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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Beijing Jingcheng Machinery Electric Company Limited**, you should at once hand this circular, together with the accompanying form of proxy, to the purchaser or to the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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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)

**IN RELATION TO RENT ADJUSTMENT
FOR THE LEASED PROPERTIES OF JINGCHENG HAITONG,
A CONTROLLED SUBSIDIARY OF THE COMPANY
AND
NOTICE OF EGM**

A letter from the Board is set out on pages 3 to 10 of this circular.

A notice convening the EGM to be held at the Conference Room of the Company at No. 6 Rong Chang East Street, Daxing District, Beijing, the PRC on 11 July 2025 at 9:30 a.m. is set out on pages EGM-1 to EGM-3 of this circular.

Whether or not you intend to attend the above meeting, you are requested to complete the form of proxy for use at the above meeting in accordance with the instructions printed thereon and return the same to the business address of the Company at No. 6 Rong Chang East Street, Daxing District, Beijing, the PRC, or the Company's H Share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event no later than 24 hours before the time appointed for the convention of the above meeting. The completion and return of the form of proxy will not preclude you from attending and voting in person at the above meeting or any adjournment thereof if you so wish.

19 June 2025

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“Aidixi”	Beijing Aidixi Data Technology Development Co., Ltd.* (北京艾迪希數據科技發展有限公司), a company incorporated in the PRC with limited liability
“Aidixi Technology”	Beijing Aidixi Technology Co., Ltd.* (北京艾笛希科技有限公司), a company incorporated in the PRC with limited liability
“A Share(s)”	ordinary shares of the Company with a nominal value of RMB1.00 each, which are issued in the PRC, subscribed for in RMB and listed on the SSE (stock code: 600860)
“Board”	the board of Directors
“Company”	Beijing Jingcheng Machinery Electric Company Limited (北京京城機電股份有限公司), a joint stock company incorporated in the PRC with limited liability and the shares of which are listed on the main board of the Stock Exchange and the SSE
“connected person(s)”	has the meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the second extraordinary general meeting of 2025 to be held by the Company on 11 July 2025 to consider and, if thought fit, approve, the Supplemental Agreement and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“H Share(s)”	overseas listed foreign share(s) of the Company with a nominal value of RMB1.00 each, which are issued in Hong Kong, subscribed for in HK\$ and listed on the main board of the Stock Exchange (stock code: 00187)

DEFINITIONS

“Jingcheng Haitong”	Beijing Jingcheng Haitong Technology Culture Development Co., Ltd.* (北京京城海通科技文化發展有限公司), a company incorporated in the PRC with limited liability and a non-wholly owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Property”	the property located at 9 Tianying North Road, Chaoyang District, Beijing, the PRC
“Property Leasing Agreement”	the property leasing agreement dated 15 December 2020 entered into by Jingcheng Haitong and Shenzhen Tenglong in relation to the Property (as amended from time to time)
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the share(s) of the Company, including A Shares and H Shares unless otherwise specified
“Shareholders”	the shareholders of the Company
“Shenzhen Tenglong”	Shenzhen Tenglong Holdings Co., Ltd.* (深圳騰龍控股股份有限公司), a joint stock company incorporated in the PRC with limited liability
“SSE”	the Shanghai Stock Exchange
“SSE Listing Rules”	the Rules Governing the Listing of Stocks on the SSE
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning as ascribed to it under the Listing Rules
“Supplemental Agreement”	the supplemental agreement to the Property Leasing Agreement
“Transactions”	the transactions contemplated under the Supplemental Agreement
“%”	percent

* For identification purposes only

LETTER FROM THE BOARD



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)

Executive Director:

Mr. Zhang Jiheng

Non-executive Directors:

Mr. Li Junjie

Mr. Wang Kai

Mr. Zhou Yongjun

Mr. Zhao Xihua

Mr. Man Huiyong

Ms. Li Chunzhi

Registered office:

