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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)

北京京城機電控股有限責任公司
(Beijing Jingcheng Machinery Electric Holding Co., Ltd.*)

*(incorporated in the People's Republic of
China with limited liability)*

JOINT ANNOUNCEMENT

CONNECTED TRANSACTION

- (1) NON-EXERCISE OF RIGHT OF FIRST REFUSAL**
- (2) BEIBA MEDIA EQUITY INTEREST EXCHANGE AGREEMENT**
- (3) JINGGUOFA EQUITY INTEREST EXCHANGE AGREEMENT**

AND

CONTINUED TRADING HALT

Reference is made to the Announcement published by the Company in relation to the material assets reorganisation of the Company which involved (1) possible very substantial acquisition and connected transactions involving – proposed acquisition of Jingcheng International Financial Leasing Co. Ltd.; (2) proposed non-public issue of A Shares; (3) possible connected transaction – proposed subscription of A Shares by the controlling shareholder; and (4) application for whitewash waiver.

NON-EXERCISE OF RIGHT OF FIRST REFUSAL

On 26 January 2016, pursuant to the JV Agreement, Beiba Media and Jingguofa served a written notice to Tianhai Industrial, pursuant to which Beiba Media and Jingguofa intended to respectively sell, and Jingcheng Holding intended to purchase, the Beiba Media Equity Interest and Jingguofa Equity Interest (together representing 61.49% equity interests in Minghui Tianhai).

On 26 January 2016, the Board resolved not to exercise the Right of First Refusal and the Company notified Beiba Media and Jingguofa in writing that it will not exercise the Right of First Refusal.

BEIBA MEDIA EQUITY INTEREST EXCHANGE AGREEMENT

On 26 January 2016, Jingcheng Holding and Beiba Media entered into the Beiba Media Equity Interest Exchange Agreement, pursuant to which Beiba Media agreed to sell the Beiba Media Equity Interest in exchange for Beiba Media Consideration Shares held by Jingcheng Holding. The consideration of Beiba Media Equity Interest in the sum of RMB214,713,441.59 will be satisfied (i) as to RMB214,654,600.00 by Jingcheng Holding transferring Beiba Media Consideration Shares to Beiba Media; and (ii) as to RMB97,441.59 by cash to Beiba Media. Upon the completion of the Beiba Media Equity Interest Exchange Agreement, Beiba Media will cease to hold any interest in Minghui Tianhai and will hold 4.57% of the issue share capital of the Company.

JINGGUOFA EQUITY INTEREST EXCHANGE AGREEMENT

On 26 January 2016, Jingcheng Holding and Jingguofa entered into the Jingguofa Equity Interest Exchange Agreement, pursuant to which Jingguofa agreed to sell the Jingguofa Equity Interest in exchange for Jingguofa Consideration Shares held by Jingcheng Holding. The consideration of Jingguofa Equity Interest in the sum of RMB222,009,206.83 will be satisfied (i) as to RMB221,995,120.00 by Jingcheng Holding transferring Jingguofa Consideration Shares to Jingguofa; and (ii) as to RMB54,006.83 by cash to Jingguofa. Upon the completion of the Jingguofa Equity Interest Exchange Agreement, Jingguofa will cease to hold any interest in Minghui Tianhai and will hold 4.73% of the issue share capital of the Company.

After the completion of the Beiba Media Equity Interest Exchange Agreement and Jingguofa Equity Interest Exchange Agreement, Jingcheng Holding will hold 61.49% equity interests in Minghui Tianhai and it will hold 141,360,000 A Shares, representing approximately 33.50% of all Shares in issue, assuming there is no other acquisition or disposal of A Shares by Jingcheng Holding prior to the completion.

