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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)

**SECOND INDICATIVE ANNOUNCEMENT ON
DELISTING RISK WARNING THAT MAY BE IMPOSED**

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.

The net profit attributable to shareholders of the Company of Beijing Jingcheng Machinery Electric Company Limited (the “Company”) in 2012 was negative. The Company is expected to continue to record a net loss attributable to the shareholders of the Company for the year 2013. According to relevant requirements under the Rules Governing the Listing of Shares on the Shanghai Stock Exchange, a “delisting risk warning” may be imposed on the A shares of the Company. The Company hereby makes an indication of such risk as follows:

1. According to the preliminary calculations by the financial department of the Company, as at 31 December 2013, the Company is expected to record loss in operating results and realize net profit attributable to the shareholders of the Company of RMB-105,000,000 to RMB-110,000,000. The Company issued the Announcement in Relation to the Expected Loss in the Results of 2013 and Delisting Risk Warning (Lin Announcement No. 2014-003) on 29 January 2014.
2. According to the relevant requirements under the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, if the Company suffered from loss in 2013, the Company will have incurred losses for two consecutive years and the A shares of the Company will be subject to delisting risk warning upon the disclosure of the 2013 annual report.

Investors are advised to pay attention to the investment risks.

The board of directors of
Beijing Jingcheng Machinery Electric Company Limited

28 February 2014

As at the date of this announcement, the Board comprises Mr. Wang Pingsheng, Mr. Hu Chuanzhong, Mr. Wu Yanzhang, Mr. Li Junjie and Ms. Jiang Chi as executive directors, Mr. Jiang Zili and Ms. Wu Dongbo as non-executive directors and Mr. Zhang Shuangru, Ms. Wang Hui, Mr. Xie Bingguang and Mr. Wang Deyu as independent directors.