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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

RESULTS HIGHLIGHTS

Chongqing Machinery & Electric Co., Ltd.* (the "**Company**" or "**CQME**") and its subsidiaries (collectively the "**Group**") announce the highlights of the consolidated results as set out below.

- Revenue of the Group for the six months ended 30 June 2026 amounted to approximately RMB5,399.4 million, representing an increase of approximately 15.9% from the same period of last year.
- Gross profit of the Group for the six months ended 30 June 2026 amounted to approximately RMB764.4 million, representing a slight increase of approximately 2.0% from the same period of last year.
- Profit attributable to the shareholders of the Company for the six months ended 30 June 2026 amounted to approximately RMB577.4 million, representing an increase of approximately 31.1% from the same period of last year.
- Basic earnings per share for the six months ended 30 June 2026 amounted to approximately RMB0.16, representing an increase of approximately 33.3% from the same period of last year.
- Net assets per share for the six months ended 30 June 2026 amounted to approximately RMB2.7, representing an increase of 12.0% from the same period of last year.

INTERIM DIVIDEND

The Board has recommended the payment of an interim dividend of RMB0.02 per share (tax inclusive) for the six months ended 30 June 2026 (for the six months ended 30 June 2025: RMB0.01 per share), which is calculated based on the total share capital of 3,684,640,154 shares for the six months ended 30 June 2026, totaling RMB73,692,803.08 (for the six months ended 30 June 2025: totaling RMB36,846,401.54). Subject to the approval by shareholders of the Company ("**Shareholders**") at the extraordinary general meeting to be convened on 18 November 2026, the proposed interim dividend will be paid on 21 December 2026 to Shareholders whose names appear on the register of members of the Company on 1 December 2026.

The board (the "**Board**") of directors (the "**Directors**" and each a "**Director**") of the Company is pleased to announce the interim results of the Group for the six months ended 30 June 2026 (the "**Period**"). The Group's interim results have not been audited but have been jointly reviewed by the audit committee, the Company's annual domestic financial and internal control audit firm, Zhongshen Zhonghuan Certified Public Accountants (Special General Partnership) ("**Zhongshen Zhonghuan**") and the Company's annual overseas auditor, ZSZH (HK) Fuson CPA Limited ("**ZSZH Hong Kong**").

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

		Six months ended 30 June	
		2026	2025
	Notes	***RMB'000***	*RMB'000*
Revenue	*5*	**5,399,445**	4,658,076
Cost of sales		**(4,635,017)**	(3,908,560)
Gross profit		**764,428**	749,516
Other income, gains and losses, net	*6*	**66,121**	91,322
Selling and marketing expenses		**(104,898)**	(107,982)
General and administrative expenses		**(304,912)**	(311,435)
Research and development expenses		**(258,097)**	(239,851)
Impairment loss on financial assets and contract assets, net of reversal	*7*	**(40,604)**	(45,166)
Impairment loss on goodwill		**–**	(17,852)
Operating profit		**122,038**	118,552
Finance income		**6,096**	6,991
Finance costs		**(36,578)**	(36,962)
Finance income and costs, net		**(30,482)**	(29,971)
Share of results of investments accounted for using the equity method, net		**521,422**	389,133
Profit before income tax	*8*	**612,978**	477,714
Income tax expenses	*9*	**(31,917)**	(22,583)
Profit for the period		**581,061**	455,131
Profit for the period attributable to:			
– Owners of the Company		**577,446**	440,483
– Non-controlling interests		**3,615**	14,648
		581,061	455,131
		RMB	*RMB*
Earnings per share			
– Basic and diluted	*11*	**0.16**	0.12

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2026

		Six months ended 30 June	
		2026	2025
	Notes	***RMB'000***	*RMB'000*
Profit for the period		**581,061**	455,131
Other comprehensive income (expense) for the period, net of tax			
Item that will not be reclassified subsequently to profit or loss:			
– Fair value gain on investments in other equity instruments at FVTOCI		**227,506**	9,960
Items that may be reclassified subsequently to profit or loss:			
– Fair value gain on investments in debt instruments measured at FVTOCI		**1,637**	50
– Currency translation differences		**13,102**	(13,690)
– Amount reclassified to other comprehensive income for financial assets		**74**	(464)
– Impairment loss on financial assets at FVTOCI		**40**	-
– Cash flow hedging		**3,137**	9,754
		17,990	(4,350)
Total other comprehensive income for the period		**245,496**	5,610
Total comprehensive income for the period		**826,557**	460,741
Total comprehensive income attributable to:			
– Owners of the Company		**821,838**	444,467
– Non-controlling interests		**4,719**	16,274
		826,557	460,741

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2026

	Notes	30 June 2026 RMB'000	31 December 2025 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	*12*	**2,614,627**	2,659,698
Right-of-use assets		**759,423**	703,292
Investment properties		**184,280**	186,873
Intangible assets		**67,622**	68,667
Investments accounted for using the equity method	*13*	**1,757,858**	1,795,978
Financial assets at FVTOCI		**753,977**	471,403
Deposits, prepayments and other receivables		**900,138**	911,373
Deferred tax assets		**200,337**	181,617
Other non-current assets		**82,818**	113,900
		7,321,080	7,092,801
CURRENT ASSETS			
Inventories		**2,613,573**	2,201,791
Trade and bill receivables	*14*	**4,452,706**	3,987,796
Deposits, prepayments and other receivables		**1,774,732**	1,553,291
Contract assets		**1,068,947**	938,314
Financial assets at FVTPL		**829,148**	481,903
Financial assets at FVTOCI		**948,488**	577,953
Restricted cash		**603,104**	622,875
Cash and bank balances		**2,180,580**	2,460,549
		14,471,278	12,824,472
CURRENT LIABILITIES			
Trade and bill payables	*15*	**5,132,367**	4,433,175
Accruals and other payables		**3,141,093**	2,719,995
Income tax liabilities		**13,823**	14,637
Bank and other borrowings		**1,430,393**	1,953,388
Lease liabilities		**54,635**	28,419
Contract liabilities		**681,069**	566,192
Financial liabilities at FVTPL		–	3,667
Dividends payable		**246,172**	46,718
		10,699,552	9,766,191
NET CURRENT ASSETS		**3,771,726**	3,058,281
TOTAL ASSETS LESS CURRENT LIABILITIES		**11,092,806**	10,151,082

	Notes	**30 June 2026** *RMB'000*	31 December 2025 *RMB'000*
NON-CURRENT LIABILITIES			
Accruals and other payables		**6,433**	3,100
Deferred tax liabilities		**234,987**	144,198
Bank and other borrowings		**444,694**	305,779
Lease liabilities		**219,477**	185,479
Contract liabilities		**80,934**	84,521
Deferred revenue		**189,745**	151,372
Long-term employee benefit obligations		**5,115**	4,817
		1,181,385	879,266
NET ASSETS		**9,911,421**	9,271,816
CAPITAL AND RESERVES			
Share capital	*16*	**3,684,640**	3,684,640
Reserves		**5,727,795**	5,091,510
Total equity attributable to owners of the Company		**9,412,435**	8,776,150
Non-controlling interests		**498,986**	495,666
TOTAL EQUITY		**9,911,421**	9,271,816

