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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Chongqing Machinery & Electric Co., Ltd. (the “Company”), you should at once hand this circular to the purchaser or the transferees or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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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)

**(1) APPOINTMENT OF AN EXECUTIVE DIRECTOR;  
(2) CHANGE OF A NON-EXECUTIVE DIRECTOR; AND  
(3) NOTICE OF THE EXTRAORDINARY GENERAL MEETING**

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The letter from the Board of the Company is set out on pages 2 to 7 of this circular.

A notice convening the Extraordinary General Meeting of Chongqing Machinery & Electric Co., Ltd.\* to be held at the Conference Room, 16/F, Jidian Building, No. 60, Middle Section of Huangshan Avenue, New North Zone, Chongqing City, the PRC on Wednesday, 22 March 2023 at 9:00 a.m. is set out on pages 8 to 9 of this circular.

A form of proxy for use at the Extraordinary General Meeting is enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.chinacqme.com](http://www.chinacqme.com)). Whether or not you intend to attend the Extraordinary General Meeting, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the Extraordinary General Meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending the Extraordinary General Meeting and voting in person if you so wish.

3 March 2023

\* For identification purposes only

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## DEFINITIONS

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In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Extraordinary General Meeting” or “EGM”	means the 2023 first extraordinary general meeting of the Company to be held at the Conference Room, 16/F, Jidian Building, No. 60, Middle Section of Huangshan Avenue, New North Zone, Chongqing City, the PRC on Wednesday, 22 March 2023 at 9:00 a.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the extraordinary general meeting which are set out on pages 8 to 9 of this circular, or any adjournment thereof
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	means the board of Directors of the Company
“Company”	means Chongqing Machinery & Electric Co., Ltd.* (重慶機電股份有限公司), a joint stock limited company incorporated in the PRC with limited liability
“Controlling Shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Executive Director(s)”	has the meaning ascribed to it under the Company Law of the PRC and the Listing Rules
“Group”	the Company and its associates
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	means 28 February 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	means the People’s Republic of China, which, for the purpose of this circular, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and the Taiwan region of the PRC
“SFO”	means the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shares”	the Domestic Shares and the H Shares
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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LETTER FROM THE BOARD

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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)*  
(Stock Code: 2722)

*Executive Directors:*

Mr. Zhang Fulun  
Mr. Yang Quan

*Non-executive Directors:*

Mr. Huang Yong  
Ms. Wang Tingting  
Mr. Dou Bo  
Mr. Cai Zhibin

*Independent non-executive Directors:*

Mr. Lo Wah Wai  
Mr. Ren Xiaochang  
Mr. Jin Jingyu  
Mr. Liu Wei

*Registered office and principal place of  
business in the PRC:*

No. 60, Middle Section  
Huangshan Avenue,  
New North Zone,  
Chongqing City, the PRC

*Principal place of business in Hong Kong:*

Room 1204-06, 12th Floor,  
The Chinese Bank Building,  
61 Des Voeux Road Central,  
Central, Hong Kong

3 March 2023

*To the Shareholders*

Dear Sir or Madam,

**(1) APPOINTMENT OF AN EXECUTIVE DIRECTOR;  
(2) CHANGE OF A NON-EXECUTIVE DIRECTOR; AND  
(3) NOTICE OF THE EXTRAORDINARY GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to give you the notice of the Extraordinary General Meeting and to provide you with information regarding certain resolutions to be proposed at the Extraordinary General Meeting to enable you to make an informed decision on whether to vote for or against those resolutions at the Extraordinary General Meeting.

\* For identification purposes only

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## LETTER FROM THE BOARD

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### 2. APPOINTMENT OF AN EXECUTIVE DIRECTOR

As disclosed in the announcement of the Company dated 28 September 2022, the Company received a resignation letter from Ms. Chen Ping, an Executive Director and general manager. Due to attainment of the statutory retirement age, Ms. Chen Ping had applied to resign from the positions as an executive director of the sixth session of the Board, the sixth session general manager and a member of the strategic committee of the Company. As the resignation of Ms. Chen Ping would neither lead to the number of members of the sixth session of the Board of the Company falling below the requirement of the statutory minimum number of members, nor affect the normal operation of the Board of the Company, the resignation of Ms. Chen Ping shall take immediate effect upon the delivery of her resignation letter to the Board. Ms. Chen Ping confirmed that she had no disagreement with the Company and there were no matters that need to be brought to the attention of the Shareholders. The Board would like to express its sincere gratitude to Ms. Chen Ping for her contributions to the Company during her tenure.

