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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 IN RELATION TO THE POSITIVE PROFIT ALERT FOR
THE INTERIM RESULTS OF 2022**

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 responsibilities 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 “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

IMPORTANT NOTICE:

- The 2022 interim operating results of the Company are expected to turn from losses into profits. The net profit attributable to shareholders of the Company is approximately RMB10.0000 million to RMB11.4500 million, representing an increase of approximately RMB11.3133 million to RMB12.7633 million as compared to the corresponding period of the previous year, and an increase of 861.44% to 971.85% as compared to the corresponding period of the previous year.
- The estimated profit in the results is mainly due to: the Company’s significantly improved sustainable operating capacity by the completion of the acquisition of 80% equity interest in Qingdao BYTQ United Digital Intelligence Co., Ltd. (青島北洋天青數聯智能股份有限公司) (“**BYTQ**”) during the reporting period. Through measures such as continuous adjustment of product structure, focusing on improving cost control and product delivery capability, and active expansion of new application areas, the Company was able to turn from losses into profits in respect of its principal business, being gas storage and transportation equipment segment.

- After the deduction of the non-recurring profits and losses, the Company's net profit attributable to the shareholders of the Company is approximately RMB7.2500 million to RMB8.7000 million, representing an increase of approximately RMB16.5206 million to RMB17.9706 million as compared to the corresponding period of the previous year, and an increase of 178.20% to 193.85% as compared to the corresponding period of the previous year.

I. ESTIMATED RESULTS FOR THE PERIOD

1. Estimated period of the results

From 1 January 2022 to 30 June 2022.

2. Estimated results

(1) Upon the preliminary calculation by the Company's financial department, the 2022 interim operating results of the Company are expected to turn from losses into profits and the net profit attributable to the shareholders of the Company is approximately RMB10.0000 million to RMB11.4500 million, representing an increase of approximately RMB11.3133 million to RMB12.7633 million as compared to the corresponding period of the previous year, and an increase of 861.44% to 971.85% as compared to the corresponding period of the previous year.

(2) The net profit attributable to the shareholders of the Company after deducting the non-recurring profits and losses is approximately RMB7.2500 million to RMB8.7000 million, representing an increase of approximately RMB16.5206 million to RMB17.9706 million as compared to the corresponding period of the previous year, and an increase of 178.20% to 193.85% as compared to the corresponding period of the previous year.

3. The estimated results announcement is a preliminary estimate by the financial department of the Company and has not been audited by the certified public accountants.

II. OPERATING RESULTS AND FINANCIAL POSITION FOR THE CORRESPONDING PERIOD OF LAST YEAR

1. Net profit attributable to the shareholders of the Company: RMB-1.3133 million.

The net profit attributable to the shareholders of the Company after deducting the non-recurring profits and losses: RMB-9.2706 million.

2. Earning per share: RMB-0.01.

III. THE MAJOR REASONS FOR TURNING THE RESULTS FROM LOSSES INTO PROFITS FOR THE PERIOD

1. Impact on principal business

In June 2022, the Company has completed the acquisition of 80% equity interest in BYTQ, the Company's revenue and profit scale in respect of its principal business have improved and the Company's sustainable operating capacity has significantly improved.

Through measures such as continuous adjustment of product structure, focusing on improving cost control and product delivery capability, and active expansion of new application areas, the Company was able to turn from losses into profits in respect of its principal business, being gas storage and transportation equipment segment.

2. Impact on accounting

Upon completion of the acquisition of 80% equity interest in BYTQ, the scope of the Company's consolidated financial statements changed and BYTQ was included in the scope of the Company's consolidated financial statements. As a result, the net profit achieved and the net profit attributable to shareholders of the Company for the half year of 2022 increased significantly as compared to the corresponding period of the previous year.

IV. RISK WARNING

The Company considers that there is no material uncertainty affecting the accuracy of the contents of this estimated results announcement.

V. OTHER MATTERS

The above estimated figures or preliminary analysis of the Company are based on information on preliminary calculation only. For detailed and accurate financial information, please refer to the interim report of 2022 to be duly disclosed by the Company. Investors are advised to pay attention to the investment risks.

Shareholders of the Company and potential investors should exercise caution when dealing with the securities of the Company.

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

Beijing, the PRC
14 July 2022

As at the date of this announcement, the board of directors of the Company comprises Mr. Wang Jun, Mr. Li Junjie and Mr. Zhang Jiheng as executive Directors, Mr. Wu Yanzhang, Mr. Xia Zhonghua, Ms. Li Chunzhi and Mr. Man Huiyong as non-executive Directors, and Mr. Xiong Jianhui, Mr. Zhao Xuguang, Mr. Liu Jingtai and Mr. Luan Dalong as independent non-executive Directors.