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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)**

**CONTINUING CONNECTED TRANSACTIONS  
IN RELATION TO**

- (1) XIHAI PROPERTY LEASE AGREEMENT**  
**(2) ASSET MANAGEMENT COMPANY PLANT AND EQUIPMENT LEASE AGREEMENT**  
**(3) JINGCHENG TIANYI PLANT LEASE AGREEMENT**  
**(4) LONG TERM PURCHASE AGREEMENT**  
**(5) FINANCE LEASE COOPERATION FRAMEWORK AGREEMENT**

The Board wishes to announce that on 3 March 2014, the Group entered into the following agreements which constitute continuing connected transactions of the Company:

- (1) the Xihai Property Lease Agreement entered into between Beijing Xihai as lessor and Jingcheng Compressor (a wholly-owned subsidiary of the Company) as lessee of certain office premises;
- (2) the Asset Management Company Plant and Equipment Lease Agreement entered into between Asset Management Company as lessor and Tianhai Industrial (a wholly-owned subsidiary of the Company) as lessee of certain plant and production facilities;
- (3) the Jingcheng Tianyi Plant Lease Agreement entered into between Jingcheng Compressor as lessor and Jingcheng Tianyi as lessee of certain plant and production facilities;
- (4) the Long Term Purchase Agreement entered into between Jingcheng Logistics as vendor and Tianhai Industrial as purchaser for cylinder steel billets; and
- (5) the Finance Lease Cooperation Framework Agreement entered into between Tianhai Industrial and Jingcheng International Financial pursuant to which Tianhai Industrial will sell and Jingcheng International Financial will purchase the Products for the purpose of providing finance leases by Jingcheng International Financial to Sales Customers.

As at the date of this announcement, Jingcheng Holding is a controlling shareholder of the Company holding approximately 47.78% interest in the Company. Beijing Xihai and Asset Management Company are the direct wholly-owned subsidiaries of Jingcheng Holding. Jingcheng Logistics is 74.8% owned by Jingcheng Holding and Jingcheng International Financial is 75% owned by Jingcheng Holding. Jingcheng Tianyi is 80% owned by Beijing Xihai. Accordingly, Beijing Xihai, Jingcheng Tianyi, Asset Management Company, Jingcheng Logistics and Jingcheng International Financial are the connected persons of the Company under Chapter 14A of the Listing Rules. Since the Xihai Property Lease Agreement, the Jingcheng Tianyi Plant Lease Agreement, the Asset Management Company Plant and Equipment Lease Agreement, the Long Term Purchase Agreement and the Finance Lease Cooperation Framework Agreement shall be carried out on a continuing basis and are expected to extend over a period of time, such agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the relevant percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the Jingcheng Tianyi Plant Lease Agreement, the Long Term Purchase Agreement and the Finance Lease Cooperation Framework Agreement, on an annual basis are more than 0.1% but less than 5%, the Jingcheng Tianyi Plant Lease Agreement, the Long Term Purchase Agreement and the Finance Lease Cooperation Framework Agreement are only subject to the reporting, annual review and announcement requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

On the basis that the transactions under the Lease Agreements involve leasing of properties from the subsidiaries of Jingcheng Holding, the transactions under the Lease Agreements have been aggregated pursuant to Rule 14A.25 of the Listing Rules.

As the relevant applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the annual consideration to be received by the Group under the Lease Agreements on an annual aggregate basis exceed 0.1% but do not exceed 5%, the continuing connected transactions under the Lease Agreements are only subject to the reporting, annual review and announcement requirements but are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **(1) XIHAI PROPERTY LEASE AGREEMENT**

### **Date:**

3 March 2014

### **Parties:**

- (1) Beijing Xihai as lessor
- (2) Jingcheng Compressor, a wholly-owned subsidiary of the Company as lessee

**Term:**

A term of two years commencing from 1 January 2014 to 31 December 2015.