LISTING RULES IMPLICATIONS

Jingcheng Holding is a controlling shareholder of the Company and thus a connected person of the Company. Minghui Tianhai is held as to 30.23% by Beiba Media and 31.26% by Jingguofa. Each of Beiba Media and Jingguofa is a connected person of the Company only because of their respective equity interest in Minghui Tianhai, each of Beiba Media and Jingguofa is a connected person at the subsidiary level of the Company under Rule 14A.06(9) of the Listing Rules. Accordingly, the non-exercise of Right of First Refusal together with the Equity Interest Exchange Transactions constitute a connected transaction under Chapter 14A of the Listing Rules.

As the relevant percentage ratios in respect of the non-exercise of Right of First Refusal together with the Equity Interest Exchange Transactions in aggregate are more than 5% and the total consideration is higher than HK\$3,000,000, the non-exercise of Right of First Refusal and the Equity Interest Exchange Transactions are subject to the reporting, announcement and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

TAKEOVERS CODE IMPLICATIONS

As the Equity Interest Exchange Transactions involved disposals of voting rights by Jingcheng Holding in the period between the Announcement and the completion of the Material Assets Reorganisation, the Equity Interest Exchange Transactions constitute disqualifying transactions under paragraph 3 of Schedule VI of the Takeovers Code. Paragraph 3 of Schedule VI of the Takeovers Code provides that the Executive will not grant the Whitewash Waiver if there occurs any disqualifying transaction. Given that the granting of the Whitewash Waiver is one of the conditions precedent for each of the Asset Purchase Agreement, the Equity Interests Transfer Framework Agreement and the Subscription Agreement, the Material Assets Reorganisation or any other transactions mentioned in the Announcement may not be materialised or eventually be consummated. The Material Assets Reorganisation or any other transactions mentioned in the Announcement is under revision or modification such that it will not in any event trigger any mandatory offer under Rule 26 of the Takeovers Code.

GENERAL

A circular containing, among other things, (i) further information on the non-exercise of Right of First Refusal, Beiba Media Equity Interest Exchange Agreement and Jingguofa Equity Interest Exchange Agreement; (ii) the particulars required by the Listing Rules concerning the non-exercise of Right of First Refusal, Beiba Media Equity Interest Exchange Agreement and Jingguofa Equity Interest Exchange Agreement; (iii) the recommendation of the IBC; (iv) advice of the Independent Financial Adviser regarding the non-exercise of Right of First Refusal, the Beiba Media Equity Interest Exchange Agreement and Jingguofa Equity Interest Exchange Agreement; and (v) notice to convene the general meeting is expected to be despatched by the Company to the Shareholders on or about 22 February 2016.

The IBC (comprising all the independent non-executive Directors) will be formed to advise the Independent Shareholders on the non-exercise of Right of First Refusal, the terms of the Beiba Media Equity Interest Exchange Agreement and Jingguofa Equity Interest Exchange Agreement, and the transactions contemplated thereunder, as appropriate.

The Independent Financial Adviser will be appointed to advise the IBC and the Independent Shareholders in relation to the non-exercise of Right of First Refusal, the terms of the Beiba Media Equity Interest Exchange Agreement and Jingguofa Equity Interest Exchange Agreement, and the transactions contemplated thereunder.

Shareholders are reminded that the Beiba Media Equity Interest Exchange Agreement and the Jingguofa Equity Interest Exchange Agreement are conditional upon a number of conditions as set out in this announcement being fulfilled and Equity Interest Exchange Transactions may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

CONTINUED TRADING HALT OF H SHARES

Trading in H Shares on the Stock Exchange has been halted since 9:00 a.m. on 27 January 2016 pending the release of an announcement in relation to Material Assets Reorganisation. Trading in H Shares will remain halted for not more than 5 trading days from 28 January 2016. The Company will publish such announcement as soon as practicable containing the relevant update. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

Background

Minghui Tianhai is a joint venture company with registered capital of RMB545,225,228, of which RMB210,000,000 is contributed by Tianhai Industrial, RMB170,412,703 is contributed by Jingguofa and RMB164,812,525 is contributed by Beiba Media. Pursuant to the JV Agreement, the Company is entitled to the Right of First Refusal with respect to any transfer of equity interest by the other joint venture partner(s) to any other persons, pursuant to which the Company may purchase the equity interest being transferred on the same terms as offered by the proposed transferee.

