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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**  
**RENEWED PRODUCT SALE AND PURCHASE FRAMEWORK AGREEMENT**

**RENEWED PRODUCT SALE AND PURCHASE FRAMEWORK AGREEMENT**

References are made to the announcements of the Company dated 16 August 2024, 29 August 2024 and 30 September 2024 in relation to, among others, the continuing connected transactions carried out between Beijing Tianhai (a wholly-owned subsidiary of the Company) and Shanghai Sunwise pursuant to the Existing Product Sale and Purchase Framework Agreement.

As the Existing Product Sale and Purchase Framework Agreement will expire on 31 December 2024, and it is expected that the Beijing Tianhai Group will continue to carry out similar transactions with the Shanghai Sunwise Group, Beijing Tianhai and Shanghai Sunwise entered into the Renewed Product Sale and Purchase Framework Agreement on 6 December 2024, pursuant to which the Beijing Tianhai Group and the Shanghai Sunwise Group will purchase or sell hydrogen energy products from or to each other from time to time for a term of three years from 1 January 2025 to 31 December 2027.

**IMPLICATIONS UNDER 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 the total issued shares of the Company) and is the controlling shareholder of the Company and a connected person of the Company. As Jingcheng Machinery Electric holds all the equity interest in Jingcheng Industrial Investment and Jingcheng Industrial Investment holds approximately 39.77% equity interest in Shanghai Sunwise, Shanghai Sunwise is an associate of Jingcheng Machinery Electric and a connected person of the Company. Therefore, the Transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Proposed Annual Caps during the term of the Renewed Product Sale and Purchase Framework Agreement are more than 5% but are less than 25%, the Transactions are subject to the reporting, announcement, annual review, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company has formed the Independent Board Committee to advise the Independent Shareholders in respect of the Transactions and the adoption of the Proposed Annual Caps. The Company has also appointed Vinco Financial as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of these matters.

The EGM will be convened and held by the Company for the Independent Shareholders to consider and, if thought fit, approve the Renewed Product Sale and Purchase Framework Agreement (including the Proposed Annual Caps) and the Transactions. As Jingcheng Machinery Electric is the controlling shareholder of the Company and has a material interest in the Transactions, Jingcheng Machinery Electric and its associates will abstain from voting on the resolution.

A circular containing, among other things, (i) further details of the Renewed Product Sale and Purchase Framework Agreement and the Proposed Annual Caps; (ii) the recommendations from the Independent Board Committee to the Independent Shareholders; (iii) the advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) a notice to convene the EGM is expected to be dispatched to the Shareholders by the Company on or about 10 January 2025, as additional time is required for preparing and/or completing certain information to be included in the circular to the Shareholders.

## **INTRODUCTION**

References are made to the announcements of the Company dated 16 August 2024, 29 August 2024 and 30 September 2024 in relation to, among others, the continuing connected transactions carried out between Beijing Tianhai (a wholly-owned subsidiary of the Company) and Shanghai Sunwise pursuant to the Existing Product Sale and Purchase Framework Agreement.

As the Existing Product Sale and Purchase Framework Agreement will expire on 31 December 2024, and it is expected that the Beijing Tianhai Group will continue to carry out similar transactions with the Shanghai Sunwise Group, Beijing Tianhai and Shanghai Sunwise entered into the Renewed Product Sale and Purchase Framework Agreement on 6 December 2024, pursuant to which the Beijing Tianhai Group and the Shanghai Sunwise Group will continue to share resources in the hydrogen energy market and promote each other's products.

## RENEWED PRODUCT SALE AND PURCHASE FRAMEWORK AGREEMENT

The principal terms of the Renewed Product Sale and Purchase Framework Agreement are set out below:

- Date** : 6 December 2024
- Parties** : (1) Beijing Tianhai (a wholly-owned subsidiary of the Company)  
(2) Shanghai Sunwise
- Term** : From 1 January 2025 to 31 December 2027
- Subject matter** : The Beijing Tianhai Group and the Shanghai Sunwise Group shall purchase or sell hydrogen energy products (including gas cylinders and system integration products, valves and other components, station equipment and other products) from or to each other from time to time. Such products are manufactured by the Beijing Tianhai Group and the Shanghai Sunwise Group.
- Price and payment terms** : The prices of the hydrogen energy products to be supplied by the Beijing Tianhai Group and the Shanghai Sunwise Group will be determined in accordance with individual product sale and purchase agreements entered into by the parties. The parties will enter into separate sale and purchase agreements based on specific project requirements, in which the specifications, quantities, prices, payment terms, delivery terms and other terms will be specified.