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
NET CASH USED IN OPERATING ACTIVITIES	**(11,766)**	(516,641)
NET CASH GENERATED FROM INVESTING ACTIVITIES	**130,117**	151,469
NET CASH (USED IN) GENERATED FROM FINANCING ACTIVITIES	**(400,475)**	65,998
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(282,124)**	(299,174)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	**2,460,549**	2,100,968
Currency translation differences	**2,155**	1,326
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD, represented by cash and cash equivalents	**2,180,580**	1,803,120

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

1. GENERAL INFORMATION

Chongqing Machinery & Electric Co., Ltd.* (the "**Company**") was established on 27 July 2007 as a joint share company with limited liability by Chongqing Machinery & Electronics Holding (Group) Co., Ltd. ("**CQMEHG**"), Chongqing Yufu Capital Operation Group Co., Ltd. ("**Yufu Company**"), China CITIC Financial Asset Management Co., Ltd. ("**CITIC Company**"), and Chongqing Construction Engineering Group Co. Ltd. ("**CCEG**"). The Company was established with a registered capital of RMB2,679,740,154 (RMB1 per share). The registered office of the Company is No. 60 Middle Section of Huangshan Avenue, New Northern Zone, Chongqing City, the People's Republic of China, the headquarters address is Chongqing City, the People's Republic of China, and the registered address is Room 1204-06, the Chinese Bank Building, 61 Des Voeux Road Central, Central, Hong Kong in Hong Kong.

Approved by the China Securities Regulatory Commission under document No. 285 (2008), the Company completed the issuance of 1,004,900,000 H shares to overseas investors on 13 June 2008. The shares were listed and traded on The Stock Exchange of Hong Kong Limited ("**Stock Exchange**").

CQMEHG which is a registered company in the People's Republic of China ("**PRC**") is the parent company of the Company. As at the end of the reporting period, the total share capital of the Company was approximately RMB3,684,640,000.

The Company acts as an investment holding company. The Company and its subsidiaries (the "**Group**") is mainly engaged in the manufacturing, sales and services of clean energy equipment and high-end intelligent equipment.

These interim condensed consolidated financial statements are presented in Renminbi ("**RMB**"), which is also the functional currency of the Company and its subsidiaries.

The English names of all the companies established in the PRC presented in these interim consolidated financial statements represent the best efforts made by the Directors for the translation of the Chinese names of these companies to English names. As these companies do not have official English names, such English names are provided for identification purposes only.

The consolidated financial statements have been approved for issue by the Board on 20 August 2026.

2. BASIS OF PREPARATION OF INTERIM FINANCIAL INFORMATION

These interim condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 ("**HKAS 34**") "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

These interim financial information has been prepared based on the accounting policies to the interim financial information which conform with HKFRS Accounting Standards issued by the HKICPA.

The directors of the Company have, at the time of approving the interim condensed consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the interim condensed consolidated financial statements.

Transition from previous ASBEs to HKFRS Accounting Standards

Pursuant to the announcement of the Company dated 8 July 2026 and the circulars of the Company dated 4 June 2026 and 8 July 2026, the Group has adopted Accounting Standards for Business Enterprises of the PRC ("**ASBEs**") 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 LLP, the Company has appointed Zhongshen Zhonghuan Certified Public Accountants LLP ("**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 has changed to disclosing in accordance with HKFRS commencing from the review of the interim results announcement for the period ended 30 June 2026.

The Group had applied HKFRS Accounting Standards in previous financial years including the financial year ended 31 December 2017 and had stopped applying HKFRS Accounting Standards in its consolidated financial statements with effect from the financial year ended 31 December 2018. Thus, the Group is therefore exempted from applying Hong Kong Financial Reporting Standard 1 *First-time Adoption of Hong Kong Financial Reporting Standards* ("**HKFRS 1**") in the preparation and presentation of its condensed consolidated interim financial statements for the six months ended 30 June 2026. In view of the fact that ASBEs have been closely aligned with HKFRS Accounting Standards, the Group has elected not to apply HKFRS 1 and has instead applied HKFRS Accounting Standard retrospectively in accordance with Hong Kong Accounting Standard 8 *Accounting Policies, Changes in Accounting Estimates and Errors* as if the Group had never stopped applying HKFRS Accounting Standards since the financial year ended 31 December 2017. Accordingly, the comparatives of the condensed consolidated financial statements were restated.

Reconciliation of Interim Condensed Consolidated Financial Statements

The difference in net profit for the six months period ended 30 June 2025 and net assets as at 31 December 2025 arising from applying ASBEs and HKFRS Accounting Standards are as followings:

	Net Profit of six months period 30 June 2025 *RMB'000*	Net Assets as at 31 December 2025 *RMB'000*
Applying ASBEs, as previously reported	430,620	9,306,832
The appreciation of evaluation	3,094	(5,341)
Government appropriation recorded in capital surplus	21,417	–
The balance of enterprise relocation compensation	–	(29,503)
Others	–	(172)
Applying HKFRS Accounting Standards, as restated	455,131	9,271,816

3. CHANGES IN ACCOUNTING POLICIES

Amendments to HKFRS Accounting Standards that are mandatorily effective for Period.

In the Period, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA for the first time, which are mandatorily effective as of 1 January 2026. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. The application of the amendments to HKFRS Accounting Standards in six months ended 30 June 2026, but does not have an impact on the interim condensed consolidated financial statements of the Group.

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11

4. SEGMENT INFORMATION

The Group's reporting segments are business units operating on the basis of different products or services, or in different regions. As various businesses or regions require different technologies and market strategies, the Group's divisions independently manage the production and operation activities of each reporting division and evaluate its operating results in order to determine the allocation of resources to it and evaluate its performance.

The Group has 9 reporting divisions which are:

- Engine division, responsible for the production and sales of engine products;
- General machinery division, responsible for producing and selling general mechanical products;
- Wind turbine blade division, responsible for producing and selling wind turbine blades;
- Wire and cable division, responsible for the production and sales of wire and cable products;
- CNC machine tools division, responsible for the production and sales of CNC machine tools in China and Europe;
- Intelligent manufacturing division, responsible for producing and selling high-end intelligent equipment products;
- High voltage transformer division, responsible for the production and sales of high voltage transformer products;
- Financial services division, responsible for providing financial services such as loans; and
- Other divisions, responsible for producing and selling other products.

The inter-division transfer price shall be determined by both parties through negotiation.

Assets, liabilities, revenues and expenses are allocated according to the operations of the segment.