As at the date of this announcement, Jingcheng Holding is the controlling shareholder of the Company, holding 42.80% interests in the Company.

(1) THE NON-EXERCISE OF THE RIGHT OF FIRST REFUSAL

On 26 January 2016, pursuant to the JV Agreement, Beiba Media and Jingguofa each served a written notice to Tianhai Industrial, pursuant to which Beiba Media and Jingguofa intended to respectively sell Beiba Media Equity Interest for a consideration of RMB214,713,441.59 and Jingguofa Equity Interest for a consideration of RMB222,009,206.83 to Jingcheng Holding. Beiba Media and Jingguofa each sought the Company's decision as to whether it will exercise the Right of First Refusal to acquire Beiba Media Equity Interest and Jingguofa Equity Interest respectively on the same consideration as offered by Jingcheng Holding.

On 26 January 2016, the Board resolved not to exercise the Right of First Refusal and the Company notified Beiba Media and Jingguofa in writing that it will not exercise the Right of First Refusal.

Reasons for and benefits of the non-exercise of the Right of First Refusal

Due to a sudden halt in the utilization of the huge production capacity which was accumulated at the time of high speed economic growth, the excess production capacity led to rapid deterioration of competitive situation. Considering the circumstances of excess production capacity, fluctuation in product quality and price competition in the industrial gas cylinder market on one hand, and the increase in transportation costs, labor costs, energy costs and etc. on the other hand, all of such factors led to a decline in profits. Minghui Tianhai suffered losses in the financial years 2013 and 2014. Due to the weak economy, continuous drop in the international oil price (at historically low level) and other market factors, the Company expected that the result of Minghui Tianhai will not improve significantly in short term under such difficult and complicated market environment.

(2) BEIBA MEDIA EQUITY INTEREST EXCHANGE AGREEMENT

On 26 January 2016, Jingcheng Holding and Beiba Media entered into the Beiba Media Equity Interest Exchange Agreement, pursuant to which Beiba Media agreed to sell the Beiba Media Equity Interest in exchange for Beiba Media Consideration Shares held by Jingcheng Holding.

Date

26 January 2016

Parties

Vendor: Beiba Media

Purchaser: Jingcheng Holding

Assets to be disposed of

Pursuant to the Beiba Media Equity Interest Exchange Agreement, Beiba Media agreed to sell and Jingcheng Holding agreed to purchase the Beiba Media Equity Interest.

The consideration

The consideration of Beiba Media Equity Interest in the sum of RMB214,713,441.59 will be satisfied (i) as to RMB214,654,600.00 by Jingcheng Holding transferring Beiba Media Consideration Shares to Beiba Media; and (ii) as to RMB97,441.59 by cash to Beiba Media. The Beiba Media Consideration Shares represent 4.57% of the issued share capital of the Company.

Basis of consideration

The consideration for the Beiba Media Equity Interest was arrived at after arm's length negotiations between Jingcheng Holding and Beiba Media and was determined with reference to the valuation results of Minghui Tianhai of RMB645,731,900 as at 30 June 2015 according to the valuation report issued by an independent valuer in the PRC, Beijing China Alliance Appraisal Co., Ltd. (北京中同華資產評估有限公司) using the asset approach, such valuation result was filed with and approved by with Beijing SASAC.

It is agreed that the transfer price of the Beiba Media Consideration Shares shall be the average trading price of the A Shares of the Company as quoted on the Shanghai Stock Exchange over the 30 trading days preceding the date of Beiba Media Equity Interest Exchange Agreement, i.e. RMB11.12 per A Share. The number of Beiba Media Consideration Shares of 19,300,000 A Shares is calculated by the consideration for Beiba Media Equity Interest (i.e. RMB214,654,600.00 ÷ RMB11.12 per A Share, which represents 4.57% of the issued share capital of the Company. The remaining part of the consideration, being RMB97,441.59, Jingcheng Holding shall pay Beiba Media in cash.