### **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 widely recognised market price in the PRC, while the actual amount will be determined by the Beijing Tianhai Group and the Shanghai Sunwise Group through negotiations.

Specifically, the fee payable by the Beijing Tianhai Group to the Shanghai Sunwise Group will be determined by the following: (i) quotations via bidding and competitive bidding or inquiry; and (ii) by reference to the market price charged for products of same category provided by two to three independent third party suppliers. The Shanghai Sunwise Group will provide the products of same category to the Beijing Tianhai Group on terms and conditions no less favourable 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 fee payable to the Shanghai Sunwise Group for the Purchased Products with its own funds.

Before the Beijing Tianhai Group enters into individual product sale and purchase agreements pursuant to the Renewed Product Sale and Purchase Framework Agreement, it will review the price of the Purchased Products provided 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 during 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 during 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 widely recognised market price in the PRC, while the actual amount will be determined by the Beijing Tianhai Group and the Shanghai Sunwise Group through negotiations.

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 costs, the place of storage and its duration, manpower, processing and packaging costs and other factors, and also by referencing to the price of products of same category provided by other suppliers in the market, with a premium of not more than 20% above the cost price.

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 agreements with the Shanghai Sunwise Group pursuant to the Renewed Product Sale and Purchase 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.

**Historical transaction amounts** : The historical transaction amounts for the sale or purchase of hydrogen energy products between the Beijing Tianhai Group and the Shanghai Sunwise Group for each of the two years ended 31 December 2023 and the nine months ended 30 September 2024 are as follows:

<b>For the year ended 31 December 2022</b>	<b>For the year ended 31 December 2023</b>	<b>For the nine months ended 30 September 2024</b>
<i>(RMB0'000)</i>	<i>(RMB0'000)</i>	<i>(RMB0'000)</i>
2,127	2,272	3,211
(inclusive of value-added tax)	(inclusive of value-added tax)	(inclusive of value-added tax)

**Proposed Annual Caps** : The Proposed Annual Caps for each of the three years during the term of the Renewed Product Sale and Purchase Framework Agreement are as follows:

<b>For the year ending 31 December 2025</b>	<b>For the year ending 31 December 2026</b>	<b>For the year ending 31 December 2027</b>
<i>(RMB0'000)</i>	<i>(RMB0'000)</i>	<i>(RMB0'000)</i>
10,000	15,000	20,000
(inclusive of value-added tax)	(inclusive of value-added tax)	(inclusive of value-added tax)

**Basis of the Proposed Annual Caps** : The Proposed Annual Caps are determined after taking into account the following:

**1. Historical transaction data**

Jingcheng Industrial Investment completed the acquisition of approximately 39.77% of the shares of Shanghai Sunwise on 29 September 2024 and became the largest shareholder and de facto controller of Shanghai Sunwise. After that, there will be a significant increase in the opportunities for cooperation between the Beijing Tianhai Group and the Shanghai Sunwise Group. For the period from 1 October 2024 to 31 December 2024, the transactions under the Existing Product Sale and Purchase Framework Agreement are expected to be RMB46.1731 million, which is equivalent to approximately 92% of the relevant cap amount. Therefore, the Company expects that business transactions between the Beijing Tianhai Group and the Shanghai Sunwise Group will become increasingly frequent for the next three years ending 31 December 2027.

**2. National policy**

With the growing global emphasis on environmental protection and sustainable development, hydrogen fuel-cell vehicles, as an important branch of new energy vehicles, are facing unprecedented opportunities for development. At the national level, the National Development and Reform Commission and the National Energy Administration prepared and published the “Medium- and Long-Term Plan for the Development of Hydrogen Energy Industry (2021-2035)” in 2021, in which the energy attributes of hydrogen and the positioning of the hydrogen energy industry are clearly defined. At the local level, in provinces including Shandong, Sichuan, Jilin, Shaanxi, Hubei and other places, the highway toll-free policy has been introduced for hydrogen fuel-cell vehicles. Benefiting from such policies, the economics of hydrogen fuel-cell vehicle operation in China will become more and more prominent. The development of the hydrogen fuel-cell vehicle industry is safeguarded by the continuous support of national policies. In the next three years, the thorough implementation and refinement of the relevant policies will further promote the growth of the hydrogen storage and transportation equipment market for hydrogen fuel-cell vehicles.

