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)

ANNOUNCEMENT OF SIGNIFICANT MATTER AND CONTINUED SUSPENSION OF TRADING

The board of directors of the Company and all members of the Board warrant that this announcement does not contain any false information, misleading statement or material omission and accept joint and several responsibilities for the truthfulness, accuracy and completeness of the contents herein contained.

As Beijing Jingcheng Mechanical and Electrical Holding Co., Ltd. (the "JCH"), the beneficial controller of Beijing Jingcheng Machinery Electric Company Limited (the "Company"), is planning a significant matter, trading in the shares of the Company has continued to be suspended with effect from 29 June 2015 upon application made by the Company. The Company has disclosed the Announcement of Significant Matter and Suspension of Trading on the website of the Shanghai Stock Exchange (http://www.sse.com.cn) and on the HKExnews website of the Stock Exchange of Hong Kong Limited (http://hkexnews.hk) on 26 June 2015 (Announcement No.: Lin 2015-031).

After negotiating and discussing with the parties concerned, the Company is planning the non-public issue of shares or issue of shares in consideration of asset purchase. Currently, the significant matter is still under the stage of planning. As there are still material uncertainties in the said matter, in order to ensure fair disclosure of information, protect investors' benefit and avoid unusual price movement on the Company's share price, the trading in the Company's shares will continue to be suspended.

The Company will confirm whether to proceed with the above significant event as soon as practicable, and will announce the information of the related progress within five working days from 6 July 2015.

The designated information disclosure media of the Company are 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). Investors are advised to be aware of the investment risks involved.

The board of directors of
Beijing Jingcheng Machinery Electric Company Limited

Beijing, the PRC, 3 July 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.