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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)

**INDICATIVE ANNOUNCEMENT IN RELATION TO
THE COMMENCEMENT OF ISSUANCE 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 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 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 has commenced the work of the non-public issuance of A Shares (the “**Non-public Issuance**”), specific issuance work arrangements are as follows:

All shares under the Non-public Issuance will be issued to a specific investor, being Jingcheng Machinery Electricity. Jingcheng Machinery Electricity agreed to subscribe by cash in RMB in full for all A Shares under the Non-public Issuance, the specific amount will be stated in the payment notice.

The number of A Shares under the Non-public Issuance is 63,000,000 shares, the Pricing Benchmark Date shall be the first day of the issuance period. The issue price shall be not less than 90% of the average trading price of the A Shares during the 20 trading days preceding the Pricing Benchmark Date (the average trading price of the A Shares in the 20 trading days preceding the Pricing Benchmark Date equals to the total trading amount of A Shares traded in the 20 trading days preceding the Pricing Benchmark Date divided by the total volume of A Shares traded in the 20 trading days preceding the Pricing Benchmark Date) and shall be not less than the net asset value per share attributable to the shareholders of ordinary shares of the parent company as set out in the latest audited consolidated financial statements of the Company.

The funds raised from the Non-public Issuance will entirely be used for the construction project of the Type IV cylinder automation digital control production line, research and development project of hydrogen energy product and repayment of debts owed to controlling shareholder and financial institutions. Beijing Tianhai, an indirect wholly-owned subsidiary of the Company, is the implementing entity of all the investment projects. If the funds raised from the actual issuance fall short, the amount to be used for the investment project of repayment of debts owed to controlling shareholder and financial institutions will be reduced.

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

Beijing, the PRC
30 June 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 Mr. Xiong Jianhui, Mr. Zhao Xuguang, Mr. Liu Jingtai and Mr. Luan Dalong as independent non-executive directors.