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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 28 JUNE 2016**

The Board of the Company hereby announces that the resolutions set out in the Notice and Supplemental Notice of the AGM of the Company dated 13 May and 8 June 2016 were duly passed by the shareholders of the Company by way of poll at the AGM held on 28 June 2016.

Reference is made to the circular (the “**Circular**”) dated 8 June 2016 of Chongqing Machinery & Electric Co., Ltd (the “**Company**”) in relation to (1) continuing connected transactions; (2) major transactions and continuing connected transactions; (3) re-election of directors and continuous appointment of independent non-executive director who has served more than nine years; (4) re-election of supervisors; (5) remuneration standards for the fourth session of directors and supervisors; (6) proposed amendments to the Articles of Association; (7) proposed granting of general mandate to issue new shares of the Company; (8) provision of guarantee by the Company for PTG loans of GBP4 million; (9) provision of guarantee by the Company for loans of Holroyd of GBP17 million; and (10) provision of guarantee by the Company for loans of PTG Development of USD70 million, and notice and supplemental notice of the Annual General Meeting of the Company dated 13 May and 8 June 2016. 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 28 June 2016, 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.

\* *For identification purposes only*

The total number of shares entitling the Shareholders to vote for or against the resolutions No. 1-5 and resolutions No. 9-16 (resolution No. 11 set out in the supplemental notice of the AGM should be amended as resolution No. 12, while the others remain the same) as set out in the notice and supplemental 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.

As set out in the Circular, as the Parent Company is the controlling Shareholder of the Company, holding 52.54% equity interest in the Company, which is divided into 1,924,225,189 Domestic Shares and 11,652,000 H Shares, the Parent Group is a connected person of the Group under the Listing Rules. The Parent Company has abstained from voting on resolutions No. 6-8 as set out in the notice of the AGM at the AGM. Accordingly, the total number of shares entitling the Shareholders to vote for or against the resolutions No. 6-8 as set out in the notice of the AGM either in person, by their duly authorized representatives or by proxy at the AGM were 1,748,762,965, which was divided into 660,227,495 Domestic Shares and 1,088,535,470 H Shares. The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that all the resolutions set out in the notice and supplemental notice of the AGM were duly passed. All the resolutions, which were voted by poll, were approved by the Shareholders of the Company.

The Company’s H Shares 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 2015;	2,868,055,140 100.000000%	0 0.000000%
2.	To consider and approve the report of the Supervisory Committee of the Company for the year ended 31 December 2015;	2,868,055,140 100.000000%	0 0.000000%
3.	To consider and approve the audited financial statement of the Company and its subsidiaries and the Auditor’s Report for the year ended 31 December 2015;	2,868,055,140 100.000000%	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
4.	To consider and approve the profit appropriation proposal of the Company for the year ended 31 December 2015 and the declaration of the final dividend of RMB0.025 per share (tax inclusive);	2,635,922,626 91.906274%	232,132,514 8.093726%
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 2016 to hold office until the conclusion of the next annual general meeting and the total review and audit fees of RMB3.50 million for the Company's 2016 interim financial statements and annual financial statements;	2,868,055,140 100.000000%	0 0.000000%
6.	To consider and approve the Master Sales Agreement entered into between the Company and Chongqing Machinery and Electric Holding (Group) Co., Ltd. on 7 April 2016 (the "2017-2019 Master Sales Agreement") and the proposed annual caps for such transactions for the three years ended 31 December 2019; and to authorize the directors of the Company to do all such further acts and thing and execute all such further documents and take all such steps that are ancillary to 2017-2019 Master Sales Agreement and of administrative nature which, in their absolute discretion, to implement and/or give effect to the matters contemplated under this resolution;	943,829,951 100.000000%	0 0.000000%

