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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 THIRD REVISION OF
THE PROPOSAL FOR 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 responsibility for the truthfulness, accuracy and completeness of the contents herein contained.

References are made to the circular of Beijing Jingcheng Machinery Electric Company Limited (the “**Company**”) dated 27 June 2019 (the “**Circular**”) and the subsequent announcements in relation to, among other things, the Proposed A Shares Issue. Unless otherwise specified, capitalized terms used herein have the same meanings as ascribed to them in the Circular.

The Company convened the thirteenth extraordinary meeting of the ninth session of the Board on 6 May 2019 and the 2019 second extraordinary general meeting on 15 July 2019, at which the “Resolution in relation to the Proposal for Non-public Issuance of A Shares of the Company” and the relevant resolutions relating to the Proposed A Shares Issue were considered and approved respectively. Under the authorization by the general meeting, the Company convened the seventeenth extraordinary meeting of the ninth session of the Board on 26 September 2019, at which the “Resolution in relation to the Proposal for Non-public Issuance of A Shares of the Company (Revised)” and the relevant resolutions were considered and approved. On 28 November 2019, the CSRC issued 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)).

On 14 February 2020, the CSRC announced the relevant requirements under the laws, regulations and regulatory documents including the “Decision on Amending the Administration Measures on Securities Issuance of Listed Companies” (CSRC Decree No. 163) (《關於修改《上市公司證券發行管理辦法》的決定》(中國證監會第163號令)) and the “Decision on Amending the Implementation Rules for the Non-

public Issue of Shares by Listed Companies” (CSRC Announcement [2020] No. 11) (《關於修改《上市公司非公開發行股票實施細則》的決定》(中國證監會公告 [2020]11號)). Under the authorization by the general meeting, the Company convened the twentieth extraordinary meeting of the ninth session of the Board on 28 February 2020, at which the “Resolution in relation to the Proposal for Non-public Issuance of A Shares of the Company (2nd Revision)” and the relevant resolutions were considered and approved. The Company convened the twenty first extraordinary meeting of the ninth session of the Board on 22 May 2020, at which the “Resolution in relation to the Proposal for Non-public Issuance of A Shares of the Company (3rd Revision)” was considered and approved. The major amendments are as follows, in which the pricing principle of the issue price will be revised back to the terms as prescribed in the original proposal for the Proposed A Shares Issue:

Section	Content of section	Amendment
Special Reminders	1	“The proposal has been reviewed and approved by the twenty first extraordinary meeting of the ninth session of the Board” was added.
	5	“The issue price shall not be less than 80% of the average transaction price of A shares in the 20 trading days prior to the pricing benchmark date” was adjusted to 90%.
	5	“The lowest price under this non-public issuance shall be subject to adjustment by the Board, subject to authorization by the general meeting, pursuant to the requirements of relevant laws and regulations if the CSRC made adjustments to the pricing method of the non-public issuance prior to the issuance” was removed.
Section I Summary of the Proposal for Non-public Issuance of A Shares	IV. Price and pricing principle, number of shares to be issued and lock-up period	“The issue price shall not be less than 80% of the average transaction price of A shares in the 20 trading days prior to the pricing benchmark date” was adjusted to 90%; “The lowest price under this non-public issuance shall be subject to adjustment by the Board, subject to authorization by the general meeting, pursuant to the requirements of relevant laws and regulations if the CSRC made adjustments to the pricing method of the non-public issuance prior to the issuance” was removed.
Section I Summary of the Proposal for Non-public Issuance of A Shares	VIII. Approval has been obtained for the issuance proposal from the relevant competent authorities and approval procedures are still required	“The proposal has been reviewed and approved by the twenty first extraordinary meeting of the ninth session of the Board” was added.

Section	Content of section	Amendment
Section III Summary of the conditional Share Subscription Agreement	II. Price, number, method of the subscription, payment method and lock-up period	“(Pursuant to the “Decision on Amending the Administration Measures on Securities Issuance of Listed Companies” (CSRC Decree No. 163) (《關於修改《上市公司證券發行管理辦法》的決定》(中國證監會第163號令)) and the “Decision on Amending the Implementation Rules for the Non-public Issue of Shares by Listed Companies” (CSRC Announcement [2020] No. 11) (《關於修改《上市公司非公開發行股票實施細則》的決定》(中國證監會公告[2020]11號)) and the relevant requirements under the laws, regulations and regulatory documents issued by the CSRC on 14 February 2020, under the authorization by the general meeting, the twentieth extraordinary meeting of the ninth session of the Board convened on 28 February 2020 considered that, the price of the subscription to be amended as “the issue price shall not be less than 80% of the average transaction price of A shares in the 20 trading days prior to the pricing benchmark date”).” was removed. “(The Board resolved not to amend the pricing method for the issuance pursuant to the “Administration Measures on Securities Issuance of Listed Companies” (《上市公司證券發行管理辦法》) and “Implementation Rules for the Non-public Issue of Shares by Listed Companies” (《非公開發行實施細則》) issued by the CSRC on 14 February 2020.)” was added.

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

Beijing, the PRC
22 May 2020

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.