**Premises:**

A property located at No.1 Yuannei, Guangming East Road, Dongcheng District, Beijing (including 2nd floor to 4th floor of Block A of 1,920 sq. meter, 1st floor of 193 sq. meter, a canteen of 66 sq. meter, a garage of 18 sq. meter), with a total area of 2,197 sq. m.

**Monthly rental:**

The annual rental is RMB1,202,857.50, which is calculated according to the total lease gross floor area of 2,197 sq.m. and rental of RMB1.5/sq.m. per day. Monthly rental is RMB100,238.13.

The consideration was determined after arm's length negotiation between Beijing Xihai and Jingcheng Compressor with reference to the prevailing market rates of similar buildings in the vicinity.

**Rental payment:**

1. Jingcheng Compressor shall pay the monthly rental to Beijing Xihai on any day between the 25th to 31st day of every month.
2. Rental shall be paid by cheque or bank wire transfer. Beijing Xihai shall issue legally valid invoice of equivalent amount to Jingcheng Compressor upon receipt of the rental.

**Annual caps and basis of determination**

	<b>1 January 2014 to 31 December 2014</b>	<b>1 January 2015 to 31 December 2015</b>
Annual caps	RMB1,202,857.50	RMB1,202,857.50

The Xihai Property Lease Agreement is a new agreement. The abovementioned annual caps were determined based on the annual rental to be received for each of the financial years from 1 January 2014 to 31 December 2015 under the Xihai Property Lease Agreement.

## **Reasons for and benefits of entering into the Xihai Property Lease Agreement**

The office rented by Jingcheng Compressor from Beijing Xihai is for office purpose. The convenient location of the rented office and suitable rent are beneficial to the development of the Group's business.

The Directors (including the independent non-executive Directors) consider that the transactions under the Xihai Property Lease Agreement will be conducted in the ordinary and usual course of business of the Group and on normal commercial terms, and both the relevant transactions and the annual caps as set out above are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

None of the Directors had material interest in respect of the Xihai Property Lease Agreement. However, in view of good corporate governance practices, Mr. Jiang Zili and Ms. Wu Dongbo, being directors nominated by Jingcheng Holding, had both abstained from voting in the relevant Board resolutions approving the Xihai Property Lease Agreement.

## **(2) ASSET MANAGEMENT COMPANY PLANT AND EQUIPMENT LEASE AGREEMENT**

### **Date:**

3 March 2014

### **Parties:**

- (1) Asset Management Company as lessor
- (2) Tianhai Industrial, a wholly-owned subsidiary of the Company, as lessee

### **Term:**

A term of three years commencing from 1 January 2014 to 31 December 2016.

### **Premises:**

A plant located at Mulin Town, Shunyi District, Beijing, with a total gross area of 6,011.32 sq. m., and including its built-in annealing furnace and other equipment.

### **Half yearly rental:**

The annual rental is RMB680,000 and the half yearly rental is RMB340,000.

The annual rental was determined after arm's length negotiation between Asset Management Company and Tianhai Industrial with reference to the prevailing market rates of similar buildings in the vicinity.

**Rental payment:**

The annual rental will be settled by 2 installments, half of the annual rental of RMB340,000 is payable on or before 31st January and 31st July of every year by cheque or telegraphic transfer.

**Annual caps and basis of determination**

	<b>1 January 2014 to 31 December 2014</b>	<b>1 January 2015 to 31 December 2015</b>	<b>1 January 2016 to 31 December 2016</b>
Annual caps	RMB680,000	RMB680,000	RMB680,000

The Asset Management Company Plant and Equipment Lease Agreement is a new agreement. The abovementioned annual caps were determined based on the annual rental to be received for each of the financial years from 1 January 2014 to 31 December 2016 under the Asset Management Company Plant and Equipment Lease Agreement.

**Reasons for and benefits of entering into the Asset Management Company Plant and Equipment Lease Agreement**

The plant of Asset Management Company rented by Tianhai Industrial is located in Mulin Town, Shunyi District, with reasonable location and suitable rent, which are beneficial to lowering the Group's production cost, raising product margins, and enhancing the market competitiveness of products.

