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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)**

- (1) PROPOSED NON-PUBLIC ISSUANCE OF A SHARES;**
- (2) CONNECTED TRANSACTION - SHARE SUBSCRIPTION BY THE CONTROLLING SHAREHOLDER; AND**
- (3) POTENTIAL ACQUISITION OF TARGET COMPANY**

**PROPOSED NON-PUBLIC ISSUANCE OF A SHARES**

On 16 November 2022, the Board resolved to propose the Non-public Issuance. The number of A Shares to be issued under the Non-public Issuance shall be determined by dividing the total amount of raised funds by the issue price, and shall not exceed 30% of the total share capital of the Company prior to the Non-public Issuance. The final number of issuance shall be subject to the number of issuance approved by the CSRC.

The price for the Non-public Issuance will be determined by way of book-building, and the Pricing Benchmark Date is the first day of the issuance period. The issue price shall not be lower than 80% of the average trading price of the Company's A Shares over the 20 trading days preceding the Pricing Benchmark Date (the average trading price of the A Shares over the 20 trading days preceding the Pricing Benchmark Date = the total transaction amount of A Shares over the 20 trading days preceding the Pricing Benchmark Date / the total trading volume of A Shares over the 20 trading days preceding the Pricing Benchmark Date), and shall not be lower than the audited net asset value per Share attributable to the ordinary shareholders of the Company as at the end of the latest period preceding the Non-public Issuance.

The final issue price shall be determined by the Board, as authorized by the General Meeting of the Company, in consultation with the sponsor (the lead underwriter) after obtaining approval from securities regulatory authorities, including the CSRC, in relation to the Non-public Issuance in accordance with the requirements of the “Implementation Rules for the Non-public Issuance of Shares by Listed Companies”. If during the period from the Pricing Benchmark Date to the Issuance Date, there is any occurrence of ex-rights, ex-dividends events such as dividend distribution, bonus issuance and capitalisation of capital reserves relating to the A Shares of the Company, the issue price shall be adjusted accordingly.

The Company will issue the A Shares under the Specific Mandate sought from the Independent Shareholders at the General Meeting and the Class Meetings. The Non-public Issuance is subject to the approval of the Beijing SASAC and the CSRC.

### **CONNECTED TRANSACTION – SHARE SUBSCRIPTION BY THE CONTROLLING SHAREHOLDER**

As part of the Non-public Issuance, the Company and Jingcheng Machinery Electric entered into the Share Subscription Agreement on 16 November 2022, pursuant to which the Company has conditionally agreed to issue and Jingcheng Machinery Electric has conditionally agreed to subscribe for part of the A Shares under the Non-public Issuance by way of cash payment, the total subscription amount shall not be less than RMB250,000,000, and the shareholding of Jingcheng Machinery Electric after the completion of the Non-public Issuance will be increased by no more than 2% as compared to the 12 months prior to the Non-public Issuance (i.e. the shareholding of Jingcheng Machinery Electric after the completion of the Non-public Issuance – the shareholding of Jingcheng Machinery Electric before the Non-public Issuance  $\leq$  2%). The final amount of subscription shall be determined by a formal agreement to be signed between the parties after the issue price has been determined.

### **IMPLICATIONS UNDER THE LISTING RULES**

Jingcheng Machinery Electric is the controlling shareholder holding approximately 45.32% of the total issued Shares of the Company, and therefore Jingcheng Machinery Electric is a connected person of the Company under the Listing Rules. The Share Subscription constitutes a connected transaction of the Company. As the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) are more than 5%, the Share Subscription is subject to the reporting, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

The Company will form an independent board committee to advise the Independent Shareholders on the terms of the Share Subscription Agreement or its formal agreement (as the case may be) and the Share Subscription. The Company will also appoint an independent financial adviser to advise the independent board committee and the Independent Shareholders on the matters.

The General Meeting and Class Meetings will be convened to consider and, if thought fit, approve resolutions, among other things, relating to (i) the Non-public Issuance; and (ii) the Specific Mandate. Jingcheng Machinery Electric and its associates and those who are involved in or interested in the Non-public Issuance will abstain from voting on the corresponding resolutions to be proposed at the General Meeting and/or the Class Meetings.