As nominated by Chongqing Machinery and Electronic Holding (Group) Co., Ltd., the Controlling Shareholder of the Company, the Company proposed to appoint Mr. Yue Xiangjun as an Executive Director to fill the vacancy upon Ms. Chen Ping's resignation. The appointment of Mr. Yue Xiangjun as an Executive Director of the Company is subject to the approval at the Extraordinary General Meeting. The detailed biography of Mr. Yue Xiangjun is as follows:

**Mr. Yue Xiangjun (岳相军)**, aged 46, is the deputy secretary of the Party Committee and general manager of the Company. Mr. Yue is a senior engineer. He served as the deputy secretary of the Party Committee and general manager of the Company since January 2023. He served as the Party branch secretary and the chairman of Chongqing Machinery & Electronic Intelligent Manufacturing Co., Ltd. and the chairman of Chongqing Unication Electronic Technology Co., Ltd. since February 2021. He also served as the Party branch secretary and the chairman of Chongqing Machinery & Electronic Intelligent Manufacturing Co., Ltd., and the secretary of Party general branch, the chairman and general manager of Chongqing Unication Electronic Technology Co., Ltd. from October 2020 to February 2021. He served as the chairman of Chongqing Machinery & Electronic Intelligent Manufacturing Co., Ltd., and the secretary of Party general branch, the chairman and general manager of Chongqing Unication Electronic Technology Co., Ltd. from July 2020 to October 2020; he served as the secretary of Party general branch and the general manager of Chongqing Unication Electronic Technology Co., Ltd., a director and a vice general manager of Chongqing Machinery & Electronic Intelligent Manufacturing Co., Ltd. from July 2017 to July 2020, and the general manager and secretary of Party general branch of Chongqing Unication Electronic Technology Co., Ltd. from February 2017 to July 2017. He also served as a vice general manager of Southwest Computer Co., Ltd. from October 2012 to February 2017, the deputy general economist, the head of the business and market department and the officer of Beijing development department of Southwest Computer Co., Ltd. from February 2010 to October 2012, the deputy general economist, the head of the planning and development department and the officer of Beijing development department of Southwest Computer Co., Ltd. from February 2008 to February 2010, the officer of Beijing development department of Southwest Computer Co., Ltd. from January 2005 to February 2008, and the officer of simulation office of information technology institute of Southwest Computer Co., Ltd. from February 2004 to January 2005. Mr. Yue acted as a designer of information technology institute of the State-owned Factory 789 from July 1999 to February 2004. Mr. Yue

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## LETTER FROM THE BOARD

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completed the training and study of the 73rd advanced business management course at School of Economics and Management, Tsinghua University from April 2014 to June 2014. Mr. Yue studied in the Control Engineering Field Major at Beijing Institute of Technology from August 2006 to September 2011 and obtained a master's degree in engineering. He completed undergraduate study in the Applied Mathematics Major at the Applied Mathematics Department of XiDian University from August 1995 to July 1999 and obtained a bachelor's degree of science.

Save as disclosed above, Mr. Yue Xiangjun did not have any directorship in any other listed companies in the last three years, nor did he have any interest relationship with Directors, senior management, substantial shareholders or Controlling Shareholder of the Company. As at the Latest Practicable Date, Mr. Yue Xiangjun did not have any interest in the Shares of the Company within the meaning of Part XV of the SFO.

Upon the approval of the appointment at the Extraordinary General Meeting, the Company will enter into a service contract with Mr. Yue Xiangjun in connection with his appointment as an Executive Director for a term commencing from the date of approval at the Extraordinary General Meeting until the expiration of the current session of the Board. As Mr. Yue Xiangjun was appointed as the sixth session general manager of the Company in January 2023, the Board will determine his remuneration according to the remuneration management system for senior management of the Company (the “**Management System**”). In accordance with the Management System, the remuneration of Mr. Yue Xiangjun as an Executive Director and the general manager will be comprised of three parts, namely basic salary (approximately RMB400,000/year, before taxation), annual performance-related salary and tenure incentive bonus and transportation allowances. Mr. Yue Xiangjun will not receive any remuneration from other positions in the Company. All the above remuneration will be covered in his service contract.

