
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 limited company established in the People's Republic of China)

(Stock Code: 0187)

**MAJOR TRANSACTION
IN RELATION TO THE LEASE AGREEMENT
ENTERED INTO BY BEIJING TIANHAI**

The EGM will be held at the first Conference Room, No. 2 Huo Xian Nan San Road, Huo Xian Town, Tongzhou District, Beijing on Friday, 19 October 2018 at 9:30 a.m.. Further details of the EGM are set out in the notice issued by the Company dated 4 September 2018.

A form of proxy in respect of the EGM was despatched by the Company on 4 September 2018. Whether or not you intend to attend the EGM, you are requested to complete the form of proxy for use at the EGM in accordance with the instructions printed thereon and return the same to the business address of the Company at No. 2 Huo Xian Nan San Road, Huo Xian Town, Tongzhou District, Beijing, the PRC, or the Company's H Share Registrar, Hong Kong Registrars Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. The completion and delivery of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof if you so wish.

28 September 2018

CONTENTS

	<i>Pages</i>
Definitions	1
Letter from the Board	3
Appendix I – Financial Information of the Group	I-1
Appendix II – General Information	II-1

DEFINITIONS

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

“A Share(s)”	domestic ordinary Share(s) with a par value of RMB1.00 each in the share capital of the Company which are listed on the Shanghai Stock Exchange and traded in RMB
“Beijing Tianhai”	北京天海工業有限公司 (Beijing Tianhai Industry Co., Ltd.), a company established in the PRC with limited liability and indirect wholly-owned by the Company
“Board”	the board of Directors
“Company”	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 PRC with limited liability and the shares of which are listed on the Main Board of the Stock Exchange and the Shanghai Stock Exchange
“connected person(s)”	has the meaning as ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened on 19 October 2018 (Friday) at 9:30 a.m. at first Conference Room, No. 2 Huo Xian Nan San Road, Huo Xian Town, Tongzhou District, Beijing
“Group”	the Company and its subsidiaries
“H Share(s)”	the overseas listed foreign shares of nominal value of RMB1.00 each in the share capital of the Company, which are listed on the Main Board of the Stock Exchange, subscribed for and traded in Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Jingcheng Machinery Electric”	北京京城機電控股有限責任公司 (Beijing Jingcheng Machinery Electric Holding Co., Ltd.), a company incorporated in the PRC and holding 43.30% interest in the Company

DEFINITIONS

“Latest Practicable Date”	28 September 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Lease Agreement”	the Lease Agreement entered into between Beijing Tianhai (as lessor) and Jingcheng Haitong (as lessee) on 4 September 2018 in in relation to the Property
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Jingcheng Haitong”	北京京城海通科技文化發展有限公司 (Beijing Jingcheng Haitong Technology Culture Development Co., Ltd.), a company incorporated in the PRC with limited liability
“PRC”	the People’s Republic of China, which for the purpose of this circular excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Property”	9 Tianying North Road, Chaoyang District, Beijing, the PRC. The land area of the Property stated in the State-owned Land Use Right Certificate is 87,541.76 sq.m., and the total gross floor area of the Property stated in the Building Ownership Certificate is 45,143.62 sq.m.
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	holders of the Shares
“Share(s)”	A Shares and H Shares of the Company
“sq.m.”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Utilities Fees”	all expenses incurred by utilities including the water usage (if any), electricity (if any), communication (if any), network (if any) etc. of the Property
“%”	percent



北京京城機電股份有限公司

Beijing Jingcheng Machinery Electric Company Limited

(a joint stock limited company established in the People's Republic of China)

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Executive directors:

Mr. Wang Jun
Mr. Li Junjie
Mr. Zhang Jiheng

Non-executive directors:

Ms. Jin Chunyu
Mr. Du Yuexi
Mr. Xia Zhonghua
Ms. Li Chunzhi

Independent non-executive directors:

Ms. Wu Yan
Mr. Liu Ning
Mr. Yang Xiaohui
Mr. Fan Yong

Registered office:

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

28 September 2018

To the Shareholders

Dear Sir or Madam,

**MAJOR TRANSACTION
IN RELATION TO THE LEASE AGREEMENT
ENTERED INTO BY BEIJING TIANHAI**

INTRODUCTION

Reference is made to the announcement of the Company dated 4 September 2018 in relation to the Lease Agreement.

The purpose of this circular is to provide you with information regarding, among others, (i) further details of the Lease Agreement, (ii) the financial information of the Group, and (iii) other information as required by the Listing Rules.

