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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 EXPECTED LOSS FOR THE 2023 ANNUAL RESULTS**

The board of directors and all directors of the Company 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.

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:

- The estimated results for the period is applicable to the scenario of negative net profit.
- According to the preliminary estimate made by the finance department of the Company, the Company’s net profit attributable to shareholders of the listed company for 2023 is expected to record a loss of approximately RMB46 million to RMB55 million, representing a loss as compared with the corresponding period of last year (statutory data disclosure).
- The Company’s net profit attributable to shareholders of the listed company after deducting the non-recurring profit or loss for 2023 is expected to record a loss of approximately RMB59.3 million to RMB68.3 million.

I. ESTIMATED RESULTS FOR THE PERIOD

(I) Period covered by the estimated results

From 1 January 2023 to 31 December 2023.

(II) Estimated results

1. According to the preliminary estimate made by the finance department of the Company, the net profit attributable to shareholders of the listed company for 2023 is expected to record a loss of approximately RMB46 million to RMB55 million, representing a loss as compared with the corresponding period of last year (statutory data disclosure).
2. The net profit attributable to shareholders of the listed company after deducting the non-recurring profit or loss for 2023 is expected to record a loss of approximately RMB59.3 million to RMB68.3 million.

(III) ShineWing Certified Public Accountants (Special General Partnership), the certified public accountant, has issued a specific statement on the appropriateness and prudence of estimated results of the Company for the period:

According to our plan for the audit of the Company's 2023 annual financial statements, as of the date of issue of this specific statement, we have mainly carried out the risk assessment procedures such as making inquiries, observation and analysis. As of the date of issue of this specific statement, based on the audit procedures we have carried out and the audit evidence obtained, we have not found any concrete evidence that would cause the results forecast of the Company to be non-compliant with the Accounting Standards for Business Enterprises. As the audit proceeds, we may obtain further audit evidence which may lead to material discrepancies between this specific statement and the audit opinion issued by us on the 2023 annual financial statements of the Company.

II. RESULTS FOR THE CORRESPONDING PERIOD OF LAST YEAR

1. Net profit attributable to the shareholders of the listed company: approximately RMB18.3024 million.

Net profit attributable to the shareholders of the listed company after deducting the non-recurring profit or loss: loss of approximately RMB4.8599 million.

2. Earnings per share: RMB0.04.

III. MAJOR REASONS FOR THE LOSS FOR THE PERIOD

The Company is expected to record a loss in the annual results of 2023 mainly due to:

1. As the international situation remained complicated and severe, the Company's export business was affected with declining contribution as compared with the same period of last year. Competition in the domestic market intensified, growth of traditional gas cylinder products was contained, revenue from cryogenic products decreased, while growth of the hydrogen energy market was below expectation.
2. To increase competitiveness and promote the development of hydrogen energy towards higher quality, the investment in research and development of hydrogen energy storage and transportation key technology has significantly increased; and at the same time, as the industry is still in the cultivation stage, more costs are required for market expansion, brand marketing, building of industry chain and strengthening of its competitive edge. It takes further time to achieve maximum profitability.
3. Affected by the pressure of the macro-economic environment, payment collection from some clients fell short of expectation, provision for credit impairment losses increased as compared to the same period of last year.

IV. RISK WARNING

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

V. OTHER MATTERS

The above estimated figures are based on preliminary calculation only. The specific and accurate financial figures will be disclosed in the audited annual report of 2023 to be duly disclosed by the Company. Investors are advised to pay attention to the investment risks.

By order of the board of directors
Beijing Jingcheng Machinery Electric Company Limited
Luan Jie
Company Secretary

Beijing, the PRC
30 January 2024

As at the date of this announcement, the board of directors of the Company comprises Mr. Zhang Jiheng as executive director, Mr. Li Junjie, Mr. Wu Yanzhang, Mr. Zhou Yongjun, Mr. Cheng Lei, Mr. Man Huiyong 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.