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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  
THE LISTING OF SHARES FROM INITIAL PUBLIC OFFERING 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.

Reference is made to the voluntary announcement dated 27 January 2021 of the Company regarding the approval of the registration of an associate company on the Science and Technology Innovation Board of Shanghai Stock Exchange. Recently, GRIPM Advanced Materials Co., Ltd. (“**GRIPM**”), an associate company, has informed the Company that it has completed the issuance of new shares for the initial public offering of shares on the Science and Technology Innovation Board of Shanghai Stock Exchange on 12 March 2021. The issuance price of the new shares is RMB 10.62 per share, and the number of shares issued is 30,000,000 shares. It was listed on the Shanghai Stock Exchange on 17 March 2021 with the stock abbreviation of GRIPM and the stock code of 688456.

Before the issuance, the total number of shares of GRIPM was 73,660,000 shares, among which, the Company held 4,900,500 shares, representing 6.65% of its total shares. After the issuance, the total number of shares of GRIPM is 103,660,000 shares, among which, the Company holds 4,900,500 shares, representing 4.73% of its total shares as at the date of this announcement. The lockup period is 12 months from the date of listing.

GRIPM is a leading enterprise in the field of copper-based metal powder materials and tin-based welding powder materials in China. Since its establishment, it has been focusing on the design, research and development, production and sales of advanced non-ferrous metal powder materials. Its

\* *For identification purposes only*

main products include copper-based metal powder materials, microelectronic tin-based welding powder materials and 3D printing powder materials, etc. It has become one of the leading manufacturers of non-ferrous metal powder materials in the world.

GRIPM does not 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.

The listing of GRIPM on the Science and Technology Innovation Board of Shanghai Stock Exchange is not expected to have a significant impact on the Company's business condition. Its actual impact on the Company's financial position is subject to the disclosure in the audited financial report of the Company. Shareholders of the Company and potential investors are advised to exercise caution when dealing or investing in the shares or other securities of the Company.

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

Chongqing, the PRC  
17 March 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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