Taking Effect of the Beiba Media Equity Interest Exchange Agreement

The Beiba Media Equity Interest Exchange Agreement shall take effect subject to the fulfillment of the following conditions (the effective date being the date of fulfillment of the last of these conditions):

- a. the approval of the transactions contemplated under the Beiba Media Equity Interest Exchange Agreement by the board of directors and shareholders of the Company;
- b. the approval of the non-exercise of the Right of First Refusal and the transactions contemplated under the Beiba Media Equity Interest Exchange Agreement by the shareholders of Minghui Tianhai;
- c. the approval by SASAC of the transactions contemplated under the Beiba Media Equity Interest Exchange Agreement; and
- d. the approval by other governmental and regulatory authorities (if required).

Neither Jingcheng Holding nor Beiba Media has the right to waive any of the above conditions. As at the date of this announcement, among the above conditions precedent, only the condition (b) above is fulfilled, and other conditions have not yet been fulfilled.

Completion

Completion shall take place within 45 working days after the above conditions of the Beiba Media Equity Interest Exchange Agreement have been fulfilled.

Upon the completion of the Beiba Media Equity Interest Exchange Agreement, Beiba Media will cease to hold any interest in Minghui Tianhai and will hold 4.57% of the issue share capital of the Company.

(3) JINGGUOFA EQUITY INTEREST EXCHANGE AGREEMENT

On 26 January 2016, Jingcheng Holding and Jingguofa entered into the Jingguofa Equity Interest Exchange Agreement, pursuant to which Jingguofa agreed to sell the Jingguofa Equity Interest in exchange of the Jingguofa Consideration Shares held by Jingcheng Holding.

Date

26 January 2016

Parties

Vendor: Jingguofa

Purchaser: Jingcheng Holding

Assets to be disposed of

Pursuant to the Jingguofa Equity Interest Exchange Agreement, Jingguofa agreed to sell and Jingcheng Holding agreed to purchase the Jingguofa Equity Interest

The consideration

The consideration of Jingguofa Equity Interest in the sum of RMB222,009,206.83 will be satisfied (i) as to RMB221,995,120.00 by Jingcheng Holding transferring Jingguofa Consideration Shares to Jingguofa, (ii) as to RMB54,006.83 by cash to Jingguofa. Jingguofa Consideration Shares represent 4.73% of the issued share capital of the Company.

Basis of consideration

The consideration for the Jingguofa Equity Interest was arrived at after arm's length negotiations between Jingcheng Holding and Jingguofa and was determined with reference to the valuation results of Minghui Tianhai of RMB645,731,900 as at 30 June 2015 according to the valuation report issued by an independent valuer in the PRC, Beijing China Alliance Appraisal Co., Ltd. (北京中同華資產評估有限公司) using the asset approach, such valuation result was filed with and approved by with Beijing SASAC.

It is agreed that the transfer price of the Jingguofa Consideration Shares shall be the average trading price of the A Shares of the Company as quoted on the Shanghai Stock Exchange over the 30 trading days preceding the date of Jingguofa Equity Interest Exchange Agreement, i.e. RMB11.12 per A Share. The number of Jingguofa Consideration Shares of 19,960,000 A Shares is calculated by the consideration for Jingguofa Equity Interest (i.e. RMB221,995,120.00 ÷ RMB11.12 per A Share, which represent 4.73 % of the issued share capital of the Company. The remaining part of the consideration, being RMB54,006.83, Jingcheng Holding shall pay Jingguofa in cash.

