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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 CHANGE OF ACCOUNTING POLICIES**

The Board and all members of the Board warrant that this announcement does not contain any false information, misleading statement or material omission and accept legal responsibilities for the truthfulness, accuracy and completeness of the contents herein contained.

SPECIAL NOTICE:

- The change of accounting policies is a corresponding change in accordance with the relevant provisions of the “Interpretation No. 19 of the Accounting Standards for Business Enterprises” (Cai Kuai [2025] No. 32)* (《企業會計準則解釋第19號》(財會[2025]32號)) (the “**Interpretation No. 19**”) issued by the Ministry of Finance (the “**Ministry of Finance**”) of the People’s Republic of China (the “**PRC**”) on 5 December 2025, which has no material impact on the financial position, results of operation and cash flow of Beijing Jingcheng Machinery Electric Company Limited (the “**Company**”).

I. SUMMARY OF THE CHANGE OF ACCOUNTING POLICIES

On 5 December 2025, the Ministry of Finance issued the “Notice on the Release of the ‘Interpretation No. 19 of the Accounting Standards for Business Enterprises’” (Cai Kuai [2025] No. 32)* (《關於印發<企業會計準則解釋第19號>的通知》(財會[2025]32號)), stipulating that amongst others, the following provisions shall be implemented from 1 January 2026: “accounting treatment for indemnification assets in business combinations not under common control”, “accounting treatment for capital reserve related to the disposal of subsidiaries originally acquired through mergers under common control”, “derecognition of financial liabilities settled through electronic payment systems”, “assessment of contractual cash flow characteristics of financial assets and related disclosures”, and “disclosure of equity instruments designated as fair value with changes recognized in other comprehensive income”.

II. DETAILS OF THE CHANGE OF ACCOUNTING POLICIES

(1) Accounting policies adopted prior to the change

Before the change of accounting policies, the Company implemented the “Accounting Standards for Business Enterprises – Basic Standards” *(《企業會計準則－基本準則》) issued by the Ministry of Finance, various specific accounting standards, the Application Guidance for Accounting Standards for Business Enterprises, the Interpretation Announcement on Accounting Standards for Business Enterprises and other relevant regulations.

(2) Accounting policies adopted after the change

After the change of accounting policies, the Company shall implement the Interpretation No. 19 issued by the Ministry of Finance. The remaining unchanged parts shall still be implemented in accordance with the “Accounting Standards for Business Enterprises – Basic Standards” *(《企業會計準則－基本準則》) issued by the Ministry of Finance and various specific accounting standards, the Application Guidance for Accounting Standards for Business Enterprises, the Interpretation Announcement on Accounting Standards for Business Enterprises and other relevant regulations.

(3) Date of change

The Company shall implement the above accounting standards from the commencement date specified in the Interpretation No. 19.

III. EFFECTS ON THE COMPANY OF THE CHANGE OF ACCOUNTING POLICIES

The change of accounting policies is made in accordance with the relevant provisions and requirements of the Ministry of Finance, and the implementation of the accounting policies after the change can reflect the financial position and operating results of the Company in an objective and fair manner. The change in accounting policies shall neither have a material impact on the Company’s financial position, results of operation and cash flow, nor involve retrospective adjustments for previous years, nor be prejudicial to the interest of the Company and its shareholders.

IV. REVIEW BY THE AUDIT COMMITTEE OF THE BOARD

The audit committee of the Board is of the view that: the change of accounting policies is a corresponding change made by the Company in accordance with the relevant provisions of the Ministry of Finance, and the implementation of the new accounting policies can reflect the financial position and operating results of the Company in a more objective and fair manner, and there are no circumstances that prejudice the interests of the Company and its shareholders, particularly the minority shareholders. Accordingly, the audit committee of the Board approve the change of accounting policies.

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

Beijing, the PRC
27 March 2026

As at the date of this announcement, the Board comprises Mr. Zhang Jiheng as an executive director, Mr. Li Zhongbo, Mr. Wang Kai, Mr. Zhou Yongjun, Mr. Zhao Xihua, 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*