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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 REPURCHASE
AND CANCELLATION OF PART OF THE RESTRICTED
A SHARES GRANTED BUT SUBJECT TO LOCK-UP**

The Board and all directors of the Company warrant that this announcement does not contain any false information, misleading statement or material omission and accept legal responsibility for the truthfulness, accuracy and completeness of the contents herein.

References are made to the announcements dated 27 February 2025 (the “**Announcement**”) and 28 April 2025, and the circular dated 3 April 2025 of Beijing Jingcheng Machinery Electric Company Limited (the “**Company**”), in relation to (among others) the resolution regarding the repurchase and cancellation of part of the restricted A shares granted but subject to lock-up. Unless the context otherwise requires, capitalised terms used in this announcement shall have the same meaning as those defined in the Announcement.

IMPORTANT NOTICES:

- Among the Participants in the Initial Grant under the 2023 Restricted Share Incentive Scheme of the Company (the “**Incentive Scheme**”), 5 of them are no longer eligible to be the Participants due to resignation, internal retirement, transfer of job, etc. The Company intends to repurchase and cancel all or part of the Restricted Shares granted to them.
- The number of Restricted Shares for repurchase and cancellation: 180,000 shares (all being part of the Initial Grant).

- The repurchase price of the Restricted Shares: Among the five Participants in this proposed repurchase, four of them who resign on their own accord or retire internally hold a total of 130,000 Restricted Shares subject to lock-up, with the repurchase price of RMB7.33/share, while one of them who is no longer eligible to be a Participant due to transfer of job holds a total of 50,000 Restricted Shares subject to lock-up, with the repurchase price at the sum of RMB7.33/share plus the interest earned on time deposits calculated in accordance with the latest benchmark deposit rate issued by the People's Bank of China.
- Relevant information relating to the cancellation of Shares

| Number of repurchased shares (shares) | Number of cancellation shares (shares) | Date of cancellation |
|--|---|-----------------------------|
| 180,000 | 180,000 | 4 August 2025 |

I. The decision-making and information disclosure of the repurchase and cancellation of Restricted Shares

1. On 27 February 2025, the “Resolution in relation to the Repurchase and Cancellation of Part of the Restricted A Shares Granted but subject to Lock-up” was considered and approved at the eleventh extraordinary meeting of the eleventh session of the Board and the sixteenth meeting of the eleventh session of the Supervisory Committee of the Company. The above-mentioned resolution has been considered and approved by the Remuneration and Monitoring Committee of the Board and the special meeting of independent Directors.
2. On 28 April 2025, the “Resolution in relation to the Repurchase and Cancellation of Part of the Restricted A Shares Granted but subject to Lock-up” was considered and approved at the first Extraordinary General Meeting of 2025, the first A Shares Class Meeting of 2025 and the first H Shares Class Meeting of 2025 of the Company.
3. On 28 April 2025, the “Announcement on the Repurchase and Cancellation of Part of the Restricted A Shares to Reduce Registered Capital and Announcement on Notification to Creditors” was disclosed by the Company. The Company has fulfilled the procedure of notifying creditors regarding share repurchase and cancellation as prescribed by law. Within the prescribed period for filing creditor claims, the Company has not received any requests from creditors declaring their claims for debt repayment or provision of corresponding guarantees.

II. Repurchase and cancellation of Restricted Shares

(1) Reasons for and the number of repurchase and cancellation

1. Reasons for resignation of the Participants

Pursuant to item (3) under (II) Changes in the Personal Circumstances of the Participants in Chapter XIII Measures for Changes to the Company and Personal Circumstances of the Participants of the Incentive Scheme, “if the Participant resigns or the employment relationship is terminated due to personal reasons, the Company shall repurchase the Restricted Shares subject to lock-up at the lower of the Grant Price and the market price”.

Given three of the Participants under the Initial Grant resigned due to personal reasons and are no longer eligible to be the Participants, the Company is required to repurchase and cancel all of the 80,000 restricted A shares granted but subject to lock-up at the lower of the Grant Price and the market price.

2. Reasons for internal retirement of the Participants

Pursuant to item (7) under (II) Changes in the Personal Circumstances of the Participants in Chapter XIII Measures for Changes to the Company and Personal Circumstances of the Participants of the Incentive Scheme, “the Board shall determine the handling methods for other situations not specified herein”.

Given one of the Participants under the Initial Grant no longer holds any position in the Company due to internal retirement and it is not appropriate to continue to incentivise him, the Board has decided to refer to the treatments on the Participants as specified in item (3) under Part (II) in Chapter XIII of the Incentive Scheme, “if the Participant resigns or the employment relationship is terminated due to personal reasons, the Company shall repurchase the Restricted Shares subject to lock-up at the lower of the Grant Price and the market price”, and the Company is required to repurchase and cancel all of the 50,000 restricted A shares granted but subject to lock-up from the Participant at the lower of the Grant Price and the market price.

