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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 ISSUANCE RESULTS OF THE ASSET ACQUISITION BY WAY OF SHARE ISSUANCE AND CASH PAYMENT AND RAISING OF SUPPORTING FUNDS AND CHANGE IN SHARE CAPITAL**

**The board of directors and all 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.**

References are made to the circular dated 19 January 2021 (the “**Circular**”) and the subsequent announcements and the circular dated 7 February 2022 issued by Beijing Jingcheng Machinery Electric Company Limited (the “**Company**” or “**JINGCHENG MAC**”) in relation to, among others, the Asset Acquisition by way of Share Issuance and Cash Payment and Raising of Supporting Funds. Unless stated otherwise, capitalised terms used in this announcement shall have the same meaning as those defined in the Circular.

**IMPORTANT NOTICE**

**1. INFORMATION ON ISSUANCE**

Type of shares: RMB ordinary shares (A shares)

Issue number: 10,784,674 shares

Issuance price: RMB14.74 per share

Targets of issuance, number of shares allotted and their lock-up period:

<b>No.</b>	<b>Name of targets of issuance</b>	<b>Number of shares allotted (shares)</b>	<b>Amount for allotment (RMB)</b>	<b>Lock-up period (month)</b>
1	Nanhua Fund Management Co., Ltd. (南華基金管理有限公司)	678,426	9,999,999.24	6
2	Caitong Fund Management Co., Ltd. (財通基金管理有限公司)	4,016,282	59,199,996.68	6
3	Nuode Asset Management Co., Ltd. (諾德基金管理有限公司)	4,274,084	62,999,998.16	6
4	JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	1,815,882	26,766,100.68	6
<b>Total</b>		<b>10,784,674</b>	<b>158,966,094.76</b>	<b>–</b>

## 2. EXPECTED DATE OF LISTING

According to the “Certificate of Securities Change Registration of Shanghai Branch of China Securities Depository and Clearing Corporation Limited” issued by Shanghai branch of China Securities Depository and Clearing Corporation Limited (“CSDC”) on 19 August 2022, the Company has completed the registration of the additional shares for this Raising of Supporting Funds.

The additional shares issued under this issuance can be listed and traded on the Shanghai Stock Exchange (the “SSE”) on the following trading day upon the expiry of the lock-up period (the expected listing time shall be postponed to the following trading day if it shall fall on a statutory holiday or non-working day). The lock-up period commences from the date of the registration of shares.

## 3. TRANSFER OF ASSETS

The Raising of Supporting Funds issuance does not involve transfer of assets, and targets of issuance made their subscription in cash.

Unless otherwise stated, all abbreviations used in this announcement shall have the same meanings as those set out in the “Report on the Asset Acquisition by way of Share Issuance and Cash Payment and Raising of Supporting Funds of Beijing Jingcheng Machinery Electric Company Limited”.

## **I. OVERVIEW OF THE ISSUANCE**

### **(I) Decision-making process and approval procedures of the transaction**

1. The transaction plan has been considered and approved by Jingcheng Machinery Electric;
2. The transaction plan has been considered and approved at the fifth extraordinary meeting of the tenth session of the Board of the Company;
3. The valuation reports on the target of the transaction have been reviewed and filed by Jingcheng Machinery Electric;
4. Audit and valuation of the transaction and the transaction plan have been considered and approved at the eighth, ninth, twelfth and thirteenth extraordinary meetings of the tenth session of the Board of the Company;
5. The transaction plan has been considered and approved by the general meeting of the Company;
6. CSRC has approved the transaction.

As at the date of this announcement, all the decision-making and approval procedures required for the transaction have been completed and there are no decision-making or approval procedures pending to be performed.

The implementation process of the transaction has fulfilled the statutory decision-making, consideration and approval procedures and is in compliance with the requirements of the “Company Law”, the “Securities Law”, the “Administrative Measures for the Reorganisation” and other relevant laws and regulations.