The segment results for the six months ended 30 June 2026 are as follows:

	Engine *RMB'000*	General machinery *RMB'000*	Wind turbine blades *RMB'000*	Wire and cable *RMB'000*	CNC machine tools *RMB'000*	Intelligent manufacturing *RMB'000*	High voltage transformer *RMB'000*	Financial service *RMB'000*	Other divisions *RMB'000*	Total *RMB'000*
Total segment revenue	–	1,114,336	1,722,257	1,393,115	499,212	212,620	–	48,827	463,528	5,453,895
Inter-segment revenue	–	(21,741)	–	(7,554)	(7,146)	(6,372)	–	(9,365)	(2,272)	(54,450)
Revenue	–	1,092,595	1,722,257	1,385,561	492,066	206,248	–	39,462	461,256	5,399,445
Operating profit (loss)	–	62,693	48,209	32,969	26,542	(30,956)	–	24,506	(41,925)	122,038
Finance income	–	3,271	106	341	27	32	–	–	2,319	6,096
Finance costs	–	(2,886)	(4,614)	(4,059)	(9,099)	(119)	–	–	(15,801)	(36,578)
Share of results of investments accounted for using the equity method, net	402,456	–	–	–	8,343	–	93,411	–	17,212	521,422
Profit (loss) before income tax	402,456	63,078	43,701	29,251	25,813	(31,043)	93,411	24,506	(38,195)	612,978
Income tax expense										(31,917)
Profit for the period										581,061

The segment results for the six months ended 30 June 2025 are as follows:

	Engine *RMB'000*	General machinery *RMB'000*	Wind turbine blades *RMB'000*	Wire and cable *RMB'000*	CNC machine tools *RMB'000*	Intelligent manufacturing *RMB'000*	High voltage transformer *RMB'000*	Financial service *RMB'000*	Other divisions *RMB'000*	Total *RMB'000*
Total segment revenue	–	1,134,353	1,295,889	1,160,033	446,308	276,598	–	41,444	372,590	4,727,215
Inter-segment revenue	–	(21,848)	–	(10,863)	(11,086)	(11,255)	–	(13,246)	(841)	(69,139)
Revenue	–	1,112,505	1,295,889	1,149,170	435,222	265,343	–	28,198	371,749	4,658,076
Operating profit (loss)	–	107,059	31,154	32,062	(15,027)	(15,765)	–	14,939	(35,870)	118,552
Finance income	–	1,613	1,000	1,011	375	81	–	–	2,911	6,991
Finance costs	–	(1,489)	(4,002)	(2,222)	(11,489)	(18)	–	–	(17,742)	(36,962)
Share of results of investments accounted for using the equity method, net	329,002	–	–	–	4,780	–	47,238	–	8,113	389,133
Profit (loss) before income tax	329,002	107,183	28,152	30,851	(21,361)	(15,702)	47,238	14,939	(42,588)	477,714
Income tax expense										(22,583)
Profit for the period										455,131

5. REVENUE

Disaggregation of revenue from contracts with customers:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Type of services		
Equipment sales contract	**3,323,893**	2,880,289
Service contract	**226,551**	320,434
Material sales contract	**1,849,001**	1,457,353
Total revenue	**5,399,445**	4,658,076
Geographical markets		
Mainland China	**5,197,040**	4,445,836
Others	**202,405**	212,240
Total revenue	**5,399,445**	4,658,076
Timing of revenue recognition		
At a point in time	**5,196,208**	4,602,820
Over time	**203,237**	55,256
Total revenue	**5,399,445**	4,658,076

6. OTHER INCOME, GAINS AND LOSSES, NET

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
(a) Other income		
Government subsidies	**34,044**	61,624
Value added tax deduction and exemption	**13,831**	13,767
Debt restructuring (loss) gain	**(791)**	7,505
	47,084	82,896
(b) Other gains and losses, net		
Gains on disposal of financial assets at FVTPL	**25**	1,372
Losses on disposal of financial assets at FVTOCI	**(52)**	–
Dividend income from financial assets at FVTOCI	**1,161**	–
Change in fair value of financial assets at FVTPL	**444**	(4,498)
Gains on disposal of non-current assets	**17,255**	8,317
Net foreign exchange (losses) gains	**(500)**	932
Others	**704**	2,303
	19,037	8,426
	66,121	91,322

7. IMPAIRMENT LOSSES ON FINANCIAL ASSETS AND CONTRACTS ASSETS, NET OF REVERSAL

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Impairment losses recognised, net of reversal:		
– Trade and other receivables	**28,622**	36,113
– Contract assets	**11,982**	9,053
	40,604	45,166

8. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging (crediting):

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Staff costs (including Directors' and chief executive's emoluments)		
– Salaries, wages and other benefits	**422,285**	444,877
– Retirement benefits	**105,415**	93,287
	527,700	538,164
Depreciation and amortisation on:		
– Property, plant and equipment	**112,141**	100,086
– Right-of-use assets	**52,307**	51,777
– Intangible assets	**5,040**	10,083
– Investment properties	**3,215**	3,381
	172,703	165,327
Cost of sales	**4,635,017**	3,908,560
Including (reversals of write-down) write-down of inventories	**(7,934)**	19,989
Operating lease payments	**1,578**	4,305

9. INCOME TAX EXPENSES

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Current tax:		
– PRC enterprise income tax	**36,612**	28,937
Deferred taxation	**(4,695)**	(6,354)
	31,917	22,583

Subsidiaries established and operating in the PRC are subject to PRC enterprise income tax at the rate of 15% for the six months ended 30 June 2026 (six months ended 30 June 2025: 15%).

10. DIVIDENDS

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Dividends for ordinary shareholders of the Company recognised as distribution during the Period:		
2025 final dividend – RMB5.5 cents per share (six months ended 30 June 2025: 2024 final dividend – RMB3.5 cents per share)	**202,655**	128,962

11. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to owners of the Company is based on the following data:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Profit figures are calculated as follows:		
Profit for the Period attributable to the owners of the Company and earnings for the purpose of basic earnings per share	**577,446**	440,483
	(thousands of shares)	
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share	**3,684,640**	3,684,640

No diluted earnings per share for both periods were presented as there were no potential ordinary shares outstanding for both periods.

12. PROPERTY, PLANT AND EQUIPMENT

During the Period, the Group has additions of RMB56,393,000 (six months ended 30 June 2025: RMB123,504,000) on property, plant and equipment.

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	30 June 2026 *RMB'000*	31 December 2025 *RMB'000*
Investment in associates *(note (a))*	**1,043,772**	1,070,780
Investment in a joint venture *(note (b))*	**714,086**	725,198
At end of the period/year	**1,757,858**	1,795,978

Notes:

(a) Investment in associates

	30 June 2026 *RMB'000*	31 December 2025 *RMB'000*
At beginning of the period/year	**1,070,780**	949,623
Additions of associates	**–**	21,167
Share of profit	**118,966**	149,711
Dividend income	**(145,974)**	(49,721)
At end of the period/year	**1,043,772**	1,070,780

(b) Investment in a joint venture

	30 June 2026 *RMB'000*	31 December 2025 *RMB'000*
At beginning of the period/year	**725,198**	623,933
Share of profit	**402,456**	636,612
Dividend income	**(413,568)**	(535,347)
At end of the period/year	**714,086**	725,198

14. TRADE AND BILL RECEIVABLES

	Note	30 June 2026 RMB'000	31 December 2025 RMB'000
Trade receivables	(a)	**4,303,403**	3,537,482
Bill receivables	(b)	**149,303**	450,314
		4,452,706	3,987,796

(a) Trade receivables

	30 June 2026 RMB'000	31 December 2025 RMB'000
Trade receivables	**5,145,639**	4,345,908
Less: impairments	**(842,236)**	(808,426)
	4,303,403	3,537,482

