京城機電股份
JINGCHENG MAC

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)

INSIDE INFORMATION
SUSPENSION OF TRADING IN A SHARES DUE TO MATERIAL EVENT

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

This announcement is made by Beijing Jingcheng Machinery Electric Company Limited (the "**Company**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Listing Rules**") and the Inside Information Provisions (as defined under the Hong Kong Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The Company announced "The issue of shares and payment of cash to purchase assets and related fund raising and connected transaction proposal and summary of Beijing Jingcheng Machinery Electric Company Limited" on 3 February 2016 and the A shares of the Company resumed trading on 4 February 2016. Thereafter, the Company announced the progress of the Material Assets Reorganisation every 30 days in accordance with relevant requirement.

In accordance with the laws and regulations such as the Hong Kong Listing Rules and the Codes on Takeovers and Mergers, in order to prevent the triggering of any mandatory offer by Beijing Jingcheng Machinery Electric Holding Co., Ltd., ensure the listed position of H Shares on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") and carry out the reorganisation proposal of H Shares of the Company successfully, the Company made modification to the reorganisation proposal and announced the relevant proposal on 3 February 2016.

In the course of carrying out the Material Assets Reorganisation, the China Securities Regulatory Commission announced the requirement of Rule 44 of Administrative Measures on Significant Asset Restructuring of Listed Companies (《上市公司重大資產重組管理辦法》) in the Questions and Answers about Issuance of Shares by Listed Companies to Acquire Assets and Raising Supporting Proceeds (《關於上市公司發行股份購買資產同時募集配套資金的相關問題與解答》) on 17 June 2016. **According to such requirement, there is material impact on the Material Assets Reorganisation of the Company, and the Company intends to terminate the Material Assets Reorganisation.** In order to protect the interest of investors and avoid abnormal fluctuation of stock price, the Company has applied to the Shanghai Stock Exchange for the suspension of trading in the A Shares of the Company from 27 June 2016 in accordance with the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange. The Company will ascertain the material event mentioned above with relevant parties as soon as possible and carry out follow-up work according to relevant requirements in a timely manner. Trading in the H Shares of the Company will not be suspended on 27 June 2016 and the trading of H Shares will continue.

The Company undertakes to announce the relevant situation and resume trading in its A Shares within 5 working days (including the date of suspension).

The designated media for publication of Company information includes the website of the Shanghai Stock Exchange (http://www.sse.com.cn), Shanghai Securities News, Securities Daily and the website of Hong Kong Stock Exchange (http://www.hkexnews.hk). Investors are advised to pay attention to investment risks.

The board of directors of
Beijing Jingcheng Machinery Electric Company Limited

Beijing, the PRC, 27 June 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 directors and Ms. Wu Yan, Mr. Liu Ning, Mr. Yang Xiaohui and Mr. Fan Yong as independent non-executive directors.