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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 DELISTING RISK WARNING TO BE
IMPOSED ON THE A SHARES**

The board of directors of the Company (the "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 Notes:

- Commencement date of A shares delisting risk warning: 21 March 2017
- Stock short name of A shares after the delisting risk warning is imposed: *ST Jingcheng; Stock Code: 600860. The daily price variation of A shares will be subject to a limitation of 5%.
- The A shares will be trading on the risk warnings board after the delisting risk warning is imposed.

I. Stock short name, stock code and commencement date of delisting risk warning of A shares

(1) stock short name of A shares

The stock short name of A shares of Beijing Jingcheng Machinery Electric Company Limited (the "Company") will be changed from "JCMEC" to "*ST Jingcheng".

(2) Stock code of A share remained as "600860".

(3) Commencement date of delisting risk warning: 21 March 2017

II. The situation for which delisting risk warning is applicable

According to the requirements of Rule 13.2.1 (1) of the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, if the audited net profit attributable to the shareholders of the listed companies for the last two accounting years was negative or if after making restatement and retroactive adjustments, it remained as negative, the delisting risk warning will be imposed towards corresponding shares by the Shanghai Stock Exchange.

The A shares of the Company are subject to delisting risk warning since the Company's audited net profits for 2015 and 2016 were negative and the Company incurred losses for two consecutive years.

III. Notes to relevant matters concerning delisting risk warning

According to relevant requirements of Rule 13.2.1 of the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the trading of the Company's A shares will be suspended on 20 March 2017 and the delisting risk warning will be imposed on 21 March 2017. The daily price variation of A shares will be subject to a limitation of 5%. The Company's A shares will be trading on the risk warnings board after delisting risk warning is imposed.

IV. Opinions and major measures to be taken by the board of directors of the Company with respect to striving for revoking delisting risk warning

In 2017, the Company will strictly execute the strategy of "The 13th Five year", in order to accelerate the reform and adjustment, and restructuring and upgrading of business. The Company will insist to develop and collaborate with the market; to enlarge the economic benefits of new products; and to continue to boost the enhancement of quality and effectiveness. The Company will also intensify the management of cost and expense, and enhance the quality of operation, so as to eliminate the operating risks and to achieve a turnaround from having losses to making profits, and to ensure the healthy and sustainable development of the Company.

The Company will strictly perform the obligation of disclosing relevant information as required under the regulations. Investors are advised to be aware of the investment risks.

V. Risks warning concerning the possible suspension of trading or delisting of the A shares of the Company

According to relevant requirements of the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, if the Company's audited net profit for 2017 continues to be negative, the listing of the Company's A shares will be suspended.

VI. The contact information about receipt by the Company of enquires from investors during the period of delisting risk warning

Contact person: Luan Jie (Secretary to the Board)
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The board of directors of
Beijing Jingcheng Machinery Electric Company Limited

Beijing, the PRC
17 March 2017

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.