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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 IN RELATION TO CANCELLATION OF A RESOLUTION FOR
2016 ANNUAL GENERAL MEETING**

The board of directors and all directors of the Company warrant that there are no false representations, misleading statement contained in, or material omissions from, this announcement, and jointly and severally accept responsibility for the truthfulness, accuracy and completeness of the contents in this announcement.

I. INFORMATION OF THE ANNUAL GENERAL MEETING

1. Type and Session of the Annual General Meeting

2016 ANNUAL GENERAL MEETING

2. Date: 26 June 2017

3. Share Record Date:

Class of Shares	Stock Code	Short Name	Share Record Date
A Shares	600860	*ST 京城	2017/5/26
H Shares	00187	京城機電股份	2017/5/26

II. EXPLANATION OF THE CANCELLED RESOLUTION

1. Name of the Cancelled Resolution

No.	Name of the Resolution
9	To consider and approve the re-appointment of BDO China Shu Lun Pan Certified Public Accountants as the internal control auditor for the Company's 2017 internal control report and to propose at the Annual General Meeting to authorise the Board to sign an appointment agreement with it and determine its remuneration

2. Reason for the Cancellation of the Resolution

The Company is informed that, BDO China Shu Lun Pan Certified Public Accountants ("BDO China") had received two notices of administrative penalty (行政處罰書) issued by the China Securities Regulatory Commission on 20 July 2016 and 23 May 2017, respectively. Such administrative penalties do not involve BDO China's work relating to the Company. BDO China has already commenced the comprehensive rectification work ("Rectification") since 23 May 2017, and suspended the undertaking of new securities businesses (i.e. audit of the financial statements of securities and futures related institutions and internal control audit, etc.) during the rectification period, being the two months from the date of receiving the second administrative penalty.

Having considered the relevant information (including that BDO China will remain in the rectification period on the date on which the Annual General Meeting is scheduled to be held) and the PRC laws and regulations relevant to such administrative penalties, the Company is of the view that, since BDO China has suspended the undertaking of new securities businesses and there are uncertainties on whether the Rectification can satisfy the relevant authorities, the Company has decided to withdraw the aforesaid Resolution and, as such, the aforesaid Resolution will not be proposed for the consideration and voting by the shareholders at the Annual General Meeting. The proxy forms already lodged shall remain valid although the voting instructions given in the proxy forms in relation to the aforesaid Resolution will be ignored. Save and except for the withdrawal of the aforesaid Resolution, all the information contained in the circular of the Annual General Meeting, the proxy form and the reply slip remain unchanged.

The terms of office of BDO China as the auditors for the internal control of the Company for year 2016 will expire at the conclusion of the Annual General Meeting. The Board will consider and propose an appropriate firm to be appointed as the auditors for the internal control of the Company for year 2017 for the consideration of the shareholders as soon as possible. Further announcement(s) in this regard will be issued by the Company as and when appropriate.

III. Except the aforesaid cancellation of the Resolution, other contents of the Notice published on 11 May 2017 remain unchanged.

IV. INFORMATION OF THE ANNUAL GENERAL MEETING AFTER THE CANCELLATION OF THE RESOLUTION

1. Date, Time and Venue of the Physical Annual General Meeting

Date & Time: 26 June 2017 9:30 a.m.
Venue: the Conference Room, No. 2 Huo Xian Nan San Road, Huo Xian Town, Tongzhou District, Beijing

2. The System and Period for Online Voting and Voting Time

The System for Online Voting: The online voting system for shareholders' general meeting of the Shanghai Stock Exchange
Voting Period: From 26 June 2017 to 26 June 2017

The online voting system of the Shanghai Stock Exchange will be used for online voting, and the voting time through the voting platform of the trading system will be the trading hours, that is, 9:15-9:25, 9:30-11:30 and 13:00-15:00, of the day on which the shareholders' general meetings are convened. The voting time through the internet voting platform will be 9:15-15:00 on the day on which the shareholders' general meetings are convened.

3. Share Record Date

The share record date of the Annual General Meeting of the original Notice of the Annual General Meeting remains unchanged.

4. Resolutions of the Annual General Meeting and Type of Voting Shareholders

No.	Resolutions	Type of voting shareholders	
		A Shares shareholders	H Shares shareholders
Resolutions for Non-cumulative Voting			
1	To consider and approve the full text and the summary of the 2016 annual report of the Company	√	√
2	To consider and approve the 2016 work report of the Board of the Company	√	√
3	To consider and approve the 2016 work report of the supervisory committee of the Company	√	√
4	To consider and approve the 2016 financial reports of the Company audited by the auditor	√	√

