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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)**

**MATERIAL ASSETS REORGANISATION**

**THE REVISED ASSET PURCHASE AGREEMENT  
THE REVISED SUBSCRIPTION AGREEMENT  
AND THE REVISED NON-PUBLIC ISSUE OF A SHARES**

Reference is made to the Announcement and Second Announcement published by the Company regarding the Material Assets Reorganisation.

**THE REVISED ASSET PURCHASE AGREEMENT**

On 3 February 2016, Jingcheng Holding and the Company entered into the Revised Asset Purchase Agreement, pursuant to which the parties made certain amendments to the Asset Purchase Agreement, including (1) revising the Price Determination Date which leads to the change of the issue price of the Consideration Shares from RMB10.86 to RMB11.01 per Consideration Share, (2) revising the settlement of consideration from by allotting and issuing 34,418,842 Consideration Shares by the Company for the 75% equity interest of Jingcheng International Financial to payment in cash for settlement of the consideration for 30% equity of Jingcheng International Financial and by allotting and issuing 20,369,952 Revised Consideration Shares for settlement of the consideration for 45% equity of Jingcheng International Financial.

The Asset Purchase Agreement has been also revised to include (1) the Revised Asset Purchase Agreement and the Revised Subscription Agreement shall take place and complete simultaneously; and (2) the Proposed 75% Acquisition does not trigger an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The condition of the Executive granting the Whitewash Waiver is removed.

## **THE REVISED SUBSCRIPTION AGREEMENT**

On 3 February 2016, Jingcheng Holding and the Company entered into the Revised Subscription Agreement, pursuant to which the parties made certain amendments to the Subscription Agreement, to include that (1) the Revised Asset Purchase Agreement and the Revised Subscription Agreement shall take place and complete simultaneously; and (2) the Subscription does not trigger an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The condition of the Executive granting the Whitewash Waiver is removed.

## **THE REVISED NON-PUBLIC ISSUE OF A SHARES**

The cap for total fund raise in the Non-public Issuance has been revised from not exceeding the lower of (i) RMB200,000,000 and (ii) the total consideration of RMB498,384,827.67 of the Proposed Acquisition to not exceeding the lower of (i) RMB300,000,000 and (ii) the total consideration of RMB498,384,827.67 of the Proposed Acquisition.

Reference is made to the Announcement and Second Announcement published by the Company regarding the Material Assets Reorganisation. Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meaning as those defined in the Announcement.

As disclosed in the Second Announcement, the Material Assets Reorganisation or any other transactions mentioned in the Second Announcement has been under revision or modification by the Company such that it will not in any event trigger any mandatory offer under Rule 26 of the Takeovers Code. The Company and Jingcheng Holding entered into the Revised Asset Purchase Agreement and Revised Subscription Agreement to make certain amendments to the terms of the Material Assets Reorganisation.

## **I. THE REVISED ASSET PURCHASE AGREEMENT**

### **Date**

3 February 2016

### **Parties**

Vendor: Jingcheng Holding  
Purchaser: the Company

### **The revised Price Determination Date**

Since there is a material change in the Material Assets Reorganisation, under the Revised Asset Purchase Agreement, the Price Determination Date has been revised from 26 November 2015, i.e. the date of announcement in relation to resolutions passed at the sixth meeting of the eighth session of the Board to 3 February 2016, i.e. the date of the announcement in relation to resolutions passed at the sixteenth extraordinary meeting of the eighth session of the Board.

## **The revised issue price of the Consideration Shares**

The revised issue price of the Consideration Shares is calculated based on not be less than 90% of the average trading price of the Company quoted on the Shanghai Stock Exchange over 120 trading days preceding the Revised Price Determination Date (formula: average trading price of the A Shares over the 120 trading dates preceding the Revised Price Determination Date = the total turnover of the A Shares over the 120 trading days preceding the Revised Price Determination Date/ the total trading volume of the A Shares over the 120 trading days preceding the Revised Price Determination Date). Therefore, the issue price of the Proposed Acquisition has been revised from RMB10.86 per Consideration Share to RMB11.01 per Consideration Share (subject to finalisation).