The Directors (including the independent non-executive Directors) consider that the transactions under the Asset Management Company Plant and Equipment Lease Agreement will be conducted in the ordinary and usual course of business of the Group and on normal commercial terms, and both the relevant transactions and the annual caps as set out above are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

None of the Directors had material interest in the Asset Management Company Plant and Equipment Lease Agreement. However, in view of good corporate governance practices, Mr. Jiang Zili and Ms. Wu Dongbo, being directors nominated by Jingcheng Holding, had both abstained from voting in the relevant Board resolutions approving the Asset Management Company Plant and Equipment Lease Agreement.

The following table sets forth the aggregated annual caps for the Lease Agreements for each of the financial years ending 31 December 2014, 31 December 2015 and 31 December 2016 and their respective breakdowns:

	<b>1 January 2014 to 31 December 2014</b>	<b>1 January 2015 to 31 December 2015</b>	<b>1 January 2016 to 31 December 2016</b>
Annual caps for the transactions contemplated under the Xihai Property Lease Agreement	RMB1,202,857.50	RMB1,202,857.50	Not applicable
Annual caps for the transactions contemplated under the Asset Management Company Plant and Equipment Lease Agreement	RMB680,000	RMB680,000	RMB680,000
Aggregated annual caps for the Lease Agreements	RMB1,882,857.5	RMB1,882,857.5	RMB680,000

### **(3) JINGCHENG TIANYI PLANT LEASE AGREEMENT**

**Date:**

3 March 2014

**Parties:**

- (1) Jingcheng Compressor, a wholly-owned subsidiary of the Company, as lessor
- (2) Jingcheng Tianyi as lessee

**Term:**

A term of three years commencing from 1 January 2014 to 31 December 2016.

**Premises:**

A property located at Badaling Economic Development Zone Side A production base East side, Yanqing County, Beijing. The property covers an area of 10,000 sq. m., gross floor area of 5,065 sq. meter, including facilities such as environmental workshops, water pumping stations, fire pump and fire pool.

**Quarterly rental:**

The annual rental is RMB924,362.5, which is calculated according to the total lease gross floor area of 5,065 sq.m. and rental of RMB0.5/sq.m. per day. The quarterly rental is RMB231,090.625.

The consideration was determined after arm's length negotiation between Jingcheng Tianyi and Jingcheng Compressor with reference to the prevailing market rates of similar buildings in the vicinity.

**Rental payment:**

The quarterly rental of RMB231,090.625 is payable in arrears every three months on the 30th of March, June, September and December in cash or by cheque.

**Annual caps and basis of determination**

	<b>1 January 2014 to 31 December 2014</b>	<b>1 January 2015 to 31 December 2015</b>	<b>1 January 2016 to 31 December 2016</b>
Annual caps	RMB924,362.5	RMB924,362.5	RMB924,362.5

The Jingcheng Tianyi Plant Lease Agreement is a new agreement. The abovementioned annual caps were determined based on the annual rental to be received for each of the financial years from 1 January 2014 to 31 December 2016 under the Jingcheng Tianyi Plant Lease Agreement.

**Reasons for and benefits of entering into the Jingcheng Tianyi Plant Lease Agreement**

Renting out idle factories by Jingcheng Compressor is beneficial to revitalizing the assets, enhancing the utilization rate of non-current assets and generating a stable cash flow for the Group to assist in major business development.

The Directors (including the independent non-executive Directors) consider that the transactions under the Jingcheng Tianyi Plant Lease Agreement will be conducted in the ordinary and usual course of business of the Group and on normal commercial terms, and both the relevant transactions and the annual caps as set out above are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

None of the Directors had material interest in the Jingcheng Tianyi Plant Lease Agreement. However, in view of good corporate governance practices, Mr. Jiang Zili and Ms. Wu Dongbo, being directors nominated by Jingcheng Holding, had both abstained from voting in the relevant Board resolutions approving the Jingcheng Tianyi Plant Lease Agreement.

