

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 MATERIAL ASSETS REORGANISATION

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.

The sixth meeting of the eighth session of the board of Beijing Jingcheng Machinery Electric Company Limited (the "Company") was held on 26 November 2015, Resolution in relation to the "Proposal In Relation To Acquisition Of Assets Through Issue Of Shares And Cash Payment As Well As Raising Of Supporting Funds And Connected Transaction" and other related resolutions were considered and approved. For details, please refer to the announcement of the Company dated 27 November 2015 published on Shanghai Securities News, Securities Daily, the website of the Shanghai Stock Exchange (www.sse.com.cn) and the HKExnews website of the Stock Exchange (www.hkexnews.hk). Shares of the Company have resumed trading on the Shanghai Stock Exchange and the Stock Exchange of Hong Kong on 14 December 2015.

I. Progress of the Material Assets Reorganisation

The Company and the related parties are actively promoting the work of the Material Assets Reorganisation. As at the date of the announcement, audit and valuation institutions are performing the audit and valuation works for the related assets involved in the Material Assets Reorganisation. After the completion of the above works, pursuant to the related regulations of Valuation and management of state-owned assets, the related valuation report have to perform the state-owned assets assessment approval program. After the completion of the above works, the Company shall convene another Board meeting to consider and approve the related matter in relation to the Material Assets Reorganisation, and perform related announcement, approval procedures in accordance with the relevant laws and regulations.

II. Special reminders

1. According to the communication results between the Company and the parties, there are no related matters discovered by the Company, which may lead to the withdrawal or termination of the Material Assets Reorganisation by the board of the Company or parties nor there is substantive change being made to the Material Assets Reorganisation.
2. Risks related to the Material Assets Reorganisation have been explained in full in the section “I. Risks relating to the Transaction” under “Warning on Major Risks” in the “Proposal In Relation To Acquisition Of Assets Through Issue Of Shares And Cash Payment As Well As Raising Of Supporting Funds And Connected Transaction For Beijing Jingcheng Machinery Electric Company Limited” disclosed by the Company on 26 November 2015. Shareholders are reminded to read the relevant contents carefully and to be aware of the investment risks.
3. Pursuant to the Measures on the Administration of Material Asset Restructuring of Listed Companies and related regulations of the Shanghai Stock Exchange, before the notice of general meeting to be convened for the consideration and approval of the Material Assets Reorganisation is issued by the Company, progress announcements in relation to the reorganization have to be released for every 30 days.
4. The designated media for disclosure of the Company are Shanghai Securities News, Securities Daily, the website of the Shanghai Stock Exchange (www.sse.com.cn) and the HKExnews website of the Stock Exchange (www.hkexnews.hk). All information of the Company is subject to the information published on the above designated media. Investors are advised to concern the further announcements of the Company, to invest cautiously and pay attention to risks.

The board of directors of
Beijing Jingcheng Machinery Electric Company Limited

Beijing, the PRC
14 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.