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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)

**ANNOUNCEMENT IN RELATION TO THE ENTERING INTO OF
THE RELEVANT CONTRACTS BETWEEN HOLDING SUBSIDIARIES AND
RELATED PARTIES AND DAILY RELATED PARTY TRANSACTIONS**

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 legal responsibilities for the truthfulness, accuracy and completeness of the contents herein contained.

IMPORTANT NOTICE:

- Summary of the related party transaction: Tianjin Tianhai High Pressure Container Co., Ltd.* (天津天海高壓容器有限責任公司) (“**Tianjin Tianhai**”), a holding subsidiary of Beijing Jingcheng Machinery Electric Company Limited (the “**Company**”), proposed to purchase production line automation equipment from Beijing Peitian Technology Co., Ltd.* (北京配天技術有限公司) (“**Peitian Company**”), a related party (the “**Production Line Automation Equipment Contract**”).
- Historical related party transactions: The amount of related party transactions between the Company and the same related party or related to the category of transactions with different related parties in the past 12 months did not reach RMB30 million and did not account for 5% of the absolute value of the Company’s latest audited net assets, and was therefore not subject to the consideration and approval at the Company’s general meeting.

I. Summary of the Related Party Transaction

Tianjin Tianhai, a holding subsidiary of the Company, proposed to purchase production line automation equipment from Peitian Company for the automatic production of gas cylinder production lines, at a total amount of RMB1,040,000.

Beijing Jingcheng Machinery Electric Holding Co., Ltd.* (“**Jingcheng Machinery Electric**”) holds 44.87% equity interest of the Company and is the controlling shareholder of the Company. The Company, being the de facto controller of Tianjin Tianhai, holds 55% equity interest therein through a wholly-owned subsidiary. Jingcheng Machinery Electric, being the de facto controller of Peitian Company, holds 49.58% equity interest therein through a wholly-owned subsidiary. Peitian Company is a legal organization under the same beneficial owner as the Company, and is the related legal corporation of the Company. Pursuant to the relevant provisions of the “Rules Governing the Listing of Stocks on the Shanghai Stock Exchange” (the “**SSE Listing Rules**”), the transaction constitutes a related party transaction.

In accordance with the relevant regulations, the related party transaction did not constitute a major assets restructuring as stipulated under the “Administrative Measures for Major Assets Restructuring of Listed Companies”* (《上市公司重大資產重組管理辦法》). The related party transaction is not subject to the approval of the relevant authorities.

Pursuant to the SSE Listing Rules, in the past 12 months, the amount of related party transactions between the Company and the same related party or related to the category of transactions with different related parties did not reach RMB30 million and did not account for 5% of the absolute value of the Company’s latest audited net assets, and was therefore not subject to the consideration and approval at the Company’s general meeting.

II. Basic Information on the Related Parties

(I) Relationship

Jingcheng Machinery Electric holds 44.87% equity interest of the Company and is the controlling shareholder of the Company. The Company, being the de facto controller of Tianjin Tianhai, holds 55% equity interest therein through a wholly-owned subsidiary. Jingcheng Machinery Electric, being the de facto controller of Peitian Company, indirectly holds 49.58% equity interest therein through a wholly-owned subsidiary. Peitian Company is a legal organization under the same beneficial owner as the Company, and is the related legal corporation of the Company. Pursuant to the relevant provisions of the SSE Listing Rules, the transaction constitutes a related party transaction.

(II) Basic information on the related parties

Company name: Beijing Peitian Technology Co., Ltd.

Registered address: Room 103, Zone 3, Block 9, No. 8 Dongbeiwang West Road, Haidian District, Beijing

Legal representative: Teng Mingzhi

Registered capital: RMB720,978,710.83

Type of company: limited liability company

Operating period: 18 November 2010 to 17 November 2060

Principal businesses: general projects: technical services, technology development, technology consulting, technology exchanges, technology transfer, technology promotion; mechanical equipment sales; research and development (R&D) of intelligent robots; manufacturing of industrial robots; manufacturing of service and consumer robots; manufacturing of special operation robots; sales of service and consumer robots; sales of industrial robots; sales of intelligent robots; industrial robots installation and maintenance; nuclear power equipment sets and engineering technology R&D; semiconductor device special equipment manufacturing; artificial intelligence hardware sales; industrial design services; industrial automatic control system device sales; software development; electronic components and electromechanical components and equipment sales; intelligent material handling equipment sales; material handling equipment sales; intelligent vehicle-mounted equipment manufacturing; artificial intelligence basic software development; artificial intelligence application software development; artificial intelligence theory and algorithm software development; artificial intelligence general application system; artificial intelligence industry application system integration service; R&D of motor and its control system; intelligent control system integration; technology import and export; and goods import and export. (Except for the items subject to approval in accordance with the laws, business activities can be carried out independently with the business licence(s) in accordance with the laws.) (Operating activities prohibited and restricted by the industrial policies of China and Beijing Municipality shall not be engaged.)