### **3. Business needs**

Demand for the on-board hydrogen storage system, a core component of the hydrogen fuel-cell vehicle, has been growing along with the development of the hydrogen fuel-cell vehicle market. Especially, with the advancement in hydrogen fuel-cell system and on-board hydrogen storage technologies and the decrease in cost, the performance of the hydrogen fuel cell and on-board hydrogen storage systems continues to improve, which has further boosted the growth of their demand. Over the next three years, the market is expected to grow at an average annual rate of over 35%.

Therefore, the Company expects that the purchase of system integration products, valves and other components, station equipment and other products by the Beijing Tianhai Group from the Shanghai Sunwise Group will increase gradually in terms of both quantity and scale. Similarly, according to the latest resource plan issued by the Shanghai Sunwise Group to the Beijing Tianhai Group, the Shanghai Sunwise Group expects that the purchase of gas cylinders and other products from the Beijing Tianhai Group will also increase gradually in terms of both quantity and scale.

### **4. Corporate strategy and technological advancement**

With the development of the hydrogen energy market, the Company is increasing its investment and presence in the fields of hydrogen storage and transportation equipment and on-board hydrogen storage systems to capture market share. Shanghai Sunwise is a leading company in China in the field of hydrogen systems and components including cylinder valves, while Beijing Tianhai is a leading company in China in the field of hydrogen storage and transportation equipment including hydrogen storage cylinders. The Beijing Tianhai Group has the first-mover advantage in the Chinese market in respect of the Type IV hydrogen storage cylinders, as well as advanced product technology and a scale of production capacity that leads the market. With the continuous advancement in technology and decrease in raw material costs, the production costs of on-board hydrogen storage systems will gradually decrease, and the products will become more competitive in the market, which will further boost the growth in the sale and purchase transaction volumes of the two parties.

As a result of the foregoing, the Company is of the view that the annual growth of the Proposed Annual Caps is a reasonable projection and is in line with the market development trend and the status of the industry.

## **REASONS AND BENEFITS OF ENTERING INTO THE RENEWED PRODUCT SALE AND PURCHASE FRAMEWORK AGREEMENT**

As one of the earliest batch of companies in the PRC to engage in the hydrogen energy equipment business, the Shanghai Sunwise Group has a strong capability to independently develop and industrialise key technologies in the industrial chain of the hydrogen energy sector, and possesses an advantage in research and development and technological reserve to provide hydrogen energy products and services to domestic customers in various aspects such as transportation, decentralised energy and nuclear power, etc., and has gradually achieved domestic production. The Group will further strengthen its upstream and downstream industrial chain synergies to improve its strategic layout in the field of hydrogen energy and create an advantageous effect across the entire industrial chain. At the same time, the Beijing Tianhai Group and the Shanghai Sunwise Group will be entitled to enjoy the right of preferential prices for bulk purchasing from each other.

The products to be purchased by the Beijing Tianhai Group from the Shanghai Sunwise Group pursuant to the Renewed Product Sale and Purchase Framework Agreement mainly include system integration products, valves and other components, station equipment and other products. The products to be sold by the Beijing Tianhai Group to the Shanghai Sunwise Group pursuant to the Renewed Product Sale and Purchase Framework Agreement mainly include gas cylinders and other products. The Shanghai Sunwise Group has technological and product advantages in products such as system integration products, valves and other components, station equipment and other products. Therefore, the purchase of system integration products, valves and other components, station equipment and other products by the Beijing Tianhai Group from the Shanghai Sunwise Group is conducive to the enhancement of the sales of the products of the Beijing Tianhai Group. The Shanghai Sunwise Group does not produce gas cylinders, and thus the sale of gas cylinders and other products by the Beijing Tianhai Group to the Shanghai Sunwise Group pursuant to the Renewed Product Sale and Purchase Framework Agreement is a normal business practice of the Beijing Tianhai Group. Accordingly, the purchase of products from the Shanghai Sunwise Group by the Beijing Tianhai Group and the sale of products to the Shanghai Sunwise Group under the Renewed Product Sale and Purchase Framework Agreement is conducive to the business development of both parties.

