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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 (the “**Board**”) of the Company wishes to inform the shareholders of the Company 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 2021, the Group expects that the profit attributable to the shareholders of the Company for the year ended 31 December 2021 will increase by approximately 50%-60% as compared to that of the year ended 31 December 2020. The increase is primarily attributable to the Group (i) having seized market recovery opportunities, actively expanded business and increased the operation revenue (ii) having strengthened the internal management, reduced cost and increased benefit, and improved the operation efficiency.

The information contained in this announcement is only based on the preliminary review by the Company's management 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. Shareholders and potential investors are advised to read carefully the results announcement of the Company for the year ended 31 December 2021 which is expected to be published in late March 2022.

* For identification purposes only

Shareholders of the Company 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.*
Zhang Fulun
Executive Director and Chairman

Chongqing, the PRC
22 February, 2022

As at the date of the announcement, the executive Directors are Mr. Zhang Fulun, Ms. Chen Ping and Mr. Yang Quan; the non-executive Directors are Mr. Huang Yong, Mr. Ma Aijun, 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.

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