LETTER FROM THE BOARD

LEASE AGREEMENT

Principal terms of the Lease Agreement are as follow:

Date: 4 September 2018

Parties: Beijing Tianhai (as lessor)
Jingcheng Haitong (as lessee)

Property: 9 Tianying North Road, Chaoyang District, Beijing, the PRC. The land area of the Property stated in the State-owned Land Use Right Certificate is 87,541.76 sq.m., and the total gross floor area of the Property stated in the Building Ownership Certificate is 45,143.62 sq.m..

Jingcheng Haitong agreed to rent the Property on an “as is” basis after onsite examination of the Property.

Property use:

- (1) the Property is for an integrated industrial park with transformation, construction and operation of technical innovations, cultural creativity and business office.
- (2) Jingcheng Haitong undertook to Beijing Tianhai that the Property will be only used for the purposes specified in the Lease Agreement and in compliance with the regulations relating to land, use of building and property management in Beijing, the PRC.
- (3) Jingcheng Haitong guaranteed that the use of the Property as stipulated in the Lease Agreement shall not be changed without authorization during the term of lease. If the use of the Property is adjusted, it shall comply with the relevant laws, regulations and policies, and shall be in line with the principle of best interests of both parties.

Term of lease: The term of lease of the Property is 18 years (including rent-free period). The starting date of lease means the effective date of the Lease Agreement.

LETTER FROM THE BOARD

Rent-free period:

- (1) The rent-free period is included in the term of lease. The rent-free period shall be six months from the date following the effective date of the Lease Agreement, during which Jingcheng Haitong is not required to pay rent. The rent shall be payable for the period starting from the day following the end date of the rent-free period.
- (2) If renovation and upgrade works are conducted during the rent-free period but the government explicitly prohibits the construction of such works and the total period of work suspension reaches one month, the rent-free period shall be extended by one month; if the total period of work suspension is longer than one month and the rent-free period is therefore affected, Beijing Tianhai and Jingcheng Haitong shall negotiate about the follow-up matters.
- (3) After Beijing Tianhai has handed over the Property to Jingcheng Haitong, subject to the negotiation and agreement among the parties, for any building occupied by Beijing Tianhai within the area of the Property which has not been transformed and has ownership certificate, Beijing Tianhai shall waive the rent payable by Jingcheng Haitong according to the area and period actually occupied by it.

Rent and other expenses:

- (1) During the term of lease, the initial rent standard is RMB1.43/square metre/day.
- (2) The initial rent rate during the term of lease shall be increased by 5% from the previous year's rent rate every three years from the date of lease, that is, the rent rate for the fourth, fifth and sixth lease years should be increased by 5% based on the rent rate of the third lease year and so on for the subsequent term.
- (3) The rent is payable in advance for every three months by bank transfer or cheque or other payment methods. Payment shall be made within one week before the start of each three-month period for and shall not be later than the last business day of the previous three-month period. After Beijing Tianhai has delivered the Property to Jingcheng Haitong and within the week before the end of the rent-free period, Jingcheng Haitong shall pay the rent of the Property for the first three months to Beijing Tianhai in one lump sum.

LETTER FROM THE BOARD

- (4) During the rent-free period, Jingcheng Haitong does not need to pay rent to Beijing Tianhai, but it is required to bear the Utilities Fees of the Property and other related expenses incurred in accordance with the provisions of the Lease Agreement. The Utilities Fees are not included in the rent and shall be paid by Jingcheng Haitong directly to the utilities service providers.
- (5) Both parties shall each bear the taxes and fees related to the signing and performance of the Lease Agreement in accordance with the relevant regulations in China and Beijing, including but not limited to the fees for the registration of the Lease Agreement, stamp duty, etc..

The terms of the Lease Agreement and the initial rent standard during the term of lease were reached on an arm's length basis with reference to properties of similar size, similar land use, condition and facilities of the properties, comparable properties located in areas near Beijing city and the market rent of properties which have been transacted in the lease market recently at the time of entering into the Lease Agreement.

The initial rent standard during the term of lease shall be increased by 5% from the previous year's rent standard every three years from the date of lease. It was reached on an arm's length basis with reference to properties of similar size, comparable properties located in areas near Beijing city and the inflation rate of market rent of lease agreements with similar term of lease over the past five years.

