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 of the Company (the "Board") 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 by Langfang Tianhai High Pressure Containers Co., Ltd. ("Langfang Tianhai") through public tender. 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 State-owned Assets Supervision and Administration Commission ("Beijing SASAC"). The assessed value of the property assets of Langfang Tianhai is RMB175,123,000. The Company disclosed the announcement on the progress of transfer of property assets of by Langfang Tianhai High Pressure Containers Co., Ltd through public tender on 11 August 2017. On 4 September 2017, the resolution on the transfer of property assets through public tender by Langfang Tianhai High Pressure Containers Co., Ltd. and the authorization granted to the board of directors of Langfang Tianhai to determine the transfer-related matters including the tender price based on an asking price not less than the valuation price approved by Beijing SASAC was considered and passed at the first extraordinary general meeting of 2017 of the Company and the Company disclosed the announcement of resolutions passed at the first extraordinary meeting of 2017.

On 5 September 2017, Langfang Tianhai convened a board meeting to consider and approve the resolutions on the disposal of property assets through public tender by Langfang Tianhai and the relevant documents of the transfer through tender.

Langfang Tianhai will dispose of the property assets which is located at the east of Huaxiang Road and north of Yaohua Road, Lang Fang Development Zone, Langfang City, the PRC, which 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) through public tender. The initial bidding price of the tender is RMB215,000,000 and the successful bidder shall pay Langfang Tianhai the compensation fee of RMB15,000,000 for vacating the land.

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 relevant 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) and to the investment risks involved.

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

Beijing, the PRC
5 September 2017

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. Du Yuexi, 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.