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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 RESULT 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 5 September 2017, the Company disclosed the announcement on the progress of transfer of property assets by Langfang Tianhai High Pressure Containers Co., Ltd. through public tender. Such assets were put out to public tender on China Beijing Equity Exchange (the “CBEX”) (see announcement for details) with a listing period that expired on 9 October 2017. Upon qualification review by CBEX, Beijing Liandong Jintai Investment Company Limited* (北京聯東金泰投資有限公司) (“Party B”) was the sole qualified transferee for the asset transfer. Party B has no connected relationship with the Company. According to the result of public tender, the property assets would be transferred through public tender for a consideration of RMB215,000,000. In addition to the aforementioned consideration, Party B shall pay Langfang Tianhai a compensation fee of RMB15,000,000 (the “Compensation Fee”) for vacating the land. Such fee shall be payable with the consideration in one lump sum. On 11 October 2017, Langfang Tianhai and Party B entered into the Contract of Transfer of Tangible Assets* (實物資產交易合同) in relation to the asset transfer.

I. Information on the Transferee:

Company name: Beijing Liandong Jintai Investment Company Limited* (北京聯東金泰投資有限公司)

Business Scope: Investment management, asset management, corporate management, real estate development and sale of self-developed commodity housing.

II. Principal Terms of the Contract of Transfer of Tangible Assets*:

1. Conditions precedent to the transfer of property assets

- (1) Langfang Tianhai has completed internal decision making, asset valuation and other relevant procedures in relation to the property assets under the Contract of Transfer of Tangible Assets* according to the law.
- (2) Langfang Tianhai has completed the public disclosure and/or bidding procedures in relation to the transfer of property assets under the Contract of Transfer of Tangible Assets* on CBEX in accordance with the requirements under relevant laws, regulations and policies.
- (3) Party B has acknowledged the information on the transfer of property assets and agreed to be the transferee of the property assets according to the conditions of transfer proposed by Langfang Tianhai.

2. Settlement of the consideration

Party B shall remit the consideration and the Compensation Fee in one lump sum to the settlement account designated by CBEX (for the avoidance of doubt, not an account designated by Langfang Tianhai) within three working days upon entering into the Contract of Transfer of Tangible Assets*.

The deposit paid by Party B as required by Langfang Tianhai and CBEX shall be redeemed as part of the consideration and the Compensation Fee on the date of actual payment of such fees.

3. Transaction service fees and levies

- (1) Transaction service fees incurred in the transfer of property assets under the Contract of Transfer of Tangible Assets* shall be borne by both parties respectively in accordance with relevant requirements.
- (2) Property tax, land tax, turnover tax, land value-added tax, deed tax, stamp duty and other transaction levies incurred in the transfer of property assets shall be settled according to laws and regulations. Those levies stipulated by the PRC to be borne by both transferor and transferee shall be borne by both Langfang Tianhai and Party B respectively.

4. Amendments to and termination of the Contract of Transfer of Tangible Assets*

- (1) The Contract of Transfer of Tangible Assets* may be amended or terminated under mutual agreement by both parties.
- (2) A party may terminate the Contract of Transfer of Tangible Assets* upon occurrence of any of the following:
 - i. the objectives of the Contract of Transfer of Tangible Assets* are frustrated due to force majeure or reasons not attributable to both parties;
 - ii. the other party is incapable to fulfil the contractual obligations;
 - iii. the objectives of the Contract of Transfer of Tangible Assets* are frustrated due to material breach of the Contract of Transfer of Tangible Assets* by the other party; or
 - iv. other circumstances as provided in the Contract of Transfer of Tangible Assets*.
- (3) Amendments to or termination of the Contract of Transfer of Tangible Assets* shall be made in writing and filed to CBEX for filing.

Such asset transfer will have a positive impact on the business performance of the Company for year 2017.

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

Beijing, the PRC
11 October 2017

The English translation of Chinese names in this announcement, where indicated by “”, are included for information purpose only, and should not be regarded as the official English translation of such Chinese names.*

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.