Save as disclosed herein, there are currently no other matters which need to be brought to the attention of the Shareholders of the Company in respect of the appointment of Mr. Yue Xiangjun or other information that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

### 3. CHANGE OF A NON-EXECUTIVE DIRECTOR

The Company received the nomination document from Chongqing Yufu Capital Operation Group Co., Ltd., a Shareholder of the Company, which nominated Ms. Zhu Ying as a non-executive Director of the Company and proposed the removal of Ms. Wang Tingting from the position of a non-executive Director of the Company.

Pursuant to the provision of “Shareholders individually or jointly holding 5% or more of the Company's outstanding shares carrying voting rights are entitled to propose a candidate for directors” as set out in Article 32 of the Rules of Procedures of General Meeting of the Company, Chongqing Yufu Capital Operation Group Co., Ltd., held 6.3% of the Shares of the Company as of March 2023, therefore its nomination on change of an candidate for a non-executive Director is valid. The Company proposed to appoint Ms. Zhu Ying as a non-executive Director. The appointment of Ms. Zhu Ying as a non-executive Director of the Company is subject to the approval at the Extraordinary General Meeting. The detailed biography of Ms. Zhu Ying is as follows:

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## LETTER FROM THE BOARD

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**Ms. Zhu Ying (朱穎)**, aged 46, a Juris Doctorate degree holder, has been serving as the deputy general manager of Chongqing Yufu Capital Operation Group Co., Ltd. since September 2021. She held mid-level management position at Chongqing Yufu Capital Operation Group Co., Ltd. from July 2021 to September 2021. She served as the general manager of the business management department of Chongqing Yufu Holding Group Co., Ltd. from July 2020 to July 2021, and head of the risk compliance department of Chongqing Yufu Holding Group Co., Ltd. from April 2020 to July 2020. She served as head of the risk compliance department of Chongqing Yufu Assets Management Group Co., Ltd. from January 2019 to April 2020, deputy head of the risk compliance department of Chongqing Yufu Assets Management Group Co., Ltd. from May 2015 to January 2019 and senior director of the risk compliance department of Chongqing Yufu Assets Management Group Co., Ltd. from January 2014 to May 2015. She worked at the legal affairs department of Chongqing Yufu Assets Management Group Co., Ltd. from January 2012 to January 2014. She served as a lawyer of Chongqing Kings Attorneys At Law from July 2007 to January 2012 and worked at Luzhou Laojiao Group Co., Ltd. from September 2000 to September 2001. Ms. Zhu studied at School of Law of Chongqing University with the major of the laws of environmental and resource protection from September 2004 to July 2007, and obtained a Juris Doctorate degree. She studied at Southwest University of Political Science & Law with the major of law from September 2001 to July 2004 and obtained a master's degree in law. She studied at the Department of Economic Management of Northwest Institute of Textile Technology with the major of industrial foreign trade from September 1996 to July 2000 and obtained a bachelor's degree in engineering.

Save as disclosed above, Ms. Zhu Ying did not hold any directorship in any other listed companies in the last three years, nor did she have any interest relationship with the Directors, senior management, substantial shareholders or Controlling Shareholder of the Company. As at the Latest Practicable Date, Ms. Zhu Ying did not have any interest in the Shares of the Company within the meaning of Part XV of the SFO.

The Company will enter into a service contract with Ms. Zhu Ying in connection with her appointment as a non-executive Director for a term commencing from the date of approval at the Extraordinary General Meeting until the expiration of the current session of the Board. Ms. Zhu Ying is entitled to receive the Board's remuneration, which will be determined by the Board according to the Administrative Measures on the Remuneration of Directors and Supervisors of the Company (the "**Administrative Measures**"). According to the Administrative Measures, the remuneration of Ms. Zhu Ying as a non-executive Director is RMB5,000 per month, and she will receive transportation and meal allowance of RMB1,000 to RMB2,000 for attending each on-site Board meeting. Ms. Zhu Ying will not receive any remuneration from other positions in the Company. All the above remuneration will be covered in her service contract.