<b>ORDINARY RESOLUTIONS</b>		<b>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</b>	
		<b>FOR</b>	<b>AGAINST</b>
7.	To consider and approve the transactions in respect of the deposit services under the financial services framework agreement entered into between the Company and Chongqing Machinery and Electric Holding (Group) Finance Co., Ltd. on 7 April 2016 (“2017-2019 Group Financial Services Framework Agreement”) and the proposed annual caps for such transactions for the three years ended 31 December 2019; and to authorize the directors of the Company to do all such further acts and things and execute all such further documents and take all such steps that are ancillary to the deposits services under 2017-2019 Group Financial Services Framework Agreement and of administrative nature which, in their absolute discretion, to implement and/or give effect to the matters contemplated under this resolution;	730,379,760 77.384677%	213,450,191 22.615323%
8.	To consider and approve the transaction in respect of the loan services under the financial services framework agreement entered into between Chongqing Machinery and Electronic Holding (Group) Co., Ltd. and Chongqing Machinery and Electric Holding (Group) Finance Co., Ltd. on 7 April 2016 (“2017-2019 Parent Group Financial Services Framework Agreement”) and the proposed annual caps for such transactions for the three years ended 31 December 2019 and to authorize the directors of the Company to do all such further acts and things and execute all such further documents and take all such steps that are ancillary to the loan services under the 2017-2019 Parent Group Financial Services Framework Agreement and of administrative nature which, in their absolute direction, to implement and/or give effect to the matters contemplated under this resolutions;	730,379,760 77.384677%	213,450,191 22.615323%

<b>ORDINARY RESOLUTIONS</b>		<b>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</b>	
		<b>FOR</b>	<b>AGAINST</b>
9.	(a) To consider and approve the appointment of Mr. Wang Yuxiang as an executive Director of the next session of the Board of the Company to hold office from the date of the AGM until expiry of the term of the next session of the Board and to authorize the Board to fix the remuneration of Mr. Wang Yuxiang pursuant to the remuneration standard for Directors passed at the 2015 annual general meeting and to enter into a service agreement with him on and subject to such terms and conditions as the Board shall think fit and to do all such acts and things to give effect to such matters;	2,831,226,875 98.715915%	36,828,265 1.284085%

<b>ORDINARY RESOLUTIONS</b>		<b>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</b>	
		<b>FOR</b>	<b>AGAINST</b>
(b)	To consider and approve the appointment of Ms. Chen Ping as an executive Director of the next session of the Board of the Company to hold office from the date of the AGM until expiry of the term of the next session of the Board and to authorize the Board to fix the remuneration of Ms. Chen Ping pursuant to the remuneration standard for Directors passed at the 2015 annual general meeting and to enter into a service agreement with her on and subject to such terms and conditions as the Board shall think fit and to do all such acts and things to give effect to such matters;	2,868,055,140 100.000000%	0 0.000000%
(c)	To consider and approve the appointment of Mr. Yang Quan as an executive Director of the next session of the Board of the Company to hold office from the date of the AGM until expiry of the term of the next session of the Board and to authorize the Board to fix the remuneration of Mr. Yang Quan pursuant to the remuneration standard for Directors passed at the 2015 annual general meeting and to enter into a service agreement with him on and subject to such terms and conditions as the Board shall think fit and to do all such acts and things to give effect to such matters;	2,868,055,140 100.000000%	0 0.000000%
(d)	To consider and approve the appointment of Mr. Huang Yong as a non-executive Director of the next session of the Board of the Company to hold office from the date of the AGM until expiry of the term of the next session of the Board and to authorize the Board to fix the remuneration of Mr. Huang Yong pursuant to the remuneration standard for Directors passed at the 2015 annual general meeting and to enter into a service agreement with him on and subject to such terms and conditions as the Board shall think fit and to do all such acts and things to give effect to such matters;	2,867,887,140 99.994142%	168,000 0.005858%

