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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
JUDGMENT AWARDED IN FAVOUR OF A SUBSIDIARY**

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

In September 2018, Chongqing Pigeon Electric Wires & Cable Co., Ltd. (“**Pigeon Company**”), a wholly-owned subsidiary of the Company, filed a lawsuit against Chongqing Gehuang Electric Wires & Cable Group Co., Ltd. (重慶鴿皇電線電纜集團有限公司) (“**Gehuang Company**”) and the Operation Department of Xingfu Shiguang Construction Material of Hi-Tech Industrial Development Zone (高新技術產業開發區幸福時光建材經營部) (a dealer of products of “**Gehuang**” and a related party of Gehuang Company, together with Gehuang Company hereinafter collectively referred to as the “**Gehuang Party**”) in the Chongqing No. 5 Intermediate People’s Court for its civil liability for trademark infringement and unfair competition. On 18 December 2020, the Chongqing No. 5 Intermediate People’s Court made a first trial judgment on the dispute over trademark infringement and unfair competition brought by Pigeon Company against the Gehuang Party. Pigeon Company has received the judgment recently. The judgment stated that the Gehuang Party shall immediately stop the production, sale and promotion of its products and other infringing acts involved, publish a statement in the public newspaper designated by the court to eliminate the impact of the infringement upon the exclusive right to use a series of trademarks of Pigeon Company and the unfair competition that has infringed upon the enterprise name right of Pigeon Company, and compensate Pigeon Company for its economic losses and the reasonable expenses incurred in its effort to stop the infringement, totaling RMB10 million (see the Judgment No. (2018) Yu 05, Civil Court First Instance 3095 published on the website of China Judgements Online).

* *For identification purposes only*

The group has always attached great importance to the protection of intellectual property rights. Winning the lawsuit is of great significance to the group in safeguarding intellectual property rights and legal rights and interests in the industry. Further announcement(s) will be made by the Company as and when necessary if there are any other material developments in the abovementioned lawsuit.

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

Chongqing, the PRC
7 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.