### **(II) Information on the issuance**

#### **1. Class and nominal value of shares issued**

The class of shares for the Raising of Supporting Funds issuance is domestic listed RMB ordinary shares (A shares), with RMB1.00 par value per share.

## **2. Method of issue, targets of issuance, issuance price and placing results**

### **(1) Method of issue**

The issuance of the Raising of Supporting Funds adopts the method of non-public issuance to specific targets.

Targets of issuance subscribe for the shares issued in cash. The shares issued in this transaction will be listed and circulated on the main board of the SSE.

### **(2) Targets of issuance**

The targets of issuance for the Raising of Supporting Funds are Nanhua Fund Management Co., Ltd., Caitong Fund Management Co., Ltd., Nuode Asset Management Co., Ltd. and JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, a total of 4 investors, which is in compliance with relevant regulations including the “Administrative Measures on Securities Issuance of Listed Companies”, “Implementation Rules for the Non-public Issuance of Shares by Listed Companies” and “Administrative Measures on the Offering and Underwriting of Securities”.

### **(3) Issuance price**

The pricing benchmark date of the Raising of Supporting Funds shall be the first day of the issuance period, being 28 July 2022. The issuance price shall be not less than 80% of the average trading price of the shares of JINGCHENG MAC during the 20 trading days preceding the pricing benchmark date (the average trading price in the 20 trading days preceding the pricing benchmark date equals to the total trading amount traded in the 20 trading days preceding the pricing benchmark date divided by the total number of shares traded in the 20 trading days preceding the pricing benchmark date) and the base issuance price is RMB14.38 per share.

The issuance price is RMB14.74 per share, which was determined by the Company and the independent financial adviser (the lead underwriter) based on market inquiry and the principles of price priority, amount priority and time priority.

#### (4) Issue amount

The Company and the independent financial adviser (the lead underwriter), based on the quotations by all investors with valid subscription, determined that the issuance price shall be RMB14.74 per share, the total number of shares issued shall be 10,784,674 shares and total amount of funds raised shall be RMB158,966,094.76.

#### (5) Placing results

Based on the principle of price priority, amount priority and time priority, the final placing results of the issuance are as follows:

No.	Name of targets of issuance	Number of shares allotted (shares)	Amount for allotment (RMB)	Lock-up period (month)
1	Nanhua Fund Management Co., Ltd. (南華基金管理有限 公司)	678,426	9,999,999.24	6
2	Caitong Fund Management Co., Ltd. (財通基金管理有限 公司)	4,016,282	59,199,996.68	6
3	Nuode Asset Management Co., Ltd. (諾德基金管理有限 公司)	4,274,084	62,999,998.16	6
4	JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	1,815,882	26,766,100.68	6
<b>Total</b>		<b>10,784,674</b>	<b>158,966,094.76</b>	<b>-</b>

### 3. Lock-up arrangements

The shares of JINGCHENG MAC subscribed by the targets of issuance as the shares issued for the Raising of Supporting Funds shall not be transferred within 6 months after the completion of share issuance. Trading of the shares shall comply with the relevant requirements of the CSRC and the SSE upon expiry of the aforementioned lock-up period.

Upon completion of the Raising of Supporting Funds, additional shares of JINGCHENG MAC to be held by targets of issuance in connection with the shares subscribed through the Raising of Supporting Funds due to circumstances such as bonus issue and conversion and increase of share capital, etc. of JINGCHENG MAC shall also be subject to the above lock-up undertakings.

#### **4. Uses of proceeds from the Raising of Supporting Funds**

The Raising of Supporting Funds is intended to be used for payment for the asset acquisition by way of share issuance and cash payment, replenishment of working capital of the Company, payment of tax and intermediary fees, increase of capital of the target company to replenish the working capital, of which the proportion used to replenish its working capital shall not exceed 25% of the transaction price, and shall not exceed 50% of the amount of proceeds raised from the Raising of Supporting Funds.