A circular containing, among other things, details of the terms of the Share Subscription Agreement or its formal agreement (as the case may be) and the Share Subscription, a letter of advice from the independent board committee to the Independent Shareholders, a letter of advice from the independent financial adviser to the independent board committee and the Independent Shareholders, and the notice of General Meeting and Class Meetings is expected to be despatched to the Shareholders on or before 30 April 2023. Such date is more than 15 business days from the publication of this announcement as the Company requires more time to complete the document preparation and the approval procedures for the Non-public Issuance in order to finalise and compile the relevant information for inclusion in the circular.

### **POTENTIAL ACQUISITION OF TARGET COMPANY**

As part of the Non-public Issuance, the Company and Jingcheng Machinery Electric entered into the Asset Acquisition Framework Agreement in relation to the Potential Acquisition on 16 November 2022. The Target Company is a wholly-owned subsidiary of Jingcheng Machinery Electric, which is principally engaged in the research and development, manufacturing, sale and services of intelligent printing equipment. The signing of the Asset Acquisition Framework Agreement represents only the cooperation intention of the Company and Jingcheng Machinery Electric for the Potential Acquisition. The Company is not legally obliged to proceed with the Potential Acquisition until the Company and Jingcheng Machinery Electric have entered into a formal agreement for the Potential Acquisition. If the Potential Acquisition is materialised, it may constitute a notifiable transaction and a non-exempt connected transaction of the Company under the Listing Rules. The Company will publish further announcement(s) in relation to the Potential Acquisition in accordance with the Listing Rules as and when appropriate.

**There is no assurance that the Non-public Issuance, the Share Subscription and the Potential Acquisition will materialise or eventually be consummated. Shareholders and potential investors of the Company are reminded that the Non-public Issuance and the Share Subscription are subject to the fulfillment of certain conditions, including but not limited to the approval of the Beijing SASAC and the CSRC. At the same time, the Potential Acquisition is subject to, among other things, the entering into of the relevant formal agreement, the principal terms and conditions of which are subject to negotiation. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

## I. PROPOSED NON-PUBLIC ISSUANCE OF A SHARES

On 16 November 2022, the Board resolved to propose the Non-public Issuance. The number of A Shares to be issued under the Non-public Issuance shall be determined by dividing the total amount of raised funds by the issue price, and shall not exceed 30% of the total share capital of the Company prior to the Non-public Issuance. The final number of issuance shall be subject to the number of issuance approved by the CSRC.

The A Shares to be issued under the Non-public Issuance will be issued pursuant to the Specific Mandate to be sought from the Independent Shareholders at the General Meeting and the Class Meetings.

The principal details of the proposal of the Non-public Issuance are set out below:

Class and par value of A Shares to be issued:	A Shares with a par value of RMB1.00 each.
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Number of A Shares to be issued:	The number of shares under the Non-public Issuance will be calculated by dividing the total amount of raised funds of the Non-public Issuance by the final issue price as determined through book-building inquiry, and shall not exceed 30% of total share capital of the Company prior to the Non-public Issuance. If there is any change to the total share capital of the Company prior to the Non-public Issuance, the maximum number of Shares to be issued shall be adjusted according to the Company's then total share capital.
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The final number of Shares to be issued pursuant to the Non-public Issuance will be determined by the Board in consultation with the sponsor (lead underwriter) according to final particulars of situations such as the maximum number of shares to be issued, maximum aggregate amount of raised fund, and the issue price as approved by relevant regulatory authorities.

If during the period from the Pricing Benchmark Date to the Issuance Date, there is any occurrence of ex-rights, ex-dividends events such as dividend distribution, bonus issuance and capitalisation of capital reserves relating to the A Shares of the Company, the number of shares to be issued in the Non-public Issuance shall be adjusted accordingly.

