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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 IN RELATION TO THE CONTROLLING SHAREHOLDER OF  
THE COMPANY ENTERING INTO THE EQUITY TRANSFER AGREEMENT  
WITH CONDITIONS**

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

Beijing Jingcheng Machinery Electric Holding Co., Ltd. ("Jingcheng Holding"), a controlling shareholder of Beijing Jingcheng Machinery Electric Company Limited (the "Company" or "Jingcheng Company"), entered into the "Equity Transfer and Swap Agreement in relation to Beijing Jingcheng Machinery Electric Company Limited between Beijing Jingcheng Machinery Electric Holding Co., Ltd. and Beijing Jingguofa Equity Investment Fund (Limited Partnership)" with Beijing Jingguofa Equity Investment Fund (Limited Partnership) ("Jingguofa Fund") and entered into "Equity Transfer and Swap Agreement in relation to Beijing Jingcheng Machinery Electric Company Limited between Beijing Jingcheng Machinery Electric Holding Co., Ltd. and Beijing Bashi Media Co., Ltd." with Beijing Bashi Media Co., Ltd. ("Beiba Media"), respectively, on 26 January 2016 (the "Equity Transfer and Swap Agreement"). The main contents are as follows:

**I. MAIN CONTENTS OF THE EQUITY TRANSFER AGREEMENT**

**(1) Parties**

1. Transferor: Jingcheng Holding
2. Transferee: Jingguofa Fund
3. Transferee: Beiba Media

## **(2) Subject of transfer**

Jingcheng Holding transferred 19.96 million state-owned shares of Jingcheng Company held by it to Jingguofa Fund, representing 4.73% of total share capitals of Jingcheng Company; and transferred 19.3 million state-owned shares of Jingcheng Company held by it to Beiba Media; representing 4.57% of total share capitals of Jingcheng Company. All shares transferred are circulating state-owned shares without selling restriction.

## **(3) Transfer price**

Pursuant to Article 24 of the “Interim Measures for the Administration of State-owned Shareholders’ Transfer of Their Shares of Listed Companies” (Order No. 19 of the State-owned Assets Supervision and Administration Commission of the State Council and the China Securities Regulatory Commission) (《國有股東轉讓所持上市公司股份管理暫行辦法》(國務院國有資產監督管理委員會、中國證券監督管理委員會令第19號)), the equity transfer price shall be determined based on the daily weighted average price in the 30 trading days preceding the date of entering into the Equity Transfer Agreement, which is RMB11.12/share. 39.26 million shares will be transferred in total, of which 19.96 million shares will be transferred to Jingguofa Fund and 19.3 million shares will be transferred to Beiba Media.

## **(4) Payment of consideration**

Being agreed by both Parties, Jingguofa Fund and Beiba Media transferred 31.26% and 30.23% equity interest in Beijing Minghui Tianhai Gas Storage and Transportation Equipment Sales Co., Ltd. (“Minghui Tianhai”) held by them, respectively, as the consideration for purchasing A shares of Jingcheng Company.

The transaction price of Minghui Tianhai is based on the valuation of the Asset Valuation Report (Zhong Tong Hua Ping Bao Zi [2015] No. 882) prepared by China Alliance Appraisal Co., Ltd. on 10 October 2015, which was approved by the Jing Guo Zi Chan Quan [2016] No. 13 of the State-owned Assets Supervision and Administration Commission of People’s Government of Beijing Municipality. Upon negotiation, the transfer price of 31.26% equity interest in Minghui Tianhai to be intended to swap by Jingguofa Fund is RMB 222,009,206.83, of which RMB221,995,120.00 will be settled by swapping the shares of listed company by Jingcheng Holding and RMB54,006.83 will be settled by cash payment by Jingcheng Holding; the transfer price of 30.23% equity interest in Minghui Tianhai to be intended to swap by Beiba Media is RMB 214,713,441.59, of which RMB214,654,600.00 will be settled by swapping the shares of listed company by Jingcheng Holding and RMB97,441.59 will be settled by cash payment by Jingcheng Holding

## **(5) Conditions of registration of transfer**

Jingcheng holding, Jingguofa Fund and Beiba Media agreed that, Jingguofa Fund/Beiba Media shall, in accordance with the PRC law, take or assist to take the procedures for the transfer of state-owned property rights and change of business registration of equity transfer of Minghui Tianhai’s equity interest, within 45 working days from the date on which the Equity Transfer and Swap Agreement taking effect.

