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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 CANCELLATION OF THE DELISTING RISK WARNING ON
THE A SHARES OF THE COMPANY**

The board of directors of the Company (“Board”) 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 commencement date of the cancellation of delisting risk warning: 4 April 2018.

Trading in A shares of Beijing Jingcheng Machinery Electric Company Limited (the “**Company**”) will be suspended for one day on 3 April 2018. Trading in H shares of the Company will remain normal.

Stock short name after the cancellation of the delisting risk warning of A shares: JCMEC; A shares stock code: 600860; limitation on daily stock price variation of A shares: 10%.

As of 31 December 2017, net profits attributable to the shareholders of listed company amounted to RMB20,868,364.01; net profits attributable to shareholders of listed company after extraordinary items: RMB-60,775,640.60.

Upon cancellation of delisting risk warning for the Company, there will not be material changes in the operations of the Company. Although the Company turned losses into gains in 2017, it may still be exposed to risks posed by changes in macro economy, market competition, product market, etc. Investors are advised to make decisions in a rational manner and pay attention to investment risks.

I. Shares classification, stock short name, stock code and the commencement date of the cancellation of delisting risk warning

(i) Shares classification and stock short name

The stock short name of the Company's A shares will be restored from “*ST Jingcheng” to “JCMEC”;

(ii) A shares stock code remains as “600860”;

(iii) The commencement date of the cancellation of delisting risk warning: 4 April 2018.

II. The application of cancellation of delisting risk warning

Since the net profit of the Company in the years 2015 and 2016 recorded negative values for two consecutive years, pursuant to the relevant requirements under Rule 13.2.1(1) of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (the “Listing Rules of Shanghai Stock Exchange”), delisting risk warning have been implemented on the Company's A shares since 21 March 2017.

Shinewing Certified Public Accountants LLP has audited the financial statements of the Company for the year 2017 and issued a standard unqualified audit report (No. XYZH/2018BJA30017) (for details, please refer to the announcement dated 26 March 2018 published on websites of the Shanghai Stock Exchange (www.sse.com.cn) and HKExnews of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk)).

The principal operating activities of the Group is stable currently with a large scale and the ability to continue for operation. As of 31 December 2017, the Company recorded net assets attributable to the shareholders of listed company of RMB588,375,286.55, operating income of RMB1,203,496,955.02, representing a year-on-year increase of 35.30%, and the income derived from principal operating activities was RMB1,166,472,219.97, which represent a year-on-year increase of 35.05%. The net profits attributable to the shareholders of listed company of RMB20,868,364.01 was recorded.

Pursuant to the requirement under Rule 13.2.1 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 report for the year 2017 did not trigger the conditions of the delisting risk warning nor other conditions subject to delisting risk warning. As considered and approved at the third meeting of the ninth session of the board of directors of the Company, the Company submitted the application for the cancellation of delisting risk warning to the Shanghai Stock Exchange on 26 March 2018.

On 2 April 2018, Shanghai Stock Exchange approved the application for cancellation of delisting risk warning on the A shares of the Company with effect from 4 April 2018.

III. Highlights of issues concerning cancellation of delisting risk warning

Pursuant to the requirements under Rule 13.2.21 of Listing Rules of Shanghai Stock Exchange, the trading in the Company's A shares will be suspended for one day on 3 April 2018, trading in the Company's H shares will remain normal. After the cancellation of delisting risk warning, the A shares of the Company will not be traded on the Risk Alert Board with effect from 4 April 2018. Limitation on daily stock price variation will be 10%.

IV. Other risk warnings or events need to be brought to investors' special attention

Upon cancellation of delisting risk warning on the A shares for the Company, there will not be material changes in the operations of the Company. Although the Company turned losses into gains in 2017, it may still be exposed to risks posed by changes in macro economy, market competition, product market, etc. As of 31 December 2017, the Company recorded net profits attributable to the shareholders of listed company of RMB20,868,364.01 and net losses attributable to shareholders of listed company after extraordinary items of RMB-60,775,640.60, which was still a loss. Investors are advised to make decisions in a rational manner and pay attention to investment risks.

The Company's designated media for information disclosure are the website of the Shanghai Stock Exchange (www.sse.com.cn), 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.

By Order of the Board

Beijing Jingcheng Machinery Electric Company Limited

Luan Jie

Company Secretary

Beijing, the PRC

2 April 2018

As at the date of this announcement, the Board comprises Mr. Wang Jun, Mr. Li Junjie and Mr. Zhang Jiheng as executive directors, Ms. Jin Chunyu, Mr. Du Yuexi, Mr. Xia Zhonghua and Ms. Li Chunzhi as non-executive directors and Ms. Wu Yan, Mr. Liu Ning, Mr. Yang Xiaohui and Mr. Fan Yong as independent non-executive directors.