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 SUPERVISORY COMMITTEE

> **The supervisory committee and all supervisors of the Company warrant that this announcement does not contain any false information, misleading statement or material omission and accept joint and several responsibility for the truthfulness, accuracy and completeness of the contents herein contained.**

The second meeting of the tenth session of the supervisory committee of Beijing Jingcheng Machinery Electric Company Limited (the "**Company**") was held at the Conference Room of the Company on 30 June 2020. The meeting was presided over by Mr. Miao Junhong, the chairman of the supervisory committee. All of the three eligible supervisors attended the meeting. The convening of the meeting was in compliance with the relevant requirements of the Company Law and the Articles of Association of the Company. The following resolutions were considered and approved by the supervisory committee:

1. **The resolution in relation to the setting up of designated accounts for raised funds and the entering into the "Tripartite Custody Agreement relating to the Designated Accounts for Raised Funds" was considered and approved**

   In order to enhance the utilization efficiency of the project funds, the supervisory committee agreed the Company and its subsidiary to enter into the "Tripartite Custody Agreement relating to the Designated Accounts for Raised Funds" with Hua Xia Bank Co., Ltd. (Beijing Branch) and Zhong De Securities Company Limited in respect of the construction project of the Type IV cylinder automation digital control production line, research and development project of hydrogen energy product and repayment of debts owed to controlling shareholder and financial institutions respectively so as to set up designated accounts for raised funds in Hua Xia Bank Co., Ltd. (Beijing Branch). The aforementioned designated accounts would only be used for the deposit and use of funds raised from the non-public issuance for investment projects, and shall not be used for any other purpose.

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

2. The resolution in relation to the use of raised funds to inject capital into an indirect wholly-owned subsidiary to implement investment projects was considered and approved

The funds raised from the non-public issuance of shares of the Company, after deducting the issuance expenses, will be used for capital injection into an indirect wholly-owned subsidiary, Beijing Tianhai Industry Co., Ltd. ("**Beijing Tianhai**"). After the completion of capital injection, Beijing Tianhai shall remain as an indirect wholly-owned subsidiary of the Company and there is no change in its controlling shareholder.

Adjustments to 2020 annual budgets of the Company and the increase in the corresponding budget funds were approved.

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
30 June 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.