京城機電股份
JINGCHENG MAC

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 IMPLEMENTATION OF THE REPURCHASE AND CANCELLATION OF PART OF THE RESTRICTED A SHARES GRANTED BUT SUBJECT TO LOCK-UP

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 legal responsibilities for the truthfulness, accuracy and completeness of the contents contained herein.

References are made to the announcements of Beijing Jingcheng Machinery Electric Company Limited (the "**Company**") dated 26 May 2026 and 29 June 2026, and the circular dated 26 May 2026, in relation to, among other things, the resolution of the board of directors (the "**Board**") of the Company regarding the repurchase and cancellation of part of the restricted A shares granted but subject to lock-up.

IMPORTANT NOTICES:

- Among participants under the initial grant of the Company's 2023 Restricted Share Incentive Scheme (the "**Incentive Scheme**"), as one of them terminated the employment relationship with the Company due to a job transfer, the Company will repurchase and cancel a total of 33,000 restricted A shares held by the participant that have been granted but subject to lock-up. Furthermore, since the performance metrics at the Company level did not meet the unlocking conditions as required for the second unlocking period of the initial grant under the Incentive Scheme, the Company will repurchase and cancel a total of 1,706,100 restricted A shares held by relevant participants that have been granted but subject to lock-up. Based on the above, the Company will repurchase and cancel a total of 1,739,100 restricted A shares held by the participants that have been granted but subject to lock-up.

- The number of restricted A shares subject to repurchase and cancellation: 1,739,100 shares (all being part of the initial grant).

- The repurchase price of the restricted A shares: The proposed repurchase comprises a total of 33,000 restricted A shares that have been subject to lock-up and were held by one participant who is no longer eligible because of a job transfer, with the repurchase price at the sum of RMB7.33/share plus the interest earned on time deposits calculated in accordance with the latest benchmark deposit rate issued by the People's Bank of China, and a total of 1,706,100 restricted A shares that have been subject to lock-up since the performance metrics at the Company level did not meet the unlocking conditions as required for the second unlocking period of the initial grant under the Incentive Scheme, with the repurchase price of RMB7.33/share.

- Relevant information relating to the cancellation of shares

Number of repurchased shares (shares)	**Number of cancellation shares (shares)**	**Date of cancellation**
1,739,100	1,739,100	8 September 2026

I. THE DECISION-MAKING AND INFORMATION DISCLOSURE OF THE REPURCHASE AND CANCELLATION OF THE RESTRICTED SHARES

1. On 26 May 2026, the "Resolution in relation to the Failure of the Company's Performance to Meet the Unlocking Conditions for the Second Unlocking Period of the 2023 Restricted Share Incentive Scheme and the Repurchase and Cancellation of Part of Restricted A Shares" was considered and approved at the seventeenth extraordinary meeting of the eleventh session of the Board of the Company. The above-mentioned resolution has been considered and approved by the remuneration and monitoring committee of the Board and the independent directors' special meeting.

2. On 29 June 2026, the "Resolution in relation to the Repurchase and Cancellation of Part of the Restricted A Shares Granted but Subject to Lock-up" was considered and approved at the annual general meeting of 2025, the first A shares class meeting of 2026 and the first H shares class meeting of 2026 of the Company.

3. On 30 June 2026, the "Announcement on the Repurchase and Cancellation of Part of the Restricted A Shares to Reduce Registered Capital and Notification to Creditors" was disclosed by the Company. The Company has complied with the procedure of notifying creditors regarding the share repurchase and cancellation as prescribed by law. Within the prescribed period for filing creditors' claims, the Company has not received any claims from creditors seeking debt repayment or provision of corresponding guarantees.

II. REPURCHASE AND CANCELLATION OF THE RESTRICTED SHARES

1. The reasons for, number and price of the repurchase and cancellation

(1) According to the relevant provisions of the Incentive Scheme: "If the Participant terminates his/her employment with the Company due to transfer of job, dismissal, retirement, death or incapacity, the exercisable portion (with clear vesting of interests) may be exercised within six months from the date of termination of employment (or when the portion can be exercised) if the exercisable time limit and performance assessment conditions have been met in that year, and the entitlement shall lapse after such six months. Any remaining portion in respect of which the performance assessment conditions for the year not met will not be released and will be repurchased by the Company at the sum of the Grant Price plus interest earned on time deposits calculated in accordance with the latest benchmark deposit rate issued by the People's Bank of China."

Given that one of the participants under the initial grant of the Incentive Scheme terminated the employment relationship with the Company because of a job transfer, the Company will repurchase and cancel a total of 33,000 restricted A shares that have been granted but subject to lock-up. The repurchase price shall be the sum of RMB7.33/share plus the interest earned on time deposits calculated in accordance with the latest benchmark deposit rate issued by the People's Bank of China.

