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北京京城机电股份有限公司
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 PERFORMANCE OF UNDERTAKING
BY THE COMPANY AND RELATED PARTIES**

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.

Pursuant to the relevant requirements of the “Supervision Guidelines for Listed Company No. 4 – The Undertaking and Performance of the Beneficial Controllers, Shareholders, Connected Parties, Acquirers and the Listed Company” of the China Securities Regulatory Commission and the “Notice on the Improvement of the Undertaking and Performance work of the Beneficial Controllers, Shareholders, Connected parties, Acquirers and the Listed Company” (Jing Zheng Jian Fa [2014] No 35) of Beijing Securities Regulatory Bureau, we hereby announce below the status of the undertaking matters not yet performed by Beijing Jingcheng Machinery Electric Company Limited (the “Company”) and its beneficial controllers, shareholders, connected parties and acquirers:

1. As of the announcement date, the status of the undertaking matters not yet due to be performed by the Company and its beneficial controllers, shareholders, connected parties and acquirers (see Appendix 1).
2. As of the announcement date, the status of the undertaking matters which have passed the performance deadline but not yet performed by the Company and its beneficial controllers, shareholders, connected parties and acquirers (see Appendix 2).

Definitions of terms in the Appendices	
Beiren Holdings	Beiren Printing Machinery Holdings Limited, the name of the Company before change of name
Jingcheng Holding	Beijing Jingcheng Machinery Electric Holding Co., Ltd, the controlling shareholder of the Company
Beiren Group	Beiren Group Corporation, the former controlling shareholder of the Company
Tianhai Industrial	Beijing Tianhai Industry Co., Ltd., a subsidiary of the Company
Jingcheng Compressor or Jingcheng Environmental Protection	Beijing Jingcheng Compressor Co., Ltd., a subsidiary of the Company, previously known as Beijing Jingcheng Environmental Protection Development Co., Ltd. before change of name
Jingcheng HK	Jingcheng Holding (Hong Kong) Company Limited, a subsidiary of the Company

The board of directors of
Beijing Jingcheng Machinery Electric Company Limited

31 March 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.

APPENDIX 1 UNDERTAKING MATTERS NOT YET DUE TO BE PERFORMED

Undertaking matters not yet completed	Undertaking party	Heading	Contents of the undertaking	Deadline for completion of the undertaking	Status of performance to date
Undertaking related to the Material Asset Reorganisation	Controlling shareholder	Letter of Undertaking regarding the authenticity, accuracy and completeness of the information provided by Beijing Jingcheng Machinery Electric Holding Co., Ltd.	<p>Jingcheng Holding undertakes: “1. The company has provided the information and documents related to this Material Asset Reorganisation (including but not limited to the original written documents, copies of documents or verbal information etc) to the Listed Company and the intermediaries for audit, valuation, legal and financial advisory professional services, the company warrants that the duplicates or photocopies of the documents and materials are the same as the originals, and the signatures and seals of those documents and materials are authentic, the signatories of those documents have been legally authorized and they have signed them in a valid matter; we warrant that the relevant information provided for this Material Asset Reorganisation is authentic, accurate and complete, there is no false record, misrepresentation or material omission, and we jointly and severally bear the legal responsibilities for the authenticity, accuracy and completeness of the information provided.</p> <p>2. During the participation period of this Material Asset Reorganisation, the company will disclose in time to the Listed Company the information related to this Material Asset Reorganisation according to the related law, regulations, rules and relevant provisions of the China Securities Regulatory Commission (“CSRC”) and Shanghai Securities Exchange, and we warrant the authenticity, accuracy and completeness of the information provided, and warrant that there is no false record, misrepresentation or material omission, and bear the legal responsibilities jointly and severally.”</p>	During the Reorganisation period	To date, Jingcheng Holding has not committed any act which would breach the undertaking

Undertaking matters not yet completed	Undertaking party	Heading	Contents of the undertaking	Deadline for completion of the undertaking	Status of performance to date
	Controlling shareholder	Letter of Undertaking by Beijing Jingcheng Machinery Electric Holding Co., Ltd. regarding the reduction and specification of connected transactions	Jingcheng Holding undertakes: “In respect of the unavoidable connected transaction matters or those which take place with reasonable grounds in the future between the company and other companies under the control of the company and the Listed Company and companies under its control, the company and the other companies under the control of the company will follow the principles of openness, fairness and justice for market transactions to conduct transactions at fair and reasonable market prices, and will perform the decision process of connected transactions according to the relevant law, regulations and specification documents and perform the duty of information disclosure. The company warrants that the company and the other companies under the control of the company will not obtain any improper benefits through the connected transactions with the Listed Company and the companies under its control or cause the Listed Company and the companies under its control to bear any improper duties. The company will bear the responsibilities of compensating the Listed Company and the companies under its control for their losses arising from the company breaching the above undertaking while carrying out transactions with the Listed Company and the companies under its control.”	Long term	To date, Jingcheng Holding has not committed any act which would breach the undertaking

