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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 ON CONTINUANCE OF THE ASSET
ACQUISITION BY WAY OF SHARE ISSUANCE AND CASH PAYMENT
AND RAISING OF SUPPORTING FUNDS**

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 19 January 2021 (the “**Circular**”), the subsequent announcements in relation to, among other things, the Asset Acquisition by way of Share Issuance and Cash Payment and Raising of Supporting Funds. Unless otherwise specified, capitalized terms used herein have the same meanings as ascribed to them in the Circular.

On 19 May 2021, the Listed Company Merger and Reorganization Vetting Committee of the CSRC (the “**MRVC**”) convened the 10th work meeting of the MRVC for the year of 2021, at which the Asset Acquisition by way of Share Issuance and Cash Payment and Raising of Supporting Funds was vetted. According to the vetting results of the meeting, the proposal for the Asset Acquisition by way of Share Issuance and Cash Payment and Raising of Supporting Funds was not approved. For details, please refer to the “Announcement on Not Obtaining Approval for the Asset Acquisition by way of Share Issuance and Cash Payment and Raising of Supporting Funds from the Listed Company Merger and Reorganization Vetting Committee of the CSRC and Resumption of Trading in A Shares” dated 19 May 2021 disclosed on Shanghai Securities News, the website of SSE (www.sse.com.cn) and the HKEXnews website of the Stock Exchange (www.hkexnews.hk). On 9 June 2021, the Company received the “Decision of Disapproval for the Asset Acquisition by way of Share Issuance and Cash Payment and Raising of Supporting Funds of Beijing Jingcheng Machinery Electric Company Limited” (Zheng Jian

Xu Ke [2021] No.1879) issued by the CSRC. For details, please refer to the “Announcement on Receipt of Decision of Disapproval for the Asset Acquisition by way of Share Issuance and Cash Payment and Raising of Supporting Funds from the CSRC” dated 9 June 2021 disclosed on Shanghai Securities News, the website of SSE (www.sse.com.cn) and the HKEXnews website of the Stock Exchange (www.hkexnews.hk).

Considering that the implementation of the Proposed Transactions can strengthen the core competitiveness of the operation of the Company, enhance asset quality, improve financial conditions, and enhance sustained profitability, which is in the interests of the Company and the Shareholders as a whole, the Board decided to proceed with the Proposed Transactions and the 11th extraordinary meeting of the tenth session of the Board was convened on 11 June 2021, at which the “Resolution in relation to Continuance of the Asset Acquisition by way of Share Issuance and Cash Payment and Raising of Supporting Funds of Beijing Jingcheng Machinery Electric Company Limited” was considered and approved. For details, please refer to the “Announcement on the Resolution Passed at the 11th Extraordinary Meeting of the Tenth Session of the Board of Directors of Beijing Jingcheng Machinery Electric Company Limited” of even date disclosed on Shanghai Securities News, the website of SSE (www.sse.com.cn) and the HKEXnews website of the Stock Exchange (www.hkexnews.hk).

Based on the vetting opinions of the MRVC and the actual situation of the Company, the Company will coordinate with the relevant intermediaries to further modify, supplement and improve the proposal for the Asset Acquisition by way of Share Issuance and Cash Payment and Raising of Supporting Funds and the relevant reporting materials, and resubmit the same to the CSRC for review upon completion of the relevant works. The Company will comply with the information disclosure obligation in a timely manner. Investors are advised to be aware of investment risks.

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

Beijing, the PRC
11 June 2021

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.