#### **(4) LONG TERM PURCHASE AGREEMENT**

**Date:**

3 March 2014

**Parties:**

- (1) Jingcheng Logistics as vendor
- (2) Tianhai Industrial, a wholly-owned subsidiary of the Company, as purchaser

**Term:**

A term of one year commencing from 1 January 2014 to 31 December 2014.

**Material terms:**

Jingcheng Logistics shall sell the cylinder steel billets under the Long Term Purchase Agreement to Tianhai Industrial with the following terms:

Tianhai Industrial shall provide a demand forecast to Jingcheng Logistics for the quantity of cylinder steel billets on the 30th day of each month.

Tianhai Industrial shall provide the purchase orders for the following month to Jingcheng Logistics before the 25th day of each month, the purchase orders are legally binding once they are issued and Jingcheng Logistics shall deliver the quantity of cylinder steel billets at the designated time and place in accordance with the purchase orders, the related transportation, handling and other expenses are borne by Jingcheng Logistics.

Upon the delivery of the cylinder steel billets and the issuance of bill of Jingcheng Logistics, Tianhai Industrial shall make payment by cheque, telegraphic transfer, bank's acceptance bill or bank transfer.

**Pricing:**

The price of the cylinder steel billets shall be determined with reference to the then reasonable market price and market trend of the raw materials in each month, the final price shall be decided on an arm's length basis between Tianhai Industrial and Jingcheng Logistics.



### **Annual caps and basis of determination**

The annual cap of the continuing connected transactions contemplated under the Long Term Purchase Agreement for the one year ending 31 December 2014 is estimated to be RMB 26,000,000.

The above annual cap is determined with reference to the anticipated quantity of cylinder steel billets to be purchased by Tianhai Industrial and the estimated market price of steel in 2014.

### **Reasons for and benefits of entering into the Long Term Purchase Agreement**

The purchase of raw materials by Tianhai Industrial from Jingcheng Logistics will promote the purchasing and supply management of the Group. The purchasing price is not higher than that stated by a similar group of suppliers which will effectively reduce the purchasing costs of the Group and regulate the market risks.

The Directors (including the independent non-executive Directors) consider that the transactions under the Long Term Purchase Agreement will be conducted in the ordinary and usual course of business of the Group and on normal commercial terms, and both the relevant transactions and the annual caps as set out above are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

None of the Directors had material interest in the Long Term Purchase Agreement. However, in view of good corporate governance practices, Mr. Jiang Zili and Ms. Wu Dongbo, being directors nominated by Jingcheng Holding, had both abstained from voting in the relevant Board resolutions approving the Long Term Purchase Agreement.

## **(5) FINANCE LEASE COOPERATION FRAMEWORK AGREEMENT**

### **Date:**

3 March 2014

### **Parties:**

- (1) Tianhai Industrial as vendor
- (2) Jingcheng International Financial as purchaser

**Subject matter:**

Jingcheng International Financial will purchase and Tianhai Industrial will sell the Products for the purpose of providing finance leases by Jingcheng International Financial to Sales Customers for a term of one year commencing on 1 January 2014 and expiring on 31 December 2014. Tianhai Industrial will refer potential Sales Customers to Jingcheng International Financial.

For each individual transaction under the Finance Lease Cooperation Framework Agreement, Tianhai Industrial and Sales Customers shall enter into a written individual sale and purchase agreement (“**Individual SPA**”) and Jingcheng International Financial and Sales Customers shall enter into a finance lease agreement (“**Finance Lease**”). Upon the entering into the individual SPA and Finance Lease, Tianhai Industrial will provide after-sales services, repair and maintenance services of the Products to the Sales Customers.

**Price and payment terms of the Products:**

Prices of the Products contemplated under the Finance Lease Cooperation Framework Agreement will be determined with reference to the then current market price of the products which will be agreed upon by Tianhai Industrial, Jingcheng International Financial and, if applicable, the Sales Customers.

