

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

**VOLUNTARY ANNOUNCEMENT ON THE FINANCIAL ASSISTANCE PROVIDED BY
THE CONTROLLING SHAREHOLDER TO THE COMPANY**

The board of directors of the Company (the “Board”) and all members of the Board warrant that there are no false representations, misleading statements and material omissions in this announcement, and are severally and jointly responsible for the truthfulness, accuracy and completeness of the contents herein contained.

I. Summary of accepting financial assistance

(I) Basic information

Beijing Jingcheng Machinery Electric Holding Co., Ltd. (“Jingcheng Machinery Electric”), the controlling shareholder of Beijing Jingcheng Machinery Electric Company Limited (the “Company”) provided a bridging loan of RMB45 million to Beijing Tianhai Industry Co., Ltd. (“Tianhai Industry”), a subsidiary of the Company, for a term of six months. The bridging loan bears interests at the benchmark one-year lending interest rate determined by the People’s Bank of China. The listed Company does not provide corresponding security or guarantee over such financial assistance.

(II) Consideration and approval

On 26 April 2018, the resolution of providing a bridging loan of RMB45 million to Tianhai Industry by Jingcheng Machinery Electric, was considered and approved at the fourth meeting of meeting of the ninth session of the Board.

On 26 April 2018, the resolution of providing a bridging loan of RMB45 million to Tianhai Industry by Jingcheng Machinery Electric, was considered and approved at the seventh meeting of the ninth session of the Supervisory Committee.

The above matter does not constitute material assets reorganization as regulated under the Administrative Measures on Significant Asset Restructuring of Listed Companies.

(III) Exemption of connected transaction

Since Jingcheng Machinery Electric is the controlling shareholder of the Company, the above matter constitutes a connected transaction.

According to the regulation of the Guidelines on the Shanghai Stock Exchange for the Listed Companies' Postponement of and Exemption from Information Disclosure, such financial assistance does not have to apply for exemption from the Shanghai Stock Exchange. If the self-exemption conditions are met, the matter can be considered and disclosed by way of exempted-connected transaction.

II. Basic information of entity providing financial assistance to the Company:

1. Entity providing financial assistance: Beijing Jingcheng Machinery Electric Holding Co., Ltd.
2. Legal representative: Ren Yaguang
3. Type of enterprise: limited liability company (wholly state-owned)
4. Registered address: 18/F, 59 Dong San Huan Zhong Lu, Zhaoyang district, Beijing
5. Registered capital: RMB2,044,687,082.96
6. Date of establishment: 8 September 1997
7. Registration number: 911100006336862176

Business scope: Labour dispatch; state-owned assets management within authorized scope; investment and investment management; property development, sale of real estate; property leasing; property management; technology transfer, technical training, technical consultation, technical services; sale of mechanical and electrical equipment (excluding vehicles); technology development. (for projects requiring approval according to law, the operating activities can be commenced according to the approved content after the approval of the relevant departments.)

III. Effects on the Company in relation to the financial assistance provided by the controlling shareholder

Jingcheng Machinery Electric provides financial assistance to the Company to improve its cash flow. The assistance bears interests at the benchmark one-year lending interest rate determined by the People's Bank of China. The Company does not have security or guarantee over such financial assistance, and such matter would not be against the interests of the Company and its shareholders, especially the minority shareholders of the Company.

IV. Documents available for inspection

The resolutions passed at the fourth meeting of meeting of the ninth session of the Board of the Company;

The resolutions passed at the seventh meeting of the ninth session of the Supervisory Committee of the Company.

By Order of the Board
Beijing Jingcheng Machinery Electric Company Limited
Luan Jie
Company Secretary

Beijing, the PRC
26 April 2018

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.