<b>ORDINARY RESOLUTIONS</b>		<b>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</b>	
		<b>FOR</b>	<b>AGAINST</b>
(e)	To consider and approve the appointment of Mr. Wei Fusheng as a non-executive Director of the next session of the Board of the Company to hold office from the date of the AGM until expiry of the term of the next session of the Board and to authorize the Board to fix the remuneration of Mr. Wei Fusheng pursuant to the remuneration standard for Directors passed at the 2015 annual general meeting and to enter into a service agreement with him on and subject to such terms and conditions as the Board shall think fit and to do all such acts and things to give effect to such matters;	2,868,055,140 100.000000%	0 0.000000%
(f)	To consider and approve the appointment of Mr. Deng Yong as a non-executive Director of the next session of the Board of the Company to hold office from the date of the AGM until expiry of the term of the next session of the Board and to authorize the Board to fix the remuneration of Mr. Deng Yong pursuant to the remuneration standard for Directors passed at the 2015 annual general meeting and to enter into a service agreement with him on and subject to such terms and conditions as the Board shall think fit and to do all such acts and things to give effect to such matters;	2,830,604,875 98.694228%	37,450,265 1.305772%
(g)	To consider and approve the appointment of Ms. He Xiaoyan as a non-executive Director of the next session of the Board of the Company to hold office from the date of the AGM until expiry of the term of the next session of the Board and to authorize the Board to fix the remuneration of Ms. He Xiaoyan pursuant to the remuneration standard for Directors passed at the 2015 annual general meeting and to enter into a service agreement with her on and subject to such terms and conditions as the Board shall think fit and to do all such acts and things to give effect to such matters;	2,868,055,140 100.000000%	0 0.000000%

<b>ORDINARY RESOLUTIONS</b>		<b>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</b>	
		<b>FOR</b>	<b>AGAINST</b>
(h)	To consider and approve the appointment of Mr. Lo Wah Wai as an independent non-executive Director of the next session of the Board of the Company to hold office from the date of the AGM until expiry of the term of the next session of the Board and to authorize the Board to fix the remuneration of Mr. Lo Wah Wai pursuant to the remuneration standard for Directors passed at the 2015 annual general meeting and to enter into a service agreement with him on and subject to such terms and conditions as the Board shall think fit and to do all such acts and things to give effect to such matters;	2,831,394,875 98.721773%	36,660,265 1.278227%
(i)	To consider and approve the appointment of Mr. Ren Xiaochang as an independent non-executive Director of the next session of the Board of the Company to hold office from the date of the AGM until expiry of the term of the next session of the Board and to authorize the Board to fix the remuneration of Mr. Ren Xiaochang pursuant to the remuneration standard for Directors passed at the 2015 annual general meeting and to enter into a service agreement with him on and subject to such terms and conditions as the Board shall think fit and to do all such acts and things to give effect to such matters;	2,868,055,140 100.000000%	0 0.000000%
(j)	To consider and approve the appointment of Mr. Jin Jingyu as an independent non-executive Director of the next session of the Board of the Company to hold office from the date of the AGM until expiry of the term of the next session of the Board and to authorize the Board to fix the remuneration of Mr. Jin Jingyu pursuant to the remuneration standard for Directors passed at the 2015 annual general meeting and to enter into a service agreement with him on and subject to such terms and conditions as the Board shall think fit and to do all such acts and things to give effect to such matters;	2,868,055,140 100.000000%	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
	(k) To consider and approve the appointment of Mr. Liu Wei as an independent non-executive Director of the next session of the Board of the Company to hold office from the date of the AGM until expiry of the term of the next session of the Board and to authorize the Board to fix the remuneration of Mr. Liu Wei pursuant to the remuneration standard for Directors passed at the 2015 annual general meeting and to enter into a service agreement with him on and subject to such terms and conditions as the Board shall think fit and to do all such acts and things to give effect to such matters;	2,868,055,140 100.000000%	0 0.000000%
10.	(a) To consider and approve the appointment of Mr. Xiang Hu as a supervisor of the next session of the Board of Supervisors of the Company to hold office from the date of the AGM until expiry of the term of the next session of the Board of Supervisors and to authorize the Board to fix the remuneration of Mr. Xiang Hu pursuant to the remuneration standard for supervisors passed at the 2015 annual general meeting and to enter into a service agreement with him on and subject to such terms and conditions as the Board shall think fit and to do all such acts and things to give effect to such matters;	2,866,705,140 99.952930%	1,350,000 0.047070%
	(b) To consider and approve the appointment of Ms. Wu Yi as an independent supervisor of the next session of the Board of Supervisors of the Company to hold office from the date of the AGM until expiry of the term of the next session of the Board of Supervisors and to authorize the Board to fix the remuneration of Ms. Wu Yi pursuant to the remuneration standard for supervisors passed at the 2015 annual general meeting and to enter into a service agreement with her on and subject to such terms and conditions as the Board shall think fit and to do all such acts and things to give effect to such matters;	2,868,055,140 100.000000%	0 0.000000%