Conditions for the Lease Agreement to be effective:

The Lease Agreement shall be formed from the date on which the legal representative or authorized representative of the parties signed the agreement or the agreement is affixed with their seal and the agreement is affixed with company seal, and the Lease Agreement shall become effective from the date on which the Lease Agreement is approved at the general meeting of the Company.

LETTER FROM THE BOARD

Liability for breach
of contract:

- (1) If either party violates the provisions of the Lease Agreement, the party shall be liable to the other party for breach of contract. The entire economic loss caused by the unilateral termination of the Lease Agreement by the defaulting party shall be borne by such defaulting party.
- (2) If Jingcheng Haitong delays payment of the rent or other expenses payable under the Lease Agreement, for each day of delay, Jingcheng Haitong shall pay Beijing Tianhai liquidated damages for the delay which is 0.05% of the total rent payable and other expenses payable.
- (3) During the term of lease, if Jingcheng Haitong violates the Lease Agreement by arbitrarily surrendering the lease, it shall be deemed that Jingcheng Haitong allows Beijing Tianhai to enter the Property and surrenders all the ownership of decorations, facilities and items in the Property, and such ownership will be transferred to Beijing Tianhai at that time. Jingcheng Haitong shall be responsible for compensating all losses suffered by Beijing Tianhai in connection therewith.
- (4) If Beijing Tianhai does not deliver the Property to Jingcheng Haitong according to the agreement, for each day of delay, Beijing Tianhai shall pay Jingcheng Haitong liquidated damages which is 0.05% of the rent of the undelivered part of the Property. The total liquidated damages shall not exceed three months' rent of the undelivered part of the Property.

LETTER FROM THE BOARD

Termination of the
Lease Agreement:

1. The parties agree that during the term of the Lease Agreement, if the Lease Agreement is terminated due to force majeure, then each party will not be responsible to the other party.
2. The parties agree that the non-defaulting party may unilaterally terminate the Lease Agreement in any of the following circumstances. If the defaulting party causes losses to the non-defaulting party, the defaulting party shall also compensate the non-defaulting party for all economic losses:
 - (1) The rent or related expenses are unpaid and overdue for more than 90 days by Jingcheng Haitong;
 - (2) Beijing Tianhai, without justifiable reasons, deliberately fails to fulfill the obligations of arranging relevant sealing formalities or issuing certification, such as the sub-tenant's business registration, tax registration, etc., which must be issued by Beijing Tianhai, for more than 90 days;
 - (3) Beijing Tianhai terminates the agreement without authorization during the term of lease;
 - (4) Jingcheng Haitong terminates the agreement before the expiry of the term of lease;
 - (5) The defaulting party has other serious breach of contract.

REASONS FOR AND BENEFITS FOR THE LEASE AGREEMENT

The Company rents out its idle properties, which is conducive to improving utilization efficiency of asset of the Company, revitalising the assets and creating benefits. The Lease Agreement will bring a long-term and stable rental income to the Company and is expected to have positive impacts on the Company's revenue and net profit in future fiscal years.

The terms of the Lease Agreement are entered into with reference to the properties of similar size, terms, location and the prevailing market conditions in the vicinity at the time of entering into the Lease Agreement. Having considered the above, the terms of the Lease Agreement were determined after arm's length negotiation, and the Directors consider that the terms of the Lease Agreement are on normal commercial terms, fair and reasonable and the Lease Agreement and the transaction contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

FINANCIAL EFFECT OF THE LEASE AGREEMENT AND INTENDED USE OF PROCEEDS

Earnings

As the terms of the Lease Agreement were reached on an arm's length basis with reference to properties of similar size, terms, location and the prevailing market conditions in the vicinity at the time of entering into the Lease Agreement, it is expected that the Group will record respective amounts of rental income and other expenses for each of the financial years during the term of the Lease Agreement and to incur relevant income tax in accordance to the then prevailing laws and regulations of the PRC. As such, the Directors consider that the entering into the Lease Agreement will have positive impact on the earnings of the Group in the long term.

Assets and liabilities

As disclosed in the interim report of the Company for the six months ended 30 June 2018, the consolidated total assets and total liabilities of the Group as at 30 June 2018 were RMB1,967,484,247.06 and RMB983,720,182.44 respectively. Upon entering into the Lease Agreement, it is expected that the Property will remain to be recorded as the non-current assets of the Group in the Group's consolidated financial statements, and the total assets of the Group will increase to reflect the respective amounts of rental income and other expenses under the Lease Agreement, while there will be no financial impact on the non-current assets of the Group, and the total liabilities of the Group will remain unchanged.