## **OPINION OF THE BOARD**

The Transactions are conducted in the ordinary and usual course of business of the Group, and the Transactions are negotiated on an arm's length basis. The entering into of the Renewed Product Sale and Purchase Framework Agreement and the Transactions are in line with the business strategies of the Group, and it will be beneficial to the future development of the Group and enable the Group to fully utilise its strengths and achieve better operating results. With the internal control measures disclosed below, the terms of the Transactions are on normal commercial terms, in line with prevailing market terms and are no less favourable to the Group than the terms available to or from independent third parties. In view of the reasons and benefits set out above, the Board (excluding the members of the Independent Board Committee, who will express their views in this regard after considering the advice from the Independent Financial Adviser) considers that the Transactions are conducted in the ordinary course of business of the Group on normal commercial terms or better terms, the terms are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.



## INTERNAL CONTROL MEASURES

In accordance with the procurement policy of the Group's procurement department, the Group has maintained a register of qualified suppliers (including independent suppliers and suppliers who are connected persons of the Group). In order to ensure that the Group is provided with the most favourable pricing, the procurement department of the Company reviews two to three qualified suppliers from whom the Group purchases commodities on a monthly basis. Although the Group purchases commodities from the Shanghai Sunwise Group, the Company will also consider products manufactured by other suppliers. The most important criteria for the Company in selecting suppliers are (i) pricing terms; (ii) transportation costs; (iii) quality; and (iv) previous business relationships. The Company generally purchases commodities from suppliers who provide quotations that enable the Company to achieve the highest cost-effectiveness. The Beijing Tianhai Group will strictly enforce the Company's procurement management measures. Based on the demand plan issued by the Beijing Tianhai Group to the Shanghai Sunwise Group, the business personnel of the Beijing Tianhai Group will prepare individual agreements to be entered into with the Shanghai Sunwise Group. The persons in charge of the procurement department and the marketing department of the Beijing Tianhai Group will assess the quantity and pricing of the products to be purchased from the Shanghai Sunwise Group in accordance with the demand plan and the pricing policy, respectively. The legal department of the Company will review and ensure that the individual agreements and the transactions contemplated thereunder are in compliance with the relevant laws and regulations, including but not limited to the annual cap requirement under the Listing Rules

In accordance with the sales system of the Group's sales department, the Group has maintained a register of sales customers (including independent customers and customers who are connected persons of the Group). Although the Group sells commodities to the Shanghai Sunwise Group, the Company will also consider selling products to other customers. The most important criteria for the Company in selecting customers are (i) pricing terms; (ii) payment terms; (iii) delivery terms; (iv) warranty terms and previous business relationship. The Company generally sells commodities to customers who enable the Company to achieve better product margins. The Beijing Tianhai Group will strictly enforce the Company's sales management measures. Based on the demand plan issued by Shanghai Sunwise Group to the Beijing Tianhai Group, the business personnel of the Beijing Tianhai Group will prepare individual and specific agreements to be entered into with the Shanghai Sunwise Group. The persons in charge of the sales department and the marketing department of the Beijing Tianhai Group will set the selling price to the Shanghai Sunwise Group based on the quantity and market price of the products to be purchased by the Shanghai Sunwise Group. The legal department of the Company will review and ensure that the individual agreements and the transactions contemplated thereunder are in compliance with the relevant laws and regulations, including but not limited to the annual cap requirement under the Listing Rules.

The Board is of the view that given the implementation of such internal control measures, the pricing provided to the Company is in the interests of the Company and the Shareholders as a whole.

## **IMPLICATIONS UNDER 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 the total issued shares of the Company) and is the controlling shareholder of the Company and a connected person of the Company. As Jingcheng Machinery Electric holds all the equity interest in Jingcheng Industrial Investment and Jingcheng Industrial Investment holds approximately 39.77% equity interest in Shanghai Sunwise, Shanghai Sunwise is an associate of Jingcheng Machinery Electric and a connected person of the Company. Therefore, the Transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Proposed Annual Caps during the term of the Renewed Product Sale and Purchase Framework Agreement are more than 5% but are less than 25%, the Transactions are subject to the reporting, announcement, annual review, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company has formed the Independent Board Committee to advise the Independent Shareholders in respect of the Transactions and the adoption of the Proposed Annual Caps. The Company has also appointed Vinco Financial as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of these matters.

