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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 OBTAINED FROM THE
CSRC FOR THE APPLICATION OF NON-PUBLIC ISSUANCE OF A SHARES**

The board of directors and all members of the board of directors of the Company warrant that this announcement does not contain any false information, misleading statement or material omission and accept joint and several responsibilities for the truthfulness, accuracy and completeness of the contents herein contained.

References are made to (i) the announcement of Beijing Jingcheng Machinery Electric Company Limited (the “**Company**”) dated 6 May 2019; (ii) the circular dated 27 June 2019 (the “**Circular**”); (iii) the poll results announcement dated 15 July 2019; (iv) the announcement dated 25 July 2019; (v) the announcement dated 9 September 2019; (vi) the announcement dated 26 September 2019; (vii) the announcement dated 8 November 2019; (viii) the circular dated 18 November 2019; and (ix) the poll results announcement dated 16 December 2019 in relation to, among other things, 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 specified, capitalized terms used herein have the same meanings as ascribed to them in the Circular.

On 17 December 2019, the Company received the “Approval in relation to the Non-public Issuance of Shares by Beijing Jingcheng Machinery Electric Company Limited” (Zheng Jian Xu Ke [2019] No. 2551) (《關於核准北京京城機電股份有限公司非公開發行股票的批覆》(證監許可[2019]2551號)) (the “**Approval**”) issued by the CSRC. Details of the Approval are as follows:

1. The Company's non-public issuance of not more than 84,400,000 new shares has been approved. In the event where there are changes to the total share capital resulting from conversion of capital reserve, the number of shares to be issued under the non-public issuance may be adjusted accordingly.
2. The issuance of shares shall be implemented strictly in accordance with the application documents submitted to the CSRC by the Company.
3. The approval shall be valid for 6 months from the date of approval of the issuance which is effective on 28 November 2019 (the "**Validity Period**").
4. In the event that any material event happens to the Company during the period from the date of approval of issuance to completion of the share issuance, the Company shall promptly report to the CSRC and handle it in accordance with the relevant requirements.

The Board shall handle the matters relating to the Proposed A Shares Issue within the prescribed time limit in accordance with the relevant laws and regulations, the requirements of the Approval and the authorization obtained at the General Meeting(s), and shall fulfill the information disclosure obligation in a timely manner.

The contact persons and the contact methods of the Proposed A Shares Issue are as follows:

1. Issuer: Beijing Jingcheng Machinery Electric Company Limited
Contact Person: Luan Jie
Phone: 010-58767912
Fax: 010-58766735
2. Sponsor (Lead Underwriter): Zhong De Securities Company Limited
Sponsor Representatives: Hao Guodong, Liu Xiaoning
Contact Person: Hao Guodong
Phone: 010-59026755
Fax: 010-59026603

As at the date of this announcement, the Company has satisfied all conditions precedent of the Proposed A Shares Issue and may choose the issuance date within the Validity Period (i.e. from 28 November 2019 to 27 May 2020). If the Company chooses not to make the issuance during the Validity Period, the Proposed A Shares Issue will be terminated and the termination procedures will be implemented.

The Proposed A Shares Issue has not been completed. 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
Beijing Jingcheng Machinery Electric Company Limited
Wang Jun
Chairman

Beijing, the PRC
18 December 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. Wu Yanzhang, 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.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, 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.