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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 APPLICATION FOR THE CANCELLATION OF THE DELISTING RISK WARNING ON THE A SHARES OF THE COMPANY

The board of directors and all members of the board of directors of the Company warrant that this announcement does not contain any false information, misleading statement or material omission and accept joint and several responsibility for the truthfulness, accuracy and completeness of the contents herein contained.

This announcement is made by Beijing Jingcheng Machinery Electric Company Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”) and the Inside Information Provisions (as defined under the Hong Kong Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

I. The Company's A shares are subject to delisting risk warning

Since the net profit of the Company recorded negative values for two consecutive financial years in 2018 and 2019, the provision of “the audited net profits in the most recent two consecutive financial years are negative or negative upon retrospective restatement” under the first item of the original rule 13.2.1 of the Rules Governing the Listing of Stocks on Shanghai Stock Exchange (revised in April 2019) has been triggered. The Shanghai Stock Exchange imposed delisting risk warning on the Company's A shares starting from 31 March 2020. The stock short name was changed from “JCMEC” to “*ST Jingcheng”.

II. The audited financial report of the Company for the year 2020

The Company's 2020 financial report was audited by ShineWing Certified Public Accountants (Special General Partnership), which issued the standard unqualified audit report for the year 2020 (XYZH/2021BJAA30103) for the Company: as of 31 December 2020, the Company recorded net assets attributable to the shareholders of listed company of RMB699,472,630.04; operating income of RMB1,088,296,501.51, net profits attributable to the shareholders of listed company of RMB156,431,757.57 and net profits attributable to the shareholders of listed company after deducting non-recurring gains or losses of RMB-127,558,167.27.

The Company's A shares 2020 Annual Report has been considered and approved at the third meeting of the tenth session of the board of directors convened on 17 March 2021, and has been disclosed on the website of the Shanghai Stock Exchange (www.sse.com.cn) and the Shanghai Securities News.

III. Application for cancellation of delisting risk warning by the Company

The Company checked the relevant provisions of rule 13.3.2 of the Rules Governing the Listing of Stocks on Shanghai Stock Exchange (revised in December 2020) one by one, and the audited financial indicators of the Company's 2020 financial report that involved delisting risk warnings have been eliminated, and did not trigger other delisting risk warnings or other risk warning situations. At the same time, in accordance with the relevant provisions of rule 13.3.7 of the Rules Governing the Listing of Stocks on Shanghai Stock Exchange (revised in December 2020) and the Company's operations in 2020, the conditions for the application for the cancellation of the delisting risk warning on the shares have been met by the Company.

The Company has applied to the Shanghai Stock Exchange for cancellation of the delisting risk warning imposed on the Company's A shares. The Shanghai Stock Exchange will determine whether or not to cancel the implementation of delisting risk warning to the A shares of the Company according to the actual situation within 10 trading days after receiving the application of the Company.

The Company will perform obligations of disclosure in a timely manner according to the progress of the application matter. 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.

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

Beijing, the PRC
17 March 2021

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. Wu Yanzhang, Mr. Xia Zhonghua and Ms. Li Chunzhi as non-executive directors and Mr. Xiong Jianhui, Mr. Zhao Xuguang, Mr. Liu Jingtai and Mr. Luan Dalong as independent non-executive directors.