Room 901, No. 59 Mansion,
Dongsanhuan Road Central,
Chaoyang District,
Beijing,
the PRC

Independent non-executive Directors:

Ms. Chen Junping

Mr. Zhao Xuguang

Mr. Liu Jingtai

Mr. Luan Dalong

19 June 2025

To the Shareholders

Dear Sir or Madam,

**IN RELATION TO RENT ADJUSTMENT
FOR THE LEASED PROPERTIES OF JINGCHENG HAITONG,
A CONTROLLED SUBSIDIARY OF THE COMPANY
AND
NOTICE OF EGM**

1. INTRODUCTION

The purpose of this circular is to provide you with the following information and all necessary information to enable you to make an informed decision on the proposed resolution for or against the Transactions at the EGM:

- (i) the letter from the Board containing details of the Supplemental Agreement;

LETTER FROM THE BOARD

(ii) notice of convening the EGM, at which an ordinary resolution will be proposed to consider and, if thought fit, approve the Supplemental Agreement and the transactions contemplated thereunder; and

(iii) other information as required by the Listing Rules.

2. IN RELATION TO RENT ADJUSTMENT FOR THE LEASED PROPERTIES OF JINGCHENG HAITONG, A CONTROLLED SUBSIDIARY OF THE COMPANY

On 15 December 2020, Jingcheng Haitong entered into the Property Leasing Agreement with Shenzhen Tenglong, renting out the Property to Shenzhen Tenglong, which is used for the construction, operation and office of an internet data center.

Reference is made to the announcement of the Company dated 6 July 2022 in relation to Jingcheng Haitong becoming a subsidiary of the Company.

In view of declining rental prices for industrial buildings in the vicinity, slowing demand growth in the internet data center industry as well as the falling rental prices, and in light of the actual situation of the Company, Jingcheng Haitong has negotiated and signed the Supplemental Agreement with Shenzhen Tenglong, Aidixi and Aidixi Technology to agree on adjustments regarding the contracting parties, rent, and rent-free period.

The principal terms of the Supplemental Agreement are as follows:

Date : 10 June 2025

Parties : 1. Lessor: Jingcheng Haitong (a non-wholly owned subsidiary of the Company)
2. Lessee: Shenzhen Tenglong
3. Lessee: Aidixi
4. Guarantor: Aidixi Technology

Term of lease : From 11 June 2025 to 18 October 2036

LETTER FROM THE BOARD

- Main contents** : Upon the Supplemental Agreement taking effect, starting from 11 June 2025, Jingcheng Haitong, as the lessor, and Shenzhen Tenglong and Aidixi, as the co-lessees, will continue to perform the Property Leasing Agreement and the Supplemental Agreement. Aidixi has the right to exercise the rights that Shenzhen Tenglong is entitled to under the Property Leasing Agreement for the Property and shall assume all the responsibilities and obligations under the Property Leasing Agreement. Shenzhen Tenglong and Aidixi irrevocably agree and confirm that as for the respective responsibilities and obligations of Shenzhen Tenglong and Aidixi as stipulated in the Property Leasing Agreement and the Supplemental Agreement, whether against any party or multiple parties of Shenzhen Tenglong and Aidixi, each of Shenzhen Tenglong and Aidixi shall assume joint and several liabilities to each other in the event of any violation.
- Subject property** : The Property, the leased area of which is 45,043.62 square meters.
- Rent, payment and growth mechanism** : Upon the Supplemental Agreement taking effect, based on the Property Leasing Agreement, starting from 11 June 2025, the daily rent is proposed to be changed from RMB4.16 per square meter to RMB3.2 per square meter. The rent increase shall change from 5% every three years to 5% every five years.
- Rent-free period:** : Upon the Supplemental Agreement taking effect, Jingcheng Haitong grants the lessee a rent-free period of 114 days. The rent-free period is granted in four installments, namely: 31 days of rent-free in July 2025, 31 days of rent-free in December 2025, 31 days of rent-free in December 2026, and 21 days of rent-free in December 2027. During the rent-free period, the lessee does not need to pay the rent for the leased properties to Jingcheng Haitong, but they shall still pay other various amounts and fees in accordance with the Property Leasing Agreement.

