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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 IN RELATION TO
THE RESULT OF THE COMPLETION OF DISSOLUTION AND LIQUIDATION
OF LANGFANG TIANHAI HIGH PRESSURE CONTAINERS CO., LTD**

The board of directors (the “**Board**”) of Beijing Jingcheng Machinery Electric Company Limited (the “**Company**”) and all members of the Board warrant that there are no false representations, misleading statements 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, the Company disclosed the announcement “Potential Disposal of Property Assets of Langfang Tianhai through Public Tender”. During the process of transfer, the Company has disclosed announcement on the progress of transfer in strict compliance with the Listing Rules. On 29 December 2017, the Company disclosed the announcement “Announcement on the Progress of Transfer of Property Assets by Langfang Tianhai High Pressure Containers Co., Ltd. through Public Tender”.

On 11 May 2018, the Company disclosed the matters in relation to the early dissolution and liquidation of Langfang Tianhai and the authorization to the board of directors of Langfang Tianhai to determine the subsequent matters of dissolution and liquidation in the announcement “Announcement on the Resolutions passed at the Fourth Extraordinary Meeting of the Ninth Session of the Board of Directors and Voluntary Winding-up of Subsidiary”. On 14 May 2018, the Company disclosed the announcement “Supplementary Announcement in relation to Early Dissolution and Liquidation of Langfang Tianhai High Pressure Containers Co., Ltd.”.

The Langfang Tianhai liquidation conducted a comprehensive check on the assets and liabilities of Langfang Tianhai during the liquidation period based on 31 May 2018 as the liquidation benchmark date and engaged Shinewing Certified Public Accountants to audit the financial positions of Langfang Tianhai as at the commencement date of liquidation and the completion date of liquidation.

All the liquidation fees of Langfang Tianhai were settled. The wages, labour insurance premiums and statutory compensation of employees were settled, all employees were resettled and the creditors' rights and debts were settled according to the law. At this point, the liquidation procedure of Langfang Tianhai was completed and the "Notice of Cancellation Registration for Foreign-funded Enterprises" ((Lang) Foreign-funded Cancellation Approval (2018) No. 257) issued by Langfang Administration for Industry and Commerce which confirmed the approval of cancellation of industrial and commercial registration was obtained.

The Board is of the view that the dissolution and liquidation of Langfang Tianhai is in line with the Company's strategic plans and no material impact was brought to the consolidated statements of the Company. Therefore, the dissolution and liquidation of Langfang Tianhai would not bring any material adverse impact to the Company.

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

Beijing, the PRC
24 October 2018

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.