The following is an ageing analysis of trade receivables presented based on revenue recognition date:

	30 June 2026 RMB'000	31 December 2025 RMB'000
Within one year	**3,248,845**	2,827,061
1 year to 2 years	**765,767**	560,307
2 years to 3 years	**312,966**	266,638
3 years to 4 years	**182,777**	125,219
4 years to 5 years	**99,710**	55,154
Over 5 years	**535,574**	511,529
	5,145,639	4,345,908

(b) Bill receivables

	30 June 2026 RMB'000	31 December 2025 RMB'000
Bill receivables – within one year	**150,534**	456,258
Less: impairments	**(1,231)**	(5,944)
	149,303	450,314

15. TRADE AND BILL PAYABLES

	Note	**30 June 2026** *RMB'000*	31 December 2025 *RMB'000*
Trade payables	*(a)*	**3,484,292**	3,199,278
Bill payables	*(b)*	**1,648,075**	1,233,897
		5,132,367	4,433,175

(a) Trade payables

	30 June 2026 *RMB'000*	31 December 2025 *RMB'000*
Trade payables	**3,484,292**	3,199,278

The following is an ageing analysis of trade payables:

	30 June 2026 *RMB'000*	31 December 2025 *RMB'000*
Within one year	**2,733,953**	2,719,057
1 year to 2 years	**446,151**	284,821
2 years to 3 years	**164,159**	78,299
Over 3 years	**140,029**	117,101
	3,484,292	3,199,278

(b) Bill payables

	30 June 2026 *RMB'000*	31 December 2025 *RMB'000*
Bill payables – within one year	**1,648,075**	1,233,897

16. SHARE CAPITAL

	Number of shares in thousand	Domestic shares in thousand	H shares in thousand	Total shares in thousand	Amount RMB'000
At 1 January 2025, 31 December 2025 and 30 June 2026	3,684,640	2,584,453	1,100,187	3,684,640	3,684,640
Issued and fully paid:					
Ordinary shares of RMB1.0 each					
At 1 January 2025, 31 December 2025 and 30 June 2026	3,684,640	2,584,453	1,100,187	3,684,640	3,684,640

17. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Material financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable inputs	Relationship of unobservable inputs for fair value
	30 June 2026 ***RMB'000***	31 December 2025 *RMB'000*				
Financial assets at FVTPL:						
Listed equity investments	**4,385**	5,242	Level 1	Quoted bid price in an active market	N/A	N/A
Debt instruments	**229,087**	279,367	Level 2	Quoted prices by the brokers	N/A	N/A
Wealth management products	**595,677**	197,294	Level 2	Quoted prices by the brokers	N/A	N/A
Financial assets at FVTOCI:						
Receivable financing	**948,489**	577,953	Level 3	Discounted cash flow method	N/A	N/A
Debt instruments	**69,867**	90,634	Level 2	Quoted prices by the brokers	N/A	N/A
Listed equity investments	**684,110**	380,769	Level 1	Quoted bid price in an active market	N/A	N/A

18. PLEDGE OF ASSETS

As at 30 June 2026, approximately RMB603.1 million of the Group's bank deposits was held with pledge or restriction for use (31 December 2025: approximately RMB622.9 million). In addition, certain bank borrowings of the Group were secured by the Group's certain land use rights, properties, plant and equipment, investment properties, and other assets of the Group. The net book value of collateral and pledged assets as at 30 June 2026 was approximately RMB62.7 million (31 December 2025: approximately RMB63.2 million). Restricted bill receivable of certain companies of the Group by pledging bills with banks and financial institutions amounted to approximately RMB33.3 million (31 December 2025: net carrying value of collateral and pledged assets of approximately RMBnil).

19. CAPITAL COMMITMENTS

Capital commitments contracted for at the end of the reporting period but not yet incurred and provided for are as follow:

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
Property, plant and equipment	**67,964**	42,477
Intangible assets	**504**	–
	68,468	42,477

20. EVENT AFTER REPORTING PERIOD

Deemed disposal of shareholding in a subsidiary

On 22 May 2026, the Company entered into a Capital Increase Agreement with its parent company, CQMEHG, its non-wholly owned subsidiary, Chongqing Chengfei New Materials Co., Ltd. ("**CCNM**"), Chongqing General Industry (Group) Co., Ltd. ("**Chongqing General Industry**") and Xizang Xuhuo Venture Capital Partnership (Limited Partnership)("**Xizang Xuhuo**"), pursuant to which, CQMEHG agreed to contribute RMB270 million in cash at RMB1.1929 per share to increase CCNM's registered capital, of which RMB226.34 million is used as the newly increased registered capital of CCNM, and RMB43.66 million is used as the capital reserve of CCNM.

As of 29 July 2026, the RMB270 million capital injection from CQMEHG was fully paid up and received. Prior to the capital increase, the Company holds 64.40% directly and 34.02% indirectly through Chongqing General Industry of equity interests in CCNM, representing an aggregate shareholding of 98.42% approximately. Upon completion of the capital increase, the Company holds 51.37% directly and 27.14% indirectly through Chongqing General Industry of equity interests in CCNM, representing an aggregate shareholding of 78.51% approximately. Accordingly, CCNM will continue to be controlling subsidiary of the Company and will continue to be included in the consolidated financial statements of the Company.

MANAGEMENT'S DISCUSSION AND ANALYSIS

BUSINESS PERFORMANCE

The table below sets forth the revenue, gross profit and segment results attributable to major business segments of the Group for the periods indicated:

	Revenue		**Gross Profit**		**Segment Results**	
	Period ended 30 June		**Period ended 30 June**		**Period ended 30 June**	
	2026	2025 (Restated)	**2026**	2025 (Restated)	**2026**	2025 (Restated)
	(RMB in millions, except for percentage)					
Clean energy equipment business						
General machinery *(Note 1)*	**1,092.6**	1,112.50	**231.8**	248.7	**63.1**	107.2
Wind power blades	**1,722.3**	1,295.90	**190.9**	157.1	**43.7**	28.2
Electrical wires and cables	**1,385.6**	1,149.20	**128.0**	145.3	**29.3**	30.8
Other products *(Note 2)*	**201.8**	180.70	**25.3**	30.4	**(4.6)**	9.0
Total	**4,402.3**	3,738.30	**576.0**	581.5	**131.5**	175.2
% of total	**81.5%**	80.3%	**75.3%**	77.6%	**21.5%**	36.7%
High-end smart equipment business						
Smart machine tools	**492.1**	435.20	**116.3**	93.3	**25.8**	(21.5)
Intelligent manufacturing	**206.3**	265.30	**14.0**	32.5	**(31.0)**	(15.7)
Other products *(Note 2)*	**252.5**	180.30	**25.5**	19.0	**1.3**	0.2
Total	**950.9**	880.80	**155.8**	144.8	**(3.9)**	(37.0)
% of total	**17.6%**	18.9%	**20.4%**	19.3%	**(0.6%)**	(7.7%)
Industrial services business						
Financial	**39.5**	28.20	**29.9**	21.50	**24.5**	14.9
Other services	**0.3**	3.70	**0.3**	0.30	**0.3**	(3.0)
Total	**39.8**	31.90	**30.2**	21.8	**24.8**	11.9
% of total	**0.7%**	0.7%	**4.0%**	2.9%	**4.0%**	2.5%
Headquarters						
Total	**6.4**	7.10	**2.4**	1.4	**460.6**	327.6
% of total	**0.2%**	0.1%	**0.3%**	0.2%	**75.1%**	68.5%
Total	**5,399.4**	4,658.1	**764.4**	749.5	**613.0**	477.7

Note 1 — The Group included the industrial pumps and gas compressors businesses in general machinery business according to the principle of combination of similar categories.

