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)

ANNOUNCEMENT ON APPLICATION FOR THE CANCELLATION OF THE DELISTING RISK WARNING ON THE A SHARES OF THE COMPANY

The board of directors of the Company and all members of the board warrant that this announcement does not contain any false information, misleading statement or material omission and accept joint and several responsibilities for the truthfulness, accuracy and completeness of the contents herein contained.

Important notice:

The Shanghai Stock Exchange will determine whether to cancel the implementation of delisting risk warning to the shares of Beijing Jingcheng Machinery Electric Company Limited (the "Company") according to the actual situation within five trading days after receiving the application of the Company.

During the vetting period by the Shanghai Stock Exchange, the Company will not apply for suspension in the trading of Company's A shares. A shares (600860) will remain open for trading.

I. The Company's A shares are subject to delisting risk warning

As the Company recorded negative net loss for two consecutive financial years in 2012 and 2013, pursuant to the requirement under Provision (I) of Rule 13.2.1 of the Listing Rules of Shanghai Stock Exchange (the "Listing Rules of Shanghai Stock Exchange"), the Shanghai Stock Exchange imposed delisting risk warning on the Company's A shares starting from 31 March 2014.

II. The audited financial report of the Company for the year 2014

Pursuant to the standard unqualified audit report for the year 2014 (XYZH/2014TJA2002) issued by Shinewing Certified Public Accountants LLP: as of 31 December 2014, the Company recorded net assets attributable to the shareholders of listed company of RMB919,530,631.51; operating income of RMB1,806,333,093.44 and net profits attributable to the shareholders of listed company of RMB21,416,206.70.

III. Application for cancellation of delisting risk warning by the Company

Pursuant to the related requirements under Rule 13.2.14 of the Listing Rules of Shanghai Stock Exchange, indices including audited net profit, net asset and operating income of the Company as set out in the Company's annual report for the year 2014 did not trigger the conditions of the delisting risk warning nor other conditions subject to delisting risk warning.

In addition, the financial and accounting reports of the Company does not contain material accounting errors or false information , it is not ordered by the China Securities Regulatory Commission for corrections. The Company is not subject to events that may cause it to be dissolved. The Company does not have corporate restructuring, settlement or bankruptcy or liquidation nor shareholding distribution that does not meet the listing conditions.

At present, production and operation activities of the Company run normally. The production and operation activities are not materially affected, the major bank accounts are not frozen, there are no situation which board meetings which cannot be convened regularly and form resolutions, there are no non-operating appropriation of funds among the controlling shareholder and its associates, and external guarantee provided does not violate prescribed procedures.

In view of the above reasons, the Resolution of Application for Cancellation of the Delisting Risk Warning to the Shanghai Stock Exchange was considered and approved at the third meeting of the eighth session of the Board of the Company. On 17 March 2015, the Company has applied to the Shanghai Stock Exchange for cancellation of the delisting risk warning imposed on the Company's A shares. During the period of vetting by the Shanghai Stock Exchange for deciding whether to cancel the delisting risk warning imposed on the Company's A Shares, the Company will not apply for suspension in the trading of Company's A shares. A shares (600860) will remain open for trading.

The Company will perform obligations of disclosure in a timely manner according to the progress of the application matter. The Company's designated media for information disclosure are the website of the Shanghai Stock Exchange (www.sse.com.cn), Securities Daily, Shanghai Securities News and the website of HKExnews of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk). Investors are advised to pay attention to the investment risks.

The board of directors of
Beijing Jingcheng Machinery Electric Company Limited

Beijing, the PRC, 17 March 2015

As at the date of this announcement, the board of directors of the Company comprises Mr. Hu Chuanzhong, Mr. Li Junjie and Ms. Jiang Chi as executive directors, Mr. Zhou Yongjun, Ms. Chang Yun and Mr. Xia Zhonghua as non-executive directors and Ms. Wu Yan, Mr. Liu Ning, Mr. Yang Xiaohui and Mr. Fan Yong as independent non-executive directors.