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**CQME**

**Chongqing Machinery & Electric Co., Ltd.\***  
**重慶機電股份有限公司**

*(a joint stock limited company incorporated in the People's Republic of China with limited liability)*  
(Stock Code: 02722)

**INSIDE INFORMATION**  
**OFFSHORE WINDPOWER BLADE INDUSTRIALIZATION PROJECT**

This announcement is made by Chongqing Machinery & Electric Co., Ltd. (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 29 September 2014, the Board has approved the offshore windpower blade industrialization project of Chongtong Group Chengfei (Da’an) Windpower Equipment Co., Ltd.\* (重通集團成飛(大安)風電設備有限公司) (“**Chongtong Chengfei**”), an indirect subsidiary of the Company, to establish a new factory in Rudong, Jiangsu, the PRC (the “**Project**”). Chongtong Chengfei is a direct subsidiary of Chongqing General Industry (Group) Co., Ltd.\* (重慶通用工業(集團)有限責任公司) (“**Chongtong Group**”), a direct wholly-owned subsidiary of the Company.

The purpose of the Project is to develop offshore windpower business to satisfy the needs of nearby ancillary facilities for business development of CSIC (Chongqing) Haizhuang Windpower Equipment Co., Ltd.\* (中船重工(重慶)海裝風電設備有限公司) in Rudong, Jiangsu, the PRC. The total investment for the Project is RMB321.8 million of which RMB221.8 million will be fixed asset investment and RMB100 million will be working capital. The Company is expected to contribute RMB100 million and Chongtong Group is expected to contribute RMB21.8 million. The remaining RMB200 million is expected to be provided by debt financing.

By Order of the Board of  
**Chongqing Machinery & Electric Co., Ltd.\***  
**Wang Yuxiang**  
*Executive Director and Chairman*

Chongqing, the PRC  
29 September 2014

*As at the date of the announcement, the executive Directors are Mr. Wang Yuxiang, Mr. Yu Gang, Mr. Ren Yong and Mr. Xiang Hu; the non-executive Directors are Mr. Huang Yong, Mr. Wang Jiyu, Mr. Yang Jingpu and Mr. Deng Yong; and the independent non-executive Directors are Mr. Lo Wah Wai, Mr. Ren Xiaochang, Mr. Jin Jingyu and Mr. Liu Wei.*

\* *For identification purposes only*