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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
FINAL TRIAL JUDGMENT AWARDED IN FAVOUR OF A SUBSIDIARY

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

Reference is made to the voluntary announcement of the Company dated 7 January 2021 in relation to the judgment awarded in favour of a subsidiary. Recently, the Company was informed by Chongqing Pigeon Electric Wires & Cable Co., Ltd. (“**Pigeon Company**”), a wholly-owned subsidiary, that in relation to the dispute over trademark infringement and unfair competition, 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**”) were dissatisfied with the civil judgment, Judgment No. (2018) Yu 05, Civil Court First Instance 3095, made by Chongqing No. 5 Intermediate People’s Court, and appealed to the Chongqing Municipal Higher People’s Court (the “**Court**”). On 16 July 2021, the Court made a final trial judgment on the appeal of the Gehuang Party. Pigeon Company has recently received the judgment, Judgment No. (2021) Yu, Civil Court Final Instance 166 (the “**Judgment**”), from the Court. The Judgment stated that the appeal request of the Gehuang Party could not be established. The facts affirmed in the first instance judgment are clear and the law was correctly applied. The appeal was dismissed, and the original judgment was upheld.

* 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.

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

Chongqing, the PRC
29 July 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. Ma Aijun, Mr. Dou Bo and Mr. Cai Zhibin; and the independent non-executive Directors are Mr. Lo Wah Wai, Mr. Ren Xiaochang, Mr. Jin Jingyu and Mr. Liu Wei.