Taking Effect of the Jingguofa Equity Interest Exchange Agreement

The Jingguofa Equity Interest Exchange Agreement shall take effect subject to the fulfillment of the following conditions (the effective date being the date of fulfillment of the last of these conditions):

- a the approval of the transactions contemplated under the Jingguofa Equity Interest Exchange Agreement by the board of directors and shareholders of the Company;
- b the approval of the non-exercise of the Right of First Refusal and the transactions contemplated under the Jingguofa Equity Interest Exchange Agreement by the shareholders of Minghui Tianhai;
- c the approval by SASAC of the transactions contemplated under the Jingguofa Equity Interest Exchange Agreement; and
- d the approval by other governmental and regulatory authorities (if required).

Neither Jingcheng Holding nor Jingguofa has the right to waive any of the above conditions. As at the date of this announcement, among the above conditions precedent, only the condition (b) above is fulfilled, and other conditions have not yet been fulfilled.

Completion

Completion shall take place within 45 working days after the above conditions of the Beiba Media Equity Interest Exchange Agreement have been fulfilled.

Upon the completion of the Jingguofa Equity Interest Exchange Agreement, Jingguofa will cease to hold any interest in Minghui Tianhai and will hold 4.73% of the issue share capital of the Company.

After the completion of the Beiba Media Equity Interest Exchange Agreement and Jingguofa Equity Interest Exchange Agreement, Jingcheng Holding will hold 61.49% equity interests in Minghui Tianhai and the its shareholding in the Company will be reduced to 33.50%, assuming there is no other acquisition or disposal of A Shares by Jingcheng Holding prior to the completion.

The Directors (excluding the members of the IBC who will express their views after receiving advice from the Independent Financial Adviser) consider that the Board's decision not to exercise the Right of First Refusal, the terms of the Beiba Media Equity Interest Exchange Agreement and the Jingguofa Equity Interest Exchange Agreement are made on normal commercial terms which are fair and reasonable and in the interests of the Company and its shareholders as a whole.

None of the Directors had material interest in respect of the non-exercise of Right of First Refusal. However, in view of good corporate governance practices, Mr. Wang Jun, Mr. Xia Zhonghua, Ms. Jin Chunyu and Mr. Fu Hongquan, being directors nominated by Jingcheng Holding, had both abstained from voting in the relevant Board resolution approving the non-exercise of Right of First Refusal.

(4) LISTING RULES IMPLICATIONS

Jingcheng Holding is a controlling shareholder of the Company and thus a connected person of the Company. Minghui Tianhai is held as to 30.23% by Beiba Media and 31.26% by Jingguofa. Each of Beiba Media and Jingguofa is a connected person of the Company only because of their respective equity interest in Minghui Tianhai, each of Beiba Media and Jingguofa is a connected person at the subsidiary level of the Company under Rule 14A.06(9) of the Listing Rules. Accordingly, the non-exercise of Right of First Refusal together with the Equity Interest Exchange Transactions constitute a connected transaction under Chapter 14A of the Listing Rules.

As the relevant percentage ratios in respect of the non-exercise of Right of First Refusal together with the Equity Interest Exchange Transactions in aggregate are more than 5% and the total consideration is higher than HK\$3,000,000, the non-exercise of Right of First Refusal and the Equity Interest Exchange Transactions are subject to the reporting, announcement and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

(5) TAKEOVERS CODE IMPLICATIONS

As the Equity Interest Exchange Transactions involved disposals of voting rights by Jingcheng Holding in the period between the Announcement and the completion of the Material Assets Reorganisation, the Equity Interest Exchange Transactions constitute disqualifying transactions under paragraph 3 of Schedule VI of the Takeovers Code. Paragraph 3 of Schedule VI of the Takeovers Code provides that the Executive will not grant the Whitewash Waiver if there occurs any disqualifying transaction. Given that the granting of the Whitewash Waiver is one of the conditions precedent for each of the Asset Purchase Agreement, the Equity Interests Transfer Framework Agreement and the Subscription Agreement, the Material Assets Reorganisation or any other transactions mentioned in the Announcement may not be materialised or eventually be consummated. The Material Assets Reorganisation or any other transactions mentioned in the Announcement is under revision or modification such that it will not in any event trigger any mandatory offer under Rule 26 of the Takeovers Code.