Undertaking matters not yet completed	Undertaking party	Heading	Contents of the undertaking	Deadline for completion of the undertaking	Status of performance to date
	Controlling shareholder	Letter of Undertaking by Beijing Jingcheng Machinery Electric Holding Co., Ltd. regarding the avoidance of intra-industry competition	<p>Jingcheng Holding undertakes: “In respect of the businesses or business opportunities similar to those of the Listed Company that the company and the other companies under the control of the company contemplates to conduct or actually obtain in the future, and the assets and businesses generated by such businesses or business opportunities may constitute potential intra-industry competition with the Listed Company.</p> <p>The company will not conduct and make efforts to cause the other companies under the control of the company not to conduct businesses which are the same as or similar to those of the Listed Company in order to avoid direct or indirect competition with the operation of business of the Listed Company. In addition, if unfair impact may be made to the Listed Company in the areas of market share, business opportunities and resource allocation by the company and the other companies under the control of the company, the company will voluntarily give up and make efforts to cause the other companies under the control of the company to give up business competition with the Listed Company.</p> <p>The company undertakes that starting from the date of issue of this Letter of Undertaking, it will compensate the Listed Company for any losses suffered or expenses incurred by the Listed Company as a result of the violation of any provisions of this undertaking by the company. This Letter of Undertaking continues to be effective during the period in which the Listed Company legally and validly subsists and the company is the controlling shareholder (or beneficial controller) of the Listed Company.”</p>	Long term	To date, Jingcheng Holding has not committed any act which would breach the undertaking
	Controlling shareholder	Letter of Undertaking by Beijing Jingcheng Machinery Electric Holding Co., Ltd. regarding the maintaining of the independence of the Listed Company	<p>Jingcheng Holding undertakes that after the completion of this Material Asset Reorganisation, it will warrant the independence in areas including personnel, assets, finances, organizations and businesses of the Listed Company. Jingcheng Holding makes concrete undertaking in areas including personnel independence, asset independence, financial independence, organizational independence and business independence. Such undertaking continues to be valid, cannot be altered and is irrevocable during the period in which Jingcheng Holding is the controlling shareholder (or beneficial controller) of the Listed Company. If Jingcheng Holding breaches the above undertaking and causes economic losses to the Listed Company, Jingcheng Holding will compensate the Listed Company.</p>	Long term	As of the date of this disclosure, Jingcheng Holding has closed the financial management platform and centralized fund management platform to the Company’s subsidiaries. Jingcheng Holding has not committed any act which would breach the undertaking.

Undertaking matters not yet completed	Undertaking party	Heading	Contents of the undertaking	Deadline for completion of the undertaking	Status of performance to date
	Controlling shareholder	Letter of Undertaking by Beijing Jingcheng Machinery Electric Holding Co., Ltd. regarding the handling of the liabilities of Beiren Printing Machinery Holdings Limited	Jingcheng Holding undertakes: “1. Within 30 days from the receipt of a notice on this matter of Material Asset Reorganisation of Beiren Holdings by the creditors of Beiren Holdings, or within 45 days from the date of the first announcement on this matter of Material Asset Reorganisation of Beiren Holdings in case of non-receipt of the notice, if they demand Beiren Holdings to make early repayment of liabilities or provide guarantee, and Beiren Holdings has not repaid the liabilities or provided the guarantee, the company undertakes that it will bear the responsibilities of early repayment of liabilities or the providing of guarantee; 2. If Beiren Holdings cannot reach the creditors, and for those creditors who have not expressed clear opinion after the receipt of the notice or the expiry of the announcement period, if they have expressed clearly disagreement before the completion of this Material Asset Reorganisation, and Beiren Holdings has not repaid the liabilities nor provided guarantee upon their demand, the company undertakes that it will bear the responsibilities of early repayment of liabilities or the providing of guarantee; 3. For those creditors that Beiren Holdings really cannot reach, and those creditors who have not yet expressed clear opinion after the receipt of the notice or the expiry of the announcement period, if after the completion of this Material Asset Reorganisation, the recipient of the Outgoing Assets cannot repay its liabilities, the company bears the responsibility of the repayment. After the company has borne the guarantee responsibility and repayment responsibility, it has the right to seek repayment from the recipient of the Outgoing Assets.”	Long term	As of the date of this disclosure, Jingcheng Holding has urged Beiren Group to repay the liabilities and undertaken that if Beiren Corporation does repay liabilities in time, Jingcheng Holding will be responsible for the repayment and provide guarantee. The Company is not suffering from any loss arising from claims. Jingcheng Holding has not committed any act which would breach the undertaking.

