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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 H SHARES CLASS MEETING OF 2021

NOTICE IS HEREBY GIVEN that the first H Shares Class Meeting of 2021 (the “**H Shares Class Meeting**”) 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 11:00 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 H Shares Class Meeting.

MATTERS TO BE CONSIDERED AT THE H SHARES CLASS MEETING

Special resolutions

1. 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:

- 1.01. Counterparties of the transaction of the asset acquisition by way of share issuance and cash payment.
- 1.02. Target assets of the asset acquisition by way of share issuance and cash payment.
- 1.03. Transaction price and basis of pricing of the asset acquisition by way of share issuance and cash payment.

- 1.04. Payment methods of the asset acquisition by way of share issuance and cash payment.
- 1.05. Type and nominal value of the shares to be issued of the asset acquisition by way of share issuance and cash payment.
- 1.06. Method and target of issuance and method of subscription of the asset acquisition by way of share issuance and cash payment.
- 1.07. Issue price and basis of pricing of the asset acquisition by way of share issuance and cash payment.
- 1.08. Number of shares to be issued of the asset acquisition by way of share issuance and cash payment.
- 1.09. Place of listing of the asset acquisition by way of share issuance and cash payment.
- 1.10. Lock-up period arrangement of the asset acquisition by way of share issuance and cash payment.
- 1.11. Attribution of profit or loss during the transitional period of the asset acquisition by way of share issuance and cash payment.
- 1.12. Performance compensation and excess profit reward of the asset acquisition by way of share issuance and cash payment.
- 1.13. Accumulated undistributed profit arrangement of the asset acquisition by way of share issuance and cash payment.
- 1.14. 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”.
- 1.15. Validity period of the resolution of the asset acquisition by way of share issuance and cash payment.
- 1.16. Type and nominal value of the shares to be issued of the raising of supporting funds.
- 1.17. Target and method of issuance of the raising of supporting funds.
- 1.18. Pricing benchmark date and basis for pricing of the raising of supporting funds.
- 1.19. Number of shares to be issued of the raising of supporting funds.
- 1.20. Place of listing of the raising of supporting funds.

- 1.21. Lock-up period arrangement of the raising of supporting funds.
 - 1.22. Use of proceeds raised of the raising of supporting funds.
 - 1.23. Accumulated undistributed profit arrangement of the raising of supporting funds.
 - 1.24. Validity period of the resolution of the raising of supporting funds.”
2. 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.
 3. 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.”

4. 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.”

ATTENDEES OF THE MEETING AND REGISTRATION METHOD

(I) Directors, supervisors and senior management of the Company.

(II) Lawyers engaged by the Company.

(III) H Shares Shareholders of the Company whose names appear on the H Shares register of members of the Company at the close of market on 4 February 2021, shall have the right to attend the H Shares Class Meeting after complying with the necessary registration procedures.

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 of the Company who intend to attend the H Shares Class Meeting, 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 H Shares Class Meeting may appoint one or more proxy(ies) who need not be a shareholder, to attend and vote on his or her behalf at the H Shares Class Meeting.
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 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 H Shares Class Meeting.

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 H Shares Class Meeting 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.