Note 2 — The Group grouped hydroelectric generation equipment, oil and gas, and steering systems businesses into other products.

BUSINESS REVIEW AND OUTLOOK

CLEAN ENERGY EQUIPMENT (BUSINESSES INCLUDING WIND POWER BLADES, ELECTRICAL WIRES AND CABLES AND MATERIALS, INDUSTRIAL PUMPS, INDUSTRY BLOWERS, GAS COMPRESSORS, HYDROELECTRIC GENERATION EQUIPMENT AND OIL AND GAS SERVICE, ETC.)

In the first half of 2026, the Group's clean energy equipment segment seized market opportunities, demonstrating strong business performance. Among them, the wind power blade business continuously enhanced output capacity and quality stability, with the binding effect of strategic customers being significant and market share steadily increasing; the electrical wires and cables and materials business continued to deeply cultivate the core power sector, successfully entering the two major State Grid core regional markets in East China and North China, and securing orders of over RMB200 million from provincial grid companies; the industrial pump business continued to explore new markets and products, successfully achieving breakthroughs in the order placement for diaphragm pumps in urea units and the first contract order for CO2 pumps; the refrigeration compressor business focused on the core tracks of coal chemical industry and petroleum refining, securing major benchmark projects such as Yulong Petrochemical and Shaanxi Coal New Materials, and achieving orders of RMB56 million; the gas compressor business expanded into the oil and gas service sector, created a new business model, and achieved general contracting business orders of RMB290 million; the hydroelectric equipment business continued to deeply cultivate countries along the overseas "Belt and Road", added two new country markets namely Uzbekistan and Indonesia, and steadily expanded its overseas market footprint.

In the first half of the year, except for the industry blower business, which experienced a year-on-year decline due to orders and deliveries falling short of expectations and the industrial pump sector was impacted by project delays, all other subsidiaries achieved favorable growth compared to the same period last year. The overall operating income of this segment reached approximately RMB4,402.3 million, representing an increase of approximately 17.8% year-on-year.

During the Period, the gross profit of the clean energy equipment operating segment was approximately RMB576.0 million, representing a decrease of approximately RMB5.5 million or approximately 0.9% as compared with approximately RMB581.5 million for the same period of last year, which was mainly due to the sales growth of low-margin copper busbar and electromagnetic wire businesses within the electrical wires and cables segment dragging down the overall gross profit level, as well as the significant decline in gross profit of the general machinery segment as a result of intensified market competition. As of 30 June 2026, the profit of the clean energy equipment operating segment was approximately RMB131.5 million, representing a decrease of approximately RMB43.7 million or approximately 24.9% as compared with approximately RMB175.2 million for the same period of last year, which was mainly due to the phased losses arising from delayed deliveries of certain products of the hydroelectric generation equipment business as affected by customers, the decrease in gross profit of the electrical wires and cables segment, and the significant decline in gross profit of the gas compressor business resulting in losses.

In the first half of the year, the lead-bismuth main pump for the fourth-generation nuclear power in the industrial pump business segment was delivered to the customer and successfully operated for over 2,000 hours, with core technical indicators reaching the international leading level. Five types of new products–including the 25MPa high-pressure ore slurry diaphragm pump, the high-pressure coal slurry feed pump for four-nozzle gasifiers, the high-temperature catalyst conveying oil pump, the CAP make-up water pump, and the CAP1400 normal residual heat removal pump–passed the scientific and technological achievement appraisal by the China General Machinery Industry Association. The independently developed intelligent-controlled hydraulic diaphragm pump filled a domestic gap with core indicators such as maximum domestic flow rate and highest pressure, and was selected into the municipal catalog for the promotion and application of first set (piece) of major technical equipment. In the gas compressor business segment, the core main engine manufacturing and assembly of the 35-70MPa high-flow natural gas compressor was completed, the prototype development of the CO2 heat pump compressor was completed, the hydrogen refueling station complete set of equipment was put into normal operation, and the R&D of hydrogen storage, transportation and refueling equipment progressed normally. In the centrifuge business segment, the reliability test of the magnetic levitation refrigeration unit was completed. In the electrical wire and cable business segment, the conductor trial production for the electromagnetic wire series products was completed. In the hydroelectric business segment, the prototype control system R&D and debugging for the compact and integrated hydro-turbine generator unit were completed.

In the second half of the year, the wind power blade business will accelerate the batch production of the new base production lines, continuously optimize product structures and improve output efficiency based on customer load requirements, and accelerate the decision-making and optimization of construction plans for offshore wind power bases; the electrical wires and cables and materials business will continue to focus on key areas such as electric power, engineering, and high-speed railways, and deepen cooperation with core customers such as State Grid, China Southern Power Grid, Tokyo Electric Power Company, and Harbin Electric Corporation, while advancing the construction of the phase II electromagnetic wire project to forge a brand new growth pole; the industrial pump business will rely on high R&D capabilities to continue deeply cultivating traditional advantageous fields such as mining and metallurgy, nuclear power, and offshore oil, consolidate its core competitiveness, actively expand into emerging markets such as powder metallurgy high-pressure water systems and chemical process pumps, and accelerate the cultivation of new growth points; the industrial blower business will focus on tackling overseas markets to form incremental support, and make all-out efforts to build new second-curve businesses such as magnetic levitation water chillers and heat pumps; the gas compressor business will continuously strengthen R&D and application capabilities for new products, accelerate the transformation of CO_2 heat pump technical achievements, actively seek matching application scenarios, and promote market-oriented application as soon as possible; the hydroelectric equipment business will continue to deeply explore high-quality overseas projects and the industrial service market, increase its share in the after-service market, and continuously improve gross profit levels. It is expected that this segment will achieve steady growth throughout the year.

Additionally, Chongqing Cummins Engine Co., Ltd. ("**Chongqing Cummins**"), a joint venture of the Company, specializes in producing high-horsepower diesel engines. In the first half of the year, Chongqing Cummins precisely implemented the market strategy of "regional cultivation + industry customization + channel empowerment", launching high-efficiency and energy-saving power generation solutions tailored to different scenarios, with its power generation and data center markets continuing to lead the industry. It gained high recognition in segmented fields such as domestic mobile power supply vehicles and high-altitude construction, and secured bulk orders in overseas rental power stations and peak-load shifting power station businesses. Data center products achieved localized rapid development and delivery, with delivery volume reaching a record high in the first half of the year. In terms of the industrial market, strategic cooperation with key customers was continuously deepened; the K50 marine engine made its appearance at the Asia Pacific Maritime exhibition in Singapore, receiving widespread attention from overseas customers; breakthroughs were achieved in oil and gas fields and data centers for methanol engines, with some units delivered and put into operation, assisting the industry in carbon reduction and efficiency enhancement; and the first domestically produced QSK60 mining engine was delivered, filling the domestic blank in the local manufacturing of high-end mining engines. Driven by multiple factors combined, Chongqing Cummins over-achieved its targets for the first half of the year, with revenue increasing by 28.2% year-on-year, and investment income amounted to RMB402.5 million, representing a year-on-year increase of 22.3%.

