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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)

Delay in Despatch of Circular

Reference is made to the announcement of the Company dated 20 April 2018 (the “**Announcement**”) in relation to continuing connected transactions – revision of annual caps. Unless otherwise stated, capitalised terms used herein shall have the same meanings as ascribed thereto in the Announcement.

As set out in the Announcement, a circular which contains, among other things, further information on the Master Sales Supplemental Agreement, a letter of advice from the Independent Board Committee, a letter of recommendation from the Independent Financial Adviser and a notice of the AGM, is expected to be despatched to the Shareholders on or before 14 May 2018.

As the Company needs more time to prepare and finalise the information contained in the circular, it is expected that the date of despatch of the circular will be postponed to the date on or before 8 June 2018.

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

Chongqing, the PRC
14 May 2018

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. Deng Yong, Mr. Dou Bo 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.

* *For identification purposes only*