As at 31 December 2024, Peitian Company has total assets of RMB304,042,200 and net assets of RMB94,733,400 (the above financial data is not audited).

III. Basic information on the subject of the related party transaction

The subject of the transaction between Tianjin Tianhai and Peitian Company is the production line automation equipment provided by Peitian Company, and the transaction falls within the category of purchase of assets under the SSE Listing Rules.

The ownership of the subject of the transaction is clear, and there are no mortgages, pledges or any other circumstances restricting the transfer of ownership, no litigation, arbitration matters or judicial measures such as seizure or freezing, and there are no other circumstances impeding the transfer of ownership.

IV. General pricing principles and price determination mechanisms for the related party transaction

The purchase of the production line automation equipment is for the enhancement of automation of Tianjin Tianhai, reduction of production costs, downsizing and increase in efficiency. The purchase of production line automation equipment from Peitian Company can meet the actual needs of Tianjin Tianhai, and after comparing the automation equipment with the same technology and quality requirements in the market, the purchase of Peitian Company's products is confirmed by the implementation of the bidding procedure and according to the bid evaluation results.

In summary, the related party transaction is in line with the principle of fairness, and the approval procedures are complied with the relevant provisions. There are no circumstances that will harm the interests of the Company and its shareholders as a whole, and the results of the transaction will not have any impact on the Company's ability to continue as a going concern and the independence of the Company.

V. The main content and the arrangements of the related party transaction

1. Subject of the Contract:

Purchaser: Tianjin Tianhai High Pressure Container Co., Ltd.

Vendor: Beijing Peitian Technology Co., Ltd.

2. Consideration for the transaction: RMB1,040,000

3. Payment schedule:

- (1) The purchaser shall pay 30% of the contract price to the vendor as an advance payment within 10 days from the effective date of the Production Line Automation Equipment Contract;

- (2) After the pre-acceptance and issuance of a pre-acceptance report by the purchaser, the vendor shall deliver all the equipment to the purchaser's project site. Upon issuance of the site acceptance report by the purchaser, the purchaser shall pay 30% of the total contract price to the vendor as the delivery payment;
- (3) After the completion of installation and commissioning of the equipment at the purchaser's project site, passing of the final acceptance for the equipment and issuance of the final acceptance report by the purchaser, and the vendor shall submit a special invoice to the purchaser, upon which the purchaser shall pay 30% of the contract price to the vendor as the acceptance payment; and
- (4) After one year from the date of final acceptance of the equipment, if the equipment has no quality problems or residual problems, the purchaser shall pay 10% of the contract price to the vendor as the quality guarantee fees.

4. Effectiveness of the contract

The Production Line Automation Equipment Contract shall be executed in quadruplicate, with the purchaser holding two copies and the vendor holding two copies. It shall come into force on the date of signature and seal of both parties, and remain in full force and effect until both parties have fully fulfilled their obligations under the Production Line Automation Equipment Contract.

VI. Purpose of the related party transaction and the impact on the listed company

The terms and pricing of the related party transaction are fair and in line with the principle of fairness, and the approval procedures are complied with the relevant regulations. There are no circumstances that will harm the interests of the Company and its shareholders as a whole, and the results of the transaction will not have any impact on the Company's ability to continue as a going concern and the independence of the Company.

VII. Procedures to be performed for the related party transaction

On 27 February 2025, the Company convened the eleventh extraordinary meeting of the eleventh session of the board of directors and the sixteenth meeting of the eleventh session of the supervisory committee, at which the "Resolution in relation to the Entering Into of the Relevant Contracts Between Holding Subsidiaries and Related Parties and Daily Related Party Transactions" was considered and approved, respectively. All of the nine eligible directors attended the meeting in person. Mr. Li Junjie, Mr. Zhou Yongjun, Mr. Man Huiyong and Ms. Li Chunzhi, being related directors, abstained from voting, and there were 5 valid votes for this resolution.

