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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)

**VOLUNTARY ANNOUNCEMENT
ESTABLISHMENT OF A JOINT VENTURE**

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

Recently, the Company and CHN Energy Gansu Electric Power Co., Ltd. (“**Gansu Electric Power**”, an independent third party) have been jointly given the construction target of a wind power project of 100,000 kW. In order to carry out the project development in a timely manner as required, the Company and Gansu Electric Power have completed relevant statutory registration procedures for the establishment of Minqin CHN Energy Wind Power Co., Ltd. (民勤國能風力發電有限責任公司) (the “**Joint Venture**”). Major information related to the Joint Venture is as follows:

Equity structure: 51% of the equity interests is held by Gansu Electric Power and 49% of the equity interests is held by the Company

Registered capital: RMB166 million

Registered address: Room 202, No. 4 Jingsu Road, Sanlei Town, Minqin County, Wuwei City, Gansu Province

Major business: construction, operation and maintenance of wind power farms; power generation, power transmission, power supply (distribution) businesses

The establishment of the Joint Venture is an important step taken by the Company to extend the downstream of the wind power industry chain when closely centering on the “14th Five-Year” development plan for the industry, and also a substantial strategic layout of the Company in the

* *For identification purposes only*

development of wind and solar resources, which lays a foundation for seizing more opportunities to develop wind and photovoltaic resources. In the future, the Company will further enhance cooperation with energy enterprises and wind power host enterprises to establish a closer and in-depth cooperative relationship, thereby creating a new pattern for the coordinated development of the clean energy industry and facilitating the Company's high-quality development.

As all the applicable percentage ratios in respect of establishment of the Joint Venture are less than 5%, the relevant transaction does not constitute a notifiable transaction under Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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
10 May 2023

As at the date of the announcement, the executive Directors are Mr. Zhang Fulun, Mr. Yue Xiangjun and Mr. Yang Quan; the non-executive Directors are Mr. Huang Yong, 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.

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