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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**

**THE CONTINUED SUSPENSION OF TRADING**

The board of directors of the Company and all members the board guarantee that the information contained in this announcement does not contain any false statements, misleading representations or material omissions, and all of them jointly and severally accept responsibility.

Beijing Jingcheng Machinery Electric Holding Co., Ltd. (“Jingcheng Holding”), a controlling shareholder of Beijing Jingcheng Machinery Electric Company Limited (the “Company” or “Jingcheng Company”), entered into the Equity Transfer and Swap Agreement with Beijing Jinguofa Equity Investment Fund (Limited Partnership) (“Jinguofa Fund”) and Beijing Bashi Media Co., Ltd. (“Beiba Media”) on 26 January 2016. On the same date, the ninth meeting of the sixth session of the board of directors of Beiba Media was held, at which the transfer of 30.23% equity interest in Minghui Tianhai by Beiba Media was approved. Jingcheng Holding transferred 19.3 million shares of Jingcheng Company held by it to Beiba Media and paid RMB 97,441.59 in cash to Beiba Media as the consideration. The announcement in relation to the abovementioned matters was published on such date.

In accordance with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Agreement entered into by Jingcheng Holding involves connected transaction. The fifteenth extraordinary meeting of the eighth session of the board of directors of the Company was held on 26 January 2016, at which the resolution in relation to Beijing Tianhai Industry Co., Ltd., a subsidiary of the Company, waiving its right of first refusal and connected transactions under the Capital Increase Agreement of Beijing Minghui Tianhai Gas Storage and Transportation Equipment Sales Co., Ltd. was considered and approved.

As the Equity Transfer and Swap Agreement entered into between Jingcheng Holding and Jinguofa Fund and that between Jingcheng Holding and Beiba Media are the manners of disposing equity interests during the period of Material Assets Reorganization, in accordance with the laws and regulations such as the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

and the Codes on Takeovers and Mergers, the abovementioned manner may lead to a modification on the proposal of Material Assets Reorganization or a termination of Material Assets Reorganization. To ensure fair information disclosure, protect the interest of investors and avoid unusual share price fluctuations, upon application, trading in the shares of the Company will be suspended temporarily.

The Company will adopt the modification on the proposal of Material Assets Reorganization to ensure not to trigger the requirements of Takeovers Code in Hong Kong. Upon application, trading in the shares of the Company will continue to be suspended since 28 January 2016 for not more than 5 trading days. Further announcement related to the progress of the matter will be published as soon as possible. Investors are advised to pay attention to the investment risks.

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

Beijing, the PRC  
27 January 2016

*As at the date of this announcement, the Board comprises Mr. Wang Jun, Mr. Chen Changge, Mr. Li Junjie and Mr. Du Yuexi 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.*