After the conditions are fulfilled under the Individual SPA and Finance Lease, Jingcheng International Financial shall pay 95% of purchase price as stipulated in the Individual SPA to Tianhai Industrial within 5 working days from the date of delivery of the Products by bank wire. Jingcheng International Financial shall pay the remaining 5% of such purchase price to Tianhai Industrial within 5 working days from the date of termination of the Finance Lease by bank wire.

**Annual caps and basis of determination**

The annual cap of the continuing connected transactions contemplated under the Finance Lease Cooperation Framework Agreement for one year ending 31 December 2014 is estimated to be RMB29,000,000.

After a detailed market research and customer’s visits, there is a strong demand for the Group’s traditional industrial gas cylinders, CNG gas cylinders, LNG gas cylinders and other products under finance leases among some customers of 2014. After careful judgment by the Group, it is expected that the volume of Finance Lease in 2014 will be RMB29,000,000.

## **Reasons for and benefits of entering into the Finance Lease Cooperation Framework Agreement**

Tianhai Industrial commenced the leasing business with finance lease company which not only expands the product sales and business development of the Group, but also enlarges the market share of the products and enhances the efficiency of working capital, thereby fosters the long-term and sustainable development of the Group.

The Directors (including the independent non-executive Directors) consider that transactions under the Finance Lease Cooperation Framework Agreement will be conducted in the ordinary and usual course of business of the Group and on normal commercial terms, and both the relevant transactions and the annual cap as set out above are fair and reasonable and in the interests of the Company and its shareholders as a whole.

None of the Directors had material interest in respect of the Finance Lease Cooperation Framework Agreement. However, in view of good corporate governance practices, Mr. Jiang Zili and Ms. Wu Dongbo, being directors nominated by Jingcheng Holding, had both abstained from voting in the relevant Board resolutions approving the Finance Lease Cooperation Framework Agreement.

## **IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, Jingcheng Holding is a controlling shareholder of the Company holding approximately 47.78% interest in the Company. Beijing Xihai and Asset Management Company are the direct wholly-owned subsidiaries of Jingcheng Holding. Jingcheng Logistics is 74.8% owned by Jingcheng Holding and Jingcheng International Financial is 75% owned by Jingcheng Holding. Jingcheng Tianyi is 80% owned by Beijing Xihai. Accordingly, Beijing Xihai, Jingcheng Tianyi, Asset Management Company, Jingcheng Logistics and Jingcheng International Financial are the connected persons of the Company under Chapter 14A of the Listing Rules. Since the Xihai Property Lease Agreement, the Jingcheng Tianyi Plant Lease Agreement, the Asset Management Company Plant and Equipment Lease Agreement, the Long Term Purchase Agreement and the Finance Lease Cooperation Framework Agreement shall be carried out on a continuing basis and are expected to extend over a period of time, such agreements, constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the relevant percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the Jingcheng Tianyi Plant Lease Agreement, the Long Term Purchase Agreement and the Finance Lease Cooperation Framework Agreement, on an annual basis are more than 0.1% but less than 5%, the Jingcheng Tianyi Plant Lease Agreement, the Long Term Purchase Agreement and the Finance Lease Cooperation Framework Agreement are only subject to the reporting, annual review and announcement requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

On the basis that the transactions under the Lease Agreements involve leasing of properties from the subsidiaries of Jingcheng Holding, the transactions under the Lease Agreements have been aggregated pursuant to Rule 14A.25 of the Listing Rules.

As the relevant applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the annual consideration to be received by the Group under the Lease Agreements on an annual aggregate basis exceed 0.1% but do not exceed 5%, the continuing connected transactions under the Lease Agreements are only subject to the reporting, annual review and announcement requirements but are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **GENERAL**

The Company is principally engaged in research and development, manufacture and sale of compressed gas cylinders, gas compressors and related equipment.

Authorised scope of operation of Jingcheng Compressor: production of compressors (piston compressor, membrane compressor and membrane compressor of nuclear grading); general logistics (road transport license valid until 7 May 2016).

