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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 limited company established in the People's Republic of China)

(Stock Code: 0187)

**ANNOUNCEMENT IN RELATION TO THE APPROVAL ON
THE ASSET VALUATION REPORT OF SHANDONG TIANHAI BY BEIJING SASAC**

The board of directors of the Company (the “**Board**”) and all directors 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.

On 20 February 2019, Beijing Jingcheng Machinery Electric Company Limited (the “**Company**”) received the Approval on the Asset Valuation Project in respect of 51% equity interests in Shandong Tianhai High Pressure Containers Co., Ltd. proposed to be transferred by Beijing Tianhai Industry Co., Ltd. by Beijing Municipal People's Government State-owned Assets Supervision and Administration Commission (Jing Guo Zi Chan Quan [2019] No.16). The asset valuation report of Shandong Tianhai High Pressure Containers Co., Ltd. was approved by Beijing SASAC. The approved valuation results are as follows:

According to the valuation report issued by Beijing China Enterprise Appraisals Co., Ltd. (Zhong Qi Hua Ping Bao Zi [2018] No. 4028), the carrying amount of the net asset of Shandong Tianhai was RMB106,951,400 as at 30 April 2018 (being the valuation base date), with the appraised value of RMB120,410,100, the appreciation amount was RMB13,458,700 and the appreciation rate was 12.58%. The appraised net asset value of the 51% equity interests held by Beijing Tianhai Industry Co., Ltd., a subsidiary of the Company, amounted to RMB61,409,200.

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

Beijing, the PRC
21 February 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.