Target subscriber and method of subscription: The target subscribers for the Non-public Issuance will be no more than 35 specific investors, including Jingcheng Machinery Electric (the controlling shareholder of the Company). Accordingly, the Non-public Issuance will involve a connected transaction of the Company under the Listing Rules. Based on the situation of the existing planning, the Non-public Issuance will not result in Jingcheng Machinery Electric being obliged to make a mandatory general offer for all the Shares of the Company pursuant to Rule 26 of the Code on Takeovers and Mergers as a result of an increase in shareholding of more than 2%.

The target subscribers other than Jingcheng Machinery Electric include securities investment fund management companies, securities companies, trust companies, finance companies, insurance institutional investors and qualified foreign institutional investors that meet the requirements of the CSRC, and other legal persons, natural person or other qualified investors which satisfy the relevant requirements of laws and regulations. Among them, any securities investment fund management companies, securities companies, qualified foreign institutional investors and Renminbi qualified foreign institutional investors subscribing through two or more of the products under their management shall be deemed as one single target subscriber. Target subscribers which are trust companies shall only subscribe with their own capital.

All target subscribers shall subscribe for the A Shares under the Non-public Issuance by way of cash.

Method and time of issue: The Non-public Issuance shall adopt the method of non-public issuance to specific targets after the CSRC approves the issuance and as and when appropriate as determined by the Company within a validity period stipulated by the CSRC.

Pricing Benchmark Date, issue price and pricing principles: The price for the Non-public Issuance will be determined by way of book-building, and the Pricing Benchmark Date is the first day of the issuance period. The issue price shall not be lower than 80% of the average trading price of the Company's A Shares over the 20 trading days preceding the Pricing Benchmark Date (the average trading price of the A Shares over the 20 trading days preceding the Pricing Benchmark Date = the total transaction amount of A Shares over the 20 trading days preceding the Pricing Benchmark Date / the total trading volume of A Shares over the 20 trading days preceding the Pricing Benchmark Date), and shall not be lower than the audited net asset value per Share attributable to the ordinary shareholders of the Company as at the end of the latest period preceding the Non-public Issuance.

The final issue price shall be determined by the Board, as authorized by the General Meeting of the Company, in consultation with the sponsor (the lead underwriter) after obtaining approval from securities regulatory authorities, including the CSRC, in relation to the Non-public Issuance in accordance with the requirements of the "Implementation Rules for the Non-public Issuance of Shares by Listed Companies". If during the period from the Pricing Benchmark Date to the Issuance Date, there is any occurrence of ex-rights, ex-dividends events such as dividend distribution, bonus issuance and capitalisation of capital reserves relating to the A Shares of the Company, the issue price shall be adjusted accordingly.

Proposed use of raised funds: The total amount of funds to be raised from the Non-public Issuance shall not exceed RMB1,172 million and are intended to be used for the following projects after deducting issuance costs:

- (1) approximately RMB392,000,000 for the industrial development project for hydrogen energy frontier technology;
- (2) approximately RMB120,000,000 for the intelligent manufacturing industrial park project;
- (3) approximately RMB420,000,000 for the acquisition of 100% equity interest in the Target Company; and
- (4) approximately RMB240,000,000 for the replenishment of the Company's working capital.

If the actual funds raised of the Non-public Issuance (net amount after deducting the issuance costs) cannot meet the capital needs of all the above projects, the capital shortfall will be self-financed by the Company. In the event that the availability of the raised funds is not in line with the project implementation schedule, the Company may use other funds for investment first according to the actual circumstances, and replace such with the raised funds when they are available. Within the scope of the finalized fundraising investment projects (subject to the filing documents of the relevant authorities), the Board may make appropriate adjustments to the investment order and amount of raised funds to be invested in the above projects according to the actual needs of the projects.

