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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)

APPOINTMENT OF DIRECTOR AND ELECTION OF CHAIRMAN

Reference is made to the circular of Chongqing Machinery & Electric Co., Ltd.* (the “**Company**”) dated 10 July 2020 (the “**Circular**”) in relation to (among which) change of an executive director. Terms used herein shall have the same meaning as defined in the Circular unless otherwise specified.

All resolutions set out in the Notice of the EGM of the Company dated 10 July 2020 were duly passed by the shareholders of the Company by way of poll, including the resolution to consider and approve the appointment of Mr. Zhang Fulun as an executive director of the Company.

The fifth session of the Board is pleased to announce that the Board has convened the second meeting in 2020 of the fifth session of the Board on 26 August 2020, wherein the following resolution was considered and passed:

To elect Mr. Zhang Fulun, executive director of the Company, as the chairman of the fifth session of the Board of the Company, chairman of the fifth session of strategy committee and chairman of the fifth session of nomination committee. His term of office will take effect from 26 August 2020 until the expiration of the fifth session of the Board.

The biography of Mr. Zhang Fulun is as follows:

Mr. Zhang Fulun, aged 50, has been the secretary of the Party Committee of the Company since July 2020; has been the chairman of Chongqing Machinery & Electronic Intelligent Manufacturing Co., Ltd., the chairman of Chongqing Mengxun Technology Co., Ltd. and the general manager of Chongqing Machinery & Electronic Equipment Technology Research Academy Co., Ltd. from August 2019 to August 2020; Mr. Zhang is currently a senior engineer. He served as the chairman of Chongqing Machinery & Electronic Intelligent Manufacturing Co., Ltd., the chairman of Chongqing

* *For identification purposes only*

Mengxun Technology Co., Ltd., the general manager of Chongqing Machinery & Electronic Equipment Technology Research Academy Co., Ltd. and the deputy general manager of Chongqing Machinery & Electronics Holding (Group) Engineering Technology Co., Ltd. from June 2018 to August 2019; he served as the chairman and the general manager of Chongqing Machinery & Electronic Intelligent Manufacturing Co., Ltd., the chairman of Chongqing Mengxun Technology Co., Ltd., the general manager of Chongqing Machinery & Electronic Equipment Technology Research Academy Co., Ltd., the deputy general manager of Chongqing Machinery & Electronics Holding (Group) Engineering Technology Co., Ltd. from November 2017 to June 2018. He served as the general manager of Chongqing Machinery & Electronic Intelligent Manufacturing Co., Ltd., the chairman of Chongqing Mengxun Technology Co., Ltd., the general manager of Chongqing Machinery & Electronic Equipment Technology Research Academy Co., Ltd. and the deputy general manager of Chongqing Machinery & Electronics Holding (Group) Engineering Technology Co., Ltd. from August 2016 to November 2017; he served as the general manager of Chongqing Machinery & Electronics Holding (Group) Engineering Technology Co., Ltd. and Chongqing Machinery & Electronic Equipment Technology Research Academy Co., Ltd. from September 2015 to August 2016. He served as the office director and the head of the overseas business department of Chongqing Machinery and Electronics Holding (Group) Co., Ltd. (重慶機電控股(集團)公司) from February 2014 to September 2015; he served as the deputy director of the Foreign Economic Affairs and Liaison Service Division of the Chongqing State-owned Assets Supervision and Administration Commission from July 2010 to February 2014; he served as a researcher of the Reform Division of the Chongqing State-owned Assets Supervision and Administration Commission from February 2008 to July 2010; he served as a researcher at the Complaints and Appeal Division of the Chongqing State-owned Assets Supervision and Administration Commission from December 2007 to February 2008; he served as the team leader of the Second Team of Postgraduate Management Team of Logistics Engineering College of PLA from March 2006 to July 2007; he successively served as a teaching assistant, engineer and deputy director of the Education and Security Department of the Logistics Engineering College of the PLA from January 1995 to March 2006; he successively served as a technician, teaching assistant and assistant engineer in the Oil Storage and Transportation Teaching and Research Section of the Oil Machinery Engineering Department of Logistics Engineering College of the PLA from July 1991 to January 1995; Mr. Zhang studied at the Oil Depot Automation Department of the Logistics Engineering College of the PLA from September 1987 to July 1991 and obtained a bachelor's degree in engineering; he studied in the Oil and Gas Storage and Transportation Engineering Major at the Logistics Engineering College of the PLA from September 2006 to June 2012, and obtained a doctorate degree in engineering.

Save as disclosed above, Mr. Zhang Fulun did not have any directorship in any other listed companies in the last three years, nor did he have any relationship of interest with directors, senior management, substantial shareholders or controlling shareholders of the Company, or have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance of Hong Kong.

Upon the appointment of Mr. Zhang Fulun as Chairman, the Company will enter into a service contract with Mr. Zhang Fulun in connection with his appointment for a term commencing from 26 August 2020 to the expiration of the current session of the Board. Mr. Zhang Fulun is entitled to receive director's remuneration, which will be determined by the Board according to the remuneration criteria for executive directors approved at the annual general meeting of 2018.

Save as disclosed in this announcement, there are currently no other matters which need to be brought to the attention of the shareholders of the Company in respect of the election of Mr. Zhang Fulun or other information that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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

Chongqing, the PRC
26 August 2020

As at the date of the announcement, the executive Directors are Mr. Zhang Fulun, Ms. Chen Ping and Mr. Yang Quan; the non-executive Directors are Mr. Huang Yong, Mr. Zhang Yongchao, 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.