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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 THE RESULT OF THE TRANSFER OF
THE 51% EQUITY INTERESTS IN SHANDONG TIANHAI HIGH PRESSURE
CONTAINERS CO., LTD. THROUGH PUBLIC TENDER**

The board of directors and all members of the board of directors 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.

On 16 September 2019, Beijing Jingcheng Machinery Electric Company Limited (the “Company”) disclosed the “Announcement on the progress of the transfer of the 51% equity interests in Shandong Tianhai High Pressure Containers Co., Ltd. through public tender”. Details of which please refer to Shanghai Securities News, the website of the Shanghai Stock Exchange (www.sse.com.cn) and the website of The Stock Exchange of Hong Kong Limited HKEXnews (www.hkexnews.hk). The transfer of the 51% equity interests in Shandong Tianhai High Pressure Containers Co., Ltd. (“Shandong Tianhai”) through Beijing Tianhai Industry Co., Ltd. (“Beijing Tianhai”), has a listing period which expired on 17 October 2019. Upon qualification review by China Beijing Equity Exchange, Shandong Yong’an Heli Steel Cylinder Co., Ltd. (“Yong’an Heli”) was the sole qualified transferee for the asset transfer. According to the result of public tender, the property assets would be transferred through public tender for a consideration of RMB fifty-five million two hundred sixty-eight thousand three hundred (i.e. RMB55,268,300).

On 25 October 2019, Beijing Tianhai and Yong’an Heli entered into the Asset Transaction Agreement and other documents in relation to the matter of asset transfer. Shandong Tianhai is a subsidiary of the Company, in which the Company holds 51% interests through its controlling subsidiary Beijing Tianhai, and Yong’an Heli holds 49% interests. In accordance with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, this transaction constitutes a connected transaction at the subsidiary level. The agreement and related documents were considered and approved at the fourteen extraordinary meeting of the ninth session of the Board of the Company and the twenty-second meeting

of the ninth session of the Supervisory Committee of the Company on 22 July 2019, and were considered and approved at the third extraordinary general meeting of 2019 of the Company on 9 September 2019, respectively, and were disclosed on the same day. Details of which please refer to the disclosure of the “Announcement in relation to the amendments to the conditions of listing in relation to the transfer of the 51% equity interests in Shandong Tianhai High Pressure Containers Co., Ltd.” and the “Announcement of resolution passed at the third extraordinary general meeting of 2019” by the Company on Shanghai Securities News, the website of the Shanghai Stock Exchange (www.sse.com.cn) and the website of The Stock Exchange of Hong Kong Limited HKEXnews (www.hkexnews.hk).

Recently, Beijing Tianhai had received the “Transaction Confirmation” issued by the China Beijing Equity Exchange, and completed the industrial and commercial registration procedures of Shandong Tianhai. At this point, the asset transfer is completed. In accordance with the relevant requirements of the Asset Transaction Agreement entered into by Beijing Tianhai and Yong’an Heli, Beijing Tianhai has confirmed receipt of 50% of the transfer price, being RMB27,634,150.00, while the remaining balance of RMB27,634,150.00 and the corresponding interests shall be settled within one year from the effective date of the Asset Transaction Agreement (i.e. before 24 October 2020).

The Company’s designated media for disclosure of information are Shanghai Securities News, the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>) and the website of The Stock Exchange of Hong Kong Limited HKEXnews (<http://www.hkexnews.hk>). Investors are advised to pay attention to relevant information and should be aware of the investment risks.

On behalf of the Board
Beijing Jingcheng Machinery Electric Company Limited
Luan Jie
Company secretary

Beijing, the PRC
7 November 2019

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 Ms. Wu Yan, Mr. Liu Ning, Mr. Yang Xiaohui and Mr. Fan Yong as independent non-executive directors.