Lock-up period:	After completion of the Non-public Issuance, the A Shares of the Non-public Issuance subscribed by Jingcheng Machinery Electric shall not be transferred within 18 months from the last day of the issuance. The shares of the Non-public Issuance subscribed by the remaining target subscribers shall not be transferred within 6 months from the last day of the issuance.
Arrangement for accumulated undistributed profits:	Upon completion of the Non-public Issuance, all the shareholders of the Company will be entitled to share the undistributed profits accumulated prior to the issuance according to the shareholding proportion after the issuance.
Place of listing:	The A Shares to be issued under the Non-public Issuance will be listed on the Shanghai Stock Exchange.
Validity period of resolution:	The resolution regarding the Non-public Issuance shall be valid for 12 months from the date of the passing at the General Meeting.

## **II. CONNECTED TRANSACTION – SHARE SUBSCRIPTION BY THE CONTROLLING SHAREHOLDER**

As part of the Non-public Issuance, the Company and Jingcheng Machinery Electric entered into the Share Subscription Agreement on 16 November 2022.

### **Share Subscription Agreement**

Major terms of the Share Subscription Agreement are set out below:

Date: 16 November 2022

Parties: (1) the Company (as the issuer)  
(2) Jingcheng Machinery Electric (as the subscriber)

Price, method and number of the Share Subscription: The subscription price will be determined on the same basis as other A Shares to be issued under the Non-public Issuance as mentioned above.

After obtaining the approval document from the CSRC for the Non-public Issuance, Jingcheng Machinery Electric shall subscribe for part of the A Shares under the Non-public Issuance by way of cash payment, the total subscription amount shall not be less than RMB250,000,000, and the shareholding of Jingcheng Machinery Electric after the completion of the Non-public Issuance will be increased by no more than 2% as compared to the 12 months prior to the Non-public Issuance (i.e. the shareholding of Jingcheng Machinery Electric after the completion of the Non-public Issuance – the shareholding of Jingcheng Machinery Electric before the Non-public Issuance  $\leq 2\%$ ).

The final amount of subscriptions shall be determined by a formal agreement to be signed between the parties after the issue price has been determined.



Time of payment for the shares, payment method and delivery of the shares:

After obtaining the approval document from the CSRC for the Non-public Issuance, the Company and the sponsor of the Non-public Issuance will issue a written notice of payment of the Share Subscription to Jingcheng Machinery Electric in accordance with the issuance proposal of the Non-public Issuance as finally approved by the CSRC, and Jingcheng Machinery Electric will deposit the subscription funds to the account designated by the sponsor (the lead underwriter) in accordance with the requirements of such notice of payment, and then deposit the funds to the Company's dedicated deposit account upon completion of the verification and deduction of relevant fees.

The Company shall register the shares subscribed by Jingcheng Machinery Electric with the securities registration and clearing institution as soon as possible after payment of the subscription fees by Jingcheng Machinery Electric.

Conditions precedent for the Share Subscription Agreement to take effect:

The Share Subscription Agreement will take effect when all of the following conditions have been satisfied:

- (1) the Non-public Issuance has been approved by the Board;
- (2) the Non-public Issuance has been approved by Beijing SASAC;
- (3) the Non-public Issuance, the Share Subscription Agreement, and all resolutions related to and incidental to it have been approved by the A Shares Class Meeting, the H Shares Class Meeting and the General Meeting of the Company ;
- (4) the Non-public Issuance has been approved by the CSRC;
- (5) the Company has obtained all necessary consent, approval, authorization, permit, waiver and notice in respect of the Non-public Issuance from relevant government departments and/or regulatory institutions;

The above Conditions (1) to (5) are all non-waivable conditions.

Lock-up Period: The Shares to be subscribed by Jingcheng Machinery Electric shall not be transferred within 18 months from the date of completion of the Non-public Issuance.

Jingcheng Machinery Electric shall, in accordance with the relevant laws and regulations and the relevant regulations of the CSRC and the stock exchange(s), issue an undertaking in respect of the relevant lock-up matters in relation to the Non-public Issuance in accordance with the requirements of the Company and deal with the relevant share lock-up matters.

