during 20 trading days before the announcement of price-sensitive material information did not exceed 20%.

Mr. Xia Zhonghua, Ms. Jin Chunyu and Mr. Fu Hongquan, the connected directors in relation to this resolution, abstained from voting. The remaining 5 directors voted. The number of valid votes for this resolution: 5; affirmative votes: 5; dissenting vote: 0; abstention: 0.

XII. Resolution in relation to the authorization of the Board at the general meeting to deal with matters related to the share issue and purchase of assets for fund raising was considered and approved.

The Board of the Company proposes at the general meeting to authorize the Board of the Company to deal with matters related to the share issue and purchase of assets for fund raising, details as follows:

1. According to the requirements under relevant laws and regulations and regulatory documents and the resolutions of the general meeting of the Company , the detail proposal of the Transaction of the Company are implemented and adopted, including but not limited to, adjustment and confirmation of the time of issue, the number of shares to be issued, targets of issue, the starting and ending date of issue, issue price etc. according to the actual situation;
2. Subject to the approval from the China Securities Regulatory Commission and market situation, and according to the proposal considered and approved at the general meeting of the Company, to handle the specific issues related to the Transaction;
3. Modify, supplement, sign, submit, reporting, execution of all agreements and documents related to the Transaction;
4. In case the regulatory authorities impose new regulation in respect of the asset reorganization of the listed company, adjustment have to be made to the Transaction according to the new regulation;
5. Upon the completion of the Transaction, to deal with issues such as registration, lock-up and trading of shares issued under the share issue to purchase assets and fund-raising , at the Shanghai Stock Exchange and the Shanghai Branch of China Securities Depository and Clearing Corporation Limited;
6. Upon the completion of the Transaction, provisions in the Articles of Association which related to the registered capital of the Company have to be amend accordingly, and to handle the change of business registration, including signing of relevant legal documents;
7. To decide and appoint intermediaries for the Transaction;
8. Handle all other matters related to the Transaction.

The above authorization shall be valid within 12 months after the consideration and approval at the general meeting of the Company. In case the approval documents have been obtained from the CSRC within such validation period, the valid period shall be extended automatically to the completion date of the Transaction.

Mr. Xia Zhonghua, Ms. Jin Chunyu and Mr. Fu Hongquan, the connected directors in relation to this resolution, abstained from voting. The remaining 5 directors voted. The number of valid votes for this resolution: 5; affirmative votes: 5; dissenting vote: 0; abstention: 0.

XIII. Resolution in relation to the appointment of agency by the Company to provide services for the Transaction was considered and approved

In order the share issue to purchase and fund raising could be carry out smoothly, the Board agrees to appoint the following agency to provide professional services for the reorganization of the Company:

1. Appoint China Securities Co., Ltd. as the independent financial advisor for the Transaction;
2. Appoint Beijing Kang Da Law Firm as the special legal advisor for the Transaction;
3. Appoint Chengtong Enterprises Interest as the asset valuation institution for the Transaction;
4. Appoint Shinewing Certified Public Accountants LLP as the auditing institution for the Transaction.

The number of valid votes for this resolution: 8; affirmative votes: 8; dissenting vote: 0; abstention vote: 0.

XIV. Resolution in relation to the transfer of the physical assets from Beijing Tianhai Industry Co., Ltd. to Jiangsu Tianhai Special Equipment Co., Ltd.

Approved the transfer of the physical assets from Beijing Tianhai Industry Co., Ltd. to Jiangsu Tianhai Special Equipment Co., Ltd., the transfer price for the physical assets shall prevail with assessed value of RMB1,943,500 (tax inclusive).

The number of valid votes for this resolution: 8; affirmative votes: 8; dissenting vote: 0; abstention vote: 0.

XV. Resolution in relation to the transfer of idle equipment from Beijing Minghui Tianhai Gas Storage Equipments Trading Co., Ltd. to Jiangsu Tianhai Special Equipment Co., Ltd.

Approved the transfer of idle equipment from Beijing Minghui Tianhai Gas Storage Equipments Trading Co., Ltd. to Jiangsu Tianhai Special Equipment Co., Ltd., the transfer price for the equipment shall prevail with assessed value of RMB1,567,000 (tax inclusive).

The number of valid votes for this resolution: 8; affirmative votes: 8; dissenting vote: 0; abstention vote: 0.

XVI. Resolution in relation to temporally not convening general meeting after this Board meeting

Since work such as audit and valuation of subject assets which the Transaction involved still have not been completed, the Board of the Company decided to convene a Board meeting and make related resolutions after the above work has been completed. Also, to announce the specific time of convening general meeting to consider and approve the share issue to purchase assets and fund raising.

The number of valid votes for this resolution: 8; affirmative votes: 8; dissenting vote: 0; abstention vote: 0.

The above resolutions no. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13 shall be proposed at the general meeting for consideration and approval.

The Board of
Beijing Jingcheng Machinery Electric Company Limited

Beijing, the PRC, 26 November 2015

As at the date of this announcement, the board of directors of the Company comprises Mr. Li Junjie as executive director, Mr. Xia Zhonghua, Ms. Jin Chunyu and Mr. Fu Hongquan as non-executive directors and Ms. Wu Yan, Mr. Liu Ning, Mr. Yang Xiaohui and Mr. Fan Yong as independent non-executive directors.