#### **5. Independent financial adviser (the lead underwriter)**

The independent financial adviser (the lead underwriter) of the issuance is CSC Financial Co., Ltd. (“**CSC Financial**”).

### **(III) Capital verification and share registration**

#### **1. Information on capital verification**

According to the “Capital Verification Report of CSC Financial Co., Ltd. in respect of the Raising of Supporting Funds from the Non-public Issuance of A Shares on behalf of Beijing Jingcheng Machinery Electric Company Limited as at 4 August 2022” (No. XYZH/2022BJAA31026), issued by ShineWing Certified Public Accountants LLP (“**ShineWing**”), the number of non-public issuance of A shares of JINGCHENG MAC was 10,784,674 shares and the total funds raised were RMB158,966,094.76 as at 4 August 2022. All of the above subscription funds received by CSC Financial on behalf of the targets of issuance have all been transferred to the fund account of CSC Financial at Beijing Dongda Bridge Road branch Bank of China (account no.: 320766254539) as at 4 August 2022.

On 4 August 2022, CSC Financial has transferred the remaining balance of the above subscription funds after deducting the sponsor underwriting fees (excluding tax) to the account for raised funds designated by the Company. According to the “Capital Verification Report for the Raising of Supporting Funds of the Non-public Issuance of A Shares of Beijing Jingcheng Machinery Electric Company Limited as at 4 August 2022” (No. XYZH/2022BJAA31027), JINGCHENG MAC issued 10,784,674 non-public A shares and the total funds raised were RMB158,966,094.76. After deducting the relevant commission fees (excluding tax) of RMB15,027,480.15 incurred for the issuance, the net funds raised were RMB143,938,614.61. As at 4 August 2022, JINGCHENG MAC has received the above funds of RMB143,938,614.61 of which RMB10,784,674.00 was included in the registered capital (share capital). After deducting the transaction expenses for the issuance of equity instruments by JINGCHENG MAC, the remaining was included in capital reserves.

## **2. Information on registration of additional shares**

According to the “Certificate of Securities Change Registration of Shanghai Branch of China Securities Depository and Clearing Corporation Limited” issued by the Shanghai branch of CSDC on 19 August 2022, the Company has completed the registration of the additional shares for this Raising of Supporting Funds. 10,784,674 new shares were issued non-publicly by the Company under the transaction for this Raising of Supporting Funds, all of which are shares with trading restrictions, and upon completion of this issuance, the number of shares of the Company amounted to 542,265,988 shares.

## II. ISSUANCE RESULTS AND INFORMATION OF THE TARGETS OF ISSUANCE

### (I) Results of issuance

#### 1. Targets of issuance and lock-up period

The number of shares issued under this issuance is 10,784,674 shares and the total funds raised are RMB158,966,094.76. The final number of targets of issuance is 4 which meets the requirements of the resolutions of the board of directors, the general meeting of the Company and the “Approval for the Asset Acquisition by way of Share Issuance and Raising of Supporting Funds by Beijing Jingcheng Machinery Electric Company Limited to Li Hong and Others” (Zheng Jian Xu Ke [2022] No.586) related to the supporting fund raising by non-public issuance of shares not exceeding RMB158,966,100 and targets of issuance of not exceeding 35. The details of this issuance are as follows:

No.	Name of targets of issuance	Number of shares allotted (shares)	Amount for allotment (RMB)	Lock-up period (month)
1	Nanhua Fund Management Co., Ltd. (南華基金管理有限公司)	678,426	9,999,999.24	6
2	Caitong Fund Management Co., Ltd. (財通基金管理有限公司)	4,016,282	59,199,996.68	6
3	Nuode Asset Management Co., Ltd. (諾德基金管理有限公司)	4,274,084	62,999,998.16	6
4	JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	1,815,882	26,766,100.68	6
<b>Total</b>		<b>10,784,674</b>	<b>158,966,094.76</b>	<b>–</b>

#### 2. Expected date of listing

According to the “Certificate of Securities Change Registration of Shanghai Branch of China Securities Depository and Clearing Corporation Limited” issued by Shanghai branch of CSDC on 19 August 2022, the Company has completed the registration of the additional shares for this Raising of Supporting Funds.



