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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 SUPERVISOR AND CHAIRMAN OF THE
SUPERVISORY COMMITTEE**

Reference is made to the circular of Chongqing Machinery & Electric Co., Ltd.* (the “**Company**”) dated 14 September 2018 in relation to (among which) the change of a supervisor. The Company has appointed Mr. Sun Wenguang (“**Mr. Sun**”) as the supervisor to fill in the vacancy upon Mr. Xiang Hu’s resignation, which was approved by the shareholders at the 2018 first extraordinary general meeting (the “**EGM**”). Mr. Sun was also appointed as the chairman of the supervisory committee of the Company at the 2018 second extraordinary meeting of the fourth supervisory committee on 30 October 2018. Mr. Sun’s term is effective on 30 October 2018 until the expiration of the current session of the supervisory committee.

The detailed biography of Mr. Sun is as follows:

Mr. Sun Wenguang (孫文廣), aged 52, has been serving as the vice general manager of the Company since July 2016, and has been concurrently serving as the supervisor of Chongqing General Industry (Group) Co., Ltd. since August 2018. He concurrently served as the director of Chongqing Machine Tools (Group) Co., Ltd. from July 2016 to August 2018, concurrently served as the financial controller of Chongqing Power Transformer Co., Ltd. from July 2016 to November 2017, and concurrently served as the director of Precision Technologies Group (PTG) Limited, Precision Technologies Group Investment Development Company Limited and Chongqing ABB Power Transformer Co., Ltd. from February 2017 to August 2018. He served as the chief of the Reform and Property Rights Administration Division of Chongqing State-owned Assets Supervision and Administration Commission (Chongqing Enterprise Merger and Bankruptcy Office (重慶市企業兼併破產工作辦公室)) from July 2010 to June 2016. He served as the deputy chief of the Reform and Property Rights Administration Division of Chongqing State-owned Assets Supervision and Administration Commission (No. 2 corporate supervision department (企業監管二處)) from August

* *For identification purposes only*

2005 to July 2010, and worked as the chairman and director of Chongqing Luzuofu Equity Fund Management Co., Ltd. (重慶盧作孚股權基金管理有限公司) from March 2010 to June 2016. He served as an assistant researcher of the Property Rights Administration Division of Chongqing State-owned Assets Supervision and Administration Commission (No. 2 corporate supervision department) from March 2004 to August 2005 and as a senior staff member of the Property Rights Administration Division of Chongqing State-owned Assets Supervision and Administration Commission (No. 2 corporate supervision department) from November 2003 to March 2004. He served as a senior staff member of the No. 2 corporate department of Chongqing Municipal Finance Bureau from January 1998 to March 2003. He worked as an office clerk, clerk and senior staff member of the No. 1 corporate department of Chongqing Municipal Finance Bureau from August 1987 to January 1998. Mr. Sun is an assistant accountant. He graduated from Sichuan Provincial Fiscal School majoring in Corporate and Finance in July 1987 with a technical secondary school education degree and graduated with a bachelor's degree in economic management from the Correspondence School of Party School of the CPC Central Committee in December 1999, and from the MBA Institute of Chongqing University (重慶工商管理碩士學院) with a master's degree in 2009.

Save as disclosed above, Mr. Sun did not have any directorship in any other listed companies in the last three years, nor did Mr. Sun hold any other position in the Company or other members of its group or have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company, or have any interest in the securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance. The Company has entered into a service contract with Mr. Sun in connection with his appointment as the supervisor for a term commencing from the date of the EGM until the expiration of the current session of the supervisory committee.

Mr. Sun is entitled to receive supervisor's fees, which will be determined according to the remuneration criteria for supervisor approved at the annual general meeting of 2015.

Save as disclosed above, the board of directors is not aware of any matter which needs to be brought to the attention of the shareholders in respect of Mr. Sun's appointment, and there is also no 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.*
Wang Yuxiang
Executive Director and Chairman

Chongqing, the PRC
30 October 2018

As at the date of this notice, the executive Directors are Mr. Wang Yuxiang, Ms. Chen Ping and Mr. Yang Quan; the non-executive Directors are Mr. Huang Yong, Mr. Deng Yong, 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.