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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)

INSIDER INFORMATION
POTENTIAL DISCLOSEABLE TRANSACTION
PROPOSED PLAN TO REDUCE HOLDINGS OF LISTED COMPANY SHARES

This announcement is made by Chongqing Machinery & Electric Co., Ltd. (“**the Company**”) in accordance with Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**the Listing Rules**”) and the provisions regarding insider information (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (“**SFO**”) (Chapter 571 of the Laws of Hong Kong).

The Board of Directors of the Company (“**Board**”) hereby notifies the shareholders of the Company (“**Shareholders**”) that that the Board has approved the Company’s proposed share reduction plan (the “**Reduction Plan**”) for the shares of GRIPM Advanced Materials Co., Ltd. (“**GRIPM**”, listed on the Shanghai Stock Exchange (STAR Market), A-share code: 688456.SH) in accordance with the provisions of the Securities Law of the People’s Republic of China, the Rules Governing the Listing of Stock on the STAR Market of the Shanghai Stock Exchange, the Interim Measures for the Administration of Share Reductions by Shareholders of Listed Companies, the Measures for the Administration of Securities Assets, and other relevant laws, regulations, and normative documents. As of the date of this announcement, the Company has simultaneously submitted to GRIPM the notification letter regarding Reduction Plan of the Company’s shareholding.

The main details of the aforementioned Reduction Plan are as follows:

1. Purpose of the Reduction: In accordance with the Company’s strategic plan, business development arrangements, and needs. This Reduction Plan will help the Company optimise its capital structure, enhance asset liquidity and the efficiency of fund utilisation, and further focus on the development of its core business. The proceeds will be used for the Company’s future investment and merger and acquisition projects, and to supplement working capital.

2. Source of Shares in the Reduction Plan: Shares held by GRIPM prior to its initial public offering. The Company currently holds 4,900,500 shares of GRIPM (representing 4.73% of GRIPM' total share capital) and is a shareholder of GRIPM.
3. Proposed Number of Shares in the Reduction Plan and Percentage of GRIPM's Total Share Capital: Proposed to reduce no more than 2,827,300 shares of GRIPM, representing no more than 2.73% of the total shares of GRIPM (if any share-related events occur during the reduction period, such as stock dividends, capitalisation of reserves, issuance of new shares, rights offerings, or cash dividends, the number of shares in the Reduction Plan will not be adjusted accordingly).
4. Method of Reduction: Centralised bidding and/or block trading.
5. Reduction Period: Expected to reduce its holdings via block trading for at least 4 months from the date of this announcement, and/or via centralised bidding for at least 7 months from the date of this announcement, and/or via both centralised bidding and block trading for approximately 3 months from the date of this announcement. The duration of the reduction period will be adjusted based on the progress of the reduction.
6. Proposed Reduction Price: The Company will determine the reduction price based on the market price at the time of the reduction (if any share-related events occur, such as stock dividends, capitalisation of reserves, issuance of new shares, rights offerings, or cash dividends, the reduction price will be adjusted accordingly based on the ex-rights price).

Should any ex-rights or ex-dividend events occur during the reduction period, such as dividend payments, bonus share issues or the conversion of capital reserves into share capital, the reduction price shall be adjusted accordingly.

Pursuant to Chapter 14 of the Listing Rules, should a series of transactions involving share reduction in GRIPM be conducted on the A-share market via centralised bidding and/or block trading, the relevant applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules), calculated based on the aggregate proceeds from such transactions, may exceed 5% but is less than 25%, the Reduction Plan may constitute a discloseable transaction for the Company and may be subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Shareholders and potential investors are advised that there are uncertainty risks associated with the implementation of this Reduction Plan, and the Company will determine whether to proceed with the Reduction Plan and how to implement it based on factors such as its own circumstances, the share price performance of GRIPM and market conditions; there is uncertainty regarding the timing and price of the reduction, as well as uncertainty as to whether the plan can be completed on schedule. The Reduction Plan may or may not proceed. Even if the Company proceeds with the Reduction Plan, there is no guarantee that it will ultimately sell the full number of shares intended for the reduction. The Company will comply with the provisions of Chapter 14 of the Listing Rules and issue a separate announcement regarding the discloseable transaction in due course. Shareholders and potential investors are therefore advised to exercise caution when dealing in the Company's securities.

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

Chongqing, the PRC
29 June 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*