Undertaking matters not yet completed	Undertaking party	Heading	Contents of the undertaking	Deadline for completion of the undertaking	Status of performance to date
	Controlling shareholder	Letter of Undertaking by Beijing Jingcheng Machinery Electric Holding Co., Ltd. regarding the existing defects of the Outgoing Assets and the transfer of the outgoing liabilities	<p>Jingcheng Holding undertakes: “The company is fully aware of the existing defects of the Outgoing Assets, the company will bear any losses or legal responsibilities caused by the defects of the Outgoing Assets, and will not demand Beiren Holdings to bear any losses or legal responsibilities due to the defects of the Outgoing Assets, and will not refuse to sign or request to terminate, discharge or change the “Framework Agreement for Material Asset Reorganisation between Beiren Printing Machinery Holdings Limited and Beijing Jingcheng Machinery Electric Holding Co., Ltd.”, the “Material Asset Reorganisation Agreement between Beiren Printing Machinery Holdings Limited and Beijing Jingcheng Machinery Electric Holding Co., Ltd. and Beiren Group Corporation” and the related agreements due to the defects of the Outgoing Assets.</p> <p>If no consent of the creditors regarding the transfer of liabilities involved in the Outgoing Assets (including newly incurred liabilities for the period from the benchmark date to the settlement date) has been obtained, Beiren Group Corporation undertakes all the duties, responsibilities and expense related to the claims made by those creditors to Beiren Holdings; if Beiren Holdings bears any responsibilities or suffers any losses as a result of the claim of those liabilities, Beiren Group Corporation will fully compensate Beiren Holdings. The company undertakes: the company will undertake several liability for those compensation responsibilities of Beiren Group Corporation.”</p>	Long term	As of the date of this disclosure, Jingcheng Holding has urged Beiren Group to repay the liabilities and undertaken that if Beiren Corporation does repay liabilities in time, Jingcheng Holding will be responsible for the repayment and provide guarantee. The Company is not suffering from any loss arising from claims. Jingcheng Holding has not committed any act which would breach the undertaking.
	Controlling shareholder	Letter of Undertaking by Beijing Jingcheng Machinery Electric Holding Co., Ltd. regarding compensating for the possible losses which may be resulted from the moving risks of the production workshops of Beijing Tianhai Industry Co., Ltd. in Mu Lin County	Jingcheng Holding undertakes: “If in the future the production workshops of Tianhai Industrial in Mu Lin County is necessary to relocate due to real estate problems from defects of the lease, the company will fully compensate in cash the Listed Company after the completion of this transaction for all the losses of Tianhai Industrial caused by the relocating process.”	Long term	To date, Jingcheng Holding has not committed any act which would breach the undertaking

Undertaking matters not yet completed	Undertaking party	Heading	Contents of the undertaking	Deadline for completion of the undertaking	Status of performance to date
	Controlling shareholder	Letter of Undertaking by Beijing Jingcheng Machinery Electric Holding Co., Ltd. regarding the pre-emptive right of investees of Beiren Printing Machinery Holdings Limited	Jingcheng Holding undertakes: “The company is fully aware of the existence of the above problems of the Outgoing Assets, and undertakes if during the implementation of this reorganization, the relevant shareholders of some of the above subsidiaries of Beiren Holdings exercise the pre-emptive right, then the company will agree to accept the equivalent cash assets converted from the long term equity investment in the above Outgoing Assets, and will not demand to terminate or alter the Material Asset Reorganisation Agreement previously signed by all parties due to the changes in the form of the Outgoing Assets, or demand Beiren Holdings to compensate for any losses or bear any legal responsibilities.”	Long term	To date, Jingcheng Holding has not committed any act which would breach the undertaking
	Controlling shareholder	Letter regarding compensating Beiren Printing Machinery Holdings Limited for the failure to meet the 2013 profit forecast	<p>Jingcheng Holding undertakes: “Jingcheng Holding will compensate the company by cash 100% of the amount of the loss of 2013 of the Incoming Assets and 100% of the amount of projected profit of 2013 of the Incoming Assets. According to the assurance report on profit forecast realised of incoming assets under the material asset reorganization issued by ShineWing (XYZH/2013TJA2024-4), the total compensation amounted to RMB 100,159,700.</p> <p>Within 10 trading days from the disclosure date of the annual report of 2013 of the company, Jingcheng Holding will compensate 50% of the total compensation amount, and it will compensate the other 50% after six months.”</p>	Six months starting from the disclosure of the 2013 annual report of the Listed Company	To date, Jingcheng Holding has not committed any act which would breach the undertaking