## **REASONS FOR AND BENEFITS OF THE SHARE SUBSCRIPTION**

Through the Non-public Issuance, it helps maintain and increase the Company's technological lead, competitive edge and market position in the hydrogen energy industry, and lay out the Company's future strategic growth points; it will effectively enhance the production capacity and customer service capability of the Company's intelligent manufacturing business segment and improve the business scale and profitability of the intelligent manufacturing business segment; the integration of the Target Company into the Group is in line with the Company's development strategy of building a competitive listing platform of equipment manufacturing industry; it will further optimize the Company's capital structure, reduce financial risks, enhance the Company's comprehensive competitiveness and anti-risk capability, and lay a solid foundation for the Company's long-term sustainable development.

The participation of Jingcheng Machinery Electric in subscription under the Non-public Issuance demonstrates the support and confidence from the controlling shareholder of the Company in the future development of the Company, which is conducive to the sustainable development of the Company, enhancing the value of investment and safeguarding the interests of small and medium Shareholders.

The Directors (excluding the independent board committee whose view will be provided after taking into account of the advice from the independent financial adviser) are of the view that the terms of the Share Subscription Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

Jingcheng Machinery Electric is the controlling shareholder holding approximately 45.32% of the total issued Shares of the Company, and therefore Jingcheng Machinery Electric is a connected person of the Company under the Listing Rules. The Share Subscription constitutes a connected transaction of the Company. As the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) are more than 5%, the Share Subscription is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

None of the Directors has any material interest in the Non-public Issuance. Given that Mr. Wang Jun, Mr. Wu Yanzhang, Mr. Xia Zhonghua, Mr. Man Huiyong and Ms. Li Chunzhi are Directors who are nominated by Jingcheng Machinery Electric and act as senior management in Jingcheng Machinery Electric and/or its subsidiaries other than the Group, they have abstained from voting on the Board resolution for approving the proposal of Non-public Issuance. Save and except for the aforesaid, no other Director has abstained from voting on such Board resolutions.

The Company will form an independent board committee to advise the Independent Shareholders on the terms of the Share Subscription Agreement or its formal agreement (as the case may be) and the Share Subscription. The Company will also appoint an independent financial adviser to advise the independent board committee and the Independent Shareholders on the matters.

The General Meeting and Class Meetings will be convened to consider and, if thought fit, approve resolutions, among other things, relating to (i) the Non-public Issuance; and (ii) the Specific Mandate. Jingcheng Machinery Electric and its associates and those who are involved in or interested in the Non-public Issuance will abstain from voting on the corresponding resolutions to be proposed at the General Meeting and/or the Class Meetings.

A circular containing, among other things, details of the terms of the Share Subscription Agreement or its formal agreement (as the case may be) and the Share Subscription, a letter of advice from the independent board committee to the Independent Shareholders, a letter of advice from the independent financial adviser to the independent board committee and the Independent Shareholders, and the notice of General Meeting and Class Meetings is expected to be despatched to the Shareholders on or before 30 April 2023. Such date is more than 15 business days from the publication of this announcement as the Company requires more time to complete the document preparation and approval procedures for the Non-public Issuance in order to finalise and compile the relevant information for inclusion in the circular.

### III. POTENTIAL ACQUISITION OF TARGET COMPANY

As part of the Non-public Issuance, the Company entered into the Asset Acquisition Framework Agreement with Jingcheng Machinery Electric for the Potential Acquisition on 16 November 2022, the principal terms of which are set out as follows:

Date: 16 November 2022

Parties: (1) the Company (as potential purchaser)  
(2) Jingcheng Machinery Electric (as potential vendor)

Assets proposed to be acquired: The Company intends to acquire and Jingcheng Machinery Electric intends to sell all the equity interest in the Target Company. As at the date of this announcement, Jingcheng Machinery Electric owns 100% actual equity interest in the Target Company.

Consideration: The consideration for the Potential Acquisition is expected to be not more than RMB420,000,000 and shall be payable by the Company by way of cash payment.

The final consideration will be determined on the basis of a valuation report issued by the valuation agency and filed by the competent state-owned asset supervision and administration department, which will be negotiated and formally agreed by the parties separately.

