

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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) PROPOSED CHANGE OF ACCOUNTING STANDARDS
APPLICABLE TO THE COMPANY; AND
(2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

This announcement is made by Chongqing Machinery & Electric Co., Ltd.* (the “**Company**”) pursuant to Rule 13.51(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

PROPOSED CHANGE OF ACCOUNTING STANDARDS APPLICABLE TO THE COMPANY

The Group has adopted Accounting Standards for Business Enterprises of the PRC for the preparation and presentation of its consolidated financial statements since 2017, including the consolidated financial statements for the year ended 31 December 2025, which were disclosed in the announcement of the Group results for the year ended 31 December 2025 dated 20 March 2026 and in the 2025 annual report dated 14 April 2026. During the 2026 financial year, following the retirement of the Company’s former auditor, ShineWing Certified Public Accountants (General Special Partnership), the Company has appointed Zhongshen Zhonghuan Certified Public Accountants LLP (Special General Partnership) (“**Zhongshen Zhonghuan**”) as the Company’s annual domestic auditor, and has appointed ZSZH (HK) Fuson CPA Limited (“**ZSZH Hong Kong**”) as the Company’s annual overseas auditor.

Given the gradual increase in the Company’s overseas investors and cross-border investment and financing activities, and in order to enhance transparency in the international capital markets and adapt to globalized operations, the Company proposes changing to disclosure in accordance with Hong Kong Financial Reporting Standards.

The board of the Company (the “**Board**”) is of the view that the abovementioned change in the basis of preparation of the consolidated financial statements will not have a material impact on the Group’s financial position, financial performance, and cash flows, etc. as reflected in the Group’s consolidated financial statements with respect to the Group’s transactions, other matters, and circumstances, and that it complies with the relevant disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Hong Kong Companies Ordinance.

In view of such arrangement, the Board proposes to prepare one set of financial statements for the Company under the Hong Kong Financial Reporting Standards (the “**Proposed Change of Accounting Standards Applicable to the Company**”). The Proposed Change of Accounting Standards Applicable to the Company will be subject to the shareholders’ approval of the proposed amendments to the Articles of Association as stated below (the “**Proposed Amendments to the Articles of Association**”).

Subject to the shareholders’ approval of the Proposed Amendments to the Articles of Association, it is expected that starting with the review of interim report for the period ended 30 June 2026, the results of the Company will be prepared in accordance with the Hong Kong Financial Reporting Standards. The Board is of the view that the Proposed Change of Accounting Standards Applicable to the Company will ensure that the Company’s domestic and overseas disclosures are true, accurate, and complete, and is in the interests of the Company and its shareholders as a whole.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In light of the abovementioned Proposed Change of Accounting Standards Applicable to the Company, the Board proposes to make amendments to the Company’s Articles of Association, which include changes to the relevant provisions related to Accounting Standards Applicable to the Company and financial reporting.

The Board is of the view that the Proposed Amendments to the Articles of Association are in the interests of the Company and its shareholders as a whole.

The abovementioned Proposed Amendments to the Articles of Association are subject to the approval of the shareholders of the Company by passing a special resolution at the extraordinary general meeting to be held. The Proposed Amendments to the Company’s Articles of Association shall be subject to final approval and filing record by the market supervision and administration authority.

A circular containing, among other things, particulars in relation to the Proposed Amendments to the Articles of Association, together with a notice convening the extraordinary general meeting, will be despatched by the Company to the shareholders of the Company and published on the website of the HKEXnews of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) by the Company on 8 July 2026.

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

Chongqing, the PRC
8 July 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