No.	Resolutions	Type of voting shareholders	
		A Shares shareholders	H Shares shareholders
5	To consider and approve the 2016 internal control report of the Company audited by the auditor	√	√
6	To consider and approve the 2016 work report of the independent non-executive directors of the Company	√	√
7	To consider and approve the resolution of the Company not to distribute any profit for the year 2016	√	√
8	To consider and approve the re-appointment of SHINEWING Certified Public Accountants LLP as the auditor for the Company's 2017 financial reports and to propose at the Annual General Meeting to authorise the Board to sign an appointment agreement with it and determine its remuneration	√	√
9	To consider and approve the resolution on the remuneration of and written contracts to be entered into with the directors of the ninth session of the Board	√	√
10	To consider and approve the resolution on the remuneration of and written contracts to be entered into with the supervisors of the ninth session of the supervisory committee	√	√
11	To consider and approve the resolution in relation to the signing of the Gas Cylinder Pipe Sale and Purchase Framework Agreements and the connected transactions with Tianjin Pipe Steel Trade Co., Ltd. that Tianjin Tianhai High Pressure Containers Co., Ltd. and Kuancheng Tianhai Pressure Vessel Co., Ltd. respectively entered into	√	√
12	To consider and approve the resolution in relation to the amendments to the Rules of Procedures for Shareholders' General Meetings	√	√
13	To consider and approve the resolution in relation to the amendments to the Administrative Measures on Raised Fund	√	√

No.	Resolutions	Type of voting shareholders	
		A Shares shareholders	H Shares shareholders
Resolutions for Cumulative Voting			
14.00	To consider and approve the resolution on the general election of the Board	Number of directors to be elected (7)	Number of directors to be elected (7)
14.01	To consider and approve the election of Mr. Wang Jun as an executive director of the ninth session of the Board of the Company	√	√
14.02	To consider and approve the election of Mr. Li Junjie as an executive Director of the ninth session of the Board	√	√
14.03	To consider and approve the election of Mr. Zhang Jiheng as an executive Director of the ninth session of the Board	√	√
14.04	To consider and approve the election of Mr. Du Yuexi as a non-executive Director of the ninth session of the Board	√	√
14.05	To consider and approve the election of Mr. Xia Zhonghua as a non-executive Director of the ninth session of the Board	√	√
14.06	To consider and approve the election of Ms. Jin Chunyu as a non-executive Director of the ninth session of the Board	√	√
14.07	To consider and approve the election of Ms. Li Chunzhi as a non-executive Director of the ninth session of the Board	√	√
15.00	To consider and approve the resolution on the election of independent non-executive Directors	Number of independent non-executive Directors to be elected (4)	Number of independent non-executive Directors to be elected (4)
15.01	To consider and approve the election of Ms. Wu Yan as an independent non-executive Director of the ninth session of the Board	√	√
15.02	To consider and approve the election of Mr. Liu Ning as an independent non-executive Director of the ninth session of the Board	√	√

No.	Resolutions	Type of voting shareholders	
		A Shares shareholders	H Shares shareholders
15.03	To consider and approve the election of Mr. Yang Xiaohui as an independent non-executive Director of the ninth session of the Board	√	√
15.04	To consider and approve the election of Mr. Fan Yong as an independent non-executive Director of the ninth session of the Board	√	√
16.00	To consider and approve the resolution on the general election of the supervisory committee	Number of supervisors to be elected (2)	Number of supervisors to be elected (2)
16.01	To consider and approve the election of Mr. Li Gejun as a supervisor of the ninth session of the supervisory committee of the Company	√	√
16.02	To consider and approve the election of Mr. Li Zhe as a supervisor of the ninth session of the supervisory committee of the Company	√	√

1. Disclosure time and media of resolutions

At the tenth meeting of the eighth session of the board of directors of the Company, the resolutions No. 12 and 13 were considered and approved; at the eleventh meeting of the eighth session of the board of directors of the Company, the resolution No. 1, 2 and 4 to 7 were considered and approved; at the twenty-second extraordinary meeting of the eighth session of the board of directors of the Company, the resolution No. 8 was considered and approved; at the twenty-third extraordinary meeting of the eighth session of the board of directors of the Company, the resolutions No. 9, 14 and 15 were considered and approved; and at the twelfth meeting of the eighth session of the board of directors of the Company, the resolution No. 11 was considered and approved. At the twenty-sixth meeting of the eighth session of the supervisory committee of the Company, the resolution No. 3 was considered and approved; and at the twenty eighth meeting of the eighth session of the supervisory committee of the Company, the resolutions No. 10 and 16 were considered and approved. The related announcements of the resolutions of the board of directors and supervisory committee were published on Shanghai Securities News and the websites of Shanghai Stock Exchange (www.sse.com.cn) and HKEx news of Hong Kong Stock Exchange (www.hkexnews.hk).

2. Special resolution: No

3. Resolution for separate counting of small and medium investors: No. 11, 14 and 15

4. Resolution involved connected shareholders avoiding voting: No
Name of connected shareholders who abstain from voting: No
5. Resolution involved holders of preferred shares voting: No

The Board of Directors of
Beijing Jingcheng Machinery Electric Company Limited

Beijing, the PRC
21 June 2017

As at the date of this announcement, the board of directors of the Company comprises Mr. Wang Jun, Mr. Li Junjie, and Mr. Du Yuexi as executive directors, 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.