The revised issue price is still subject to the approval at the Shareholders' meeting, A Shares Class Meeting and H Shares Class Meeting and subject to adjustment in case of ex-dividend and ex-rights events of the Company such as distribution of dividends, rights issue or bonus issue from the Revised Price Determination Date up to the date of issue of the Consideration Shares.

## **The revision on how the consideration will be satisfied**

The settlement of the consideration under the Proposed 75% Acquisition has been amended as follows:

1. The Company will make payment in cash to Jingcheng Holding for the settlement of RMB149,515,448.30 (i.e. the total consideration of the Proposed Acquisition, being RMB498,384,827.67 x 30%), being the consideration for acquiring 30% equity interest of Jingcheng International Financial.
2. The Company will allot and issue 20,369,952 Consideration Share, credited as fully paid, to Jingcheng Holding for the settlement of RMB224,273,172.45 (i.e. the total consideration of the Proposed Acquisition, being RMB498,384,827.67 x 45%), being the consideration for acquiring 45% equity interest of Jingcheng International Financial.

## **Conditions of the Revised Asset Purchase Agreement**

Condition (6), i.e. the Executive granting the Whitewash Waiver (as disclosed on page 7 of the Announcement) for taking effect of the Asset Purchase Agreement has been removed in the Revised Asset Purchase Agreement. The following additional condition for taking effect of the Revised Asset Purchase Agreement has been included:

1. the Proposed 75% Acquisition does not trigger an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

The conditions (1) to (5) and (7) (as disclosed on page 7 of the Announcement) remain unchanged in the Revised Asset Purchase Agreement.

## **Completion**

The Revised Asset Purchase Agreement has been revised that the equity interest transfer procedures and formalities under the Revised Asset Purchase Agreement and the Revised Subscription Agreement will be handled and complete simultaneously.

## **II. THE REVISED SUBSCRIPTION AGREEMENT**

### **Date**

3 February 2016

### **Parties**

Subscriber:       Jingcheng Holding  
Issuer:            the Company

### **Conditions of the Revised Subscription Agreement**

Condition (vi), i.e. the Executive granting the Whitewash Waiver (as disclosed on page 16 of the Announcement) for taking effect of the Subscription Agreement has been removed in the Revised Subscription Agreement. The following additional condition for taking effect of the Revised Subscription Agreement has been included:

1. the Subscription does not trigger an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

The conditions (i) to (v) (as disclosed on pages 15 to 16 of the Announcement) remain unchanged in the Revised Subscription Agreement.

### **Completion**

The Revised Subscription Agreement has been revised that the equity interest transfer procedures and formalities under the Revised Asset Purchase Agreement and the Revised Subscription Agreement will be handled and complete simultaneously.

## **III. THE REVISED NON-PUBLIC ISSUE OF A SHARES**

### **Total fund raise in the Non-public Issuance**

The cap for total fund raise in the Non-public Issuance has been revised from not exceeding the lower of (i) RMB200,000,000 and (ii) the total consideration of RMB498,384,827.67 of the Proposed Acquisition to not exceeding the lower of (i) RMB300,000,000 and (ii) the total consideration of RMB498,384,827.67 of the Proposed Acquisition.

## Conditions precedent

The Non-public Issuance remains subject to the approval at the Shareholders' meeting, A Shares Class Meeting and H Shares Class Meeting of the Company, approval of Beijing SASAC, and approval of CSRC and other securities regulatory authorities (if applicable).