3. *Reasons for transfers of job of the Participants*

Pursuant to item (2) under (II) Changes in the Personal Circumstances of the Participants in Chapter XIII Measures for Changes to the Company and Personal Circumstances of the Participants of the Incentive Scheme, “if the Participant terminates his/her employment with the Company due to transfer of job, dismissal, retirement, death or incapacity, the exercisable portion (with clear vesting of interests) may be exercised within six months from the date of termination of employment (or when the portion can be exercised) if the exercisable time limit and performance assessment conditions have been met in that year, and the entitlement shall lapse after such six months. Any remaining portion in respect of which the performance assessment conditions for the year are not met will not be released and will be repurchased by the Company at the sum of the Grant Price plus interest earned on time deposits calculated in accordance with the latest benchmark deposit rate issued by the People’s Bank of China”.

Given one of the Participants under the Initial Grant terminates the employment relationship with the Company due to the transfer of job, the Company is required to repurchase and cancel the 50,000 restricted A shares granted but subject to lock-up at the sum of the Grant Price plus the interest earned from bank time deposits.

Based on the above, a total of 180,000 Restricted Shares granted but subject to lock-up (all being the part under the Initial Grant) were repurchased due to the changes in the circumstances of five Participants; Upon the completion of the repurchase and cancellation, the number of remaining Restrictive Shares under the Incentive Scheme will be 5,220,000 shares.

(2) Repurchase price

Among the five Participants in this proposed repurchase, four of the Participants who resigned or internally retired hold a total of 130,000 Restricted Shares subject to lock-up, with the repurchase price of RMB7.33/share, while one of them who terminated the employment relationship with the Company due to transfer of job holds a total of 50,000 Restricted Shares subject to lock-up, with the repurchase price at the sum of RMB7.33/share plus the interest earned on time deposits calculated in accordance with the latest benchmark deposit rate issued by the People’s Bank of China.

(3) Total amount of funds and the source of funds for the repurchase

The total amount of funds to be used for the repurchase of Restricted Shares is RMB1,319,400 (plus interests payable for the time deposits in banks as required), which will be financed by the Company's own funds.

(4) Arrangements of the repurchase and cancellation

The Company has opened a specific account for repurchase (B887384535) at the China Securities Depository and Clearing Company Limited Shanghai Branch (the “**CSDC Shanghai Branch**”), and has applied to CSDC Shanghai Branch for processing the transfer procedures for the repurchase of the Restricted Shares held by the above-mentioned five Participants. It is expected that the cancellation of the Restricted Shares will be completed on 4 August 2025. The Company will subsequently proceed with the relevant procedures for the changes in industrial and commercial registration in accordance with applicable laws and regulations.

III. Table on changes in the Company's shareholding structure after the repurchase and cancellation

Changes in the structure of share capital of the Company after the repurchase and cancellation of the Restricted Shares are as follows:

| Class of Shares | Before the change | | Increase/ decrease in the change | After the change | |
|---|--|---------------------------|--|--|---------------------------|
| | <i>Number of shares (shares)</i> | <i>Proportion (%)</i> | <i>Number of change (shares)</i> | <i>Number of shares (shares)</i> | <i>Proportion (%)</i> |
| Shares subject to lock-up (A Shares) | 5,400,000 | 0.99 | -180,000 | 5,220,000 | 0.95 |
| Shares not subject to lock-up (A Shares) | 442,265,988 | 80.75 | 0 | 442,265,988 | 80.78 |
| H Shares | 100,000,000 | 18.26 | 0 | 100,000,000 | 18.27 |
| Total number of Shares | 547,665,988 | 100.00 | -180,000 | 547,485,988 | 100.00 |

Note: The above changes in the structure of share capital are based on the table of the structure of share capital issued by the CSDC Shanghai Branch upon the completion of the repurchase and cancellation.

IV. Explanation and undertakings

The Board hereby explains that the decision-making procedures and information disclosure involved in the repurchase and cancellation of the Restricted Shares comply with the provisions of laws, regulations, the “Management Measures for Equity Incentives of Listed Companies” (the “**Management Measures**”), and the arrangements under the Incentive Scheme and the restricted share grant agreements. There is no circumstance that would prejudice the legitimate rights and interests of the Participants or the interests of creditors.

The Company undertakes that it has verified and guarantees the truthfulness, accuracy, and completeness of the information regarding the Participants involved, the number of shares, and the cancellation date in connection with the repurchase and cancellation of the Restricted Shares. The Company has fully informed the relevant Participants of the repurchase and cancellation, and none of the Participants has raised any objection to the matter. In the event of any dispute arising between the Company and the relevant Participants due to the repurchase and cancellation, the Company shall bear the corresponding legal responsibilities.

V. Legal opinions from lawyers

Beijing Kangda Law Firm is of the view that:

- (1) As at the issue date of the “Legal Opinion”, the Company has obtained the necessary authorization and approval for the repurchase and cancellation at the current stage, and complies with the relevant requirements in the “Management Measures” and the Incentive Scheme;
- (2) The reasons for, number, price and arrangement of the repurchase and cancellation comply with the relevant requirements in the “Management Measures” and the Incentive Scheme; and
- (3) The Company is still required to fulfill its information disclosure obligations in respect of the repurchase and cancellation, and in connection with this repurchase and cancellation, to carry out procedures of registration for the reduction of registered capital and the cancellation of shares in accordance with the relevant provisions of the “Company Law” and the “Articles of Association”.

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

Beijing, the PRC
30 July 2025

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