LETTER FROM THE BOARD

Payment method for outstanding rent : Shenzhen Tenglong has owed Jingcheng Haitong approximately RMB72.07 million in rent since 20 May 2024. As a co-lessee, Aidixi shall directly fulfill its payment obligations to Jingcheng Haitong. Aidixi shall repay the outstanding rent in four installments: 80% in three installments in 2025 and the remaining 20% in the first quarter of 2026.

Aidixi Technology (as the sole controlling shareholder of Aidixi) assumes joint and several guarantee liability for the outstanding payment.

Restriction : Without the prior written consent from Jingcheng Haitong, the lessee shall not sublet, sublease or adjust the whole or part of the Property to any third party for use. Aidixi is not restricted from renting the Property to a third party for the purpose of providing data center venue services, cloud computing or computing power services, etc. for the normal operation of its business, but the relevant information needs to be submitted to Jingcheng Haitong for filing.

Liability for breach of contract: : If the lessee fails to pay the rent and liquidated damages and other amounts in full and on time as stipulated in the Property Leasing Agreement and the Supplemental Agreement, and still fails to make the payment within the prescribed time limit after the written notice by Jingcheng Haitong, Jingcheng Haitong shall have the right to take actions in accordance with the law and the agreement to reduce losses.

Effectiveness : The Supplemental Agreement shall come into effect only after being approved at the EGM. The Supplemental Agreement forms part of the Property Leasing Agreement. Upon the Supplemental Agreement taking effect, the Property Leasing Agreement remains effective.

LETTER FROM THE BOARD

Reasons for and Benefits of Entering Into the Transactions

Since 20 May 2024, Shenzhen Tenglong has failed to pay the rent as stipulated in the Property Leasing Agreement. As at 10 June 2025, Shenzhen Tenglong owed a total of approximately RMB72.07 million in rent.

Although the rental income of the Group during the year will decrease by approximately RMB13.4306 million compared with the previous period after this rent adjustment, in order to avoid material risks, and in view of declining rental prices for industrial buildings in the vicinity, slowing demand growth in the internet data center industry as well as the falling rental prices, the Supplemental Agreement can provide a rent reduction arrangement and can properly resolve the matter of unpaid rent, so that the Company's interests can be safeguarded.

Opinion of the Board

The Transactions are conducted in the ordinary and usual course of business of the Group, and the Transactions are negotiated on an arm's length basis. The entering into of the Supplemental Agreement and the Transactions are in line with the business strategies of the Group. In view of the above reasons and benefits, the Board considers that the Transactions are conducted in the ordinary course of business of the Group on normal commercial terms, the terms are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

None of the Directors have any material interest in the Transactions.

Implications under the Listing Rules

As the Transactions are of revenue nature under Rule 14.04(1)(g) of the Listing Rules, they do not constitute transactions of the Company under Chapter 14 of the Listing Rules.

Since Shenzhen Tenglong, Aidixi and Aidixi Technology are not connected persons of the Company, the Transactions do not constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Shareholders' Approval

In accordance with Rule 6.1.3 of the SSE Listing Rules, the Transactions should be submitted at the general meeting of the Company for consideration. Therefore, the Company proposes to submit the Transactions for consideration and approval by the Shareholders at the EGM.

To the best of knowledge, information and belief of the Directors after having made all reasonable enquiries, no Shareholder has a material interest in the Transactions and thus no Shareholder will be required to abstain from voting on the resolution in relation to the Transactions.

LETTER FROM THE BOARD

Information on the Parties

Information on the Company

The Company's general scope of operation includes general logistics; professional contracting; developing, designing, selling, installing, adjusting and maintaining cryogenic containers, compressors (piston compressor, membrane compressor and membrane compressor of nuclear grading) and accessories; machinery equipment and electrical equipment; technical consulting and technical services; economic and trade consulting; import and export of commodities and technology and acting as import and export agency.

