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京城機電股份
JINGCHENG MAC

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 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. On 27 December 2017, the Company disclosed the Announcement on the Progress of Transfer of Property Assets by Langfang Tianhai High Pressure Containers Co., Ltd., in order to fulfill the obligation of transfer of subject assets, both parties entered into the Real Estate Transfer Confirmation Letter ("Transfer Confirmation Letter") after negotiations (see announcement for details).

Recently, the Company and Party B have completed the delivery procedure of subject assets, and the registration of the real property ownership transfer in respect of such assets has been completed. Party B has obtained the Real Property Ownership Certificate (Certificate No.: Qi(2017) Langfang Development Zone Real Property Ownership No.0017278) issued by the relevant authorities. The Company has received a total of RMB230,000,000 as the consideration and the Compensation Fee paid by Party B. The transaction price was fully settled, and hence the transaction is completed.

The transfer of such assets is expected to generate a revenue of RMB50,000,000 to RMB55,000,000 for the Company in the year of 2017. Specific accounting treatment is still subject to the audited results of the accounting firm. Investors shall be aware of the investment risk.

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

Beijing, the PRC
29 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.