(2) In accordance with the relevant provisions of the Company's Incentive Scheme: "As a result of failing to meet the performance metrics at the Company level or the assessment at the individual level, all or part of the restricted shares of the Participant that have not been unlocked for the current period shall not be unlocked or shall be deferred to the period that follows for unlocking, and shall be repurchased by the Company at the lower of the Grant Price and the market price at the time of repurchase."

Since the performance metrics at the Company level did not meet the unlocking conditions as required for the second unlocking period of the initial grant under the Incentive Scheme, the Company shall repurchase and cancel a total of 1,706,100 restricted A shares held by relevant participants that have been granted but subject to lock-up at a repurchase price of RMB7.33/share.

Based on the above, the Company hereby repurchases and cancels a total of 1,739,100 restricted A shares held by relevant participants that have been granted but subject to lock-up, representing approximately 0.32% of the total share capital of the Company before the repurchase.

2. **Total amount of funds and the source of funds for the repurchase**

The total amount of funds to be used for the repurchase of restricted A shares is approximately RMB12,747,603 (plus interests payable for the time deposits in banks as required), which will be financed by the Company's own funds.

3. **Arrangements of the repurchase and cancellation**

The Company has opened a specific account for repurchase (B887384535) at the China Securities Depository and Clearing Company Limited Shanghai Branch (the "**CSDC Shanghai Branch**"), and has applied to the CSDC Shanghai Branch for processing the transfer procedures for the repurchase of the restricted A shares held by the above-mentioned relevant participants. It is expected that the cancellation of the restricted A shares will be completed on 8 September 2026. The Company will subsequently proceed with the relevant procedures for the changes in industrial and commercial registration in accordance with the applicable laws and regulations.

III. TABLE ON CHANGES IN THE COMPANY'S SHAREHOLDING STRUCTURE AFTER THE REPURCHASE AND CANCELLATION

Changes in the structure of share capital of the Company after the repurchase and cancellation of the restricted A shares are as follows:

	Before the change		Increase/ decrease in the change	After the change	
Class of shares	**Number of shares (shares)**	**Proportion (%)**	**Change in quantity (shares)**	**Number of shares (shares)**	**Proportion (%)**
Shares subject to lock-up (A shares)	3,445,200	0.63	-1,739,100	1,706,100	0.32
Shares not subject to lock-up (A shares)	444,040,788	81.10	0	444,040,788	81.36
H shares	100,000,000	18.27	0	100,000,000	18.32
Total number of shares	**547,485,988**	**100.00**	**-1,739,100**	**545,746,888**	**100.00**

Note: The above changes in the structure of share capital are based on the table of the structure of share capital issued by the CSDC Shanghai Branch upon the completion of the repurchase and cancellation.

IV. EXPLANATION AND UNDERTAKINGS

The Board hereby explains that the decision-making procedures and information disclosure involved in the repurchase and cancellation of the restricted A shares have complied with the provisions of laws, regulations, the Management Measures for Equity Incentives of Listed Companies (the "**Management Measures**"), as well as the arrangements under the Incentive Scheme and the restricted share grant agreements. There are no circumstances that would prejudice the legitimate rights and interests of the participants or the interests of creditors.

The Company undertakes that it has verified and guaranteed the truthfulness, accuracy, and completeness of the information regarding the participants involved, the number of shares, and the cancellation date in connection with the repurchase and cancellation of the restricted A shares. The Company has fully informed the relevant participants of the repurchase and cancellation, and none of the participants raised any objection to the matter. In the event of any dispute arising between the Company and the relevant participants due to the repurchase and cancellation, the Company shall bear the corresponding legal responsibilities.

V. LEGAL OPINION FROM LAWYERS

Beijing Kangda Law Firm is of the view that:

(1) As at the issue date of the legal opinion, the Company has obtained the necessary authorization and approval for the repurchase and cancellation at the current stage, and has complied with the relevant requirements in the Management Measures and the Incentive Scheme;

(2) The reasons for, number, price and arrangement of the repurchase and cancellation have complied with the relevant requirements in the Management Measures and the Incentive Scheme; and

(3) The Company is still required to fulfill its information disclosure obligations in respect of the repurchase and cancellation, and in connection with this repurchase and cancellation, to carry out procedures of registration for the reduction of registered capital and the cancellation of shares in accordance with the relevant provisions of the Company Law and the Articles of Association.

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

Beijing, the PRC
3 September 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. Tian Dongqiang and Ms. Niu Yunjing as non-executive directors, and Ms. Chen Junping, Mr. Lu Chenyu, Mr. Zhang Zheng and Mr. Chen Weiyong as independent non-executive directors.