Information on Jingcheng Haitong

Jingcheng Haitong is a non-wholly owned subsidiary of the Company. The operation scope of Jingcheng Haitong includes organising cultural and art exchange activities (excluding performances); property management; economic and trade consulting; office leasing; motor vehicle public parking services.

Information on Shenzhen Tenglong

The operation scope of Shenzhen Tenglong includes enterprise management consulting (excluding restricted projects); database service, database management; technological development of mobile internet; development of cloud storage and cloud computing technology; development of computer and network system technology; analysis of computer information system; computer programming; technology development, technology consulting, technical services, and technology transfer of information technology, electronic products, biotechnology, chemical products, building materials and mechanical equipment; design, technology development and sales of computer software and hardware products; technology development and sales of network equipment, communication products and electronic products. Car leasing; leasing of computers and communication equipment; leasing service of office equipment; housing leasing; enterprise management; hotel management; catering management; hospital management; information consulting services (excluding licensed information consulting services). Property management; accommodation service; catering service; bar services (excluding performing arts and entertainment activities).

Shenzhen Tenglong is held as to 80% of the shares by Ren Shaolong and 20% of the shares by Wei Jialin.

Information on Aidixi

The operation scope of Aidixi includes technology development, technology consulting, technology transfer, and technical services; data processing; sales of computers, software and auxiliary equipment, electronic products, and mechanical equipment.

LETTER FROM THE BOARD

Information on Aidixi Technology

Aidixi Technology is a wholly-owned controlling shareholder of Aidixi. The operation scope of Aidixi Technology includes technology development, technology consulting, technology transfer and technical services; data processing; sales of computers, software and auxiliary equipment, electronic products, and mechanical equipment.

Aidixi Technology regards GLP Pte. Ltd. as its ultimate beneficial owner. GLP Pte. Ltd. is a global leading business developer, investor, developer and operator in logistics real estate, data centers, renewable energy and related technologies. To the best of knowledge, information and belief of the Directors after having made all reasonable enquiries, there is no ultimate beneficial owner controlling one-third or more of the interests in GLP Pte. Ltd.

To the best of knowledge, information and belief of the Directors after having made all reasonable enquiries, Shenzhen Tenglong, Aidixi, Aidixi Technology and their ultimate beneficial owners are all third parties independent of the Company and its connected persons.

3. EGM

A notice convening the EGM to be held at the Conference Room of the Company at No. 6 Rong Chang East Street, Daxing District, Beijing, the PRC on 11 July 2025 at 9:30 a.m., at which an ordinary resolution will be proposed for the Shareholders to, consider and, if thought fit, approve the Supplemental Agreement and the transactions contemplated thereunder, is set out on pages EGM-1 to EGM-3 of this circular.

Whether or not you intend to attend the above meeting, you are requested to complete the form of proxy for use at the above meeting in accordance with the instructions printed thereon and return the same to the business address of the Company at No. 6 Rong Chang East Street, Daxing District, Beijing, the PRC, or the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event no later than 24 hours before the time appointed for the convention of the above meeting. The completion and return of the form of proxy will not preclude you from attending and voting in person at the above meeting or any adjournment thereof if you so wish.

For the purpose of ascertaining the entitlement of the holders of H Shares to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 8 July 2025 to Friday, 11 July 2025 (both days inclusive), and no share transfers will be registered during this period. In order to be valid, an instrument of transfer accompanied by share certificates and other appropriate documents must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Monday, 7 July 2025. The Shareholders of the Company whose names appear on the register of members of the Company after the close of business on Monday, 7 July 2025 are entitled to attend and vote at the EGM.

LETTER FROM THE BOARD

4. VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes on the ordinary resolution at the EGM will be taken by poll and the Company will announce the results of the poll in the manner prescribed under the requirements of Rules 13.39(5) and 13.39(5A) of the Listing Rules.