Undertaking matters not yet completed	Undertaking party	Heading	Contents of the undertaking	Deadline for completion of the undertaking	Status of performance to date
	Recipient of the Outgoing Assets (Beiren Group)	Letter of Undertaking by Beiren Group Corporation regarding the existing defects of the Outgoing Assets and the transfer of the Outgoing Liabilities	<p>Beiren Group undertakes: “The company is fully aware of the existing defects of the Outgoing Assets, the company will bear any losses or legal responsibilities caused by the defects of the Outgoing Assets, and will not demand Beiren Holdings to bear any losses or legal responsibilities due to the defects of the Outgoing Assets.</p> <p>If no consent of the creditors regarding the transfer of liabilities in connection with the Outgoing Assets (including newly incurred liabilities for the period from the benchmark date to the completion date) has been obtained, the company undertakes all the duties, responsibilities and expense related to the claims made by such creditors to Beiren Holdings; if Beiren Holdings bears any responsibilities or suffers any losses as a result of the claim of such liabilities, the company will compensate Beiren Holdings in full.”</p>	Long term	As of the date of disclosure, Jingcheng Holding has urged Beiren Group to repay the liabilities and has undertaken that if Beiren Corporation cannot repay liabilities in time, Jingcheng Holding will be responsible for the repayment and provide guarantee. At present, the Company does not suffer from any loss arising from claims. Jingcheng Holding has not performed any act which would breach the undertaking.
	Recipient of the Outgoing Assets (Beiren Group)	Letter of Undertaking by Beiren Group Corporation regarding the pre-emptive right of investees of Beiren Printing Machinery Holdings Limited	Beiren Group undertakes: “The company is fully aware of the existence of the above problems of the Outgoing Assets, and undertakes when this reorganisation is implemented, the relevant shareholders of some of the above-mentioned subsidiaries of Beiren Holdings exercise the pre-emptive right, then the company will agree to accept the equivalent cash assets converted from the long term equity investment in the above Outgoing Assets, and will not demand to terminate or alter the Material Asset Reorganisation Agreement previously signed by all parties due to the changes in the form of the Outgoing Assets, or demand Beiren Holdings to compensate for any losses or bear any legal responsibilities.”	Long term	To date, Beiren Group has not committed any act which would breach the undertaking

Undertaking matters not yet completed	Undertaking party	Heading	Contents of the undertaking	Deadline for completion of the undertaking	Status of performance to date
	Incoming Assets (Tianhai Industrial)	Letter of Undertaking regarding the authenticity, accuracy and completeness of the information provided by Beijing Tianhai Industry Co., Ltd.	Tianhai Industrial undertakes: “1. The company has provided information and documents related to this Material Asset Reorganisation (including but not limited to the original written documents, copies of documents or verbal information etc.) to the intermediaries providing audit, valuation, legal and financial advisory professional services, the company warrants that the duplicates or photocopies of the documents and materials are the same as the originals, and the signatures and seals of those documents and materials are authentic, the signatories of those documents have been legally authorised and they have signed them in a valid matter; we warrant that the relevant information provided for this Material Asset Reorganisation is authentic, accurate and complete, there is no false record, misrepresentation or material omission, and we jointly and severally bear the legal responsibilities for the authenticity, accuracy and completeness of the information provided. 2. During the participation period of this Material Asset Reorganisation, the company will disclose in time to the Listed Company the information related to this Material Asset Reorganisation according to the related law, regulations, rules and relevant provisions of the CSRC and the Shanghai Stock Exchange, and we warrant that the authenticity, accuracy and completeness of the information provided, and warrant that there is no false record, misrepresentation or material omission, and we bear the legal responsibilities jointly and severally.”	During the reorganisation period	To date, Tianhai Industrial has not committed any act which would breach the undertaking