Chongqing Hitachi Energy Transformer Co., Ltd. ("**Chongqing Hitachi Energy**"), an associate of the Company, is principally engaged in the production of power transformers, reactors and ultra-high-voltage DC converter transformers. Chongqing Hitachi Energy is one of Hitachi Energy's largest transformer manufacturing bases worldwide. Chongqing Hitachi Energy relocated to its new site in 2023, and the third-phase expansion is expected to be basically completed within the year, while a new expansion plan is under intensive planning. While meeting the demand of the Chinese market, it also supports key power projects under the global energy transition, with products exported to 36 overseas markets including Singapore, Australia, Saudi Arabia, the UAE and South Africa, and will attempt to enter regions with relatively dense power demand for AI data centers. In the first half of the year, it successfully secured major order projects from countries such as Uganda and Australia, and major overseas projects in the UAE, South Africa and Finland underwent centralized acceptance. The prototype of the world's first 765kV natural-ester-oil transformer passed tests in a single attempt, representing the highest-voltage product of its kind globally. It provides an environmentally friendly, safe and reliable solution for the high-voltage AC transmission field, sets an industry benchmark, and is currently participating in the preliminary work of ester oil projects in Beijing and Zhejiang. It successfully developed the world's largest-capacity 800kV flexible DC transformer at the high-voltage end of the Gansu-Zhejiang receiving station, establishing its market leadership. In the first half of the year, Chongqing Hitachi Energy achieved favorable growth, with revenue increasing by 7.9% year-on-year and investment income reaching RMB93.4 million, representing a year-on-year increase of 97.7%.

EXTERNAL OPPORTUNITIES

Looking forward to the second half of 2026, the Group is faced with multiple structural opportunities, and its development momentum continues to build up:

(I) Release of Policy Dividends, Achieving Dual Breakthroughs in Stock Upgrading and Increment Expansion

Policies such as the Work Plan for Stabilizing Growth in the Machinery Industry (2025–2026) and the Work Plan for Stabilizing Growth in the Power Equipment Industry (2025–2026) have entered the stage of thorough implementation, explicitly promoting the digital and green transformation of the power equipment industry and striving to maintain an average annual operating revenue growth rate of about 6% for traditional power equipment. Funds from ultra-long-term special treasury bonds will precisely support the renewal of energy and power equipment, driving the traditional manufacturing industry to accelerate its transformation toward high-end, intelligent and green development and achieving dual breakthroughs of "stock upgrading + increment expansion". In the first half of the year, the added value of the equipment industry increased by 6.4% year-on-year. The policy direction is highly aligned with the Group's strategic layout in areas such as power transmission and transformation, smart power distribution, and new energy equipment, providing solid support for the Group's business expansion.

(II) "Computing-Power-Electricity Synergy" Elevated to a National Strategy, Spurring Structural Increments

"Computing-power-electricity synergy" was written into the government work report for the first time in 2026 and incorporated into the outline of the "Fifteenth Five-Year Plan". Four national departments jointly issued an action plan to coordinate the planning and layout of large-scale new energy bases and national computing power hubs. The explosive growth in computing power demand from AI data centers is expected to drive annual power consumption of data centers from 170 billion kWh in 2025 to nearly 1 trillion kWh by 2030, bringing clear incremental space for the Group's business expansion in areas such as data center power supply systems and smart grid equipment.

(III) Accelerated Expansion in Overseas Markets, Strong Infrastructure Demand under the "Belt and Road"

The infrastructure development index of countries jointly building the "Belt and Road" continues to grow, infrastructure demand in regions such as Southeast Asia and Central Asia is heating up, and low-carbon projects such as wind-solar-storage integration and green hydrogen production are being accelerated. The plan explicitly calls for expanding full-industry-chain cooperation with emerging market countries in areas such as wind power, photovoltaics, and energy storage. In the first half of the year, exports of wind turbine generators and lithium batteries increased by 35.6% and 37.6% year-on-year, respectively. Leveraging the Group's comprehensive capabilities in areas such as smart grid equipment and wind-solar-storage system integration, it is expected to drive the export business to achieve double-digit growth.

(IV) Upgraded Regional Coordination, Manifestation of the Sichuan-Chongqing Industrial Cluster Effect

The Sichuan-Chongqing world-class equipment manufacturing industry cluster is undergoing coordinated upgrading, and Chongqing's "Fifteenth Five-Year Plan" has explicitly set out the goal of building a strong manufacturing city and promoting the digital and intelligent transformation of the equipment manufacturing industry. The plan proposes to support advanced manufacturing clusters in the power equipment field in accelerating their march toward a world-class level, and regional policies will provide a favorable industrial ecosystem for the Group in areas such as R&D and manufacturing of high-end power equipment and localized supporting services.

(V) Prominent Defensive Value of HALO Assets

The Group's power equipment-related businesses exhibit typical "Heavy Asset, Low Obsolescence" (HALO) characteristics, enjoying a certainty premium in the current market environment, and their defensive value is becoming increasingly prominent. Leveraging the Group's full industrial-chain equipment for "power generation, transmission and distribution" and its "equipment + service" system solutions, the Group is expected to further promote technological breakthroughs and import substitution for key products, driving healthy growth in this segment's full-year performance.

RESPONSE TO RISK

The Group anticipates that the "involution-style" competition in related industries will continue into the second half of 2026, with gross margins remaining under pressure. The Group will steadily improve profitability through optimizing market strategies (focusing on high-margin sub-segments and strengthening deep engagement with major customers) and escalating internal lean improvements (focusing on process and workflow optimization). Geopolitical conflicts and exchange-rate fluctuations may continue to pose potential risks to overseas markets. The Group will focus on key countries with favorable policies and stable demand, and cultivate customer resources; it will also flexibly deploy financial instruments such as forward foreign exchange contracts, plan cross-border settlement cycles and currencies appropriately, and hedge against exchange-rate volatility. At the same time, the Group will implement dynamic credit rating management, strengthen accounts receivable period control, and continuously optimize cash flow management.

To sum up, the Group will grasp opportunities and prudently respond to challenges at the same time, and strive to achieve continuous and favorable growth in 2026.

HIGH-END SMART EQUIPMENT (BUSINESSES INCLUDING SMART MACHINE TOOLS, SMART SYSTEM INTEGRATION AND SMART ELECTRONICS, ETC.)

