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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 PROGRESS OF MATERIAL ASSETS REORGANISATION**

**The board of directors of the Company and all members of the board warrant 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 full responsibility for the truthfulness, accuracy and completeness of the content of this announcement.**

As Beijing Jingcheng Machinery Electric Company Limited (the “Company”) is planning a significant matter in relation to the issue of shares in consideration of asset purchase, 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 2015, the Company made an announcement on the Continued Suspension of Trading in relation to Material Assets Reorganisation (announcement no. Lin 2015-052). On 14 September 2015, the Company made an announcement on the Continued Suspension of Trading in relation to Material Assets Reorganisation (announcement no. Lin 2015-060). It is expected that the period of suspension will not exceed two months. 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.

During this week, the Company and the relevant shareholders have held several rounds of negotiations and have been initially determined that the purpose of this transaction in respect of material assets reorganisation is to issue shares by the Company in consideration of asset acquisition and raise funds. As it involves a wide range of areas, the relevant subscription agreements have not yet been entered into.

At present, the Company has entered into a framework agreement with Beijing Jingcheng Machinery Electric Holding Co., Ltd., the relevant consideration and other details are yet to be finalized, and also the Company and the related parties are actively advancing the related matters in the material assets reorganisation. Each intermediary is undergoing various related works as scheduled, including due diligence, auditing and valuation.

As the relevant procedures is still under progress and there are still uncertainties in the matter, in order to ensure fair disclosure of information and safeguard the interests of the investors, the trading in shares of the Company will remain suspended. The Company, during the period of the suspension of trading in the shares of the Company, will fulfill the obligations of information disclosure in a timely manner in accordance with the Administrative Measures on Significant Asset Restructuring of Listing Companies and other related requirements, together with the progress of relevant matters during the suspension of trading in shares of the Company 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.

Currently there are still uncertainties in the material assets reorganisation and investors are advised to pay attention to the information announced by the Company on designated media for disclosure of information, namely the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>), Shanghai Securities News, Securities Daily and the HKExnews website of the Stock Exchange of Hong Kong Limited (<http://hkexnews.hk>), and investors should be aware of the investment risks involved.

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

Beijing, the PRC, 11 November 2015

*As at the date of this announcement, the board of directors of the Company comprises Mr. Li Junjie as executive director, 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.*