The resolution was considered and approved at the first meeting of the special meetings of independent directors of the Company for 2025, they all agreed that the daily related party transaction is in line with the business development needs of the Company and is in the interests of the Company and its shareholders as a whole. The consideration of the daily related party transaction is determined through negotiation between the two parties under the principles of equality, voluntariness, fairness and good faith, and the pricing principles are objective, fair and reasonable, and comply with the provisions of relevant laws, regulations and the articles of association of the Company. There is no harm to the interests of the Company and its shareholders, especially minority shareholders. It was agreed to submit the resolution to the board of directors for consideration. Related directors shall abstain from voting.

The transaction is not subject to the consideration at the general meeting of the Company.

VIII. Historical daily related party transactions

1. Beijing Minghui Tianhai Gas Storage and Transportation Equipment Sales Co., Ltd. * (北京明暉天海氣體儲運裝備銷售有限公司) (“**Minghui Tianhai**”), a subsidiary of the Company, signed the “Energy Management Contract for Roof Distributed Photovoltaic Power Station”* (《屋頂分佈式光伏電站能源管理合同》) with Beijing Jingcheng Golden Solar Energy Technology Co., Ltd.* (北京京城金太陽能源科技有限公司) (“**Jingcheng Golden Sun**”), a related party, on 10 October 2021. Jingcheng Golden Sun shall use the photovoltaic power station which is constructed on the roof in the building located in the factory area of Minghui Tianhai and its auxiliary projects (the “**Photovoltaic Power Station**”) for free, and shall supply the electricity generated by the Photovoltaic Power Station to the factory area of Minghui Tianhai. The Photovoltaic Power Station adopts a self-generated and self-used model, with surplus electricity to grid. The electricity price charged by Jingcheng Golden Sun to Minghui Tianhai is 65% of electricity prices of the local official grid during the rush period, peak period and off-peak period when Minghui Tianhai makes the purchase, and the electricity bill shall be settled monthly based on the records of the electricity meters. From 1 January 2024 to 31 January 2025, the total electricity fees amounted to RMB343,010.03. The transaction amount did not exceed the absolute value of latest audited net assets of the Company by more than 0.5%, and therefore it did not reach the standard subject to the disclosure requirements for the previous period nor was it required to be submitted to the Company’s general meeting for consideration.
2. On 30 December 2024, upon the resolution at the office meeting of the manager of the Company, it was agreed that the Company shall sign a property leasing contract with Jingcheng Machinery Electric, its related party and controlling shareholder, for leasing a house located in the Yichuang Park Area for office use, with a lease term of 1 year (from 1 January 2025 to 31 December 2025), at a rent of RMB1,079,317.16; it was agreed that the Company shall sign a property services agreement with the Property Services Branch of Beijing Jingcheng Yihe Urban Renewal Co., Ltd.* (北京京城易合城市更新有限公司物業服務分公司), a related party, with a contract period of 1 year (from 1 January 2025 to 31 December 2025), with the property service fee, heating fee and cooling fee totalling RMB359,252. The transactions amount did not exceed the absolute value of latest audited net assets of the Company by more than 0.5%, and therefore it did not reach the standard subject to the disclosure requirements for the previous period nor was it required to be submitted to the Company’s general meeting for consideration.

IX. Implication under the Hong Kong Listing Rules

Pursuant to “Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited” (the “**Hong Kong Listing Rules**”), as Jingcheng Machinery Electric is the controlling shareholder (as defined in the Hong Kong Listing Rules) of Peitian Company, Peitian Company is a connected person of the Company under the Hong Kong Listing Rules. Accordingly, the transaction contemplated under the Production Line Automation Equipment Contract constitutes a connected transaction of the Company under the Hong Kong Listing Rules.

The subjects involved in the transaction contemplated under the Production Line Automation Equipment Contract and the aforementioned historical transactions with Jingcheng Machinery Electric and its associates are not in the same nature, and they do not involve splitting of the same project.

As all of the applicable percentage ratios calculated in accordance with the Hong Kong Listing Rules in respect of the transaction contemplated under the Production Line Automation Equipment Contract are less than 5%, and the aggregate transaction amount is less than HK\$3,000,000, it is fully exempted from the reporting, announcement, circular and independent shareholders’ approval requirements under Rule 14A.76(1)(c) of the Hong Kong Listing Rules.

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

Beijing, the PRC
27 February 2025

As at the date of this announcement, the board of directors 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.

* *For identification purposes only*