The additional shares issued under this issuance can be listed and traded on the SSE on the following trading day upon the expiry of the lock-up period (the expected listing time shall be postponed to the following trading day if it shall fall on a statutory holiday or non-working day). The lock-up period commences from the date of the registration of Shares.

**(II) Information on the targets of issuance**

**1. Nanhua Fund Management Co., Ltd.**

<b>Name</b>	Nanhua Fund Management Co., Ltd.
<b>Corporate nature</b>	Limited liability company (a sole proprietorship invested or controlled by a non-natural person)
<b>Address</b>	Business Building, Hengdian Chinese Film Industrial Park, Dongyang City, Zhejiang Province
<b>Legal representative</b>	Zhu Jian
<b>Registered capital</b>	RMB200 million
<b>Unified social credit code</b>	91330783MA28EJ2E35
<b>Scope of business</b>	Fund raising, fund sales, asset management, asset management for specific customer and other businesses permitted by the CSRC
<b>Date of incorporation</b>	17 November 2016

## 2. Caitong Fund Management Co., Ltd.

<b>Name</b>	Caitong Fund Management Co., Ltd.
<b>Corporate nature</b>	Other limited liability company
<b>Address</b>	Room 505, No. 619, Wusong Road, Hongkou District, Shanghai
<b>Legal representative</b>	Wu Linhui
<b>Registered capital</b>	RMB200 million
<b>Unified social credit code</b>	91310000577433812A
<b>Scope of business</b>	Fund raising, fund sales, asset management for specific customer, asset management and other businesses permitted by the CSRC. (For projects subject to approval in accordance with the laws, operating activities can only be conducted upon approval by relevant authorities.)
<b>Date of incorporation</b>	21 June 2011

### 3. Nuode Asset Management Co., Ltd.

<b>Name</b>	Nuode Asset Management Co., Ltd.
<b>Corporate nature</b>	Other limited liability company
<b>Address</b>	18/F, No.99, Fucheng Road, China (Shanghai) Pilot Free Trade Zone
<b>Legal representative</b>	Pan Fuxiang
<b>Registered capital</b>	RMB100 million
<b>Unified social credit code</b>	91310000717866186P
<b>Scope of business</b>	(I) Promotion, establishment and sales of securities investment funds; (II) Management of securities investment funds; (III) Other businesses approved by the CSRC. (For projects subject to approval in accordance with the laws, operating activities can only be conducted upon approval by relevant authorities)
<b>Date of incorporation</b>	8 June 2006

### 4. JPMORGAN CHASE BANK, NATIONAL ASSOCIATION

<b>Name</b>	JPMORGAN CHASE BANK, NATIONAL ASSOCIATION
<b>Corporate nature</b>	Registered non-Hong Kong company
<b>Date of incorporation</b>	31 August 1984

### **(III) CONNECTED RELATIONSHIP BETWEEN THE COMPANY AND TARGETS OF ISSUANCE**

The targets of issuance do not include JINGCHENG MAC's controlling shareholders, de facto controller or related parties under its control, directors, supervisors, senior management officers, lead underwriters and related parties which the above organizations and persons are associated with, and none of the above related parties are indirectly participating in this issuance in any other form. The non-public issuance of shares also does not involve any undertaking on capital or return guarantee or disguised undertaking on capital or return guarantee, from JINGCHENG MAC or its controlling shareholders, de facto controller or substantial shareholders to targets of issuance, or any financial assistance or compensation provided to targets of issuance directly or indirectly.

