

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

VOLUNTARY ANNOUNCEMENT IN RELATION TO THE FINANCIAL ASSISTANCE PROVIDED BY THE CONTROLLING SHAREHOLDER TO THE COMPANY'S WHOLLY-OWNED SUBSIDIARY BEIJING TIANHAI INDUSTRY CO., LTD.

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.

I. SUMMARY OF MATTERS RELATING TO RECEIVING THE FINANCIAL ASSISTANCE

(I) Basic information

Beijing Jingcheng Machinery Electric Holding Co., Ltd. ("**Jingcheng Machinery Electric**"), the controlling shareholder of Beijing Jingcheng Machinery Electric Company Limited (the "**Company**"), provided a loan of RMB30 million to Beijing Tianhai Industry Co., Ltd. ("**Beijing Tianhai**"), a wholly-owned subsidiary of the Company, with a term of full repayment by the end of 2023, at an interest rate of the loan prime rate (LPR) issued by the People's Bank of China. The Company will not provide corresponding security or guarantee over such financial assistance.

(II) Consideration and approval

On 7 July 2023, the second extraordinary meeting of the eleventh session of the board of directors and the third meeting of the eleventh session of the supervisory committee considered and approved the "Resolution in relation to the Application made to Jingcheng Machinery Electric for a Bridge Loan of RMB30 million by Beijing Tianhai Industry Co., Ltd, a Subsidiary of the Company" respectively.

The above matter does not constitute material assets reorganization as regulated under the “Administrative Measures on Significant Asset Restructuring of Listed Companies” (《上市公司重大資產重組管理辦法》).

(III) Exemption of connected transaction

Since Jingcheng Machinery Electric is the controlling shareholder of the Company, the above-mentioned matter constitutes a connected transaction.

Pursuant to Rule 6.3.18 of the “Rules Governing the Listing of Securities on Shanghai Stock Exchange” (《上海證券交易所股票上市規則》), such financial assistance can be exempted from reviewal and disclosure in the manner as a connected transaction.

The financial assistance constitutes a connected transaction of the Company under Chapter 14A of the Rules Governing the Listing of the Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange Listing Rules**”). However, the Board considers that (i) the financial assistance has been entered into after arm’s length negotiation between the Group and Jingcheng Machinery Electric and determined on normal commercial terms or better; (ii) the interest rate specified in the financial assistance is more favourable than the unsecured loans which could be obtained by the Company from licensed banks in the PRC; and (iii) the financial assistance is not secured by any asset of the Group. Thus, the financial assistance is fully exempted from shareholders’ approval, annual review and all disclosure requirements under Rule 14A.90 of the Stock Exchange Listing Rules.

II. BASIC INFORMATION OF ENTITY PROVIDING FINANCIAL ASSISTANCE TO THE COMPANY:

1. Entity providing the financial assistance: Beijing Jingcheng Machinery Electric Holding Co., Ltd.
2. Legal representative: Ruan Zhongkui
3. Type of company: limited liability company (wholly state-owned)
4. Registered address: 1st Floor, Building 1, No. 6, Rongchang East Street, Beijing Economic and Technological Development Zone, Beijing
5. Registered capital: RMB2,355,637,082.96
6. Date of establishment: 8 September 1997
7. Registration number: 911100006336862176

Business scope: Labour dispatch; operation and management of state-owned assets within authorized scope; investment and investment management; property development, sale of real estate; property leasing; property management; technology transfer, technical training, technical consultation, technical services; sale of mechanical and electrical equipment (excluding vehicles); technology development. (Market entity can independently select business projects and carry out operating activities in accordance with the law. For projects requiring approval according to the law, the operating activities can be commenced according to the approved content after the approval of the relevant authorities. Operating activities prohibited and restricted by the business policies of the State and Beijing municipal shall not be engaged.)

III. EFFECTS ON THE COMPANY IN RELATION TO THE FINANCIAL ASSISTANCE PROVIDED BY THE CONTROLLING SHAREHOLDER

Jingcheng Machinery Electric provides financial assistance to Beijing Tianhai to replenish its working capital. The interest rate is the loan prime rate (LPR) issued by the People's Bank of China. The Company does not provide security or guarantee over such financial assistance, and such matter would not be against the interests of the Company and its shareholders, especially the minority shareholders of the Company.

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

Beijing, the PRC
7 July 2023

As at the date of this announcement, the board of directors of the Company comprises Mr. Zhang Jiheng as executive director, Mr. Li Junjie, Mr. Wu Yanzhang, Mr. Zhou Yongjun, Mr. Cheng Lei, Mr. Man Huiyong 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.