Save as disclosed herein, there are currently no other matters which need to be brought to the attention of the Shareholders of the Company in respect of the appointment of Ms. Zhu Ying or other information that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

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## LETTER FROM THE BOARD

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### **4. EXTRAORDINARY GENERAL MEETING AND PROXY ARRANGEMENT**

The notice of Extraordinary General Meeting is set out on pages 8 to 9 of this circular. At the Extraordinary General Meeting, resolutions will be proposed to approve, inter alia, appointment of an Executive Director and change of a non-executive Director.

A form of proxy for use at the Extraordinary General Meeting is enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)) and the Company ([www.chinacqme.com](http://www.chinacqme.com)). Whether or not you intend to attend the Extraordinary General Meeting, you are requested to complete and return the form of proxy enclosed herein in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the Extraordinary General Meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending the Extraordinary General Meeting and voting in person if you so wish.

To the best of the Director's knowledge, information and belief and having made all reasonable enquires, none of the Directors or Shareholders has a material interest on the resolutions proposed at the Extraordinary General Meeting, and no Shareholder is required to abstain from voting on any of the resolutions at the Extraordinary General Meeting.

### **5. PROCEDURES FOR VOTING AT THE EXTRAORDINARY GENERAL MEETING**

According to the Rule 13.39(4) of the Listing Rules, any vote at the Extraordinary General Meeting must be taken by poll.

### **6. RECOMMENDATION**

The Directors consider that the resolutions proposed and approved by the Shareholders at the Extraordinary General Meeting are in the best interests of the Company and the Shareholders as a whole.

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## LETTER FROM THE BOARD

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Accordingly, the Directors recommend that all Shareholders vote in favor of the resolutions proposed at the Extraordinary General Meeting in the notice of the Extraordinary General Meeting.

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

\* *For identification purposes only*

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## NOTICE OF THE EXTRAORDINARY GENERAL MEETING

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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)*  
(Stock Code: 2722)

## NOTICE OF THE EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the extraordinary general meeting (the “**Meeting**” or “**EGM**”) of Chongqing Machinery & Electric Co., Ltd.\* (the “**Company**”) will be held at the Conference Room, 16/F, Jidian Building, No. 60, Middle Section of Huangshan Avenue, New North Zone, Chongqing City, the PRC on Wednesday, 22 March 2023 at 9:00 a.m. or any adjournment thereof for the purpose of considering and approving the following resolutions:

### **ORDINARY RESOLUTIONS**

1. To consider and approve the appointment of an Executive Director;
2. To consider and approve the change of a non-executive Director.

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

Chongqing, the PRC  
3 March 2023

*Notes:*

1. A member of the Company (“**Member**”) entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy need not be a Member. A form of proxy for use at the Meeting is enclosed herewith. Where two or more persons are registered as the joint holders of any share, only the person whose name appears first in the register of members shall be entitled to receive this notice, to attend and exercise all the voting powers attached to such share at the Meeting, and this notice shall be deemed to be given to all joint holders of such share.
2. To be valid, the form of proxy together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority must be deposited with the Company’s H share registrar Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, and in case of holders of domestic shares, to the Company’s mailing address at No. 60, Middle Section of Huangshan Avenue, New North Zone, Chongqing City, the PRC, not later than 24 hours before the

\* For identification purposes only

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## NOTICE OF THE EXTRAORDINARY GENERAL MEETING

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time appointed for holding the Meeting or any adjournment thereof or the time appointed for passing the resolutions. Delivery of the form of proxy shall not preclude a Member from attending and voting in person at the Meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

3. For the identification of Members who are qualified to attend and vote at the Meeting, the register of Members in Hong Kong will be closed from 17 March 2023 to 22 March 2023, both days inclusive, during which period no transfer of H shares of the Company will be effected. All transfer documents accompanied by the relevant share certificates must be lodged with the Company's H share registrar Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 16 March 2023 for register.

*As at the date of this notice, the executive Directors are Mr. Zhang Fulun and Mr. Yang Quan; the non-executive Directors are Mr. Huang Yong, Ms. Wang Tingting, 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.*