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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)

CONTINUING CONNECTED TRANSACTIONS PRODUCT SALE AND PURCHASE FRAMEWORK AGREEMENT SUPPLEMENTAL ANNOUNCEMENT

Reference is made to the announcement of Beijing Jingcheng Machinery Electric Company Limited (the “**Company**”) dated 16 August 2024 (the “**Announcement**”) in relation to, among others, the entering into of the Product Sale and Purchase Framework Agreement between Beijing Tianhai and Shanghai Sunwise. Unless stated otherwise, capitalised terms used in this announcement shall have the same meaning as those defined in the Announcement.

The purpose of this announcement is to provide further information in relation to the pricing description in the section headed “Price and payment terms” under the Product Sale and Purchase Framework Agreement in the Announcement. Due to inadvertent error, the Company hereby submits that the price and payment terms in relation to the Product Sale and Purchase Framework Agreement as disclosed on pages 2 to 4 (English and Chinese versions) of the Announcement should be read as follows (the modified contents are indicated in bold; deleted contents are marked with strikethroughs, and new contents are underlined for easy reference):

The Purchased Products

The fee payable by the Beijing Tianhai Group to the Shanghai Sunwise Group will be determined in accordance with normal commercial terms with reference to the ~~open market price of the relevant products obtained from~~ widely recognised market price ~~websites~~ in the PRC.

Specifically, the fee payable by the Beijing Tianhai Group to the Shanghai Sunwise Group will be determined by the following: (i) conducting tendering and bidding or quotation process; and (ii) with reference to the market price charged for the same products provided by two to three independent third party suppliers. The Shanghai Sunwise Group will provide the same products to the Beijing Tianhai Group on terms and conditions no less favourable to the Beijing Tianhai Group than those offered to independent third parties.

Payment for the purchase of hydrogen energy products by the Beijing Tianhai Group from the Shanghai Sunwise Group will be settled by bank telegraphic transfer or other means upon receipt of the relevant products by the Beijing Tianhai Group.

The Beijing Tianhai Group will pay the consideration by its own funds.

Before the Beijing Tianhai Group enters into individual product sale and purchase agreement pursuant to the Product Purchase and Sale Framework Agreement, it will review the price of the Purchased Products supplied by the Shanghai Sunwise Group to the Beijing Tianhai Group and compare the prices with the quotations obtained from other independent third party suppliers (if any) for comparable products of similar quantity and specifications for the same period of time. If the prices or terms of the products obtained by the Beijing Tianhai Group from the Shanghai Sunwise Group are less favourable than the quotations obtained from other independent third party suppliers (if any) for comparable products of similar quantity and specifications for the same period of time, the Beijing Tianhai Group has the right to refrain from entering into the relevant transaction. In the event that there is no other comparable independent third party supplier available in the market, the Beijing Tianhai Group will compare the terms offered by the Shanghai Sunwise Group to the Beijing Tianhai Group with the terms offered by the Shanghai Sunwise Group to independent third party customers (if any) to ensure that the terms offered by the Shanghai Sunwise Group to the Beijing Tianhai Group are no less favourable than those offered by it to independent third party customers.

The Sold Products

The pricing of the Sold Products by the Beijing Tianhai Group to the Shanghai Sunwise Group will be determined in accordance with normal commercial terms with reference to the ~~open market prices of the relevant products obtained from~~ widely recognised market price ~~websites~~ in the PRC.

Specifically, the price of the Sold Products provided by the Beijing Tianhai Group to the Shanghai Sunwise Group will be based on the costs calculated according to the category and quantity of products, transportation cost, the place of storage and its duration, manpower, processing and packaging cost and other factors, and will be determined at a premium of not more than 20% over such costs by taking into account the price of the same products of other suppliers in the market.

Payment for the hydrogen energy products purchased by the Shanghai Sunwise Group from the Beijing Tianhai Group will be settled by bank telegraphic transfer or other means upon receipt of the relevant products by the Shanghai Sunwise Group.

Before the Beijing Tianhai Group enters into individual product sale and purchase agreement with the Shanghai Sunwise Group pursuant to the Product Purchase and Sale Framework Agreement, it will review the prices and terms of the products provided by the Beijing Tianhai Group to the Shanghai Sunwise Group and compare them with the price lists of similar products provided by the Beijing Tianhai Group to independent third party customers in Beijing Tianhai Group's transaction database to ensure that the prices and other terms of the sale of the products by the Beijing Tianhai Group to the Shanghai Sunwise Group are not less favourable than those offered by the Beijing Tianhai Group to independent third party customers.

Save as disclosed above, all other information of the Announcement remains unchanged. This supplemental announcement is supplemental to and should be read in conjunction with the Announcement.

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

Beijing, the PRC
29 August 2024

As at the date of this announcement, the Board 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 Ms. Chen Junping, Mr. Zhao Xuguang, Mr. Liu Jingtai and Mr. Luan Dalong as independent non-executive directors.