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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)

VOLUNTARY ANNOUNCEMENT

Approval of the Registration of an Associate Company on the Science and Technology Innovation Board of Shanghai Stock Exchange

This announcement is made by Chongqing Machinery & Electric Co., Ltd. (the “**Company**”) on a voluntary basis.

Recently, GRIPM Advanced Materials Co., Ltd. (“**GRIPM**”), an associate company, has informed the Company that it has submitted the application materials for the initial public offering and listing of its shares on the Science and Technology Innovation Board of Shanghai Stock Exchange to the China Securities Regulatory Commission (“**CSRC**”), and the CSRC has approved the registration of the initial public offering of shares of GRIPM on the Science and Technology Innovation Board in accordance with the legal procedures. The concrete issuance plan is subject to the further confirmation by GRIPM in accordance with the issuance procedures.

As at the date of this announcement, the total number of shares of GRIPM is 73,660,000 shares, among which, the Company holds 4,900,500 shares, representing 6.65% of its total shares.

GRIPM doesn't constitute a subsidiary of the Company. Accordingly, the initial public offering of shares of GRIPM on the Science and Technology Innovation Board of Shanghai Stock Exchange does not involve spin-off and separate listing of a subsidiary of the Company, thus is not subject to the requirements of Practice Note 15 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

* *For identification purposes only*

There still exists uncertainties in the concrete plan in relation to the initial public offering of shares of GRIPM on the Science and Technology Innovation Board of Shanghai Stock Exchange. The Company will make further announcement according to the progress of the matter as and when appropriate. Shareholders of the Company and potential investors are advised to exercise caution when dealing or investing in the shares and other securities of the Company.

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

Chongqing, the PRC
27 January 2021

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.

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