The EGM will be convened and held by the Company for the Independent Shareholders to consider and, if thought fit, approve the Renewed Product Sale and Purchase Framework Agreement (including the Proposed Annual Caps) and the Transactions. As Jingcheng Machinery Electric is the controlling shareholder of the Company and has a material interest in the Transactions, Jingcheng Machinery Electric and its associates will abstain from voting on the resolution.

A circular containing, among other things, (i) further details of the Renewed Product Sale and Purchase Framework Agreement and the Proposed Annual Caps; (ii) the recommendations from the Independent Board Committee to the Independent Shareholders; (iii) the advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) a notice to convene the EGM is expected to be dispatched to the Shareholders by the Company on or about 10 January 2025, as additional time is required for preparing and/or completing certain information to be included in the circular to the Shareholders.

## **INFORMATION ON THE PARTIES**

### **Information on the Company**

The Company's general scope of operation includes general logistics; professional contracting; developing, designing, selling, installing, adjusting and maintaining cryogenic containers, compressors (piston compressor, membrane compressor and membrane compressor of nuclear grading) and accessories; machinery equipment and electrical equipment; technical consultancy and technical services; economic and trade consultation; import and export of commodities and technology and acting as import and export agency. As at the date of this announcement, the controlling shareholder of the Company is Jingcheng Machinery Electric.

## **Information on Beijing Tianhai**

Beijing Tianhai is principally engaged in production of gas cylinders, accumulator shells, pressure vessels and auxiliary equipment, add-on components, fire extinguishers, fire extinguishing system products and components, gas cylinders for medical equipment, gas cylinders for life rescues, gas cylinders and components for food machineries, gas and wrapped cylinders and components for gas vehicles, gas storage special containers, bundled devices, cryogenic gas cylinders and components, LPG cylinders and components, aluminium cores, aluminium cylinders and components, new enhanced complex materials (complex materials such as carbon fibre, organic fibre and high strength glass fibre) and products, complex gas cylinders (natural gas storage cylinders for vehicles, gas storage cylinders for respirators, containers for water treatment), testing equipment for complex gas cylinders; providing installation, adjustment, maintenance, technical consultancy and technical services of self-production products; sales of self-production products; wholesale of cryogenic containers for storage and transportation; providing after-sales service and maintenance; import and export of commodities and technology and acting as import and export agency; renting of commercial premises. As at the date of this announcement, Beijing Tianhai is a wholly-owned subsidiary of the Company.

## **Information on Shanghai Sunwise**

Shanghai Sunwise is principally engaged in the provision of technical services, technology development, technical consultation, technology exchange, technology transfer, technology promotion; manufacturing of specialised equipment (excluding manufacturing of permitted professional equipment); manufacturing of instruments and meters; manufacturing of experimental analytical instruments; manufacturing of gas compression machines; manufacturing of general valves and plugs (excluding manufacturing of specialised equipment); manufacturing of pneumatic power machines and components; manufacturing of gas and liquid separation and purification equipment; sales of electronic components and electromechanical components; sales of electrical equipment; retail of hardware products; import and export of commodities and technology; advertising production; advertising design and agency; advertising distribution; and leasing of non-residential properties.

As at the date of the announcement, Jingcheng Industrial Investment holds approximately 39.77% equity interest in Shanghai Sunwise, while Shanghai Electric Power Co., Ltd.\* (上海電力股份有限公司) (a company established in the PRC with limited liability and the shares of which are listed on the SSE (stock code: 600021)) holds approximately 13.14% equity interest in Shanghai Sunwise, and it is principally engaged in power generation, heating and integrated smart energy. The remaining approximately 47.09% equity interest in Shanghai Sunwise is held by 12 different shareholders, with each shareholder holding less than 10%.

