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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)

**SECOND INDICATIVE ANNOUNCEMENT ON THE RISK OF POSSIBLE SUSPENSION
OF THE LISTING OF THE A SHARES OF THE COMPANY**

The board of directors (the “**Board**”) 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:

Pursuant to the requirements under the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the listing of the A shares of Beijing Jingcheng Machinery Electric Company Limited (the “Company”) may be suspended by the Shanghai Stock Exchange. Investors are advised to pay attention to the investment risks.

I. THE REASON FOR POTENTIAL SUSPENSION OF LISTING

As the net profits of the Company were negative for two consecutive accounting years of 2015 and 2016, a delisting risk warning was imposed on the A shares of the Company on 21 March 2017 pursuant to the requirements of Provision (1) of Rule 13.2.1 of the Listing Rules of Shanghai Stock Exchange. Pursuant to the requirements of Provision (1) under Rule 14.1.1 of Rules Governing the Listing of Stocks on Shanghai Stock Exchange, if the audited net profit of the Company continues to be negative in 2017, the Shanghai Stock Exchange may suspend the listing of the Company's A shares.

II. DECISION ON SUSPENSION OF TRADING AND LISTING OF THE A SHARES OF THE COMPANY

If the audited net profit of the Company continues to be negative in 2017, the trading of the A shares of the Company will be suspended from the publication date of the 2017 annual report of the

Company. The Shanghai Stock Exchange will make a decision on whether the listing status of the A shares of the Company shall be suspended within 15 trading days after the suspension of trading.

III. OTHER INFORMATION

Upon the preliminary calculation of the Company's financial department, the Company is expected to realize net profit attributable to the shareholders of the Company in 2017 as compared to the same period of last year, the Company is expected to turn from losses into profits. The Company is expected to record net profit attributable to the shareholders of RMB15 million to RMB25 million, net profit attributable to the shareholders of the Company after deducting the non-recurring profits and losses of RMB-63.10 million to RMB-53.10 million. For details, please refer to the Announcement in relation to the Positive Profit Alert for the Annual Results of 2017 and the First Indicative Announcement on the Risk of Possible Suspension of the Listing of the A Shares of the Company published by the Company on 30 January 2018.

The accurate data of the operating results of the Company for 2017 will be disclosed in detailed in the 2017 annual report. The Company's designated media for information disclosure are the website of Shanghai Stock Exchange (<http://www.sse.com.cn>), Shanghai Securities News and the website of The Stock Exchange of Hong Kong Limited HKExnews (<http://www.hkexnews.hk>). Information disclosed by the Company to the above newspaper and websites prevails in case of discrepancies. Investors are advised to pay attention to the investment risks.

For and on behalf of the Board
Beijing Jingcheng Machinery Electric Company Limited
Luan Jie
Company Secretary

Beijing, the PRC
22 February 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.