(6) DESPATCH OF CIRCULAR

A circular containing, among other things, (i) further information on the non-exercise of Right of First Refusal, Beiba Media Equity Interest Exchange Agreement and Jingguofa Equity Interest Exchange Agreement; (ii) the particulars required by the Listing Rules concerning the non-exercise of Right of First Refusal, Beiba Media Equity Interest Exchange Agreement and Jingguofa Equity Interest Exchange Agreement; (iii) the recommendation of the IBC; (iv) advice of the Independent Financial Adviser regarding the non-exercise of Right of First Refusal, the Beiba Media Equity Interest Exchange Agreement and Jingguofa Equity Interest Exchange Agreement; and (v) notice to convene the general meeting is expected to be despatched by the Company to the Shareholders on or before 22 February 2016.

The IBC (comprising all the independent non-executive Directors) will be formed, to advise the Independent Shareholders on the non-exercise of Right of First Refusal, the terms of the Beiba Media Equity Interest Exchange Agreement and Jingguofa Equity Interest Exchange Agreement, and the transactions contemplated thereunder, as appropriate.

The Independent Financial Adviser will be appointed to advise the IBC and the Independent Shareholders in relation to the non-exercise of Right of First Refusal, the terms of the Beiba Media Equity Interest Exchange Agreement and Jingguofa Equity Interest Exchange Agreement, and the transactions contemplated thereunder.

(7) GENERAL

Information on the Company

The Company is principally engaged in research and development, manufacture and sale of compressed gas cylinders, gas compressors and related equipment.

Information on Jingcheng Holding

Jingcheng Holding is an enterprise in the equipment manufacturing industry. Its main business segments include digitally-controlled machine tool segment, gas storage and transportation segment, printing machinery segment, environmental protection business segment, engineering machinery segment, power generation and transfer segment, logistics business segment and hydraulic equipment production segment.

Information on Tianhai Industrial

Authorised scope of operation of Tianhai Industrial: production of gas cylinders, accumulator shells, pressure vessels and auxiliary equipments, add-on components, fire extinguishers, fire extinguishing system products and components, gas cylinders for medical equipment, gas cylinders for life rescues, gas cylinders and components for food machineries, gas and wrapped cylinders and components for gas vehicles, gas storage special containers, bundled devices, cryogenic gas cylinders and components, LPG cylinders and components, aluminium cores, cylinders and components, new enhanced complex materials (complex materials such as carbon fibre, organic fibre and high strength glass fibre) and products, complex gas cylinders (natural gas storage cylinders for vehicles, gas storage cylinders for respirators, containers for water treatment), testing equipment for complex gas cylinders, production of compressors (piston compressor, membrane compressor and membrane compressor of nuclear grading); general logistics (validity of Road Transport Licenses until 7 May 2016).

General scope of operation: providing installation, adjustment, maintenance, technical consultancy and services of self-production products; sales of self-production products; wholesale of cryogenic containers for storage and transportation; providing after-sales service and maintenance; design and sale of compressors (piston compressor, membrane compressor and membrane compressor of nuclear grading) and accessories; sale of machinery equipment and electrical equipment; equipment maintenance; technical consultancy and technical services; import and export of commodities and technology and acting as import and export agency; professional contractor.

Information on Minghui Tianhai

Minghui Tianhai was established in the PRC on 27 November 2012. Its general scope of business is production and sales of cryogenic equipment, automotive liquefied gas bottle and mini tank, and import and exports of products.