General scope of operation of Jingcheng Compressor: Design and sales of compressors (piston compressor, membrane compressor and membrane compressor of nuclear grading) and accessories; sales of machinery equipment and electrical equipment; maintenance of equipment; technical consultancy and technical services; import and export of commodities and technology and acting as import and export agency; professional contracting.

Beijing Xihai is principally engaged in technological development; consultancy services in respect of economic information; design and maintenance of mechanical and electrical equipment; leasing of office; sales of machinery and equipment, computers, daily necessities, metals and electrical products, construction materials, artwork, vehicle spare parts and vehicles (except vehicles less than nine seats); property management; investment management; project investment; public parking facilities for motor vehicles.

Jingcheng Tianyi is principally engaged in professional contracting; general construction contracting; development of environmental protection technologies; wholesale of special equipment; investment management and technical consultation.

Jingcheng Logistics is principally engaged in technological development; import and export of goods and technologies; acting as import and export agency; sales of electrical products, cultural products, metal products, chemical products (except class 1 precursor chemicals and dangerous chemicals), steel, copper, aluminum (except retail); consultancy services in respect of economic information.

Jingcheng International Financial is principally engaged in financial leasing, leasing, purchase of leased property from domestic and overseas sellers, treatment of residual value of leased property and maintenance of leased property; consultation and warranty on leasing transactions.

Asset Management Company is principally engaged in asset management, property management, investment management, lease of property, provision of public car park services, technology development, technical training, technical services, economic information consulting, design, production, agency and placing of advertisements, provision of conference service, exhibition service and office service, design and maintenance of machinery and equipment and sales of machinery and equipment, computer, household goods, hardware, construction materials, handicrafts and auto parts.

Authorised scope of operation of Tianhai Industrial: production of gas cylinders, accumulator shells, pressure vessels and auxiliary equipments, add-on components, fire extinguishers, fire extinguishing system products and components, gas cylinders for medical equipment, gas cylinders for life rescues, gas cylinders and components for food machineries, gas and wrapped cylinders and components for gas vehicles, gas storage special containers, bundled devices, cryogenic gas cylinders and components, LPG cylinders and components, aluminum cores, cylinders and components, new enhanced complex materials (complex materials such as carbon fibre, organic fibre and high strength glass fibre) and products, complex gas cylinders (natural gas storage cylinders for vehicles, gas storage cylinders for respirators, containers for water treatment), testing equipment for complex gas cylinders, production of compressors (piston compressor, membrane compressor and membrane compressor of nuclear grading); general logistics (road transport licenses valid until 7 May 2016).

General scope of operation of Tianhai Industrial: providing installation, adjustment, maintenance, technical consultancy and services of self-production products; sales of self-production products; wholesale of cryogenic containers for storage and transportation; providing after-sales service and maintenance; design and sale of compressors (piston compressor, membrane compressor and membrane compressor of nuclear grading) and accessories; sale of machinery equipment and electrical equipment; equipment maintenance; technical consultancy and technical services; import and export of commodities and technology and acting as import and export agency; professional contractor.

Jingcheng Holding is an enterprise in the equipment manufacturing industry. Its main business segments include digitally-controlled machine tool segment, gas storage and transportation segment, printing machinery segment, environmental protection business segment, engineering machinery segment, thermal power generation segment, new energy segment, switch business segment, wire and cable segment, electrical and mechanical business segment, logistics business segment and lease financing business.

