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CQME

Chongqing Machinery & Electric Co., Ltd.*
重慶機電股份有限公司

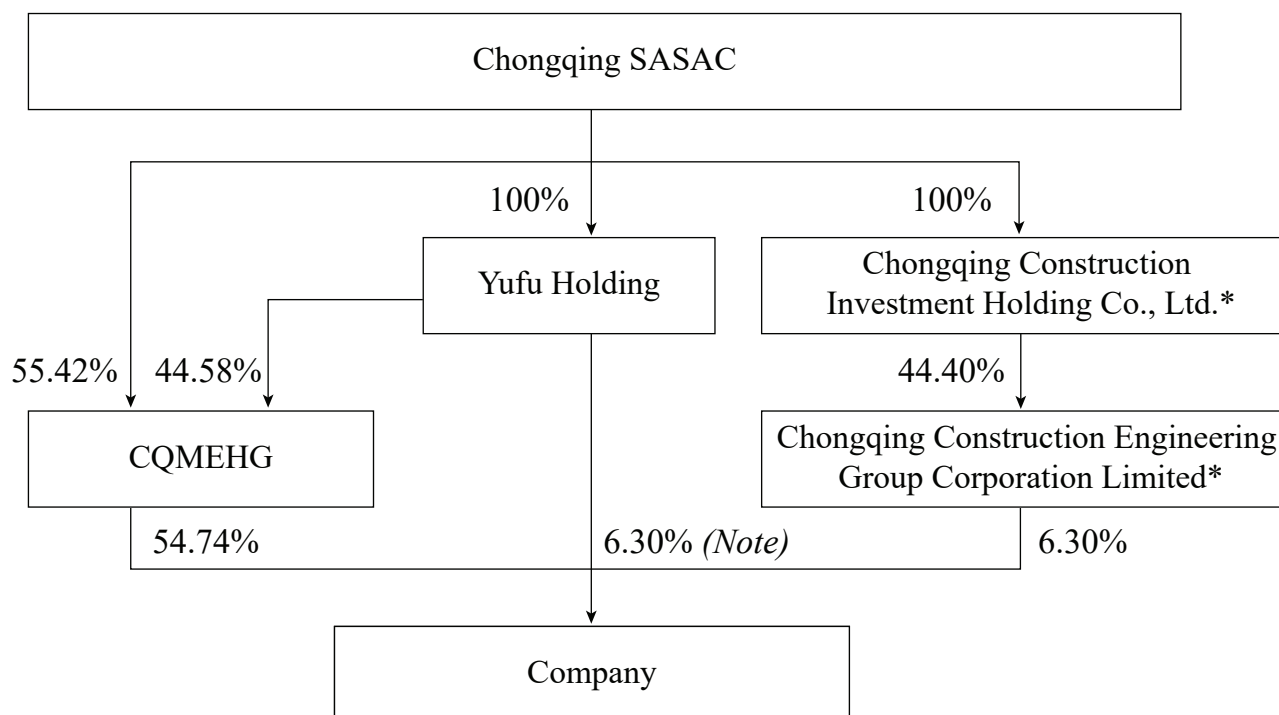
(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 02722)