## Effects on the shareholding structure of the Company

Set out below is the information on the Company's shareholding structure (i) as at the date of this announcement; and (ii) immediately after the completion of Equity Interest Exchange Transactions, strictly for reference only:

Name of shareholders	As at the date of this announcement			Immediately after the completion of the Equity Interest Exchange Transactions (Note 3)		
	Number of Shares held	Approximate percentage of the total issued A Share capital of the Company	Approximate percentage of the total issued share capital of the Company	Number of Shares held	Approximate percentage of the total issued A Share capital of the Company	Approximate percentage of the total issued share capital of the Company
Jingcheng Holding	180,620,000	56.09%	42.80%	141,360,000 (Notes 1 & 2)	43.90% (Notes 1 & 2)	33.50%
Other public holders of A Shares	141,380,000	43.91%	33.50%	180,640,000 (Note 2)	56.10% (Note 2)	42.81%
Other public holders of H Shares	100,000,000	—	23.70%	100,000,000	—	23.70%
<b>Total</b>	<b>422,000,000</b>	<b>100.00%</b>	<b>100.00%</b>	<b>422,000,000</b>	<b>100.00%</b>	<b>100.00%</b>

*Note 1:* The specific number of A Shares to be issued to Jingcheng Holding under the Revised Asset Purchase Agreement shall be determined based on the final consideration on Jingcheng International Financial. The final consideration may be adjusted upward or downward and the number of Revised Consideration Shares to be issued to the Jingcheng Holding may be adjusted. In any event, the number of A Shares to be issued to Jingcheng Holding under the Revised Asset Purchase Agreement together with the number of A Shares to be issued under the revised Non-public Issuance will not cause the percentage in shareholding in the Company of Jingcheng Holding to rise by 2% or more, and will not trigger an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

*Note 2:* The specific number of A Shares to be allotted and issued to target subscribers (including Jingcheng Holding) under the revised Non-public Issuance may be subject to adjustment. The Company will take reasonable steps to confirm that the target subscribers (excluding Jingcheng Holding) of the Non-public Issuance will be independent of and not acting in concert with Jingcheng Holding under the Takeovers Code. In any event, the number of A Shares to be issued to Jingcheng Holding under the Revised Asset Purchase Agreement together with the number of A Shares to be issued under the revised Non-public Issuance will not cause the percentage in shareholding in the Company of Jingcheng Holding to rise by 2% or more, and will not trigger an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

*Note 3:* The completion of Equity Interest Exchange Transactions will take place before Material Assets Reorganisation.

#### **IV. RESUMPTION OF TRADING IN A SHARES**

Upon application by the Company, the trading in the A Shares on the Shanghai Stock Exchange has been suspended since 9:00 a.m. 28 January 2016 pending the release of the revised proposal for the Material Assets Reorganisation. The Company has applied to the Shanghai Stock Exchange for the resumption of trading in A Shares on the Shanghai Stock Exchange with effect from 9:00 a.m. on 4 February 2016.

#### **DEFINITIONS**

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

“Announcement”	the announcement of the Company dated 11 December 2015 on the Material Assets Reorganisation
“Equity Interest Exchange Transactions”	as the meaning as defined in the Second Announcement
“Revised Asset Purchase Agreement”	the revised conditional asset purchase agreement (發行股份及支付現金購買資產協議) dated 3 February 2016 entered into between the Company and Jingcheng Holding in relation to the Proposed 75% Acquisition
“Revised Consideration Shares”	20,369,952 new A Shares to be allotted and issued by the Company, credited as fully paid, to Jingcheng Holding for the settlement of the consideration of the proposed acquisition of 45% equity interests in Jingcheng International Financial in accordance with the terms of the Revised Asset Purchase Agreement
“Revised Price Determination Date”	3 February 2016, the date of the announcement in relation to resolutions passed at the sixteenth extraordinary meeting of the eighth session of the Board

“Revised Subscription Agreement”	the revised conditional shares subscription agreement (附條件生效的非公開發行股份認購協議) dated 3 February 2016 entered into between the Company and Jingcheng Holding in relation to the proposed subscription of A shares under the Non-public Issuance
“Second Announcement”	the announcement of the Company dated 27 January 2016 on connected transaction and resumption of trading
“Subscription”	the subscription of certain number of A Shares by Jingcheng Holding under the Revised Subscription Agreement

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

Beijing, the PRC, 3 February 2016

*As at the date of this announcement, the board of directors of the Company 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 director 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 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 Jingcheng Holding and Jingcheng International Financial and parties acting in concert with any of them, 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.*