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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 reorganization 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. Trading in the shares of the Company has been suspended for not more than one month with effect from 13 July 2015.

At present, the relevant proposals of the material assets reorganisation are still under discussion and various works including auditing, valuation are in progress. As there are still uncertainties in the matter, in order to ensure fair disclosure of information and safeguard the interests of the investors, 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 according to the progress of the material assets reorganisation 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, 7 August 2015

*As at the date of this announcement, the board of directors of the Company comprises Mr. Hu Chuanzhong, Mr. Li Junjie, Ms. Liu Zhe and Ms. Jiang Chi 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.*