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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)

**POSITIVE PROFIT ALERT**

This announcement is made by Chongqing Machinery & Electric Co., Ltd.\* (the “**Company**”, together with its subsidiaries the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholder(s)**”) and potential investors that, based on the information currently available to the Board and a preliminary review and assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2025, the Group expects that the profit attributable to the Shareholders for the year ended 31 December 2025 will increase by approximately 70%-75% as compared to that of the corresponding period in 2024. Such increase is primarily attributable to the Group’s (i) high horsepower engine business and ultra high voltage transformer business actively capturing domestic and overseas market opportunities, leading to an increase in profit and a significant increase in the Group’s investment income; and (ii) continued improvement in lean management, with the hydropower business achieving a turnaround from loss to profit and further improving its operational efficiency and effectiveness.

The Board hereby reminds the Shareholders and potential investors that the information contained in this announcement is only based on the preliminary review by the management of the Company on the financial information currently available to it and is not based on any figures or information that has been audited or reviewed by the auditors or the audit committee of the Company. The Shareholders and potential investors are advised to read carefully the annual results announcement of the Company for the year ended 31 December 2025 which is expected to be published on 20 March 2026.

**The Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

By Order of the Board  
**Chongqing Machinery & Electric Co., Ltd.\***  
**Yue Xiangjun**  
*Executive Director and Chairman*

Chongqing, the PRC  
10 March 2026

*As at the date of the announcement, the executive Directors are Mr. Yue Xiangjun, Mr. Qin Shaobo and Mr. Deng Rui; the non-executive Directors are Mr. Lei Bin, Ms. Zhu Ying and Mr. Cai Zhibin; and the independent non-executive Directors are Mr. Ke Rui, Mr. Liu Lijun, Ms. Pu Huayan and Mr. Wong Chun Wa.*

\* *For identification purposes only*