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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)*

**Cotton Harvester Passed New Product Technology Evaluation by  
Chongqing Economic and Information Technology Commission**

This announcement is made by Chongqing Machinery and Electric Co., Ltd. (the “**Company**”) on a voluntary basis.

The board of directors of the Company (the “**Board**”) is pleased to announce that a cotton harvester (the “**Product**”) co-developed by Chongqing Machine Tools (Group) Co., Ltd., the Company’s wholly-owned subsidiary, and Xinjiang Huaguan Lvyue Agricultural Technology Co., Ltd. (新疆華冠綠野農業科技有限公司) has passed the new product technology evaluation by Chongqing Economic and Information Technology Commission, and met the requirements for bulk production. The Product has full independent intellectual property rights (including 1 invention patent and 5 utility model patents granted by the State Intellectual Property Office of China). The advanced and unique cotton harvesting technology that it employs is leading domestically and has reached the internationally advanced level in general, and in terms of spindle-type cotton picking and doffing technology, internationally leading level has been attained. The Product has undergone two years of development and field harvesting tests, and has acquired features including high net harvesting ratio, low impurity ratio, low cotton fibre breakage ratio, as well as simple and low-cost subsequent cotton processing.

\* *For identification purposes only*

The Board will publish further announcement in due course in relation to the specific business model for the Product.

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

Chongqing, the PRC

23 March 2015

*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.*