

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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 ON THE RESOLUTIONS PASSED AT THE SEVENTH MEETING  
OF THE TENTH SESSION OF THE BOARD OF DIRECTORS**

**The board of directors and all members of the board of directors of the Company 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.**

Pursuant to the notice of meeting dated 3 March 2022, the seventh meeting of the tenth session of the board of directors (the “**Board**”) of Beijing Jingcheng Machinery Electric Company Limited (the “**Company**”) was held on 17 March 2022 by way of telecommunication. Eleven directors are eligible for attending the meeting and all eleven directors were present at the meeting. The supervisors and senior management members of the Company also attended the meeting. The convening of the meeting was in compliance with the requirements of all applicable laws and the “Articles of Association”.

The meeting was presided over by Mr. Wang Jun, the chairman of the Board, at which each of the following resolutions was considered and approved by the attending directors one by one:

- 1. The full text and abstract of the 2021 Annual Report and the H shares results announcement of the Company were considered and approved, and the Board agreed to submit the resolution to the 2021 annual general meeting; the details are set out in the Annual Report**

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

- 2. The 2021 Annual Work Report of the Board was considered and approved, and the Board agreed to submit the resolution to the 2021 annual general meeting**

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

- 3. The 2021 audited Financial Report of the Company was considered and approved, and the Board agreed to submit the resolution to the 2021 annual general meeting; the details are set out in the Annual Report**

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

- 4. The 2021 Internal Control Assessment Report of the Company was considered and approved; the details are set out in the Annual Report**

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

- 5. The 2021 Audit Report on Internal Control over Financial Reporting of the Company was considered and approved, and the Board agreed to submit the resolution to the 2021 annual general meeting; the details are set out in the Annual Report**

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

- 6. The 2021 Social Responsibility Report of the Company was considered and approved; the details are set out in the Annual Report**

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

- 7. The resolution on the “Corporate Governance Report” (draft) required to be disclosed in the H shares Annual Report of the Company and authorisation of the secretary to the Board to be responsible for subsequent review of and amendment to the “Corporate Governance Report” was considered and approved**

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

- 8. The resolution on the 2021 “Environmental, Social and Governance Report” (draft) of the Company and authorisation of the secretary to the Board to be responsible for subsequent review of and amendment to the 2021 “Environmental, Social and Governance Report” was considered and approved**

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

**9. The resolution on the Work Report of the General Manager was considered and approved**

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

**10. The resolution on the Report of the Independent Non-executive Directors of the Company for the year of 2021 was considered and approved, and the Board agreed to submit the resolution to the 2021 annual general meeting**

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

**11. The resolution on the performance of the audit committee of the Board for the year of 2021 was considered and approved**

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

**12. The resolution on the payment for the audit fee of the financial reports for the year of 2021 to ShineWing Certified Public Accountants (Special General Partnership) was considered and approved**

According to the resolution on the re-appointment of ShineWing Certified Public Accountants (Special General Partnership) (“**ShineWing**”) as the auditor of the Company’s 2021 financial reports which was considered and approved at the 2020 annual general meeting, and the quality of the audit services provided by ShineWing, the Board proposed to pay a total audit fee of RMB850,000 to ShineWing for the year of 2021. The audit fee includes fees related to all the audit services provided to the Company, including audit, review and translation.

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

**13. The resolution on the payment for the audit fee for the year of 2021 to Da Hua Certified Public Accountants (Special General Partnership) was considered and approved**

According to the resolution on the re-appointment of Da Hua Certified Public Accountants (Special General Partnership) (“**Da Hua**”) as the internal control auditor of the Company in 2021 which was considered and approved at the 2020 annual general meeting, and the quality of the audit services provided by Da Hua, the Board proposed to pay a total audit fee of RMB300,000 to Da Hua for the year of 2021. The audit fee includes fees related to all the audit services provided to the Company by the auditor, including audit, review and translation.

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

- 14. The resolution in relation to the re-appointment of ShineWing Certified Public Accountants (Special General Partnership) as the auditor of the Company's 2022 financial reports, and the authorization of the Board to enter into the letter of appointment with it and determine its remuneration at the annual general meeting was considered and approved**

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

- 15. The resolution in relation to the re-appointment of Da Hua Certified Public Accountants (Special General Partnership) as the auditor for the 2022 audit report on internal control over financial reporting of the Company, and the authorization of the Board to enter into the letter of appointment with it and determine its remuneration at the annual general meeting were considered and approved**

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

- 16. The 2022 audit plan of the Company was considered and approved**

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

- 17. The 2022 assessment plan of the Company's internal control was considered and approved**

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

- 18. The resolution in relation to the "Special Report on the Deposit and Use of Raised Funds in 2021" was considered and approved**

Upon review by the Board, the deposit and use of raised funds by the Company in 2021 were conducted in strict compliance with the relevant laws and regulations. There was no non-compliance with the use of raised funds, and no alterations and disguised alteration in the use of the raised funds which would undermine the interests of the shareholders.