VOLUNTARY ANNOUNCEMENT
CHANGE IN SHAREHOLDING STRUCTURE OF CONTROLLING SHAREHOLDER

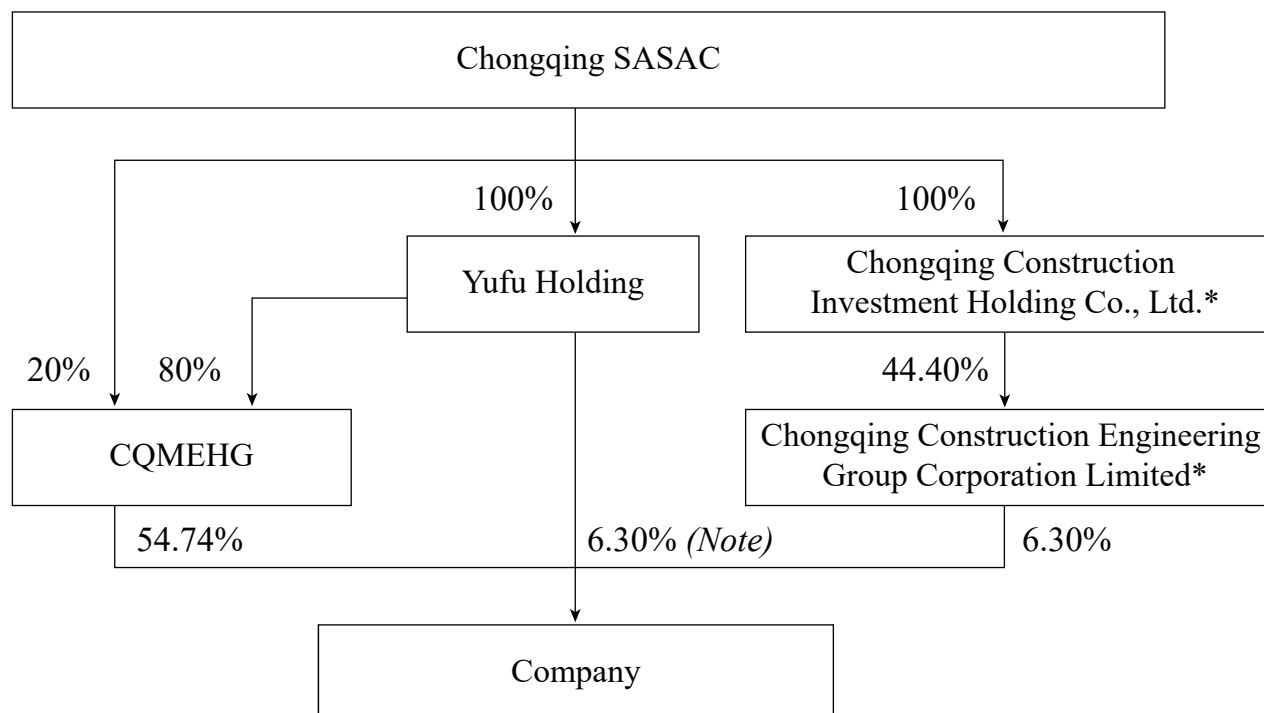
The Board hereby announces that the Company has received a notification from its controlling Shareholder, CQMEHG, on 26 February 2025: (i) Yufu Holding will make a capital increase to CQMEHG with a consideration of RMB5,000 million through cash and non-cash contribution methods. Upon completion of the capital increase, Yufu Holding will hold approximately 44.58% equity interest in CQMEHG (the “**Capital Increase**”); and (ii) Chongqing SASAC agrees to gratuitously transfer its 35.42% equity interest in CQMEHG to Yufu Holding (the “**Gratuitous Transfer**”) (together with the Capital Increase, collectively referred to as the “**Internal Restructuring**”). Upon completion of the Internal Restructuring, Yufu Holding will hold 80% equity interest in CQMEHG to be the direct controlling Shareholder of CQMEHG, and become the indirect controlling Shareholder of the Company, whereas CQMEHG will remain the direct controlling Shareholder of the Company, and Chongqing SASAC will remain the ultimate controlling Shareholder of the Company.

The simplified shareholding structure of the Company immediately before and after completion of the Internal Restructuring is set out as follows:

Immediately before completion of the Internal Restructuring



Immediately after completion of the Internal Restructuring



Yufu Holding has applied for, and the Executive has granted, a waiver pursuant to Note 6(a) to Rule 26.1 of the Takeovers Code of the obligation of Yufu Holding to make a mandatory general offer for all the securities of the Company arising as a result of the Internal Restructuring.

Note: Yufu Company has gratuitously transferred its 6.3% equity interest in the Company to Yufu Holding.

DEFINITIONS

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

“Board”	the board of Directors of the Company
“Company”	Chongqing Machinery & Electric Co., Ltd.* (重慶機電股份有限公司), a company incorporated in the PRC with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 02722)
“controlling Shareholder”	has the meaning ascribed to it in the Rules Governing the Listing of Securities on the Stock Exchange
“CQMEHG”	Chongqing Machinery & Electronics Holding (Group) Co., Ltd.* (重慶機電控股(集團)公司), a company established in the PRC with limited liability and a direct controlling Shareholder of the Company
“Yufu Holding”	Chongqing Yufu Holding Group Co., Ltd.* (重慶渝富控股集團有限公司), a company established in the PRC with limited liability and an indirect holder of the issued share capital of the Company
“Yufu Company”	Chongqing Yufu Capital Operation Group Co., Ltd.* (重慶渝富資本運營集團有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of Yufu Holding
“Director(s)”	the director(s) of the Company
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong, or any delegate of the Executive Director
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, excludes the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and the Taiwan region
“RMB”	the lawful currency of the PRC

“Chongqing SASAC”	Chongqing State-owned Assets Supervision and Administration Commission, the ultimate controlling party of the Company
“Share(s)”	the domestic Shares and foreign Shares or H Shares of the Company
“Shareholder(s)”	holder(s) of the domestic Shares and/or H Shares of the Company
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs
“%”	per cent

By Order of the Board
Chongqing Machinery & Electric Co., Ltd.*
Yue Xiangjun
Executive Director and General Manager
(performing duties and powers of the chairman of the Board)

Chongqing, the PRC
26 February 2025

As at the date of the announcement, the executive Directors are Mr. Yue Xiangjun and Mr. Qin Shaobo; the non-executive Directors are Mr. Fu Yihong, Ms. Zhu Ying, Mr. Dou Bo and Mr. Cai Zhibin; and the independent non-executive Directors are Mr. Lo Wah Wai, Mr. Ren Xiaochang, Mr. Liu Wei and Mr. Ke Rui.

* *For identification purposes only*