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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 ON THE PROGRESS OF TRANSFER OF PROPERTY ASSETS BY
LANGFANG TIANHAI HIGH PRESSURE CONTAINERS CO., LTD. THROUGH PUBLIC
TENDER**

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.

On 21 July 2017, Beijing Jingcheng Machinery Electric Company Limited (the “**Company**”) disclosed the announcement in relation to the potential disposal of property assets of Langfang Tianhai High Pressure Containers Co., Ltd. (“**Langfang Tianhai**”), through public tender (the “**Announcement**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement. It is disclosed in the Announcement that the Company proposed to dispose of the Property Assets of Langfang Tianhai, which is located at the east of Huaxiang Road and north of Yaohua Road, Lang Fang Development Zone, Langfang City, the PRC by means of transfer through the Public Tender, and Property Assets of Langfang Tianhai included the land use right area of 62,946.02 sq.m. (Land use right certificate: Lang Kai Guo Yong (2007) No. 119), buildings, structures and other auxiliary facilities, pipelines and grooves with gross floor area of 45,045.80 sq.m. (Lang Kai Zi No. 05020, No. 05021, No. 05022, and No. 05023 of Langfang’s property ownership certificate as well as Lang Kai Zi No. H5741 of Langfang’s property ownership certificate). Such transaction will be conducted by transfer through the Public Tender in the CBEX, with an initial bidding price not lower than the assessed assets value of RMB175,123,000 in principle. Currently, the valuation report has not been approved by the SASAC and the final assessed assets value will be subject to the approval of the SASAC. Further announcement will be made on the finalised initial bidding price and the Consideration will be subject to the final bid price.

On 10 August 2017, the Company received the approval document of “Approval on the Asset Valuation Project in respect of the Buildings and Land Use Rights proposed to be transferred by Langfang Tianhai High Pressure Containers Co., Ltd. by the State-owned Assets Supervision and Administration Commission of the People’s Government of Beijing Municipality” (Jing Guo Zi Chan Quan [2017] No.104) from Beijing SASAC. The approved assessed value of the Property Assets of Langfang Tianhai is RMB175,123,000. The Company will use a price of not lower than such approved assessed value as the initial bidding price for the Public Tender on the CBEX.

The Company will disclose the progress in strict compliance with the requirements of the Listing Rules and investors are advised to pay attention to the information announced by the Company on designated media for disclosure of information, namely the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>), Shanghai Securities News and the HKExnews website of the Stock Exchange (<http://www.hkexnews.hk>). Shareholders and potential investors should be aware of the investment risks involved when dealing in shares of the Company.

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

Beijing, the PRC
11 August 2017

As at the date of this announcement, the Board comprises Mr. Wang Jun, Mr. Li Junjie, and Mr. Zhang Jiheng as executive Directors, Mr. Du Yuexi, Mr. Xia Zhonghua, Ms. Jin Chunyu 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.