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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)

DISCLOSEABLE AND CONNECTED TRANSACTION ANNOUNCEMENT ON THE RESULTS OF THE ACQUISITION OF SHARES AND CAPITAL REDUCTION OF BTIC AMERICA CORPORATION

The board of directors of the Company (the “Board”) and all directors 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 4 December 2019, Beijing Jingcheng Machinery Electric Company Limited (the “**Company**”) convened the eighteenth extraordinary meeting of the ninth session of the Board and the twenty-eighth meeting of the ninth session of the Supervisory Committee, on both of which the “resolution in relation to the registered share capital reduction of BTIC America Corporation to realize the withdrawal of part of the shares held by the foreign shareholders and connected transaction” was considered and approved. The Company indirectly held 100% equity interests in Beijing Tianhai Industry Co., Ltd. (“**Beijing Tianhai**”). Before the transaction, Beijing Tianhai was a controlling shareholder of BTIC America Corporation (“**BAC**”) holding 51% of its equity interests while Bill Zheng and Susan Guo each held 24.5% equity interests in BAC. In accordance with requirements of the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“**Hong Kong Listing Rules**”), this transaction constitutes a connected transaction. In addition, in accordance with requirements of the Hong Kong Listing Rules, the transaction also constitutes a discloseable transaction. Contents of relevant documents have been disclosed, details of which please refer to the announcement on “Discloseable and Connected Transaction Acquisition of Shares and Capital Reduction of BTIC America Corporation” 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) dated 4 December 2019.

Recently, shareholders of both sides had completed the change of share certificates and Beijing Tianhai had received the new share certificates. At this point, the transaction is completed.

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.

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

Beijing, the PRC
18 May 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 Ms. Wu Yan, Mr. Liu Ning, Mr. Yang Xiaohui and Mr. Fan Yong as independent non-executive directors.