### **III. CHANGES IN TOP TEN SHAREHOLDERS BEFORE AND AFTER THE ISSUANCE**

#### **(I) Top ten shareholders of the Company before the issuance**

As at 30 June 2022, the shareholdings of the top ten shareholders of the Company before the issuance for the Raising of Supporting Funds were as follows:

<b>No.</b>	<b>Name of shareholder</b>	<b>Number of shares held (‘0,000 shares)</b>	<b>Percentage of shareholding (%)</b>
1	Jingcheng Machinery Electric	24,573.51	46.24%
2	HKSCC NOMINEES LIMITED	9,941.90	18.71%
3	Li Hong	1,909.96	3.59%
4	Zhao Qing	654.08	1.23%
5	Yang Ping	540.59	1.02%
6	Qingdao Eternal Economic Information Consulting Co., Ltd.	468.70	0.88%
7	Wang Xiaohui	403.94	0.76%
8	Xia Tao	201.51	0.38%
9	Wang Huadong	201.51	0.38%
10	Haitong Securities Co., Ltd.	137.05	0.26%
<b>Total</b>		<b>39,032.74</b>	<b>73.44%</b>

**(II) Top ten shareholders of the Company after the completion of registration of new shares**

As at 19 August 2022, the shareholdings of the top ten shareholders of the Company after the issuance for the Raising of Supporting Funds were as follows:

<b>No.</b>	<b>Name of shareholder</b>	<b>Number of shares held (‘0,000 shares)</b>	<b>Percentage of shareholding (%)</b>
1	Jingcheng Machinery Electric	24,573.51	45.32%
2	HKSCC NOMINEES LIMITED	9,941.90	18.33%
3	Li Hong	1,909.96	3.52%
4	Zhao Qing	654.08	1.21%
5	Yang Ping	540.59	1.00%
6	Qingdao Eternal Economic Information Consulting Co., Ltd.	468.70	0.86%
7	Wang Xiaohui	403.94	0.74%
8	Agricultural Bank of China –China Post Core Forward Strategy Advantage Dynamic Mixed Securities Investment Fund	308.80	0.57%
9	Caitong Fund - Huatai Securities Co., Ltd. - Caitong Fund Junxiang Yongxi Single Asset Management Scheme	223.88	0.41%
10	Xia Tao	201.51	0.37%
<b>Total</b>		<b>39,226.87</b>	<b>72.34%</b>

### (III) EFFECT OF THE ISSUANCE ON THE CONTROL OF THE COMPANY

Before the transaction, Jingcheng Machinery Electric was the controlling shareholder and de facto controller of the Company. After the transaction, Jingcheng Machinery Electric remains the controlling shareholder and de facto controller of the Company and there has been no change in the control of the Company.

### IV. TABLE OF CHANGES IN THE SHARE CAPITAL OF THE COMPANY BEFORE AND AFTER THE ISSUANCE

Changes in the share capital structure of the Company before and after the issuance are as follows:

Item	Before the issuance		Change	After the issuance	
	Total number of shares (share)	Percentage of shareholding	Total number of shares (share)	Total number of shares (share)	Percentage of shareholding
Shares with selling restrictions	109,481,314	20.60%	10,784,674	120,265,988	22.18%
Shares without selling restrictions	422,000,000	79.40%		422,000,000	77.82%
<b>Total number of shares (share)</b>	<b>531,481,314</b>	<b>100.00%</b>		<b>542,265,988</b>	<b>100.00%</b>

### V. MANAGEMENT DISCUSSION AND ANALYSIS

Before the transaction, the Company was mainly engaged in the development and research, production, processing and sales of pressure vessels. Through the transaction, the Company has acquired the business of automatic manufacturing equipment system integration, which can effectively broaden the source of profit, enhance the sustainable development capability, risk resistance and potential for future development, thereby ensuring the improvement of overall operating results, which is in the interest of all shareholders of the Company.

Details of the particular impact of the transaction on the Company are set out in the full text of the “Report on the Asset Acquisition by way of Share Issuance and Cash Payment and Raising of Supporting Funds of Beijing Jingcheng Machinery Electric Company Limited” and other relevant documents, which have been posted the Shanghai Securities News, the website of the SSE ([www.sse.com.cn](http://www.sse.com.cn)) and the website of HKEXnews of the Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)).

