

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

**ANNOUNCEMENT ON RESIGNATION OF
CHAIRMAN OF THE SUPERVISORY COMMITTEE OF
CHONGQING MACHINERY & ELECTRIC CO., LTD.**

The supervisory committee of Chongqing Machinery & Electric Co., Ltd. (the “**Company**”) received a resignation letter from Mr. Xiang Hu on 5 July 2018, a supervisor and the chairman of the supervisory committee. Due to personal reasons, Mr. Xiang Hu has applied to resign from the positions as a supervisor and the chairman of the fourth supervisory committee of the Company. As the resignation of Mr. Xiang Hu has not led to the number of members of the fourth supervisory committee of the Company falling below the requirement of the statutory minimum number of members, and his resignation would not affect the normal operation of the supervisory committee of the Company, the resignation of Mr. Xiang Hu was immediately effective upon the delivery of his resignation letter to the supervisory committee.

Mr. Xiang Hu has confirmed that there is no disagreement between him and the board of directors and the supervisory committee of the Company, and there is no other matter relating to his resignation that has to be brought to the attention of the shareholders and the creditors of the Company. The Company wishes to take this opportunity to express its gratitude for Mr. Xiang Hu’s contribution to the Company during his term of service.

According to the relevant provisions of the “Company Law” of China and the “Articles of Association”, the Company will elect a new supervisor and a new chairman of the supervisory committee to fill his vacancy as soon as possible in accordance with the legal procedures.

* *For identification purposes only*

Pursuant to the requirement of Article 127 of the Articles of Association, the supervisory committee of the Company held a meeting on 5 July 2018. It agreed to elect Mr. Xia Hua, employee supervisor, to convene and preside over meetings of the supervisory committee of the Company, and to exercise the duties and powers as the acting chairman of the supervisory committee before an alternative supervisor is appointed and the election for a new chairman of the supervisory committee is held.

Supervisory Committee
Chongqing Machinery & Electric Co., Ltd.

Chongqing, the PRC
5 July 2018

As at the date of this notice, 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 Mr. Wang Pengcheng; and the independent non-executive Directors are Mr. Lo Wah Wai, Mr. Ren Xiaochang, Mr. Jin Jingyu and Mr. Liu Wei.