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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 CONTINUED SUSPENSION OF TRADING  
IN RELATION TO MATERIAL ASSETS REORGANISATION**

**The board of directors of the Company and all members of the board 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.**

As Beijing Jingcheng Machinery Electric Company Limited (the “Company”) is planning a significant matter which may have material effect on the prices of shares of the Company, trading of the shares of the Company has been suspended since 29 June 2015 upon application. After discussion and negotiation among the parties concerned, the issue of shares in consideration of asset purchase which is under planning constitutes material assets reorganisation, the Company has entered into the material assets reorganisation procedures upon application and an Announcement on the Suspension of Trading in relation to Material Assets Reorganisation (announcement no. Lin 2015-034) was made on 13 July 2015. On 11 August 2015, the Company made an announcement on the Continued Suspension of Trading in relation to Material Assets Reorganisation (announcement no. Lin 2015-044). On 11 September, the Company made an Announcement on the Continued Suspension of Trading in relation to Material Assets Reorganisation (announcement no. Lin 2015-052). It is expected that trading in the shares of the Company will be suspended for not more than one month. During the period of suspension of trading, the Company will release an announcement in relation to the progress of material assets reorganisation at the interval of every five trading days.

## **I. Introduction of the framework of the reorganisation**

### **(1) Major counterparties**

The major counterparties include Beijing Jingcheng Machinery Electric Holding Co., Ltd. (“Jingcheng Holding”), the controlling shareholder of the Company. Other counterparties of relevant target assets have not been identified.

### **(2) Transaction method**

The transaction method is issue of shares in consideration of asset purchase.

### **(3) Target assets**

The major target assets are the 75% equity interest in Beijing Jingcheng International Financial Leasing Co., Ltd. held by Beijing Jingcheng Machinery Electric Holding Co., Ltd., the controlling shareholder of the Company. The scope of the other target assets has not been finalised.

## **II. The progress of material assets reorganisation**

As of the date of this announcement, the progress of material assets reorganisation is as follow:

- (1) Since the suspension of trading of shares, the Company has been actively carried out the relevant work and organized the intermediaries, such as financial consultants, lawyers, accountants and valuers, to carry out due diligence, audit and valuation for the target assets of the transaction, and actively communicated with Beijing Jingcheng Machinery Electric Holding Co., Ltd., the controlling shareholder of the Company, and the regulatory authorities, such as Beijing State-owned Assets Commission, to facilitate the relevant approval matters. At present, the Company has entered into a framework agreement with Jingcheng Holding, the relevant consideration and other details are yet to be finalized, the other relevant work is still under progress;
- (2) During the suspension of trading of shares, the Company strictly fulfilled its information disclosure obligation in accordance with relevant requirements. The Company published the announcement on continued suspension of trading promptly after suspension of trading of shares for one month and announced the progress of the material assets reorganisation at the interval of five trading days since the suspension of trading of shares.

### **III. Reason for failure to resume share trading as scheduled**

The material asset reorganisation of the Company will involve the issue of shares in consideration of asset purchase. As the wide range of relevant assets and the complicated procedures, the related parties are still communicating and negotiating for the relevant issues which involve the target assets. According to relevant regulations of the Notice on the Relevant Issues concerning the Regulation of Asset Restructuring between a Listed Company and Its State-owned Shareholder, the reorganisation has to obtain relevant advice from the Beijing SASAC. Currently, due to the specific issues involved have to be further finalised, it is expected that the trading of shares is unable to resume as scheduled.

### **IV. Application time for continued suspension of trading**

As there are still uncertainties in the material assets reorganisation matter, in order to ensure fair disclosure of information and safeguard the interests of the investors and avoid fluctuation in the prices of the shares of the Company, trading in the shares of the Company will continue to be suspended with effect from 15 October 2015 after the application made by the Company. It is expected that trading in the shares of the Company will be suspended for not more than two months.

During the period of the suspension of trading in the shares, the Company will fulfill the obligations of information disclosure in a timely manner according to the progress of the material assets reorganisation and announce the progress of the matter at the interval of five trading days. Upon the completion of the work, a board meeting will be convened to consider the proposal for material assets reorganisation. Announcements will be made and the trading in the shares of the Company will resume timely. Investors should be aware of the investment risks involved.

The board of directors of  
**Beijing Jingcheng Machinery Electric Company Limited**

Beijing, the PRC, 14 October 2015

*As at the date of this announcement, the board of directors of the Company comprises Mr. Li Junjie, Ms. Liu Zhe and Ms. Jiang Chi as executive directors, Mr. Xia Zhonghua, Ms. Jin Chunyu and Mr. Fu Hongquan as non-executive directors and Ms. Wu Yan, Mr. Liu Ning, Mr. Yang Xiaohui and Mr. Fan Yong as independent non-executive directors.*