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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 INFORMATION PROVIDED AT
INVESTORS BRIEFING SESSION IN RELATION TO TERMINATION OF
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 responsibilities for the truthfulness, accuracy and completeness of the contents herein contained.

I. The briefing session

The investors briefing session of Beijing Jingcheng Machinery Electric Company Limited (the "Company") in relation to termination of material assets reorganisation was held at the first conference room, No. 2 Huo Xian Nan San Road, Huo Xian Town, Tongzhou District, Beijing, the PRC, at 09:30-11:30 p.m. on 4 July 2016. Investors, chairman of the board, general manager, directors, representatives of the controlling shareholder, securities affairs representatives and intermediaries participated in the session. The Company interacted and communicated with the investors in the session, and answered questions which were concerned by the investors at large within the allowable range of information disclosure.

II. The main questions raised by the investors in the session and answers of the Company were as follows:

1. Question from investor: After the termination of this material assets reorganisation, is there any new proposal and idea by the Company

Answer: the Company has paid a lot of effort in this reorganisation, we hope that it would be successful, but the newly regulated proposal certainly have substantial effect on it, therefore,

this reorganisation was terminated finally. However, the Company will actively launch relevant works subsequently in accordance with the requirements of laws and regulations, and the strategy of positioning the Company as the capital and operation listing platform of Beijing Jincheng Machinery Electric Holding Co. Ltd. (“Jingcheng Holding”) would not be changed. The Company would not propose any material assets reorganisation within 6 months from the date of publishing this announcement of the investors briefing section.

2. Question from investor: After the production of gas cylinders of Beijing Tianhai Industry Co., Ltd., (“Tianhai Industrial”) is transferred, what will be the principal products of the Company? Besides, please introduce about the Company’s branches and assets in the announcements from now on.

Answer: Tianhai Industrial is the principal operation of the company, due to factors such as, the oil and gas prices difference and market demand, Tianhai Industrial is facing difficulties at present, products of Tianhai Industrial are greatly affected. In the event that the issues cannot be solved quickly, the Company may face ST, therefore the Company has been actively making adjustment to the product structure. Besides LNG, the Company has been developing new products, and the development and utilisation of Hydrogen Energy is also performing, so as to explore market as soon as possible, and to create efficiency enhancement. Meanwhile, products, such as fire fighting cylinder of the Company, have received good market recognition. The Company also considers the expansion of scale and the development of high-end products. After the adjustment of product structure, the distribution would be further adjusted.

For the purpose of the announcement thereafter, the Company will disclose the information pursuant to the requirement of laws and regulations as well as the proposal of shareholders.

3. Question from investor: Development of Wu Fang Qiao land lot

Answer: The development of Wu Fang Qiao land lot is in line with the collaborative development of Beijing, Tianjin and Hebei (京津冀協同發展), the transfer of the function is conducted pursuant to Beijing government policy and it is also in line with the regional development requirement of Zhaoyang District government and the “thirteen-five” strategic development plan of Jingcheng Holding. The Company proactively communicates with the State-owned Assets Supervision and Administration Commission and the Zhaoyang District government. Residents in the city and the district pay close attention to it as well. If there is any progress, the Company will release announcements in due course.

In addition to the above main questions, there were investors who raised questions in relation to their own concerns. The Company expresses deep gratitude for investors and the public who expressed support, concern and provided valuable recommendation or advice to the Company and its shareholders.

The board of directors of
Beijing Jingcheng Machinery Electric Company Limited

Beijing, the PRC, 4 July 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.