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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)**

#### **NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2021**

**NOTICE IS HEREBY GIVEN** that the first extraordinary general meeting of 2021 (the “**EGM**”) of Beijing Jingcheng Machinery Electric Company Limited (the “**Company**”) will be convened by the board of directors of the Company (the “**Board**”) and held at the Conference Room of Jingcheng Machinery Electric Mansion, No. 59 Dongsanhuan Road Central, Chaoyang District, Beijing, the PRC, on Tuesday, 9 February 2021 at 9:30 a.m. for the purpose of considering and, if thought fit, with or without modifications, passing the following resolutions. A combination of on-site voting by ways of poll and internet voting, will be adopted for the EGM.

#### **MATTERS TO BE CONSIDERED AT THE EGM**

##### **Special resolutions**

1. To consider and approve the resolution in relation to the fulfilment of the conditions by the Company in respect of the asset acquisition by way of share issuance and cash payment and raising of supporting funds.
2. To consider and approve the resolution in relation to the proposal of the asset acquisition by way of share issuance and cash payment and raising of supporting funds of the Company:

##### **“THAT**

each of the following items in relation to the asset acquisition by way of share issuance and cash payment and raising of supporting funds of the Company be and is hereby approved, confirmed and ratified, and be implemented conditional upon approvals and/or authorisations having been obtained from the relevant authorities:

- 2.01. Counterparties of the transaction of the asset acquisition by way of share issuance and cash payment.

- 2.02. Target assets of the asset acquisition by way of share issuance and cash payment.
- 2.03. Transaction price and basis of pricing of the asset acquisition by way of share issuance and cash payment.
- 2.04. Payment methods of the asset acquisition by way of share issuance and cash payment.
- 2.05. Type and nominal value of the shares to be issued of the asset acquisition by way of share issuance and cash payment.
- 2.06. Method and target of issuance and method of subscription of the asset acquisition by way of share issuance and cash payment.
- 2.07. Issue price and basis of pricing of the asset acquisition by way of share issuance and cash payment.
- 2.08. Number of shares to be issued of the asset acquisition by way of share issuance and cash payment.
- 2.09. Place of listing of the asset acquisition by way of share issuance and cash payment.
- 2.10. Lock-up period arrangement of the asset acquisition by way of share issuance and cash payment.
- 2.11. Attribution of profit or loss during the transitional period of the asset acquisition by way of share issuance and cash payment.
- 2.12. Performance compensation and excess profit reward of the asset acquisition by way of share issuance and cash payment.
- 2.13. Accumulated undistributed profit arrangement of the asset acquisition by way of share issuance and cash payment.
- 2.14. Contractual obligations in relation to the transfer of ownership of the relevant assets of the asset acquisition by way of share issuance and cash payment and liability for breach of the “Asset Acquisition Agreement by way of Share Issuance and Cash Payment”.
- 2.15. Validity period of the resolution of the asset acquisition by way of share issuance and cash payment.
- 2.16. Type and nominal value of the shares to be issued of the raising of supporting funds.
- 2.17. Target and method of issuance of the raising of supporting funds.
- 2.18. Pricing benchmark date and basis for pricing of the raising of supporting funds.

- 2.19. Number of shares to be issued of the raising of supporting funds.
  - 2.20. Place of listing of the raising of supporting funds.
  - 2.21. Lock-up period arrangement of the raising of supporting funds.
  - 2.22. Use of proceeds raised of the raising of supporting funds.
  - 2.23. Accumulated undistributed profit arrangement of the raising of supporting funds.
  - 2.24. Validity period of the resolution of the raising of supporting funds.”
3. To consider and approve the resolution in relation to the “Report (draft) (revised edition) on the Asset Acquisition by way of Share Issuance and Cash Payment and Raising of Supporting Funds of Beijing Jingcheng Machinery Electric Company Limited” and its summary.
  4. To consider and approve the resolution in relation to the conditional “Asset Acquisition Agreement by way of Share Issuance and Cash Payment” and “Performance Compensation Agreement” executed by the Company:

