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.

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 on the Potential Disposal of Property Assets of Langfang Tianhai High Pressure Containers Co., Ltd. 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) on 6 September 2017, with a listing period 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 High Pressure Containers Co., Ltd. ("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, both parties entered into the Contract of Transfer of Tangible Assets (實物資產交易合同) in relation to the asset transfer.

In order to fulfill the obligation of transfer of subject assets, on 26 December 2017, both parties entered into the Real Estate Transfer Confirmation Letter ("Transfer Confirmation Letter") after negotiations. The Transfer Confirmation Letter provides that both parties shall complete the transfer of subject assets on 26 December 2017. After the transfer is completed, all transfer obligations of the Company under the Contract of Transfer of Tangible Assets are completed. At the same time, Party B shall enjoy the actual possession, control right of the subject assets. At this point, the Company has completed the substantive delivery of assets with Party B, the Company will continue to cooperate with the subsequent transfer of Party B.

The impact on the business performance of the Company for year 2017 by such asset transfer is uncertain. The Company will obtain confirmation strictly according to the requirements of accounting standards, and will make an announcement timely after obtaining such confirmation.

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

Beijing, the PRC
27 December 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.