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)

RISK ALERT ANNOUNCEMENT RELATING TO MATERIAL ASSETS REORGANISATION

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.

In accordance with the laws and regulations such as the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Codes on Takeovers and Mergers, in order to prevent the triggering of any mandatory offer by Beijing Jingcheng Machinery Electric Holding Co., Ltd., ensure the listed position of H Shares in Hong Kong and carry out the reorganisation proposal of H Shares of Beijing Jingcheng Machinery Electric Company Limited (the "Company") successfully, the Company made modification to the reorganisation proposal and announced the relevant proposal on 3 February 2016. In the course of carrying out the Material Assets Reorganisation, the issuance of the requirement of Rule 44 of Administrative Measures on Significant Asset Restructuring of Listed Companies (《上市公司重大資產重組管理辦法》) in the Questions and Answers about Issuance of Shares by Listed Companies to Acquire Assets and Raising Supporting Proceeds (《關於上市公司發行股份購買資產同時募集配套資金的相關問題與解答》) by the China Securities Regulatory Commission on 17 June 2016 has given rise to material uncertainty relating to the Material Assets Reorganisation. In this regard, the Company issues the following risk alert:

The impact of the requirement mentioned above on the Material Assets Reorganisation of the Company is uncertain and may result in the termination of the Material Assets Reorganisation or material change to the reorganisation proposal. The Company will ascertain the material event mentioned above with relevant parties as soon as possible and make further announcement timely according to relevant requirements.

The designated media for publication of Company information includes Shanghai Securities News, Securities Daily, the website of the Shanghai Stock Exchange (http://www.sse.com.cn) and the website of The Stock Exchange of Hong Kong Limited (http://www.hkexnews.hk). Information of the Company published on the above designated media shall prevail. Investors are advised to pay attention to the further announcements of the Company and the investment risks.

The board of directors of
Beijing Jingcheng Machinery Electric Company Limited

Beijing, the PRC, 21 June 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.