## VI. RELEVANT INSTITUTIONS FOR THE ISSUANCE AND LISTING OF NEW SHARES

### (I) Independent financial adviser (lead underwriter)

Name: CSC Financial Co., Ltd.  
Legal representative: Wang Changqing  
Address: Building 4, No. 66 Anli Road, Chaoyang District, Beijing  
Telephone: 010-85130996  
Fax: 010-65608450  
Managers: He Chengda, Hou Shun, Gu Jinghong, Qiu Yisu, Tian Dongge, Yao Langxuan, Shi Haipeng

### (II) Legal adviser

Name: Beijing Kangda Law Firm  
Person-in-charge: Qiao Jiaping  
Address: 8/F, 9/F, 11/F, Emperor Group Center, Jianwai Street No.12, Chaoyang District, Beijing  
Telephone: 010-50867666  
Fax: 010-65527227  
Managers: Wang Shengjun, Ji Yongjian, Wei Peiyu

### (III) Auditor

Name: ShineWing Certified Public Accountants LLP (Special General Partnership)  
Principal partner: Tan Xiaoqing  
Address: 9/F, Block A, Fu Hua Mansion, No. 8 Chaoyangmen Beidajie, Dongcheng District, Beijing  
Telephone: 010-65542288  
Fax: 010-65547190  
Managers: Wang Xin, Qu Shuangqing

#### **(IV) Capital verification organization**

Name: ShineWing Certified Public Accountants LLP (Special General Partnership)  
Principal partner: Tan Xiaoqing  
Address: 9/F, Block A, Fu Hua Mansion, No. 8 Chaoyangmen Beidajie, Dongcheng District, Beijing  
Telephone: 010-65542288  
Fax: 010-65547190  
Managers: Wang Xin, Ma Jing

#### **VII. DOCUMENTS AVAILABLE FOR INSPECTION**

1. “Approval for the Asset Acquisition by way of Share Issuance and Raising of Supporting Funds by Beijing Jingcheng Machinery Electric Company Limited to Li Hong and Others” (Zheng Jian Xu Ke [2022] No.586) issued by the CSRC;
2. “Certificate of Securities Change Registration” issued by Shanghai branch of CSDC;
3. “Implementation of the Asset Acquisition by way of Share Issuance and Cash Payment and Raising of Supporting Funds by Beijing Jingcheng Machinery Electric Company Limited and Announcement on the Listing of New Shares”;
4. “Verification Opinions of the Independent Financial Adviser from CSC Financial Co., Ltd. in relation to the Implementation of the Asset Acquisition by way of Share Issuance and Cash Payment and Raising of Supporting Funds by Beijing Jingcheng Machinery Electric Company Limited” issued by CSC Financial;



5. “Legal Opinion from Beijing Kangda Law Firm in relation to the Implementation of the Asset Acquisition by way of Share Issuance and Cash Payment and Raising of Supporting Funds by Beijing Jingcheng Machinery Electric Company Limited (2)” issued by Beijing Kangda Law Firm (“**Kangda Law Firm**”);
6. “Capital Verification Report of CSC Financial Co., Ltd. in respect of the Raising of Supporting Funds from the Non-public A Share on behalf of Beijing Jingcheng Machinery Electric Company Limited as of 4 August 2022” (No. XYZH/2022BJAA31026) and “Capital Verification Report for the Raising of Supporting Funds of the Non-public A Share of Beijing Jingcheng Machinery Electric Company Limited as of 4 August 2022” (No. XYZH/2022BJAA31027) issued by ShineWing.

By order of the Board  
**Beijing Jingcheng Machinery Electric Company Limited**  
**Luan Jie**  
*Company Secretary*

Beijing, the PRC  
22 August 2022

*As at the date of this announcement, the Board 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.*