Undertaking matters not yet completed	Undertaking party	Heading	Contents of the undertaking	Deadline for completion of the undertaking	Status of performance to date
	Incoming Assets (Jingcheng HK)	Letter of Undertaking regarding the authenticity, accuracy and completeness of the information provided by Jingcheng Holding (Hong Kong) Company Limited	Jingcheng HK undertakes: “1. The company has provided information and documents related to this Material Asset Reorganisation (including but not limited to the original written documents, copies of documents or verbal information etc.) to the intermediaries providing audit, valuation, legal and financial advisory professional services, the company warrants that the duplicates or photocopies of the documents and materials are the same as the originals, and the signatures and seals of those documents and materials are authentic, the signatories of those documents have been legally authorised and they have signed them in a valid matter; we warrant that the relevant information provided for this Material Asset Reorganisation is authentic, accurate and complete, there is no false record, misrepresentation or material omission, and we jointly and severally bear the legal responsibilities for the authenticity, accuracy and completeness of the information provided. 2. During the participation period of this Material Asset Reorganisation, the company will disclose in time to the Listed Company the information related to this Material Asset Reorganisation according to the related law, regulations, rules and relevant provisions of the CSRC and the Shanghai Stock Exchange, and we warrant that the authenticity, accuracy and completeness of the information provided, and warrant that there is no false record, misrepresentation or material omission, and we bear the legal responsibilities jointly and severally.”	During the reorganisation period	To date, Jingcheng HK has not committed any act which would breach the undertaking

Undertaking matters not yet completed	Undertaking party	Heading	Contents of the undertaking	Deadline for completion of the undertaking	Status of performance to date
	Incoming Assets (Jingcheng Compressor)	Letter of Undertaking regarding the authenticity, accuracy and completeness of the information provided by Beijing Jingcheng Environmental Protection Development Co., Ltd.	Jingcheng Environmental undertakes: “1. The company has provided information and documents related to this Material Asset Reorganisation (including but not limited to the original written documents, copies of documents or verbal information etc) to the intermediaries providing audit, valuation, legal and financial advisory professional services, the company warrants that the duplicates or photocopies of the documents and materials are the same as the originals, and the signatures and seals of those documents and materials are authentic, the signatories of those documents have been legally authorised and they have signed them in a valid matter; we warrant that the relevant information provided for this Material Asset Reorganisation is authentic, accurate and complete, there is no false record, misrepresentation or material omission, and we jointly and severally bear the legal responsibilities for the authenticity, accuracy and completeness of the information provided. 2. During the participation period of this Material Asset Reorganisation, the company will disclose in time to the Listed Company the information related to this Material Asset Reorganisation according to the related law, regulations, rules and relevant provisions of the CSRC and the Shanghai Stock Exchange, and we warrant that the authenticity, accuracy and completeness of the information provided, and warrant that there is no false record, misrepresentation or material omission, and we bear the legal responsibilities jointly and severally.”	During the reorganisation period	As of to date Jingcheng Compressor has not committed any act which would breach the undertaking

APPENDIX 2 UNDERTAKING MATTERS WHICH HAVE PASSED THE PERFORMANCE DEADLINE BUT NOT YET PERFORMED

Undertaking matters not yet completed	Undertaking party	Heading	Contents of the undertaking	Deadline for completion of the undertaking	Status of performance to date
Undertaking related to the Material Asset Reorganisation	Controlling shareholder	Additional undertaking by Beijing Jingcheng Machinery Electric Holding Co., Ltd. regarding the ownership issue for the Incoming Assets	Jingcheng Holding undertakes: “The company will urge Tianhai Industrial and Jingcheng Compressor to strictly perform their undertaking, and finish the handling of the real estate ownership certificates before 31 December 2013. At the same time, in order to guarantee the fairness of the value of these Incoming Assets, the company undertakes it will bear all the expenses incurred during the process of handling the above real estate properties with defects. If the ownership issue of the above real estate properties with defects cannot be resolved as scheduled, resulting in losses to the Beiren Holdings after this Material Asset Reorganisation, the company will promptly make full compensation in cash to the Beiren Holdings after this Material Asset Reorganisation.”	2013-12-31	At present, the ownership issue of the real estate properties with defects has been settled by Tianhai Industrial, and active handling of the relevant ownership certificates are in process by Jingcheng Compressor.
	Incoming Assets (Jingcheng Compressor)	Supplemental undertaking by Beijing Jingcheng Compressor Co., Ltd. regarding the resolution of real estate defects of the company	In respect of the total of 5 counts of real estate defects of Jingcheng Compressor, it undertakes: “The company undertakes to finish the handling of everything before 31 December 2013.”	2013-12-31	At present, active handling of the relevant ownership certificates are in progress by Jingcheng Compressor.