Conditions precedent for the Asset Acquisition Framework Agreement to take effect: The Company and Jingcheng Machinery Electric will enter into the relevant documents including the asset acquisition agreement by way of cash payment with the transaction price determined according to the approved appraised value. The Asset Acquisition Framework Agreement and the foregoing agreement will become effective on the date on which the following conditions are satisfied:

(1) The Potential Acquisition has been considered and approved by the internal authority of the parties in accordance with the relevant laws and regulations, the Articles of Association and the internal management system, including but not limited to the reconvening of the Board meeting of the Company after the completion of the audit and valuation of the Target Company, the consideration and approval by the General Meeting and the Class Meetings of the Company; and

- (2) The Potential Acquisition has obtained all necessary approvals from the PRC government authorities, including but not limited to the approval/filing of the relevant matters by the Beijing SASAC, the approval of the relevant matters by the CSRC and other necessary prior approvals, permissions or consents required by laws, regulations and regulatory authorities, and such approvals do not require any modification to the Asset Acquisition Framework Agreement or the creation of any additional or different obligations that are not unanimously acceptable to the Company and Jingcheng Machinery Electric.

If any of the aforesaid conditions cannot be fulfilled, the Asset Acquisition Framework Agreement shall then be null and void, whereupon the Company and Jingcheng Machinery Electric shall each bear the respective costs incurred in signing and preparing for the performance of such agreement and the parties shall not be liable to each other.

No legal obligation:

The entering into of the Asset Acquisition Framework Agreement only represents the intention of the Company and Jingcheng Machinery Electric to collaborate for the Potential Acquisition. After the completion of the audit and valuation of the Target Company, the Company has the right to unilaterally decide whether to proceed with the implementation of the Potential Acquisition and enter into a formal agreement and other relevant legal documents with Jingcheng Machinery Electric. The specific rights and obligations of the Company and Jingcheng Machinery Electric are subject to the terms of such signed formal agreement. Prior to the entering into of the formal agreement by the Company and Jingcheng Machinery Electric, the Company has no legal obligation to purchase the equity interest in the Target Company. If the formal agreement cannot be entered into, the Asset Acquisition Framework Agreement shall then be null and void, whereupon the Company and Jingcheng Machinery Electric shall each bear the respective costs incurred in signing and preparing for the performance of such agreement, and the Company and Jingcheng Machinery Electric shall not be liable to each other.

In the event that the Potential Acquisition is materialised, it is expected that the Target Company will become a wholly-owned subsidiary of the Company after completion of the Potential Acquisition. The integration of the Target Company into the Group is in line with the Company's development strategy of building a competitive listing platform of equipment manufacturing industry, which effectively increases its business scale and profitability and safeguards the interests of the Company's shareholders as a whole, especially those of the small and medium Shareholders.

If the Potential Acquisition is materialised, it may constitute a notifiable transaction and a non-exempt connected transaction of the Company under the Listing Rules. The Company will publish further announcement(s) in relation to the Potential Acquisition in accordance with the Listing Rules as and when appropriate.

#### **IV. INFORMATION ON THE PARTIES AND THE TARGET COMPANY**

##### **Information on the Company**

The Company's general scope of operation includes general logistics; professional contracting; developing, designing, selling, installing, adjusting and maintaining cryogenic containers, compressors (piston compressor, membrane compressor and membrane compressor of nuclear grading) and accessories; machinery equipment and electrical equipment; technical consultancy and technical services; import and export of commodities and technology and acting as import and export agency.

##### **Information on the Target Company**

The Target Company is a company incorporated in the PRC with limited liability and is principally engaged in research and development, manufacturing, sale and services of intelligent printing equipment. The Target Company is a wholly-owned subsidiary of Jingcheng Machinery Electric.

##### **Information on Jingcheng Machinery Electric**

As at the date of this announcement, 245,735,052 shares of the Company are held by Jingcheng Machinery Electric, the controlling shareholder of the Company, representing approximately 45.32% of total share capital of the Company. Jingcheng Machinery Electric is a state-owned enterprise incorporated in the PRC, its authorised scope of operation includes labor dispatching; management of state-owned assets within the scope of authorization; investment and investment management; real estate development, commodity housing sales; leasing of housing; property management; technology transfer, technical training, technical consulting, technical services; sale of machinery and electrical equipment (excluding automobiles); technology development. The ultimate beneficial owner of Jingcheng Machinery Electric is the Beijing SASAC.

