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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)

(Stock Code: 02722)

CHANGE OF TWO EMPLOYEE SUPERVISORS

The board (the “**Board**”) of directors (the “**Directors**”) of Chongqing Machinery & Electric Co., Ltd. (the “**Company**”) hereby announces that in accordance with the relevant requirements of the Company Law of the People’s Republic of China and the Articles of Association of the Company, Mr. Chen Qing, an employee supervisor, will cease to serve as the employee supervisor of the third session of the Supervisory Committee of the Company due to his retirement; and Mr. Zhao Zicheng, an employee supervisor, will also cease to serve as the employee supervisor of the third session of the Supervisory Committee due to his promotion to the deputy general manager of the Company. Mr. Chen Qing and Mr. Zhao Zicheng have confirmed that they have no disagreement with the Company and that they are not aware of any matters relating to their resignation that need to be brought to the attention of the shareholders. The Board would like to take this opportunity to express its gratitude to Mr. Chen Qing and Mr. Zhao Zicheng for their contributions to the Company during their tenure of office.

Mr. Zhang Mingzhi (“Mr. Zhang”) and Mr. Xia Hua (“Mr. Xia”) have been elected as employee supervisors at the employee meeting of the Company for a term commencing from 18 September 2015 and ending upon the expiry of the third session of the Supervisory Committee.

Biographical details of Mr. Zhang and Mr. Xia are set out as follows:

Mr. **Zhang Mingzhi**, aged 52, currently serves as the chairman and secretary of the party committee of Chongqing Machine Tools (Group) Co., Ltd. (重慶機床(集團)有限責任公司), a wholly owned subsidiary of the Company. Mr. Zhang is a senior engineer with over 30 years of experience in the machinery manufacturing industry. From August 1983 to December 2005, he successively served positions such as the designer, deputy director of the sales division, marketing assistant to plant manager, director of the marketing division and deputy plant manager of marketing of Chongqing

Machine Tools Plant Co., Ltd. (重慶機床廠). He has successively served positions such as the deputy general manager, marketing director, general manager, chairman, secretary of the party committee of Chongqing Machine Tools (Group) Co., Ltd. since December 2005, and also concurrently served positions such as the plant manager and general manager of Chongqing No.2 Machine Tools Factory (重慶第二機床廠) from August 2006 to February 2010. Mr. Zhang graduated from Chongqing Machinery Manufacturing School (重慶機器製造學校) in July 1983, majoring in machinery manufacturing. He continued his studies in the Correspondence School of the Chongqing Municipal Party School (重慶市委黨校函授學院) from September 1998 to June 2001, majoring in economics and management, and in the Training Class of Enterprise Leaders in Business and Administration of Tsinghua University from September to December 2003.

Mr. **Xia Hua**, aged 52, currently serves as the chairman and party secretary of Chongqing Pigeon Electric Wire & Cable Co., Ltd. (重慶鴿牌電線電纜有限公司), a subsidiary of the Company. Mr. Xia is a senior economist with over 30 years of experience in the power industry. From August 1981 to August 2000, he successively served positions such as the workshop technician, deputy workshop director, deputy head of branch factory, office director, head of production scheduling division and deputy plant manager of Chongqing Electric Machine Factory (重慶電機廠). From August 2000 to January 2011, he successively served as the office director and department party secretary of Chongqing Machinery and Electronics Holding (Group) Co., Ltd. (重慶機電控股(集團)公司). He has been serving as the chairman and party secretary of Chongqing Pigeon Electric Wire & Cable Co., Ltd. since January 2011. Mr. Xia graduated from Chongqing Second Machinery Manufacturing School (重慶第二機械製造學校) in August 1981, majoring in machine manufacturing. In September 2006, he graduated from the MBA Institute of Chongqing University (重慶工商管理碩士學院) with an MBA degree.

Save as disclosed above, Mr. Zhang and Mr. Xia did not hold any directorship in any other listed companies in the last three years, or any other positions in the Company or other members of the Group. Mr. Zhang and Mr. Xia do not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company, or any interest in the securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

The Company has entered into service contracts with Mr. Zhang and Mr. Xia in connection with their appointment as employee supervisors of the Company. Mr. Zhang and Mr. Xia are entitled to receive supervisor's emolument and their remuneration will be determined by the Board with reference to the remuneration standards for supervisors as approved at the 2012 annual general meeting.

Save as disclosed above, the Board is not aware of any matters relating to the appointment of Mr. Zhang and Mr. Xia that need to be brought to the attention of the shareholders, nor is there any information required to be disclosed under Rule 13.51(2)(h) to (v) of the Listing Rules.

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

Chongqing, the PRC
18 September 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.

* *For identification purposes only*