<b>ORDINARY RESOLUTIONS</b>		<b>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</b>	
		<b>FOR</b>	<b>AGAINST</b>
(c)	To consider and approve the appointment of Mr. Huang Hui as an independent supervisor of the next session of the Board of Supervisors of the Company to hold office from the date of the AGM until expiry of the term of the next session of the Board of Supervisors and to authorize the Board to fix the remuneration of Mr. Huang Hui pursuant to the remuneration standard for supervisors passed at the 2015 annual general meeting and to enter into a service agreement with him on and subject to such terms and conditions as the Board shall think fit and to do all such acts and things to give effect to such matters;	2,868,055,140 100.000000%	0 0.000000%
11.	To consider and approve the remuneration standards for the fourth session of the Board and the Supervisory Committee;	2,868,055,140 100.000000%	0 0.000000%
12.	To consider and approve the provision of guarantee by the Company for PTG Loans of GBP4 million;	2,868,055,140 100.000000%	0 0.000000%
13.	To consider and approve the provision of guarantee by the Company for loan of Holroyd of GBP17 million;	2,868,055,140 100.000000%	0 0.000000%
14.	To consider and approve the provision of guarantee by the Company for loans of PTG Development of USD70 million.	2,868,055,140 100.000000%	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
15.	To consider and approve the amendments to the Articles of Association of the Company by ways as stated in the circular dispatched to Shareholders by the Board of the Company and to authorize the Board to deal with all matters as required in respect of the amendments to the Articles of Association in accordance with any requirements under domestic or overseas laws (if any) and provisions of any stock exchange where the securities of the Company are listed;	2,868,055,140 100.000000%	0 0.000000%
16.	<p>To give 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><b>“THAT</b></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> <p>(b) the aggregate number 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, rights issue or any separate approval of the shareholders of the Company) shall not exceed:</p> <p>(i) 20 per cent of the aggregate number of the Domestic Shares in issue; and</p> <p>(ii) 20 per cent of the aggregate number of the H Shares in issue; and</p>	2,598,978,684 90.618156%	269,076,456 9.381844%

<b>SPECIAL RESOLUTIONS</b>		<b>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</b>	
		<b>FOR</b>	<b>AGAINST</b>
	<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 of 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 domestic ordinary share(s) in the share capital of the Company which are subscribed and/or paid for in Renminbi;</p> <p>“H Share(s)” 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>		

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>“Relevant Period” 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 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 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 of Association and to register the increased capital with the relevant authorities in the PRC, Hong Kong and/or any other places and jurisdictions (as appropriate) so as to reflect the new capital and/or share capital structure of the Company.”</p>	<p>2,599,032,684 90.620039%</p>	<p>269,022,456 9.379961%</p>
<p>As more than 2/3 of the votes were cast in favour of the above resolutions, the resolutions were duly passed as special resolutions.</p>			

Declaration and payment of a final dividend of RMB0.025 per share (before tax) for the year ended 31 December 2015 have been approved at the AGM. The final dividend will be paid on or around 31 July 2016 to those Shareholders whose names appear on the register of members of the Company on 10 July 2016. 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 Tuesday, 5 July 2016 to Sunday, 10 July 2016 (both days inclusive).

Pursuant to the Enterprise 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 10 July 2016, 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 2016 by the Company's H Shares 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 21 June to 27 June 2016) before the date of dividend declaration as announced by the People's Bank of China (RMB0.849072 is approximately equivalent to HK\$1.00). The dividend payable to each H Share is approximately HK\$0.029444.

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

Chongqing, the PRC  
28 June 2016

*As at the date of this announcement, the executive Directors are Mr. Wang Yuxiang, Ms. Chen Ping and Mr. Yang Quan; the non-executive Directors are Mr. Huang Yong, Mr. Wei Fusheng, Mr. Deng Yong and Ms. He Xiaoyan; and the independent non-executive Directors are Mr. Lo Wah Wai, Mr. Ren Xiaochang, Mr. Jin Jingyu and Mr. Liu Wei.*