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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)

**INDICATIVE ANNOUNCEMENT ON
RESUMPTION OF TRADING IN A SHARES**

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 for the truthfulness, accuracy and completeness of the contents herein contained.

Beijing Jingcheng Machinery Electric Company Limited (the “Company”) made an announcement titled ANNOUNCEMENT OF SIGNIFICANT MATTER AND SUSPENSION OF TRADING on 26 June 2015 and the trading in shares of the Company has been suspended from 29 June 2015 due to the material assets reorganisation.

On 26 November 2015, the Company convened the sixth meeting of the eighth session of the board of directors, at which relevant resolutions were considered and approved, including RESOLUTION IN RELATION TO THE ISSUE OF SHARES IN CONSIDERATION OF ASSET PURCHASE AND FUND RAISING OF THE COMPANY CONSTITUTING CONNECTED TRANSACTION.

During the period of suspension, the Company disclosed the progress of the material assets reorganisation in accordance with the relevant requirements and fully disclosed the risks involving in the reorganisation in the announcements on the reorganisation proposal and reorganisation progress. Trading in H shares of the Company resumed from 1:00 p.m. on 28 January 2016.

In order to avoid triggering the mandatory offer by Jingcheng Holding and further strengthen the Company's capital strength, the Company amended the reorganisation proposal by changing acquisition of 75% equity interest of Beijing Jingcheng International Financial Leasing Co., Ltd. (“Jingcheng International”) held by Beijing Jingcheng Machinery Electric Holding Co., Ltd. (“Jingcheng Holding”) by way of share issuance and raising fund of not exceeding RMB200 million to acquisition of 75% equity interest of Jingcheng International held by Jingcheng Holding by way of share issuance and

payment in cash and raising fund of not exceeding RMB300 million. On 3 February 2016, the Company convened the sixteenth extraordinary meeting of the eighth session of the board of directors, at which relevant resolutions were considered and passed, including the RESOLUTION IN RELATION TO THE REPORT OF BEIJING JINGCHENG MACHINERY ELECTRIC COMPANY LIMITED'S ISSUE OF SHARES AND CASH PAYMENT IN CONSIDERATION OF ASSET PURCHASE AND FUND RAISING CONSTITUTING CONNECTED TRANSACTION (PROPOSAL) AND ITS SUMMARY (the "Proposal"). Meanwhile, the Company applied to the Shanghai Stock Exchange to resume the trading of A shares of the Company since 4 February 2016. The Company made announcement of such matter at the interval of every thirty trading days to disclose the progress of the material assets reorganisation.

Given the material changes in securities market and policies upon the date of the announcement of the transaction proposal, the parties concerned could not arrive at a transaction proposal complying with such changes and relevant parties have unanimously agreed to terminate the material assets reorganisation after negotiation and prudent consideration, in order to protect the interests of shareholders. On 30 June 2016, the Company convened the nineteenth extraordinary meeting of the eighth session of the board of directors, at which the RESOLUTION IN RELATION TO THE TERMINATION OF THE ASSETS REORGANISATION was passed (please refer to the Company's announcement No. 2016-031 for details). The Company convened an investors briefing session at the First Conference Room, No. 2 Huo Xian Nan San Road, Huo Xian Town, Tongzhou District, at 9:30-11:30 a.m. on 4 July 2016 to interact and communicate with the investors with regard to the relevant matters involving in the material assets reorganisation (please refer to the Company's announcement No. 2016-036 for the information provided in such session).

In accordance with the relevant requirements of Shanghai Stock Exchange, the trading in A shares of the Company will resume from 5 July 2016. The trading in H shares of the Company will continue on 5 July 2016. The board of directors of the Company expresses deeply regret for the inconvenience to the investors due to the suspension of trading in A shares; and expresses deep gratitude for investors' long-term concern and support to the development of the Company.

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 The Stock Exchange of Hong Kong Limited (<http://www.hkexnews.hk>). Investors are advised to pay attention to the investment risks.

The board of directors of
Beijing Jingcheng Machinery Electric Company Limited

Beijing, the PRC, 4 July 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.