5. RECOMMENDATION

The Directors are of the view that, in view of the above, the Transactions are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Supplemental Agreement and the transactions contemplated thereunder.

Yours faithfully,

By order of the Board

Beijing Jingcheng Machinery Electric Company Limited

Luan Jie

Company Secretary

NOTICE OF EGM



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)

NOTICE OF THE SECOND EXTRAORDINARY GENERAL MEETING OF 2025

NOTICE IS HEREBY GIVEN that the second extraordinary general meeting of 2025 (the “**EGM**”) of Beijing Jingcheng Machinery Electric Company Limited (the “**Company**”) will be convened by the board of directors of the Company (the “**Board**”) and held at the Conference Room of the Company at No. 6 Rong Chang East Street, Daxing District, Beijing, the PRC, on Friday, 11 July 2025 at 9:30 a.m. for the purpose of considering and, if thought fit, with or without modifications, passing the following resolution. A combination of on-site voting and internet voting by way of poll will be adopted at the EGM.

Unless the context otherwise requires, capitalized terms used herein shall have the same meanings as those defined in the circular of the Company dated 19 June 2025.

MATTER TO BE CONSIDERED AT THE EGM

Ordinary resolution

To consider and approve the “Resolution in relation to Rent Adjustment for the Leased Properties of Jingcheng Haitong, a Controlled Subsidiary of the Company”.

ATTENDEES OF THE MEETING AND REGISTRATION METHOD

- (I) The Directors, supervisors and senior management of the Company.
- (II) Lawyers engaged by the Company.
- (III) The Shareholders of the Company whose names appear on the register of members of the Company after the close of business on 7 July 2025 shall have the right to attend the EGM after completing the necessary registration procedures.

Holders of the Company's H shares should note that the register of members of the Company will be closed from 8 July 2025 to 11 July 2025 (both days inclusive), during which no H Shares transfer will be registered. For holders of H Shares of the Company who intend to attend the EGM, transfer documents together with the relevant share certificates must be lodged with the H Shares registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on 7 July 2025.

NOTICE OF EGM

A corporate Shareholder should attend the meeting by its legal representative or the proxy appointed by the legal representative. A legal representative who attends the meeting should present his or her own identity document, valid documents evidencing his or her capacity as a legal representative and evidence of shareholding. While a proxy is appointed to attend the meeting, the proxy should present his or her identity document, the power of attorney issued in writing by the legal representative of the corporate Shareholder in accordance with the laws and evidence of shareholding.

1. Each Shareholder who is entitled to attend and vote at the EGM may appoint one or more proxy(ies), who need not be a Shareholder, to attend and vote on his or her behalf at the EGM.
2. For any Shareholder who appoints more than one proxy, his or her proxies can only exercise the voting right by way of poll.
3. The instrument appointing a proxy must be in writing under the hand of the appointer or his or her attorney authorised in writing. If that instrument is signed by an attorney on behalf of the appointer, the power of attorney authorising that attorney to sign, or other authorisation documents, must be notarially certified. To be valid, the notarially certified copy of the power of attorney, or other authorisation documents, together with the form of proxy must be returned to the business address of the Company or lodged with the H Shares registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 24 hours before the time appointed for the holding of the EGM.

OTHER MATTERS

1. Contact for the meeting

Contact telephone:	86 10 87707288
Fax:	86 10 87707291
Contact person:	Board office of the Company
Address:	No. 6 Rong Chang East Street, Daxing District, Beijing, the PRC
Postal Code:	101109
2. The EGM is expected to last for half a day. The Shareholders attending the meeting should bear their own accommodation and travel expenses.
3. Personnel attending the meeting shall arrive at the venue of the meeting half an hour before the commencement of the meeting and bring along the original identity document, stock account card and power of attorney for verification.

NOTICE OF EGM

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

Beijing, the PRC
19 June 2025

As at the date of this notice, the Board of the Company comprises Mr. Zhang Jiheng as an executive Director, Mr. Li Junjie, 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.