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

- 19. The resolution in relation to the 2021 internal audit report on the deposit and use of raised funds of the Company was considered and approved**

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

**20. The proposal of the Company not to distribute profit for the year of 2021 was considered and approved, and the Board agreed to submit the resolution to the 2021 annual general meeting**

In accordance with the “Chinese Accounting Standards”, the Company realized a net profit of RMB-23,282,300 attributable to the parent company during the reporting period, while the undistributed net profit at the end of the year was RMB-687,333,700. The Company will not distribute profit or convert capital reserve to share capital for the year of 2021.

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

**21. The resolution on provision for impairment of the Company for the year of 2021 was considered and approved**

Based on the balance of accounts receivable and actual aging of accounts and actual usage of the assets as of 31 December 2021, upon physical stock taking, analysis and audit, provisions for bad debt and assets impairment were made by the Company in accordance with the “Accounting Standards for Enterprises” issued by the Ministry of Finance and the “Internal Control System on Bad Debt Provision and Assets Impairment Provision and Loss Treatment” of the Company.

As of 31 December 2021, the accumulative bad debt provision and assets impairment provision reserve of the Company was RMB132,605,800, of which bad debt provision reserve amounted to RMB62,187,600, inventory impairment provision reserve amounted to RMB45,371,100, fixed assets impairment provision reserve amounted to RMB18,484,800, and goodwill impairment reserve amounted to RMB6,562,300.

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

**22. The 2022 financing guarantee plan of the Company was considered and approved**

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

**23. The resolution in relation to the obtaining of bank credit facilities from Pudong Development Bank by way of security guarantee and the application for bank acceptance in tranches of up to RMB80 million by Tianjin Tianhai, a subsidiary of the Company was considered and approved**

Pursuant to the Company’s Master Financing Plan of 2022, Tianjin Tianhai was authorised to obtain a consolidated credit facility of RMB80 million by way of security. Tianjin Tianhai applied to Shanghai Pudong Development Bank Co. Ltd., Tianjin Branch for a consolidated credit facility of RMB80 million secured by way of mortgage of properties and land, and the amount of bank

acceptance which is to be applied in tranches shall not exceed RMB80 million. The financing term is one year, and the financing interest rate shall be subject to the approval of the bank.

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

**24. The 2022 business plan of the Company was considered and approved**

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

**25. The 2022 research and development plan of the Company was considered and approved**

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

**26. The results of remuneration and performance assessment for the senior management members of the Company for the year of 2021 were considered and approved**

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

**27. The “Performance Assessment Contract for Senior Management” of the Company for the year of 2022 was considered and approved, and the chairman of the Board is authorized to enter into those contracts with the senior management members**

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

**28. The resolution to be submitted to the 2021 annual general meeting for approving the authorisation of the Board to issue new H shares not exceeding 20% of the total issued H shares was considered and approved, and the Board agreed to submit the resolution to the 2021 annual general meeting**

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

**29. The resolution in relation to the amendment of the “Fund Raising Management Measures” was considered and approved, and the Board agreed to submit the resolution to the 2021 annual general meeting**

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

- 30. The resolution in relation to the purchase of directors, supervisors and senior management members liability insurance for the year of 2022 by the Company was considered and approved**

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

- 31. The resolution on the convening time of the Company's 2021 annual general meeting was considered and approved**

The Company will convene the 2021 annual general meeting on Thursday, 9 June 2022, the details of which will be further announced.

The number of valid votes for this resolution: 11; Affirmative votes: 11; Dissenting vote: 0; Abstention vote: 0.

Among the above resolutions, resolutions no. 1, 2, 3, 5, 10, 14, 15, 20, 28 and 29 will be submitted to the 2021 annual general meeting for consideration.

For and on behalf of the Board  
**Beijing Jingcheng Machinery Electric Company Limited**  
**Luan Jie**  
*Company Secretary*

Beijing, PRC  
17 March 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.*