Based on the audited financial statements of Minghui Tianhai, which were prepared in accordance with accounting principles generally accepted in the PRC, the net asset value and the profit before and after taxation for the periods ended 31 December 2013 and 31 December 2014 are set out in the following table:

	For the period ended 31 December 2014 <i>RMB (audited)</i>	For the period ended 31 December 2013 <i>RMB (audited)</i>
Net asset value	600,414,400	407,631,500
Profit before taxation	-7,217,100	-2,391,100
Profit after taxation	-7,217,100	-2,391,100

Information on Beiba Media

Beiba Media is principally engaged in passenger vehicles rental transportation; inter-provincial transportation; railway transportation; repair and maintenance of automobiles; modifications of automobiles facilities; agency for automobiles insurance; catering services; design, manufacture and issuance of advertisements from local or foreign enterprises; rental of automobiles; development and sale of clean fuel consumed by automobiles; technological development, technological transfer, technological consultancy and provisions technological services of the public transport IC card/ITS smart card intelligent transportation systems; sale of post-development products, machinery and electric equipment, computers and computer peripheral equipment, automobiles (except passenger vehicles less than nine seats); personnel training; investment and investment management.

Information on Jingguofa

Jingguofa is principally engaged in the investment in non-securities business, investment management and consultancy.

Shareholders are reminded that the Beiba Media Equity Interest Exchange Agreement and the Jingguofa Equity Interest Exchange Agreement are conditional upon a number of conditions as set out in this announcement being fulfilled and Equity Interest Exchange Transactions may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

CONTINUED TRADING HALT OF H SHARES

Trading in H Shares on the Stock Exchange has been halted since 9:00 a.m. on 27 January 2016 pending the release of an announcement in relation to Material Assets Reorganisation. Trading in H Shares will remain halted for not more than 5 trading days from 28 January 2016. The Company will publish such announcement as soon as practicable containing the relevant update. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless otherwise indicated in the context, the following terms shall have the meaning set out below:-

“A Share(s)”	Renminbi ordinary share(s) of RMB1.00 in the share capital of the Company, which are listed in the Shanghai Stock Exchange
“Announcement”	the announcement of the Company dated 11 December 2015 in relation to the material assets reorganisation of the Company which involved (1) possible very substantial acquisition and connected transactions involving – proposed acquisition of Jingcheng International Financial Leasing Co. Ltd.; (2) proposed non-public issue of A Shares; (3) possible connected transaction – proposed subscription of A Shares by the controlling shareholder; and (4) application for whitewash waiver
“Asset Purchase Agreement”	as the meaning as defined in the Announcement
“Beiba Media”	Beijing Bashi Media Co., Ltd. (北京巴士傳媒股份有限公司), a company incorporated in the PRC with limited liability and the shares of which are listed on the Shanghai Stock Exchange
“Beiba Media Consideration Shares”	19,300,000 A Shares held by Jingcheng Holding to be transferred for the settlement of the part of consideration for acquiring the Beiba Media Equity Interest in accordance with the terms of Beiba Media Equity Interest Exchange Agreement
“Beiba Media Equity Interest”	30.23% equity interest of Minghui Tianhai owned by Beiba Media
“Beiba Media Equity Interest Exchange Agreement”	the conditional agreement dated 26 January 2016 entered into between Beiba Media and Jingcheng Holding in relation to the transfer of Beiba Media Equity Interest
“Beijing SASAC”	State-owned Asset Supervision and Administration Commission of Beijing Municipal Government
“Board”	the board of Directors
“Company”	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 PRC with limited liability and the shares of which are listed on the Main Board of the Stock Exchange and the Shanghai Stock Exchanges

“connected person(s)”	has the meaning as ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning as ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Executive”	the Executive Director of the Corporate Finance Division of the SFC from time to time and any delegate of such Executive Director
“Equity Interest Exchange Transactions”	the transactions contemplated under the Beiba Media Equity Interest Exchange Agreement and the Jingguofa Equity Interest Exchange Agreement
“Equity Interests Transfer Framework Agreement”	as the meaning as defined in the Announcement
“Group”	the Company and its subsidiaries
“H Share(s)”	the overseas foreign listed share(s) of nominal value of RMB1.00 each in the share capital of the Company, which are listed on the Main Board of the Stock Exchange and subscribed for and traded in HK\$
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IBC”	an independent committee of the Board comprising all the independent non-executive Directors, to advise the Independent Shareholders as regards the non-exercise of the Right of First Refusal, the terms of Beiba Media Equity Interest Exchange Agreement and Jingguofa Equity Interest Exchange Agreement, and the transactions contemplated thereunder
“Independent Financial Adviser”	the independent financial adviser to be appointed to advise the Independent Shareholders in relation to the non-exercise of Right of First Refusal, the terms of the Beiba Media Equity Interest Agreement and Jingguofa Equity Interest Agreement, and the transactions contemplated thereunder
“Independent Shareholder(s)”	the Shareholders other than (i) Jingcheng Holding and its associates and concert parties; and (ii) the Shareholders who are involved in or interested in the non-exercise of Right of First Refusal, the Beiba Media Equity Interest Agreement and Jingguofa Equity Interest Agreement

