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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)

POLL RESULTS OF THE ANNUAL GENERAL MEETING HELD ON 18 JUNE 2015

The Board of the Company hereby announces that the resolutions set out in the Notice of the AGM of the Company dated 30 April 2015 were duly passed by the shareholders of the Company by way of poll at the AGM held on 18 June 2015.

Reference is made to the circular (the “**Circular**”) dated 30 April 2015 of Chongqing Machinery & Electric Co., Ltd.* (the “**Company**”) in connection with: (1) proposed granting of a general mandate to issue new Shares of the Company; (2) provision of guarantee by the Company for Loans of Holroyd of GBP17 million and USD11.5 million; (3) provision of guarantee by the Company for Loans of PTG Development of USD58.5 million; (4) adjustment to the construction plan under investment project of IPO Proceeds of the Company and the Notice of the AGM of the Company dated 30 April 2015. Terms used herein shall have the same meaning as defined in the Circular unless otherwise specified.

RESULTS OF THE AGM

As at the date of Annual General Meeting (“**AGM**”) of the Company held on 18 June 2015, the registered and issued share capital of the Company was RMB3,684,640,154, which was divided into 2,584,452,684 domestic Shares and 1,100,187,470 H Shares of RMB1.00 each.

The total number of Shares entitling the Shareholders to vote for or against the resolutions No. 1-9 as set out in the Notice of the AGM either in person, by their duly authorized representatives or by proxy at the AGM were 3,684,640,154 which was divided into 2,584,452,684 domestic Shares and 1,100,187,470 H Shares. There is no Share entitling the Shareholder to attend the AGM and abstain from voting in favour of any resolution at the AGM and no Shareholder is required under the Listing

* *For identification purposes only*

Rules to abstain from voting at the AGM. The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that all the resolutions set out in the Notice of the AGM were duly passed. All the resolutions, which were voted on by poll, were approved by the Shareholders of the Company.

The Company’s H share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, was appointed as the scrutineer for the vote-taking at the AGM.

The poll results are as follows:

ORDINARY RESOLUTIONS		Number of H Shares and Domestic Shares represented by votes casted and percentage of total number of H Shares and Domestic Shares represented by votes casted	
		FOR	AGAINST
1.	To consider and approve the report of the board of directors of the Company (the “Board”) for the year ended 31 December 2014;	2,896,296,103 (100.000000%)	0 (0.000000%)
2.	To consider and approve the report of the Supervisory Committee of the Company for the year ended 31 December 2014;	2,896,296,103 (100.000000%)	0 (0.000000%)
3.	To consider and approve the audited financial statements of the Company and its subsidiaries and the Auditor’s Report for the year ended 31 December 2014;	2,896,296,103 (100.000000%)	0 (0.000000%)
4.	To consider and approve the profit appropriation proposal of the Company for the year ended 31 December 2014 and the declaration of the final dividend of RMB0.046 per share;	2,896,296,103 (100.000000%)	0 (0.000000%)
5.	To consider and approve the re-appointment of PricewaterhouseCoopers Zhong Tian CPAs (special general partnership) as the PRC auditor and PricewaterhouseCoopers as the international auditor of the Company in 2015 to hold office until the conclusion of the next annual general meeting and the total review and audit fees of RMB4.7 million for the Company’s 2015 interim financial statements and annual financial statements;	2,896,296,103 (100.000000%)	0 (0.000000%)
6.	To consider and approve the provision of guarantee by the Company for Loans of Holroyd of GBP17 million and USD11.5 million;	2,896,296,103 (100.000000%)	0 (0.000000%)

ORDINARY RESOLUTIONS		Number of H Shares and Domestic Shares represented by votes casted and percentage of total number of H Shares and Domestic Shares represented by votes casted	
		FOR	AGAINST
7.	To consider and approve the provision of guarantee by the Company for Loans of PTG Development of USD58.5 million;	2,896,296,103 (100.000000%)	0 (0.000000%)
8.	To consider and approve the adjustment to the construction plan for the construction project of industrialisation base for large, precision and high-speed CNC gear processing machines of Chongqing Machine Tools (Group) Co., Ltd. invested from IPO Proceeds of the Company;	2,896,296,103 (100.000000%)	0 (0.000000%)
As more than 1/2 of the votes were cast in favour of the above resolutions, the resolutions were duly passed as ordinary resolutions.			

SPECIAL RESOLUTIONS		Number of H Shares and Domestic Shares represented by votes casted and percentage of total number of H Shares and Domestic Shares represented by votes casted	
		FOR	AGAINST
9.	<p>To grant a general mandate to the Board to allot, issue and deal with additional Domestic Shares and/or the H Shares and to make or grant offers, agreements and/or options in respect thereof (the “General Mandate”), subject to the following conditions:</p> <p>“THAT</p> <p>(A) (a) the General Mandate shall not extend beyond the Relevant Period save that the Board may during the Relevant Period make or grant offers, agreements and/or options which may require the exercise of such power after the end of the Relevant Period;</p>	2,597,715,207 (89.690940%)	298,580,896 (10.309060%)