In the first half of the year, the machine tool segment of the Group's subsidiary, PTG in the UK, showed a significant recovery with sufficient orders on hand. Through strengthening internal cost and expense control, the gross profit margin increased and operational losses were substantially reduced; the smart equipment system integration business experienced performance and operational efficiency falling short of expectations due to project delays for certain projects, while the smart electronics business was affected by strategic adjustments of major clients and project delays. However, the high-end CNC machine tool business improved its product portfolio and established a layered product matrix in the first half of the year, seizing growth opportunities in high-end fields such as new energy vehicle reducers, industrial robots, and wind turbine main gearboxes. Products such as high-precision grinding machines, high-speed dry-cutting hobbing machines, and power skiving machines achieved growth, leading to a favorable improvement in operational profits and driving the overall segment to achieve operating revenue of approximately RMB950.9 million, representing a year-on-year increase of approximately 8.0%.

During the Period, the gross profit of the high-end smart equipment operating segment was approximately RMB155.8 million, representing an increase of approximately RMB11.0 million or 7.6% as compared with approximately RMB144.8 million for the same period of last year. For the six months ended 30 June 2026, the loss of the high-end smart equipment operating segment was approximately RMB3.9 million, compared to a loss of approximately RMB37.0 million in the same period of last year, representing a substantial decrease in losses. This was primarily due to the recovery of the PTG business which narrowed the loss margin during the Period, as well as a substantial increase in the profitability of the smart machine tool business.

In the first half of the year, the CNC machine tool business completed the assembly and commissioning of the YD3603 horizontal hobbing machine and the YT7226GH high-precision grinding machine, which successfully participated in the Shanghai International Machine Tool Exhibition; the precision power skiving machine completed the design and prototype trial production of large-specification products; the jointly tackled project "Key Technologies and Equipment for Design and Manufacturing of High-Performance Worm and Worm Gear Drives under Heavy-Duty and Complex Working Conditions" won the second prize of the National State Technology Invention Award; and the prototype design for large-specification profile grinding machines and worm wheel grinding machines was completed.

In the second half of the year, the Group's CNC machine tool business will further consolidate technological innovation, develop platform-level products, and complete the design and trial production of new products such as large-specification compound grinding machines and turning-honing compound machine tools. It will promote deep cooperation with industry-leading enterprises such as China National Heavy Duty Truck Group, BYD, Xi'an Hande Axle, Suzhou Inovance (or Lukong Transmission), and Shantui Group, while accelerating the implementation of national/municipal key projects such as Zhejiang Minghua, Zhejiang Shuanghuan, and Chongqing Landai. The overseas PTG company will continue to step up market expansion efforts, deepen cooperation in key areas and with key customers, and achieve new breakthroughs in machine tool orders. Adhering to innovation-driven leadership, the smart equipment system integration business will deeply cultivate leading major customers, focus on core enterprises such as China Coal Technology and Engineering Group and Ningxia Orient Tantalum Industry, target niche tracks such as carbon-based packaging materials and biomass extraction, and strive to build replicable and promotable modular technical solutions, standardized products, and benchmark cases, thereby constructing a sustainable new growth engine. It is expected that this segment will maintain steady growth throughout the year.

EXTERNAL OPPORTUNITIES

Looking forward to the second half of the year, as investment in the national intelligent manufacturing field continues to increase and ultra-long-term special government bonds precisely empower the upgrading of the manufacturing industry, the Ministry of Industry and Information Technology of China has clearly emphasized further strengthening the comprehensive remediation of "involution-style" competition, while coordinating the promotion of the planning and construction of a new generation of communication networks and developing the application of "Artificial Intelligence +". At the same time, Chongqing City's "Fifteenth Five-Year Plan" focuses on the development of intelligent manufacturing, with major technological transformation and upgrading and large-scale equipment renewal projects advancing in depth. The industrial machine tool market is expected to usher in a period of accelerated recovery and high-end upgrading opportunities. In the first half of the year, the added value of the equipment industry increased by 6.4% year-on-year, accounting for 20% of the industries above designated size and contributing 23.5% to the growth of added value of industries above designated size. The export delivery value of the equipment industry increased by 18.2% year-on-year, and policy dividends are accelerating their transmission to the real manufacturing industry, creating a favorable external environment for the expansion of the Group's industrial machine tool-related businesses.

STRENGTHS AND MEASURES OF THE COMPANY

The Group, leveraging its industrial layout in Chongqing, has strong industrial chain integration and resource synergy capabilities in high-end intelligent equipment, can deeply align with Chongqing's "four-chain" integration and the "industrial brain + future factory" construction deployments, intensify strategic cooperation with high-quality enterprises in the region, build a closed-loop and complete industrial chain ecosystem, and continuously enhance industry concentration and overall core competitiveness.

R&D DRIVE AND RESPONSE TO RISK

The Group's research and development ("R&D") investment intensity remains above 5%, continuously increasing the R&D empowerment of new technologies and new products, promoting the deep integration of technology R&D and market expansion, and achieving multiple focuses on industry application, talent cultivation, and incentive mechanisms. In terms of risk response, the Group will closely monitor the impact of fluctuations in fixed asset investment in downstream industries on the demand for industrial machine tools, dynamically adjust product structures and production scheduling plans, and reduce the risk of market demand mismatch; it will continue to track the stability of the import supply chain for key components, and accelerate the construction of independent supporting capabilities for core functional parts to address supply chain risks brought about uncertainties in the external environment. At the same time, the Group will actively connect with national major technological transformation and upgrading projects, and enhance the market recognition and customer stickiness of domestically produced high-end industrial machine tools through participating in standard setting and establishing demonstration application scenarios, thereby further consolidating its market position.

To sum up, the Group will closely seize the opportunities of intelligent manufacturing upgrade, leverage the collaborative advantages of the regional industrial chain, strengthen R&D drive and risk prevention and control, and strive to achieve favorable growth for this segment throughout 2026.

INDUSTRIAL SERVICES BUSINESS

In the first half of the year, the operating revenue of the industrial services operating segment was approximately RMB39.8 million, representing an increase of approximately RMB7.9 million as compared with approximately RMB31.9 million for the same period of last year.

During the Period, the gross profit of the industrial services operating segment was approximately RMB30.2 million, representing an increase of approximately RMB8.4 million or approximately 38.5% as compared with approximately RMB21.8 million for the same period of last year. For the six months ended 30 June 2026, the results of the industrial services operating segment were approximately RMB24.8 million, representing an increase of approximately RMB12.9 million or approximately 108.4% as compared with approximately RMB11.9 million for the same period of last year, which was mainly due to changes in the structure of the financial business. It is expected that this segment will remain basically unchanged year-on-year for the whole year.

In the first half of the year, the construction of “digital electromechanical” systems was continuously promoted. Uniformly built systems such as investment, assets, HR, and ERP achieved normalized and compliant operation, with stable performance across all systems. The economic operation analysis system established six core modules, enabling precise control over the operating progress of the Company and all levels of its subsidiaries. The marketing collaboration platform completed enterprise personalized configuration, with core functions online and under trial operation. The data middle platform supported the ingestion of ERP data into the data lake and continued to carry out structured governance. The simulation design platform and IoT platform continued to be optimized and operated. The electromechanical intelligent agent completed development, deployment, and small-scale trial operation.