Jingcheng holding, Jingguofa Fund and Beiba Media agreed that, Jingcheng Holding shall submit application to the Stock Exchange and the Clearing Company or procure the listed company to submit application to the Stock Exchange and the Clearing Company, as well as completing the equity transfer procedures of the listed company, as early as possible within 45 working days from the date on which the Equity Transfer and Swap Agreement taking effect.

**(6) Relevant taxes**

The taxes incurred in the equity transfer process will be borne by Jingcheng Holding, Jingguofa Fund and Beiba Media, respectively, in accordance with the PRC law and regulations.

**(7) Liability for breach of agreement**

Apart from force majeure, it shall constitute a breach of agreement if any party does not perform or fails to perform promptly or properly any obligation ought to be performed under the Agreement or contravenes any statement, warranty or undertaking under the Agreement. The breaching party shall be liable for compensation of all losses incurred by its default and the scope of compensation includes but not limited to all payments, costs or expenses arising from or in connection with the settlement of any claims, or the enforcement of verdicts, judgments or arbitral awards in respect thereof.

The payment of cash consideration payable by Jingcheng Holding to Jingguofa Fund/Bai Ba Media shall be settled within 45 working days from the date on which the Agreement taking effect; in case of any outstanding payment, liquidated damages shall be charged calculated on the outstanding payables times 0.05%.

**(8) Agreement taking effect**

The Equity Transfer and Swap Agreement shall be formed upon signing by the legal representative or authorized representative of both Parties with the company seal of each party affixed and shall take effect on the date of the following conditions precedent being fully satisfied:

1. Resolutions shall be approved by shareholders of Minghui Tianhai, and which states that other shareholders of Minghui Tianhai waive the pre-emptive rights to purchase the subject equity and also approve the transaction. Internal authority (Board or general meeting) of Jingcheng Company approves the resolution and approves the Transaction;
2. Approval for the Agreement by State-owned Assets Supervision and Administration Commission of the State Council;
3. Approval from other governmental regulatory authorities (if necessary).

In case that any of the conditions precedent of the Equity Transfer and Swap Agreement is not satisfied, the Agreement will not take effect. Each of both Parties shall pay the costs incurred by signing and performing the Agreement and no responsibilities shall be borne by any one of the Parties.

## **II. BASIC INFORMATION OF TRANSFEREES OF EQUITY**

### **(1) Basic information of Jingguofa Fund**

#### **1. Profile of Jingguofa Fund**

Company's name:	Beijing Jingguofa Equity Investment Fund (Limited Partnership)
Corporate nature:	Limited partnership
Date of incorporation:	29 December 2011
Registered capital:	RMB 2250.3 million
Registered address:	Unit F802, 8F, Winland International Finance Centre, Jinrong St. 7, Xicheng District, Beijing, PRC
Managing Partner:	Beijing Jingguofa Investment Management Co., Ltd. (appointing Yin Rongyan as the representative)
Business license registration number:	110000014535280
Organization code:	58912552-6
Scope of business:	Non-securities business investment, investment management and consultancy services. (excluding engagement in the following business: 1. loan business; 2. trading securities investment or financial derivatives trading in open manner; 3. Fund-raising in open manner; 4. providing guarantees to enterprises other than the investee entities)

#### **2. Principal business**

Jingguofa Fund is principally engaged in private equity investments. It conducts marketable operation by way of fund investment and mainly invests in the strategic emerging industries preferentially developed in Beijing, which involve high-end manufacturing, medicine, modern services and transportation.

