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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)

**DISCLOSEABLE AND CONNECTED TRANSACTION
ANNOUNCEMENT ON THE RESULTS OF
THE TRANSFER OF WU FANG QIAO ASSETS**

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

Reference is made to the circular of Beijing Jingcheng Machinery Electric Company Limited (the “**Company**”) dated 13 October 2020 in relation to the transfer of Wu Fang Qiao Assets.

Beijing Tianhai Industry Co., Ltd. (北京天海工業有限公司) (“**Beijing Tianhai**”), an indirectly wholly-owned subsidiary of the Company would transfer an industrial land with an area of 87,541.76 sq.m. and buildings with a construction area of 45,143.62 sq.m. located at No. 9 Tianying North Road, Chaoyang District, Beijing (the “**Wu Fang Qiao Assets**”) to Beijing Jingcheng Mechanical and Electrical Asset Management Co., Ltd. (北京京城機電資產管理有限責任公司) (the “**Asset Company**”) at the transaction price of RMB410.195 million (value-added tax inclusive), which is the appraised value and is filed to Beijing Jingcheng Machinery Electric Holding Co., Ltd. (北京京城機電控股有限責任公司) (“**Jingcheng Machinery Electric**”). At the same time, Beijing Tianhai, Beijing Jingcheng Haitong Technology and Culture Development Co., Ltd. (北京京城海通科技文化發展有限公司) and the Asset Company would enter into the “Agreement on Change of Party of the Lease”, which transferred all the rights and obligations of Beijing Tianhai under the “Lease of the Site and Plant at No. 9 Tianying North Road, Chaoyang District, Beijing between Beijing Tianhai Industry Co., Ltd. and Beijing Jingcheng Haitong Technology and Culture Development Co., Ltd.” to the Asset Company. The Company would also authorise the board of Beijing Tianhai to handle the transfer of the Wu Fang Qiao Assets.

Jingcheng Machinery Electric holds 50.67% of the equity interest in the Company and is the controlling shareholder of the Company, and holds 100% of the equity interest in the Asset Company; the Company indirectly holds 100% of the equity interest in Beijing Tianhai. The Asset Company, the transferee of this transaction, is a wholly-owned subsidiary of Jingcheng Machinery Electric. In accordance with the relevant requirements of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Hong Kong Listing Rules**”), this transaction constitutes a connected transaction. In addition, in accordance with the relevant requirements of the Hong Kong Listing Rules, the transaction also constitutes a discloseable transaction. The Company convened the seventh extraordinary meeting of the tenth session of the Board and the seventh meeting of the tenth session of the supervisory committee on 21 September 2020 and convened the first extraordinary general meeting of 2020 on 28 October 2020, and considered and approved the “Resolution in relation to the disposition of the Wu Fang Qiao Assets of Beijing Tianhai Industry Co., Ltd. and the authorization to the Board of Beijing Tianhai to handle the transfer” respectively. The relevant announcements were disclosed on the Shanghai Securities News, the website of the Shanghai Stock Exchange at www.sse.com.cn and the HKExnews website at www.hkexnews.hk on the date of the meeting respectively.

Recently, Beijing Tianhai and the Asset Company, the transferee, have dealt with the completion procedures for the Wu Fang Qiao Assets, and completed the property transfer registration for the Wu Fang Qiao Assets transferred. The Asset Company has received the “Property Certificate” (Certificate number: Jing (2020) Chao Bu Dong Chan Quan No. 0092752) issued by the relevant department. In accordance with the “Tangible Assets Transaction Contract” entered into between Beijing Tianhai and the Asset Company, Beijing Tianhai has received 50% of the entire transfer price being RMB205,097,500 and the remaining 50% of the transfer price being RMB205,097,500 shall be paid by the Asset Company to the designated account of Beijing Tianhai in one lump sum by 31 December 2020 upon completion of the delivery procedures of the Wu Fang Qiao Assets.

The Company’s designated information disclosure media are Shanghai Securities News, the website of Shanghai Stock Exchange at <http://www.sse.com.cn> and the HKExnews website at www.hkexnews.hk. Investors are advised to pay attention to relevant information and should be aware of the investment risks.

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

Beijing, the PRC
24 December 2020

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.