**“THAT**

the “Asset Acquisition Agreement by way of Share Issuance and Cash Payment” entered into among the Company, 17 natural persons in the PRC, namely Li Hong, Zhao Qing, Yang Ping, Wang Xiaohui, Xiao Zhonghai, Xia Tao, Wang Huadong, Qian Yuyan, Xiu Jun, Fu Dun, Chen Zhengyan, Zhang Li, Xu Binglei, Yang Lunsheng, Xin Lan, Ying Rucai and Li Wei, Qingdao Eternal Economic Information Consulting Co., Ltd. (“**Qingdao Eternal**”) (collectively, the “**Vendors**”) , Huang Xiaofeng and Tao Feng on 29 December 2020 and the “Performance Compensation Agreement” entered into among the Company, Li Hong, Zhao Qing, Qingdao Eternal, Wang Xiaohui, Qian Yuyan, Huang Xiaofeng and Tao Feng on 29 December 2020 and the transactions contemplated thereunder are hereby approved, confirmed and ratified.”

5. To consider and approve the resolution that the asset acquisition by way of share issuance and cash payment and raising of supporting funds of the Company is not expected to constitute a major asset restructuring and listing by way of restructuring.
6. To consider and approve the resolution that the asset acquisition by way of share issuance and cash payment and raising of supporting funds of the Company are in compliance with the requirements of Article 4 of the “Provisions on Issues Concerning Regulating the Material Asset Reorganisations of Listed Companies”.
7. To consider and approve the resolution that the asset acquisition by way of share issuance and cash payment and raising of supporting funds of the Company are in compliance with the requirements of Articles 11 and 43 of the “Administrative Measures for the Material Asset Reorganisations of Listed Companies”.

8. To consider and approve the resolution that the asset acquisition by way of share issuance and cash payment and raising of supporting funds of the Company are in compliance with the requirements of Article 44 of the “Administrative Measures for the Material Asset Reorganisations of Listed Companies”.
9. To consider and approve the resolution that the asset acquisition by way of share issuance and cash payment and raising of supporting funds are in compliance with the requirements of Article 39 of the “Administrative Measures for the Issuance of Securities by Listed Companies”.
10. To consider and approve the resolution on the statement that the Company’s share price movement has not reached the relevant benchmark set out in Article 5 of the “Notice on Regulating the Information Disclosure of Listed Companies and the Acts of All the Related Parties”.
11. To consider and approve the resolution that the relevant entities involved in the asset acquisition by way of share issuance and cash payment and raising of supporting funds of the Company are not prohibited from participating in any material assets restructuring of any listed companies in accordance with Article 13 of the “Interim Provisions on Strengthening Supervision over Abnormal Stock Trading Related to the Material Asset Reorganisations of Listed Companies”.
12. To consider and approve the description on the completeness and compliance of legal procedures and the validity of the legal documents submitted in relation to the asset acquisition by way of share issuance and cash payment and raising of supporting funds of the Company.
13. To consider and approve the resolution that the asset acquisition by way of share issuance and cash payment and raising of supporting funds of the Company do not constitute a related party transaction.
14. To consider and approve the resolution in relation to the effect of the asset acquisition by way of share issuance and cash payment and raising of supporting funds on the immediate returns and the remedial measures on recovering of immediate returns of the Company.
15. To consider and approve the resolution in relation to the specific mandate granted to the Board at the EGM and class meetings to deal with matters pertaining to the asset acquisition by way of share issuance and cash payment and raising of supporting funds of the Company:

**“THAT**

- (a) the Board be and is hereby granted a specific mandate to issue, pursuant to the “Asset Acquisition Agreement by way of Share Issuance and Cash Payment”, (i) 46,481,314 consideration shares to the Vendors at the issue price of RMB3.42/share; and (ii) a number of A shares for not more than 30% of the total number of issued shares of the Company prior to the asset acquisition by way of share issuance and cash payment and raising of supporting funds;

