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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 POSITIVE PROFIT ALERT FOR THE ANNUAL RESULTS OF 2020**

The board of directors (the “**Board**”) of the Company 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.

This announcement is made by Beijing Jingcheng Machinery Electric Company Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”) and the Inside Information Provisions (as defined under the Hong Kong Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

#### **Important notice:**

1. The expected net profit attributable to the shareholders of the Company is approximately RMB150.0000 million to RMB170.0000 million.
2. The estimated profit in the results of the Company is mainly attributable to the non-recurring profits and loss arising from the transfer of the Wu Fang Qiao Property Assets by the Company's subsidiary, Beijing Tianhai Industry Co., Ltd. (北京天海工業有限公司) (hereinafter referred to as “**Beijing Tianhai**”), etc.. The affected amount was approximately RMB284.0029 million.
3. After the deduction of the non-recurring profits and losses, the net profit attributable to the shareholders of the Company is approximately RMB-134.0029 million to RMB-114.0029 million.

## **I. Estimated results for the period**

### **(I) Estimated period**

From 1 January 2020 to 31 December 2020.

### **(II) Estimated results**

Upon the preliminary calculation of the Company's financial department, the Company is expected to realize net profit attributable to the shareholders of the Company in 2020 as compared to RMB-130.0368 million recorded for the same period of last year, the Company is expected to turn from losses into profits. The Company is expected to record net profit attributable to the shareholders of the Company of approximately RMB150.0000 million to RMB170.0000 million.

The Company is expected to record net profit attributable to the shareholders of the Company after deducting the non-recurring profits and losses of approximately RMB-134.0029 million to RMB-114.0029 million.

### **(III) Shinewing Certified Public Accountants LLP, the certified public accountant, has issued a specific statement on the appropriateness and prudence of the Company's estimated financial results for the period:**

According to our plan for the audit of Beijing Jingcheng's 2020 annual financial statements, as of the date of issue of this special statement, we have mainly carried out the risk assessment procedures such as making inquiry, observation and analysis, and focusing on the transfer of the Wu Fang Qiao Property Assets, we inspected the valuation report, the agreement on the change of party of the lease, the tangible assets transaction contract, the bank deposit receipt and the certificate of immovable property, etc. As of the date of issue of this special statement, based on the audit procedures we have carried out and the audit evidence obtained, we have not found any exact evidence that the estimated profits of Beijing Jingcheng may lead to non-compliance of accounting standards. As the audit progresses, particularly with respect to the transfer of the Wu Fang Qiao Property Assets, we may obtain further audit evidence, as such, there may be material discrepancies between this special statement and our audit opinion on the 2020 annual financial statements of Beijing Jingcheng.

## **II. Financial results for the corresponding period of last year**

### **(I) The net profit attributable to the shareholders of the Company: RMB-130.0368 million.**

The net profit attributable to the shareholders of the Company after deducting the non-recurring profits and losses: RMB-135.3725 million.

### **(II) Earnings per share: RMB-0.31.**

### III. The major reasons for the estimated profit for the period

#### Impact on non-recurring profits and losses

In the seventh extraordinary meeting of the tenth session of the board of the Company held on 21 September 2020 and in the first extraordinary general meeting of 2020 held by the Company on 28 October 2020 respectively, the “Resolution in relation to the disposition of the Wu Fang Qiao Property Assets of Beijing Tianhai Industry Co., Ltd. and the authorization to the Board of Beijing Tianhai to handle the transfer” was considered and approved. Beijing Tianhai completed the transfer of its property assets on 24 December 2020. For details, please refer to the announcements published by the Company on the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>) and on Shanghai Securities News and on the website of The Stock Exchange of Hong Kong Limited HKEXnews (<http://www.hkexnews.hk>). Such event generated a non-recurring profits and losses of approximately RMB277.3096 million to the Company.

### IV. RISK WARNING

The Company considers that there is no material uncertainty affecting the accuracy of the estimated results.

### V. OTHERS

- (I) The above estimated data is based on preliminary calculation only. For the detailed and accurate financial data, please refer to the audited annual report of 2020 to be duly disclosed by the Company. Investors are advised to pay attention to the investment risks.
- (II) Since the audited net profits of the Company were negative for the two consecutive accounting years of 2018 and 2019, a delisting risk warning was imposed on the A shares of the Company on 31 March 2020 pursuant to the requirements of Provision (1) of Rule 13.2.1 of the Listing Rules of Shanghai Stock Exchange (April 2019 Revision).

**Shareholders of the Company and potential investors should exercise caution when dealing with the securities of the Company.**

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

Beijing, the PRC  
28 January 2021

*As at the date of this announcement, 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.*