“Jingcheng Holding”	北京京城機電控股有限責任公司 (Beijing Jingcheng Machinery Electric Holding Co., Ltd.*), a company incorporated in the PRC and holding 42.80% interests in the Company
“Jingguofa”	北京京國發股權投資基金 (有限合夥) (Beijing Jingguofa Equity Investment Fund (limited partnership)*), a company incorporated in the PRC with limited liability
“Jingguofa Consideration Shares”	19,960,000 A Shares held by Jingcheng Holding to be transferred for the settlement of the part of consideration for acquiring the Jingguofa Equity Interest in accordance with the terms of Jingguofa Equity Interest Exchange Agreement
“Jingguofa Equity Interest”	31.26% equity interest of Minghui Tianhai owned by Jingguofa
“Jingguofa Equity Interest Exchange Agreement”	the conditional agreement dated 26 January 2016 entered into between Jingguofa and Jingcheng Holding in relation to the transfer of Jingguofa Equity Interest
“JV Agreement”	the capital injection agreement dated 16 May 2014 entered into amongst Minghui Tianhai, Beiba Media, Jingguofa and Tianhai Industrial relating to the establishment of Minghui Tianhai
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Material Assets Reorganisation”	as the meaning as defined in the Announcement
“Minghui Tianhai”	北京明暉天海氣體儲運裝備銷售有限公司 (Beijing Minghui Tianhai Gas Storage and Transportation Equipment Trading Co., Ltd.*), a limited liability company established in the PRC and a subsidiary of Tianhai Industrial
“Right of First Refusal”	the Company’s right of first refusal to acquire the equity interests in Minghui Tianhai held by Beiba Media and/or Jingguofa under the JV Agreement
“PRC” or “China”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, Macau and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SASAC”	State-owned Asset Supervision and Administration Commission
“SFC”	Securities and Futures Commission of Hong Kong

“Shanghai Stock Exchange”	the Shanghai Stock Exchange
“Share(s)”	A Shares and/or H Shares
“Shareholder(s)”	the holders of A Shares and/or the holders of H Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	as the meaning as defined in the Announcement
“Takeovers Code”	the Hong Kong Code on the Takeovers and Mergers
“Tianhai Industrial”	北京天海工業有限公司 (Beijing Tianhai Industry Co., Ltd.*), a limited liability company established in the PRC and a wholly-owned subsidiary of the Company
“Whitewash Waiver”	as the meaning as defined in the Announcement
“%”	percent

For and on behalf of the Board
Beijing Jingcheng Machinery Electric Company Limited
Jiang Chi
Company Secretary

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.

As at the date of this announcement, the board of directors of Jingcheng Holding comprises 7 directors namely, Mr. Ren Yaguang, Mr. Chou Ming, Mr. Zhao Ying, Mr. Qi Jianbo, Mr. Bai Jinrong, Mr. Xie Baitang and Mr. Wang Guohua.

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement other than those relating to the Jingcheng Holding and parties acting in concert with it, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.

The directors of the Jingcheng Holding jointly and severally accept full responsibility for the accuracy of the information contained in this announcement relating to the Jingcheng Holding and parties acting in concert with it, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.

** For identification purpose only*