The Board intends to apply the proceeds received under the Lease Agreement as the general working capital of the Group.

Save as disclosed above, it is not expected that there will be any material impact on the Group's earnings and assets and liabilities as a result of entering into the Lease Agreement.

LISTING RULES IMPLICATIONS

One of the applicable percentage ratios of the Lease Agreement is more than 25%. The transaction under the Lease Agreement constitutes a major transaction of the Company and is subject to the reporting, announcement and the shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of knowledge, information and belief of the Directors after having made all reasonable enquiries, no Shareholder has material interest in the Lease Agreement and thus no Shareholder would be required to abstain from voting on the resolution for approving the Lease Agreement at the EGM.

LETTER FROM THE BOARD

GENERAL

Information on the Company

The authorised scope of operation of the Company includes general logistics and professional contractor.

The Company's general operation projects include 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 consultancy and technical services; import and export of commodities and technology and acting as import and export agency.

Information on Beijing Tianhai

Beijing Tianhai is a wholly-owned subsidiary of the Company.

The authorised scope of operation of Beijing Tianhai includes production of gas cylinders, accumulator shells, pressure vessels and auxiliary equipments, add-on components, fire extinguishers, fire extinguishing system products and components, gas cylinders for medical equipment, gas cylinders for life rescues, gas cylinders and components for food machineries, gas and wrapped cylinders and components for gas vehicles, gas storage special containers, bundled devices, cryogenic gas cylinders and components, LPG cylinders and components, aluminium cores, cylinders and components, new enhanced complex materials (complex materials such as carbon fibre, organic fibre and high strength glass fibre) and products, complex gas cylinders (natural gas storage cylinders for vehicles, gas storage cylinders for respirators, containers for water treatment), testing equipment for complex gas cylinders.

Beijing Tianhai's general scope of operation includes providing installation, test, adjustment, maintenance, technical consultancy and services of self-production products; sales of self-production products; wholesale of cryogenic containers for storage and transportation; providing after-sales service and maintenance; import and export of commodities and technology and acting as import and export agency.

Information on Jingcheng Haitong

Jingcheng Haitong is a company incorporated in the PRC. Its principal business is organising cultural and art exchange activities (excluding performances); property management; economic and trade consultancy; office leasing; motor vehicle public parking services.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Jingcheng Haitong and its ultimate beneficial owner are independent third parties of the Company and its connected persons.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors consider that the Lease Agreement is fair and reasonable and on normal commercial terms and is in the interests of the Company and the Shareholders as a whole and accordingly recommend the Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Lease Agreement.

THE EGM

Whether or not you are able to attend the EGM, you are requested to complete and return the form of proxy which has been despatched on 4 September 2018 in accordance with the instructions printed thereon as soon as possible and in any event not less than 24 hours before the time appointed for the holding of the EGM or any adjournment thereof. The form of proxy should be returned to the business address of the Company at No. 2 Huo Xian Nan San Road, Huo Xian Town, Tongzhou District, Beijing, PRC, or the Company's H Share Registrar, Hong Kong Registrars 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 commencement of the EGM or any adjournment thereof. Completion and return of the said revised form of proxy will not prevent you from attending and voting in person at the EGM or at any adjournment thereof if you so wish.

Reply slip for the EGM has been despatched on 4 September 2018. You have been reminded to complete and sign the reply slip and return the signed slip to the Company at Board office, No. 2 Huo Xian Nan San Road, Huo Xian Town, Tongzhou District, Beijing, PRC, before 28 September 2018 in accordance with the instructions printed thereon.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the Appendix I and II to this circular.

Yours faithfully,
By order of the Board
**BEIJING JINGCHENG MACHINERY
ELECTRIC COMPANY LIMITED**
Luan Jie
Company Secretary

1. STATEMENT OF INDEBTEDNESS

As at 31 August 2018, the Group had interest-bearing loans of RMB296,000,000.00, including pledged bank loan of RMB128,000,000.00 and unpledged bank loan of RMB168,000,000.00, and such bank loans were guaranteed. As at 31 August 2018, note payable of the Group was RMB40,000,000.00, which was secured by bank deposits of RMB20,000,000.00 and The Housing Ownership Certificate (J.Z No. 1150211201217) and Land-use Right No.31-6. Except for the above or otherwise disclosed in this circular, as at 31 August 2018, the Group had no loan capital issued and outstanding or agreed to be issued, bank overdrafts, charges or bonds, mortgages, loans or other similar indebtedness or commitments under finance leases, hire purchase commitments, liabilities under acceptance (other than normal trade bills), acceptance credits, guarantees or other contingent liabilities.