## DEFINITIONS

In this announcement, unless otherwise indicated in the context, the following terms shall have the meaning set out below:–

“Asset Management Company”	北京京城機電資產管理有限責任公司 (Beijing Jingcheng Electric Management Co., Ltd.), a company incorporated in the PRC and is 100% owned by Jingcheng Holding
“Asset Management Company Plant and Equipment Lease Agreement”	the agreement (廠房及設備租賃合同) entered into between Asset Management Company and Tianhai Industrial dated 3 March 2014, particulars of which are set out in the section headed “Asset Management Company Plant and Equipment Lease Agreement”
“Beijing Xihai”	北京西海工貿公司 (Beijing Xihai Trade Co., Ltd.), a company incorporated in the PRC with limited liability and is 100% owned by Jingcheng Holding
“Board”	the board of Directors
“Company”	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 PRC with limited liability and the shares of which are listed on the Main Board of the Stock Exchange and the Shanghai Stock Exchanges
“connected person(s)”	has the meaning as ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning as ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Finance Lease Cooperation Framework Agreement”	the agreement (融資租賃雙方合作框架協議) entered into between Tianhai Industrial and Jingcheng International Financial dated 3 March 2014, particulars of which are set out in the section headed “Finance Lease Cooperation Framework Agreement”
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Jingcheng Compressor”	北京京城壓縮機有限公司 (Beijing Jingcheng Compressor Co., Ltd.), a company incorporated in the PRC and is 100% owned by the Company

“Jingcheng Holding”	北京京城機電控股有限責任公司 (Beijing Jingcheng Machinery Electric Holding Co., Ltd.), a company incorporated in the PRC and holding 47.78% interest in the Company
“Jingcheng International Financial”	北京京城國際融資租賃有限公司 (Beijing Jingcheng International Financial Leasing Co., Ltd.), a company incorporated in the PRC and is 75% owned by Jingcheng Holding
“Jingcheng Logistics”	北京京城工業物流有限公司第一分公司 (Beijing Jingcheng Industrial Logistics Co., Ltd, First Branch), a company incorporated in the PRC and is 74.8% owned by Jingcheng Holding
“Jingcheng Tianyi”	北京京城天義環保科技有限公司 (Beijing Jingcheng Tianyi Environmental Technology Co., Ltd.), a company incorporated in the PRC and is 80% owned by the Beijing Xihai
“Jingcheng Tianyi Plant Lease Agreement”	the agreement (廠房租賃合同) entered into between Jingcheng Compressor and Jingcheng Tianyi dated 3 March 2014, particulars of which are set out in the section headed “Jingcheng Tianyi Plant Lease Agreement”
“Lease Agreements”	Xihai Property Lease Agreement and Asset Management Company Plant and Equipment Lease Agreement
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, Macau and Taiwan
“Products”	Traditional industrial gas cylinders, CNG gas cylinders, LNG gas cylinders and other products
“Long Term Purchase Agreement”	the agreement (長期採購合同) entered into between Jingcheng Logistics and Tianhai Industrial dated 3 March 2014, particulars of which are set out in the section headed “Long Term Purchase Agreement”
“RMB”	Renminbi, the lawful currency of the PRC
“Sales Customers”	customers referred to Jingcheng International Financial from Tianhai Industrial pursuant to the Finance Lease Cooperation Framework Agreement
“sq.m.”	square metre

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tianhai Industrial”	北京天海工業有限公司 (Beijing Tianhai Industry Co., Ltd.), a limited liability company established in the PRC and is 100% owned by the Company
“Xihai Property Lease Agreement”	the agreement (房屋租賃合同) entered into between the Beijing Xihai and Jingcheng Compressor dated 3 March 2014, particulars of which are set out in the section headed “Xihai Property Lease Agreement”
“%”	per cent

For and on behalf of the Board  
**Beiren Printing Machinery Holdings Limited**  
**Jiao RuiFang**  
*Company Secretary*

Beijing, the PRC, 3 March 2014

*As at the date of this announcement, the Board comprises Mr. Wang Pingsheng, Mr. Hu Chuanzhong, Mr. Wu Yanzhang, Mr. Li Junjie and Ms. Jiang Chi as executive directors, Mr. Jiang Zili and Ms. Wu Dongbo as non-executive directors and Mr. Zhang Shuangru, Ms. Wang Hui, Mr. Xie Bingguang and Mr. Wang Deyu as independent non-executive directors.*

*English names of the PRC established companies/entities in this announcement are only translations of their official Chinese names. In case of inconsistency, the Chinese names prevail.*