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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)

VOLUNTARY ANNOUNCEMENT ON THE FINANCIAL ASSISTANCE PROVIDED BY THE CONTROLLING SHAREHOLDER TO THE COMPANY'S SUBSIDIARY BEIJING TIANHAI INDUSTRY CO., LTD.

The board of directors (the “**Board**”) of Beijing Jingcheng Machinery Electric Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) and all members of the Board warrant that this announcement does not contain any false information, misleading statement or material omission and accept joint and several responsibilities for the truthfulness, accuracy and completeness of the contents herein contained.

I. SUMMARY OF MATTERS RELATING TO RECEIVING THE FINANCIAL ASSISTANCE

(I) Basic information

Beijing Jingcheng Machinery Electric Holding Co., Ltd. (“**Jingcheng Machinery Electric**”), the controlling shareholder of the Company, provided a loan of RMB40 million (the “**Financial Assistance**”) to Beijing Tianhai Industry Co., Ltd. (“**Beijing Tianhai**”), a subsidiary of the Company, for a term of one year. The loan bears interests not higher than the market LPR interest rates for the same period. The Company will not provide corresponding security or guarantee over the Financial Assistance.

(II) Consideration and approval

On 28 April 2022, the resolution on the application by Beijing Tianhai for an internal bridge loan of RMB40 million from Jingcheng Machinery Electric was considered and approved at the eighth meeting of the tenth session of the Board.

The Financial Assistance does not constitute material assets reorganization as regulated under the “Administrative Measures on Material Asset Restructuring of Listed Companies”.

(III) Exemption of connected transaction

Since Jingcheng Machinery Electric is the controlling shareholder of the Company, the above-mentioned matter constitutes a connected transaction. According to the regulation under the “Guidelines on the Shanghai Stock Exchange for the Listed Companies’ Postponement of and Exemption from Information Disclosure”, such Financial Assistance is not required to apply for exemption from the Shanghai Stock Exchange. The self-exemption conditions are met, and the matter can be considered and disclosed by way of exempted connected transaction.

The Financial Assistance constitutes a connected transaction of the Company under Chapter 14A of the Rules Governing the Listing of the Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). However, the Board considers that as (i) the Financial Assistance has been entered into after arm’s length negotiation between the Group and Jingcheng Machinery Electric and determined on normal commercial terms or better; (ii) the interest rate specified in the Financial Assistance is more favourable than the unsecured loans which could be obtained by the Company from licensed banks in the PRC; and (iii) the Financial Assistance is not secured by any asset of the Group. Thus, the Financial Assistance is fully exempted from shareholders’ approval, annual review and all related disclosure requirements pursuant to Rule 14A.90 of the Listing Rules.

II. BASIC INFORMATION OF THE ENTITY PROVIDING THE FINANCIAL ASSISTANCE:

1. Entity providing the Financial Assistance: Beijing Jingcheng Machinery Electric Holding Co., Ltd.
2. Legal representative: Ruan Zhongkui
3. Type of enterprise: limited liability company (wholly state-owned)
4. Registered address: 1st Floor, Building 1, No. 6, Rongchang East Street, Beijing Economic and Technological Development Zone, Beijing
5. Registered capital: RMB2,355,637,082.96
6. Date of establishment: 8 September 1997
7. Registration number: 911100006336862176

Business scope: Labour dispatch; operation and management of state-owned assets within authorized scope; investment and investment management; property development, sale of real estate; property leasing; property management; technology transfer, technical training, technical consultation, technical services; sale of mechanical and electrical equipment (excluding vehicles); technology development. (Market entity can independently select business projects and carry out operating activities in accordance with the law. For projects requiring approval according to the law, the operating activities can be commenced according to the approved content after the approval of the relevant authorities. Operating activities prohibited and restricted by the business policies of the State and Beijing city shall not be engaged.)

III. IMPACTS ON THE COMPANY IN RELATION TO THE FINANCIAL ASSISTANCE PROVIDED BY JINGCHENG MACHINERY ELECTRIC

Jingcheng Machinery Electric provides the Financial Assistance to Beijing Tianhai to improve its cash flow. The loan bears interests not higher than the market LPR interest rates for the same period. The Company will not provide any security or guarantee over the Financial Assistance, and such matter would not be against the interests of the Company and its shareholders, especially its minority shareholders.

On behalf of the Board

Beijing Jingcheng Machinery Electric Company Limited

Luan Jie

Company Secretary

Beijing, the PRC

28 April 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.