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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)

CONNECTED TRANSACTIONS IN RELATION TO TERMINATION OF THE PROPERTY LEASING AGREEMENT AND RELATED AGREEMENT

Reference is made to the announcement of the Company dated 19 January 2022 in relation to, among others, the connected transactions in relation to the Property Leasing Agreement and Related Agreement entered into by the Company and Beiren Equipment (the “**Announcement**”). Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

As disclosed in the Announcement, on 19 January 2022, the Company, as the lessee, entered into the Property Leasing Agreement with Beiren Equipment, as the lessor, pursuant to which the Company will lease the Target Property for office use for the lease term ending on 30 April 2025. On the same date, the Company also entered into the “Property Services Management Agreement” with Beiren Equipment, pursuant to which Beiren Equipment will provide property management services for the Target Property during the period when the Company is occupying the Target Property as a tenant, for the terms of service ending on 30 April 2025.

The Board hereby announces that, as a result of the receipt of the “Notification Letter of Early Termination of the 2024 Leasing Agreement of Yichuang Park” delivered by Beiren Equipment, and the fact that Beiren Equipment has indicated that it has to cooperate with the renovation of the exhibition hall in the park, in accordance with the requirements of the development zone for the vacancy of the site, the parties have agreed to early terminate the Property Leasing Agreement and the “Property Services Management Agreement” after arm’s length negotiation, which takes effect from 31 December 2024. The Company and Beiren Equipment entered into a termination agreement of the Property Leasing Agreement on 30 December 2024 (the “**Termination Agreement**”), pursuant to which the parties will terminate the Property Leasing Agreement and settle all of their fees and property security deposit payable thereunder. The parties will not be liable to each other for any losses arising from the early termination of the Property Leasing Agreement. Pursuant to the Announcement, the Property Leasing Agreement is a non-exempted connected transaction of the Company under Chapter 14A of the Listing Rules, and the “Property Services Management Agreement” is a fully exempted connected transaction of the Company under Chapter 14A of the Listing Rules.

As at the date of this announcement, Jingcheng Machinery Electric owns 245,735,052 A Shares of the Company (representing approximately 44.87% of total issued shares of the Company) and is a controlling shareholder of the Company and a connected person of the Company. Since Beiren Equipment is an indirect wholly-owned subsidiary of Jingcheng Machinery Electric, Beiren Equipment is an associate of Jingcheng Machinery Electric and a connected person of the Company. Accordingly, the Company is required to comply with the announcement requirements under Rule 14A.35 of the Listing Rules in relation to the termination of the Property Leasing Agreement.

The Board is of the view that the termination of the Property Leasing Agreement and the “Property Services Management Agreement” is in the interests of the Company and the Shareholders as a whole, and will not have a material adverse impact on the business, operations and financial condition of the Group.

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

Beijing, the PRC
30 December 2024

As at the date of this announcement, the Board comprises Mr. Zhang Jiheng as an executive Director, Mr. Li Junjie, Mr. Zhou Yongjun, 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.