### 3. Major financial indicators

The major audited financial indicators of Jingguofa Fund for 2013 and 2014 are as follow:

Items	Unit: RMB0'000	
	For the year of 2014 (2014/12/31)	For the year of 2013 (2013/12/31)
Total assets	302,751.68	172,270.23
Net assets attributable to limited partner	302,751.68	172,205.23
Net profit	81,183.83	-895.43

#### 4. There is no relationship between Jingcheng Company and Jingguofa Fund in the fields of property rights, business, assets, credits and debts and persons.

### (2) Basic information of Beiba Media

#### 1. Profile of Beiba Media

Company's name:	Beijing Bashi Media Co., Ltd.
Corporate nature:	Other limited company (listed)
Date of incorporation:	18 June 1999
Registered capital:	403.2 million
Paid up capital:	403.2 million
Address:	Zi Zhu Yuan Lu, 32, Haidian District, Beijing, PRC
Legal representative:	Wang Chunjie
registration number:	110000000454267
Scope of business:	Taxi passenger services; inter-province highway passenger services; light-rail passenger services; vehicles repair; refit of equipment; automobile insurance agency services; catering services; design; production; agency; advertising for domestic and foreign businessmen in China; vehicles leasing; development and sale of environmental-friendly fuel for vehicles; technological development, transfer, consultancy and services in respect of IC cards and ITS intelligent transport systems for public transportation; sale of developed products, mechanicals and electronic equipment, computer and external equipment, and vehicles (excluding sedan cars less than 9 seats); human resources development; investments and investment management.

## **2. Principal business**

Beiba Media is A-share listed company listed on the Shanghai Stock Exchange. Since 2006, Beiba Media has undertaken several asset reorganization and business integration. Its business has been transformed from its original city public transport services to two major businesses, which are advertising media and vehicle services. Recently, Beiba Media has principally engaged in all of the public transport advertising media and related media business of Beijing Public Transport Holdings, Ltd., including vehicle advertising, light boxes advertising in transport stations, mobile advertising and other media resources in vehicles and stations. Meanwhile, Beiba Media has a one-stop chain of vehicle services including vehicle drivers training, vehicles leasing, sale of vehicles, repair and maintenance, and recycling and disassembling of vehicles.

## **3. Major financial indicators**

The major audited financial indicators of Beiba Media for 2013 and 2014 are as follow:

Items	Unit: RMB0'000	
	For the year of 2014 (2014/12/31)	For the year of 2013 (2013/12/31)
Total assets	264,697.95	247,571.14
Net assets	180,646.22	165,784.46
Net profit	19,999.67	18,152.70

## **4. There is no relationship between Jingcheng Company and Jingguofa Fund in the fields of property rights, business, assets, credits and debts and persons.**

## **III. THE EQUITY TRANSFER DOES NOT INVOLVE ANY CHANGES IN THE CONTROLLING INTERESTS IN AND DE FACTO CONTROLLERS OF THE COMPANY.**

Upon the completion of equity transfer, Jingcheng Holding will still hold 141.36 million company shares, representing 33.50% of total share capital of the Company. The actual controlling interests of the Company remain unchanged.

#### IV. RISK WARNING CONCERNING THE EQUITY TRANSFER

The equity transfer shall be undertaken upon the approval by relevant state-owned assets supervision and administration authorities and the Securities and Futures Commission of Hong Kong. As there is uncertainty over the equity transfer, the Company will pay close attention to its progress and timely perform its obligation of information disclosure.

Investors are reminded: The Company's designated media for information disclosure 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>). The information of the Company will be subject to the content published in the above media. Investors are advised to pay attention to the investment risks.

The board of directors of  
**Beijing Jingcheng Machinery Electric Company Limited**

Beijing, the PRC  
27 January 2016

*As at the date of this announcement, the Board 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.*

*As at the date of this announcement, the board of directors of Beijing Jingcheng Machinery Electric Holding Co., Ltd. ("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 of the Company 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 the Jingcheng Holding, Jingcheng Holding Europe GmbH and Beijing Jingcheng International Financial Leasing Co., Ltd. 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.*