- (b) the specific mandate is in addition to, and shall not prejudice nor revoke any general or specific mandate(s) which has/have been granted or may from time to time be granted to the Board by the shareholders prior to the passing of this resolution; and
  - (c) any one director be and is hereby authorised to do all acts and matters and sign and execute all such documents (including the affixation of the common seal of the Company thereon) and take all such steps as the director in his/her opinion deem necessary, appropriate, desirable or expedient to implement or give effect to or in connection with the “Asset Acquisition Agreement by way of Share Issuance and Cash Payment” or any transactions contemplated thereunder and all other matters incidental thereto or in connection therewith, and to agree to and make such variations, amendments or waivers of any of the matters relating thereto or in connection therewith.”
16. To consider and approve the resolution in relation to opinions in relation to the independence of the valuation institution, reasonableness of the assumptions used in the valuation, relevance of the valuation methods and valuation purposes and fairness of the appraised value.
  17. To consider and approve the resolution in relation to the approval of the audit report, valuation report and pro forma review report on the asset acquisition by way of share issuance and cash payment and raising of supporting funds.
  18. To consider and approve the resolution in relation to the amendments to the “Articles of Association”.
  19. To consider and approve the resolution in relation to the amendments to the “Rules of Procedure of the General Meeting of Shareholders”.
  20. To consider and approve the resolution in relation to the amendments to the “Rules of Procedure for the Board of Directors”.
  21. To consider and approve the resolution in relation to the amendments to the “Rules of Procedure for the Supervisory Committee”.

**Ordinary resolution**

22. To consider and approve the resolution in relation to the amendments to the “Fundraising Management Measures”.

## ATTENDEES OF THE MEETING AND REGISTRATION METHOD

- (I) Directors, supervisors and senior management of the Company.
- (II) Lawyers engaged by the Company.
- (III) Shareholders of the Company whose names appear on the register of members of the Company at the close of market on 4 February 2021, shall have the right to attend the EGM after complying with the necessary registration procedures.

Holders of the Company's H Shares should note that the register of members of the Company will be closed from 5 February 2021 to 9 February 2021 (both days inclusive), during which time no H Shares transfer will be registered. For holders of H Shares who intend to attend the EGM, transfer documents together with the related share certificates must be lodged with the H Shares registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, at or no later than 4:30 p.m. on 4 February 2021.

Corporate shareholder should attend the meeting by its legal representative or the proxy appointed by the legal representative. Legal representative who attends the meeting should present his or her own identity document, evidence of shareholding and valid documents evidencing his or her capacity as a legal representative. While appointing proxy to attend the meeting, the proxy should present his or her identity document and an authorisation instrument affixed with the seal of the corporate shareholder and duly signed by its legal representative and evidence of shareholding.

1. Each shareholder who is entitled to attend and vote at the EGM may appoint one or more proxy(ies) who need not be a shareholder, to attend and vote on his or her behalf at the EGM.
2. For any shareholder who appoints more than one proxy, his or her proxies can only exercise the voting right by way of poll.
3. The instrument appointing a proxy must be in writing under the hand of the appointer or his or her attorney authorised in writing. If that instrument is signed by an attorney on behalf of the appointer, the power of attorney authorising that attorney to sign, or other authorisation document, must be notarially certified. To be valid, the notarially certified copy of the power of attorney, or other authorisation document, together with the form of proxy must be delivered to the business address of the Company or lodged with the H Shares registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 24 hours before the time appointed for the holding of the EGM.

**OTHER MATTERS:**

1. Contacts for the meeting

Contact telephone: 010-58761949/010-67365383

Fax: 010-58766735/010-87392058

Contact person: Board office of the Company

Address: No. 2 Huo Xian Nan San Road, Huo Xian Town, Tongzhou District, Beijing, the PRC

Postal Code: 101109

2. The EGM is expected to last for half a day. Shareholders attending the meeting should bear their own accommodation and travel expenses.
3. Personnel attending the meeting shall arrive half an hour before the meeting time and bring along the originals of identity document, stock account card and power of attorney for verification.

By order of the Board

**Beijing Jingcheng Machinery Electric Company Limited**

**Luan Jie**

*Company Secretary*

Beijing, the PRC

19 January 2021

*As at the date of this notice, the Board comprises Mr. Wang Jun, Mr. Li Junjie and Mr. Zhang Jiheng as executive directors, Ms. Jin Chunyu, Mr. Wu Yanzhang, Mr. Xia Zhonghua and Ms. Li Chunzhi as non-executive directors and Mr. Xiong Jianhui, Mr. Zhao Xuguang, Mr. Liu Jingtai and Mr. Luan Dalong as independent non-executive directors.*