SPECIAL RESOLUTIONS		Number of H Shares and Domestic Shares represented by votes casted and percentage of total number of H Shares and Domestic Shares represented by votes casted	
		FOR	AGAINST
	<p>(b) the aggregate nominal amount of the Domestic Shares and the H Shares allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to an option or otherwise) by the Board (otherwise than pursuant to any scrip dividend scheme (or similar arrangement providing for the allotment and issue of shares in lieu of the whole or part of a dividend), any share option scheme, a Rights Issue or any separate approval of the shareholders of the Company) shall not exceed:</p> <p>(i) 20 per cent of the aggregate nominal amount of the Domestic Shares in issue; and</p> <p>(ii) 20 per cent of the aggregate nominal amount of the H Shares in issue, respectively, in each case as at the date of passing of this special resolution; and</p> <p>(c) the Board will only exercise its power under the General Mandate in accordance with the Company Law of the PRC and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as each of them may be amended from time to time) and only if all necessary approvals from the China Securities Regulatory Commission and/or other relevant government authorities in the PRC are obtained;</p> <p>and, for the purposes of this resolution:</p> <p>“Domestic Share(s)” mean ordinary domestic share(s) in the share capital of the Company which are subscribed and/or paid for in Renminbi;</p>		

SPECIAL RESOLUTIONS		Number of H Shares and Domestic Shares represented by votes casted and percentage of total number of H Shares and Domestic Shares represented by votes casted	
		FOR	AGAINST
	<p>“H Share(s)”</p>	<p>mean overseas listed foreign invested shares (being ordinary shares) in the share capital of the Company which are subscribed and/or paid for in Hong Kong dollars or foreign currency other than Renminbi;</p>	
	<p>“Relevant Period”</p>	<p>means the period from the date of passing this resolution until the earlier of: (a) the conclusion of the next annual general meeting of the Company following the passing of this resolution, unless, by special resolution passed at that meeting, the mandate is renewed, either unconditionally or subject to conditions; or (b) the expiry of the period within which the next annual general meeting is required by the articles of association of the Company or any applicable law to be held; or (c) the passing of a special resolution of the Company in a general meeting revoking or varying the authority set out in this resolution;</p>	

SPECIAL RESOLUTIONS		Number of H Shares and Domestic Shares represented by votes casted and percentage of total number of H Shares and Domestic Shares represented by votes casted	
		FOR	AGAINST
	<p>“Rights Issue” means the allotment or issue of shares in the Company or other securities which would or might require shares to be allotted and issued pursuant to an offer made to all the shareholders of the Company (excluding, as the Board may decide, for such purpose any shareholder who is resident in a place where such offer is not permitted under the law or regulation of that place) entitled to such offer, pro rata (apart from fractional entitlements) to their then existing holdings of shares; and</p>		

SPECIAL RESOLUTIONS		Number of H Shares and Domestic Shares represented by votes casted and percentage of total number of H Shares and Domestic Shares represented by votes casted	
		FOR	AGAINST
<p>(B) contingent on the Board resolving to exercise the General Mandate and/or issue shares pursuant to paragraph (a) of this resolution, the Board be and is hereby authorised:</p> <p>(a) to approve, execute and do, and/or procure to be executed and done all such documents, deeds and matters which it may consider necessary in connection with the exercise of the General Mandate and/or the issue of shares, including but not limited to the time, price, quantity and place for such issue, to make all necessary applications to the relevant authorities, and to enter into underwriting agreement(s) or any other agreement(s);</p> <p>(b) to determine the use of proceeds and to make all necessary filings and registration with the relevant authorities in the PRC, Hong Kong and/or any other places and jurisdictions (as appropriate); and</p> <p>(c) to increase the registered capital of the Company and make all necessary amendments to the Articles to reflect such increase and to register the increased capital with the relevant authorities in the PRC, Hong Kong and/or any other places and jurisdictions (as appropriate) as so to reflect the new capital and/or share capital structure of the Company.”</p>	<p>2,615,209,207 (90.294953%)</p>	<p>281,086,896 (9.705047%)</p>	
<p>As more than 2/3 of the votes were cast in favour of this resolution, the resolution was duly passed as a special resolution.</p>			

Declaration and payment of a final dividend of RMB0.046 per share (before tax) for the year ended 31 December 2014 have been approved at the AGM. The final dividend will be paid on or around 31 July 2015 to those Shareholders whose names appear on the register of members of the Company on 29 June 2015. In order to ascertain the entitlements of the Shareholders to receive the final dividend, the register of members of the Company will be closed from Wednesday, 24 June 2015 to Monday, 29 June 2015 (both days inclusive), during which period no transfer of Shares will be registered.

Pursuant to the Corporate Income Tax Law of the PRC and its implementing regulations which took effect on 1 January 2008, the tax rate of the corporate income tax applicable to the income of non-resident enterprise deriving from the PRC is 10%. Therefore, the Company will distribute the final dividend to non-resident enterprise Shareholders whose names appear on the register of members of the Company on 29 June 2015, subject to a deduction of 10% corporate income tax withheld and paid by the Company on their behalf.

Cheques will be despatched to holders of H Shares who are entitled to receive such dividend by ordinary post at the holders' risk on or around 31 July 2015 by the Company's H share registrar, Computershare Hong Kong Investor Services Limited, and dividends will be paid in Hong Kong dollars. RMB will be converted to Hong Kong dollars based on the average currency rates prevailing week (being 11 June to 17 June 2015) before the date of dividend declaration as announced by the People's Bank of China (RMB0.788917 is approximately equivalent to HK\$1.00). The dividend payable to each H Share is approximately HK\$0.058308.

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

Chongqing, the PRC
18 June 2015

As at the date of this 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.