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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)

INSIDE INFORMATION
UPDATES ON LITIGATION

This announcement is made by Chongqing Machinery & Electric Co., Ltd.* (the “**Company**”) 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).

Reference is made to the inside information announcement (the “**Announcement**”) regarding litigation of the Company dated 19 May 2023, and the inside information announcement regarding updates on litigation dated 28 November 2023.

As disclosed in the Announcement, due to disputes over processing contracts and product quality, Chongqing Chengfei New Material Co., Ltd. (“**Chengfei Company**”, formerly known as Jilin Chongtong Chengfei New Material Co., Ltd. and renamed in March 2024, a subsidiary controlled by the Company) and its wholly-owned subsidiaries, and Ming Yang Smart Energy Group Ltd. (“**Ming Yang Company**”) and its wholly-owned subsidiary had previously filed a series of litigations with the Tianjin Binhai New Area People’s Court and the Zhongshan First People’s Court of Guangdong Province respectively.

Recently, Chengfei Company and Ming Yang Company (and their respective relevant subsidiaries) entered into a settlement agreement to settle the aforementioned series of litigations. The settlement is beneficial to the Company’s subsidiaries to recover funds, reduce litigation costs and maintain corporate image, and provide opportunities for further cooperation between both parties in the future. The entering into of the settlement agreement has no material impact on the daily production and operation of the Company.

Shareholders and potential investors of the Company 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
17 May 2024

As at the date of this announcement, the executive Directors are Mr. Zhang Fulun, Mr. Yue Xiangjun and Mr. Yang Quan; 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. Jin Jingyu and Mr. Liu Wei.

* *For identification purposes only*