## Information on Jingcheng Machinery Electric

As at the date of this announcement, Jingcheng Machinery Electric holds 245,735,052 A Shares of the Company (representing approximately 44.87% of the total issued shares of the Company) and is the controlling shareholder of the Company. Jingcheng Machinery Electric is a state-owned enterprise incorporated in the PRC. The licensed scope of operation of Jingcheng Machinery Electric includes 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. The ultimate beneficial owner of Jingcheng Machinery Electric is the State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“A Share(s)”	ordinary shares of the Company with a nominal value of RMB1.00 each, which are issued in the PRC, subscribed for in RMB and listed on the SSE (stock code: 600860)
“associate”	has the meaning as ascribed to it under the Listing Rules
“Beijing Tianhai”	Beijing Tianhai Industry Co., Ltd.* (北京天海工業有限公司), a company established in the PRC and a wholly-owned subsidiary of the Company
“Beijing Tianhai Group”	Beijing Tianhai and its subsidiaries
“Board”	the board of Directors
“Company”	Beijing Jingcheng Machinery Electric Company Limited (北京京城機電股份有限公司), a joint stock company incorporated in the PRC with limited liability and the shares of which are listed on the main board of the Stock Exchange and the SSE
“connected person”	has the meaning as ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company

“Existing Product Sale and Purchase Framework Agreement”	the product sale and purchase framework agreement dated 16 August 2024 entered into between Beijing Tianhai and Shanghai Sunwise
“EGM”	the extraordinary general meeting to be held by the Company for the Independent Shareholders to consider and, if thought fit, approve, among other things, the Renewed Product Sale and Purchase Framework Agreement (including the Proposed Annual Caps) and the Transactions
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“H Share(s)”	overseas listed foreign share(s) of the Company with a nominal value of RMB1.00 each, which are issued in Hong Kong, subscribed for in HK\$ and listed on the main board of the Stock Exchange (stock code: 00187)
“Independent Board Committee”	an independent Board committee comprising all independent non-executive Directors and formed to advise the Independent Shareholders on the Renewed Product Sale and Purchase Framework Agreement (including the Proposed Annual Caps) and the Transactions
“Independent Financial Adviser” or “Vinco Financial”	Vinco Financial Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, appointed by the Company as an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the Renewed Product Sale and Purchase Framework Agreement (including the Proposed Annual Caps) and the Transactions
“Independent Shareholders”	Shareholders other than Jingcheng Machinery Electric and its associates
“Jingcheng Industrial Investment”	Beijing Jingcheng Machinery Electric Industrial Investment Co., Ltd.* (北京京城機電產業投資有限公司), a company established in the PRC and a wholly-owned subsidiary of Jingcheng Machinery Electric
“Jingcheng Machinery Electric”	Beijing Jingcheng Machinery Electric Holding Co., Ltd.* (北京京城機電控股有限責任公司), a company established in the PRC and the controlling shareholder of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Proposed Annual Caps”	the proposed annual caps for the transactions contemplated under the Renewed Product Sale and Purchase Framework Agreement (for the period from 1 January 2025 to 31 December 2027)
“Purchased Products”	the products to be purchased by the Beijing Tianhai Group from the Shanghai Sunwise Group pursuant to the Renewed Product Sale and Purchase Framework Agreement, mainly including system integration products, valves and other components, station equipment and other products
“Renewed Product Sale and Purchase Framework Agreement”	the product sale and purchase framework agreement dated 6 December 2024 entered into between Beijing Tianhai and Shanghai Sunwise
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shanghai Sunwise”	Shanghai Sunwise Energy Systems Co., Ltd.* (上海舜華新能源系統有限公司), a company established in the PRC and an associate of Jingcheng Machinery Electric
“Shanghai Sunwise Group”	Shanghai Sunwise and its subsidiaries and associates (as the case may be)
“Shares”	the shares of the Company, including A Shares and H Shares unless otherwise specified
“Shareholder(s)”	the shareholders of the Company
“Sold Products”	the products to be sold by the Beijing Tianhai Group to the Shanghai Sunwise Group pursuant to the Renewed Product Sale and Purchase Framework Agreement, mainly including gas cylinders
“SSE”	the Shanghai Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary(ies)”	has the meaning as ascribed to it under the Listing Rules

“Transactions” the transactions contemplated under the Renewed Product Sale and Purchase Framework Agreement

“%” per cent.

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

Beijing, the PRC

6 December 2024

*As at the date of this announcement, the Board comprises Mr. Zhang Jiheng as an 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.*

\* *For identification purposes only*