2. WORKING CAPITAL

The Directors are of the opinion that, after due and careful enquiry, after taking into account the Group's internal resources, the effect of the Lease Agreement and the transactions contemplated thereunder and existing cash and bank balances, the Group will have sufficient working capital for its present requirements for a period of at least 12 months from the date of this circular, in the absence of unforeseeable circumstances.

3. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

After entering into the Lease Agreement, the core businesses of the Company will remain as the operation and development of gas storage and transportation. The Company will focus on efficiency, transformation and risk control in order to achieve stability in operating income and costs for the sustainable development of the Company.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF DIRECTORS' INTERESTS

As at the Latest Practicable Date, so far as was known to the Directors, the Directors, the Supervisors and chief executive of the Company or their respective associates had the following interest or short positions in the Shares, underlying Shares or debentures of the Company or any associated corporations below (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Listing Rules, to be notified to the Company and the Stock Exchange:

Long position in Shares

Name of Director	Capacity	Number of Shares held	Approximate percentage of the Shareholding in the entire Share capital of the Company (A Shares and H Shares)
Wu Yan	Beneficial owner	43,001	0.01%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, the Supervisors and chief executive of the Company or their respective associates had any interest or short positions in any Shares, underlying Shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which are required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

The following is a list of Directors who, as at the Latest Practicable Date, were also employees of a company which has an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO:

Name of Director	Name of Shareholder	Capacity of Director in Shareholder	Number of Shares held by Shareholder	Approximate percentage of Shareholding in the entire Share capital of the Company (A Shares and H Shares)
Wang Jun	Jingcheng Machinery Electric	Standing committee member of party committee, deputy general manager and general counsel	182,735,052 A Shares	43.30%
Jin Chunyu	Jingcheng Machinery Electric	Assistant of general manager and head of planning and finance department	182,735,052 A Shares	43.30%
Xia Zhonghua	Jingcheng Machinery Electric	Head of housing, land and resources department	182,735,052 A Shares	43.30%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors is a Director or employee of a company which has an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered, or proposed to enter, into a service contract with any members of the Group which did not expire or was not terminable by such member of the Group within one year without payment of compensation (other than statutory compensation).

4. DIRECTORS' INTERESTS IN ASSETS AND CONTRACTS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any asset which had been, since 31 December 2017, being the date to which the latest published audited accounts of the Company were made up, acquired or disposed of by or leased to, or were proposed to be acquired or disposed of by or leased to the Company or were proposed to be acquired or disposed of by or leased to the any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date which was significant in relation to the business of the Company.

5. COMPETING INTERESTS

As at the Latest Practicable Date, so far as the Directors were aware, none of the Directors or the controlling Shareholders or their respective close associates (as defined in the Listing Rules) had any interest in any business which competes or may compete with the business of the Group or has or may have any other conflicts of interest with the Group pursuant to the Listing Rules.

6. MATERIAL CONTRACT

The following contract (not being contract in the ordinary course of business of the Group) has been entered into by members of the Group within the two years preceding the date of this circular and is or may be material:

- (a) the Lease Agreement as described in the section headed "Lease Agreement" in the Letter from the Board in this circular.

7. LITIGATION

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, the Group was not involved in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance is known to the Directors to be pending or threatened by or against any member of the Group.

8. GENERAL

- (a) The registered office of the Company is at Room 901, No. 59 Mansion, Dongsanhuan Road Central, Chaoyang District, Beijing, PRC.
- (b) The Hong Kong branch share registrar and transfer office of the Company (for H Shares) is Hong Kong Registrars Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (c) The joint company secretaries of the Company are Mr. Lo Tai On, who is a non-practising qualified accountant and Mr. Luan Jie.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the offices of Messrs. Woo, Kwan, Lee & Lo at 26th Floor, Jardine House, 1 Connaught Place, Central, Hong Kong during normal business hours within 14 days from the date of this circular:

- (a) the articles of association of the Company;
- (b) the copy of the material contract referred to under the section headed "Material Contract" in this appendix;
- (c) the annual reports of the Company for the two financial years ended 31 December 2016 and 2017; and
- (d) this circular.