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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 APPROVAL OF  
THE PROPOSED A SHARES ISSUE BY BEIJING SASAC**

Reference is made to the announcement (the “**Announcement**”) of Beijing Jingcheng Machinery Electric Company Limited (the “**Company**”) dated 6 May 2019 in relation to, among other matters, the Proposed A Shares Issue, the A Shares Subscription Agreement and the transactions contemplated thereunder, the Specific Mandate, the Whitewash Waiver and the proposed amendments of the Articles of Association. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Company has been notified by Jingcheng Machinery Electricity, its controlling shareholder, that it has obtained the approval from the Beijing SASAC in respect of the Proposed A Shares Issue. The Beijing SASAC principally agreed that not more than 84,400,000 A Shares would be issued by the Company under the Proposed A Shares Issue.

As disclosed in the Announcement, the A Shares Subscription Agreement will take effect when all the following conditions have been satisfied:

1. the approval from the Board for the Proposed A Shares Issue has been obtained;
2. the approval from Beijing SASAC for the Proposed A Shares Issue has been obtained;
3. the approval from the Shareholders at the General Meeting, A Shares Class Meeting and H Shares Class Meeting for the Proposed A Shares Issue, A Shares Subscription Agreement and Whitewash Waiver and all the related and auxiliary resolutions have been obtained;

4. the approval from the CSRC for the Proposed A Shares Issue has been obtained;
5. all necessary consents, approvals, authorizations, permits, waivers and notices from the relevant government and/or regulatory authorities for the Proposed A Shares Issue have been obtained; and
6. the grant of the Whitewash Waiver from the SFC in accordance with the Takeovers Code has been obtained and such waiver has not been revoked prior to completion of the Proposed A Shares Issue.

Under the Takeovers Code, the resolution(s) in relation to Whitewash Waiver shall be approved by at least 75% of the independent votes that are either in person or by proxy by the Independent Shareholders at the General Meeting. All of the aforementioned conditions (1)-(6) are non-waivable. Conditions (1) and (2) have been satisfied as at the date of this announcement.

**The completion of the Proposed A Shares Issue is subject to the satisfaction of other conditions, including but not limited to the grant of the Whitewash Waiver by the Executive, which may or may not be granted by the Executive. The granting of the Whitewash Waiver is a non-waivable condition precedent to the A Shares Subscription Agreement. Accordingly, the Proposed A Shares Issue may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and are recommended to consult their professional adviser if they are in any doubt about their position and as to actions they should take.**

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

Beijing, the PRC  
6 June 2019

*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.*

*As at the date of this announcement, the board of directors of Jingcheng Machinery Electricity comprises Mr. Ren Yanguang, Mr. Wang Guohua, Mr. Zhao Ying, Mr. Lin Jing, Mr. Lu Jian, Mr. Su Sheng and Mr. Yang Huazhong.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement other than those relating to Jingcheng Machinery Electricity and parties acting in concert with it, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.*

*The directors of Jingcheng Machinery Electricity jointly and severally accept full responsibility for the accuracy of the information contained in this announcement relating to Jingcheng Machinery Electricity and parties acting in concert with it, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.*