## V. DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms shall have the following meanings:

“A Shareholder(s)”	holders of A Shares
“A Share(s)”	ordinary shares of the Company with a nominal value of RMB1.00 each, which are issued in the PRC, subscribed for in RMB and listed on the Shanghai Stock Exchange (stock code: 600860)
“A Shares Class Meeting”	the class meeting of A Shareholders
“Asset Acquisition Framework Agreement”	the asset acquisition framework agreement by way of cash payment entered into between the Company and Jingcheng Machinery Electric on 16 November 2022
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Beijing SASAC”	Beijing Municipal People’s Government State-owned Assets Supervision and Administration Commission
“Board”	the board of Directors of the Company
“Class Meetings”	A Shares Class Meeting and H Shares Class Meeting
“Company”	Beijing Jingcheng Machinery Electric Company Limited (北京京城機電股份有限公司), a joint stock company incorporated in the PRC with limited liability and the shares of which are listed on the main board of the Stock Exchange and the Shanghai Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“CSRC”	China Securities and Regulatory Commission
“Director(s)”	the director(s) of the Company
“General Meeting”	a general meeting of the Company to be convened to consider, if thought fit, to approve, among others, the Non-public Issuance
“Group”	the Company and its subsidiaries

“H Shareholder(s)”	holders of H Shares
“H Share(s)”	overseas listed shares of the Company with a nominal value of RMB1.00 each, which are issued in Hong Kong, subscribed for in Hong Kong dollars and listed on the main board of the Stock Exchange (stock code: 00187)
“H Shares Class Meeting”	the class meeting of H Shareholders
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	the Shareholders other than (i) Jingcheng Machinery Electric and its associates; and (ii) the Shareholders who are involved in or interested in the Non-public Issuance
“Issuance Date”	the respective date of issuance of A Shares to the target subscriber(s) pursuant to the Non-public Issuance
“Jingcheng Machinery Electric”	Beijing Jingcheng Machinery Electric Holding Co., Ltd.* (北京京城機電控股有限責任公司), a company incorporated in the PRC and holding approximately 45.32% interest in the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Non-public Issuance”	the proposed non-public issuance of A Shares not exceeding 30% of the total share capital of the Company prior to the issuance to the target subscriber
“Potential Acquisition”	the proposed acquisition by the Company of the entire equity interest in the Target Company held by Jingcheng Machinery Electric
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“Pricing Benchmark Date”	the first day of the Non-public Issuance
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	A Shares and H Shares



“Shareholder(s)”	registered holder(s) of the Shares
“Share Subscription”	the subscription of A Shares of the Company by Jingcheng Machinery Electric under the Non-Public Issuance
“Share Subscription Agreement”	the conditional share subscription agreement in relation to the Share Subscription entered into between the Company and Jingcheng Machinery Electric on 16 November 2022
“Specific Mandate”	the specific mandate to be granted by the Shareholders to the Board in relation to the Non-public Issuance
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Beiren Intelligent Equipment Technology Co., Ltd*. (北人智能裝備科技有限公司), a limited liability company incorporated in the PRC, and a wholly-owned subsidiary of Jingcheng Machinery Electric
“%”	per cent

**There is no assurance that the Non-public Issuance, the Share Subscription and the Potential Acquisition will materialise or eventually be consummated. Shareholders and potential investors of the Company are reminded that the Non-public Issuance and the Share Subscription are subject to the fulfillment of certain conditions, including but not limited to the approval of the Beijing SASAC and the CSRC. At the same time, the Potential Acquisition is subject to, among other things, the entering into of the relevant formal agreement, the principal terms and conditions of which are subject to negotiation. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

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

Beijing, China  
16 November 2022

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

\* *For identification purposes only*