Looking forward to the second half of the year, for the financial business, we will strengthen financial services and improve the efficiency of capital utilization. According to the unified deployment of the parent group, the intelligent procurement platform of the centralized procurement business will be integrated with other business segments of the parent group, further releasing procurement synergies and amplifying scale advantages, continuously empowering the procurement work of the Group’s subsidiaries and providing stable and reliable service support. It is expected that the annual performance of this segment will remain stable.

RESULTS OVERVIEW

SALES

For the six months ended 30 June 2026, the Group’s total revenue amounted to approximately RMB5,399.4 million, representing an increase of approximately 15.9% as compared with approximately RMB4,658.1 million for the same period of last year.

In general, revenue of the clean energy equipment segment was approximately RMB4,402.3 million (accounting for approximately 81.5% of the total revenue), representing an increase of approximately 17.8%; revenue of the high-end smart manufacturing segment was approximately RMB950.9 million (accounting for approximately 17.6% of the total revenue), representing an increase of approximately 8.0%; revenue of the industrial service segment was approximately RMB39.8 million (accounting for approximately 0.7% of the total revenue), representing an increase of approximately 24.8%.

During the Period, the sales revenue of main business segments showed steady growth. It is expected that the overall sales revenue of the Group for the whole year of 2026 will achieve a steady growth.

There has been no significant change in the possible future development of the Group’s business and the Group’s outlook for the financial year of 2026 since the publication of the Group’s annual report for the year ended 31 December 2025.

GROSS PROFIT

The gross profit for the six months ended 30 June 2026 was approximately RMB764.4 million, showing a slight increase of approximately RMB14.9 million or approximately 2.0% as compared with approximately RMB749.5 million for the same period of last year. The Group's gross profit is expected to maintain stable growth in the second half of 2026.

OTHER INCOME, GAINS AND LOSSES, NET

Other income, gains and losses, net for the six months ended 30 June 2026 were approximately RMB66.1 million, representing a decrease of approximately RMB25.2 million, or approximately 27.6%, compared with approximately RMB91.3 million for the same period in 2025, which was mainly attributable to a substantial reduction of approximately RMB27.6 million in government subsidies, which was partially offset by gains from asset disposals of approximately RMB17.3 million during the Period, representing a year-on-year increase of approximately RMB8.9 million. Relevant details are set out in Note 6 to the Condensed Consolidated Interim Financial Information.

SALES AND ADMINISTRATIVE EXPENSES

The sales and administrative expenses for the six months ended 30 June 2026 were approximately RMB409.8 million, showing a decrease of approximately RMB9.6 million or approximately 2.3% as compared with approximately RMB419.4 million for the same period of last year. The ratio of sales and administrative expenses to sales decreased from approximately 9.0% in the same period last year to approximately 7.6%, mainly due to an increase in revenue. Selling expenses decreased by approximately RMB3.1 million year-on-year, and administrative expenses decreased by approximately RMB6.5 million year-on-year.

NET FINANCE COSTS

The net interest expenses for the six months ended 30 June 2026 were approximately RMB30.5 million, representing a slight increase of approximately RMB0.5 million or approximately 1.7% as compared with approximately RMB30.0 million for the same period of last year.

OPERATING PROFIT

The operating profit for the six months ended 30 June 2026 was approximately RMB122.0 million, showing an increase of approximately RMB3.4 million or approximately 2.8% as compared with approximately RMB118.6 million for the same period of last year, mainly due to an increase of both the revenue as well as the gross profit.

INCOME TAX EXPENSES

The income tax expenses for the six months ended 30 June 2026 were approximately RMB31.9 million, representing an increase of approximately RMB9.3 million as compared with approximately RMB22.6 million for the same period of last year, which was mainly due to the increase in taxable income.

PROFIT ATTRIBUTABLE TO SHAREHOLDERS

Profit attributable to Shareholders for the Period was approximately RMB577.4 million, representing an increase of approximately RMB136.9 million or approximately 31.1% as compared with approximately RMB440.5 million for the same period of last year, which was mainly attributable to a substantial increase of approximately 34% in investment income as compared with the same period of last year. Earnings per share increased from approximately RMB0.12 in the same period last year to approximately RMB0.16 in the Period.

SECURED ASSETS

As at 30 June 2026, approximately RMB603.1 million of the Group's bank deposits were pledged or subject to restrictions for use (31 December 2025: approximately RMB622.9 million). In addition, certain bank borrowings of the Group were secured by certain time deposits, land use rights, properties, plants and equipment, investment properties and other assets of the Group, with the net carrying value of the collateral and pledged assets amounting to approximately RMB62.7 million as at 30 June 2026 (net carrying value of collateral and pledged assets as at 31 December 2025: approximately RMB63.2 million). Restricted bill receivable of certain companies of the Group by pledging bills with banks and financial institutions amounted to approximately RMB33.3 million (31 December 2025: net carrying value of collateral and pledged assets of approximately RMBnil).

CASH FLOW

As at 30 June 2026, the cash and bank deposits (including restricted cash) of the Group amounted to approximately RMB2,783.7 million in total (31 December 2025: approximately RMB3,083.4 million), representing a decrease of approximately RMB299.7 million or approximately 9.7%, which was mainly due to the repayment of bank loan in maturity.

During the Period, the Group recorded net cash outflow operating activities of approximately RMB11.8 million (net cash used in operating activities of approximately RMB516.6 million for the same period of last year), net cash generated from investing activities of approximately RMB130.1 million (net cash generated from investing activities of approximately RMB151.5 million for the same period of last year), and net cash used in financing activities of approximately RMB400.5 million (net cash generated from financing activities of approximately RMB66.0 million for the same period of last year).

TRADE AND BILL RECEIVABLES

As at 30 June 2026, the total trade and bill receivables of the Group amounted to approximately RMB4,452.7 million, representing an increase of approximately RMB464.9 million as compared with approximately RMB3,987.8 million as at 31 December 2025, which was mainly due to an increase of approximately RMB356.3 million in the wind power blade business, an increase of approximately RMB120.9 million in the wire and cable business, and a decrease of approximately RMB0.45 million in the hydropower business. Detailed ageing analysis regarding trade and bill receivables is set out in Note 14 to the Interim Condensed Consolidated Financial Information.

TRADE AND BILL PAYABLES

As at 30 June 2026, the total trade and bill payables of the Group amounted to approximately RMB5,132.4 million, representing an increase of approximately RMB699.2 million as compared with approximately RMB4,433.2 million as at 31 December 2025, which was mainly due to an increase of approximately RMB474.4 million in the wind power blade business, an increase of approximately RMB53.7 million in the general machinery business and an increase of approximately RMB34.3 million in the electrical wires and cables business. Detailed ageing analysis regarding trade and bill payables are set out in Note 15 to the Interim Condensed Consolidated Financial Information.

ASSETS AND LIABILITIES

As at 30 June 2026, the total assets of the Group amounted to approximately RMB21,792.4 million, representing an increase of approximately RMB1,875.1 million as compared with approximately RMB19,917.3 million as at 31 December 2025. Total current assets amounted to approximately RMB14,471.3 million, representing an increase of approximately RMB1,646.8 million as compared with approximately RMB12,824.5 million as at 31 December 2025, accounting for approximately 66.4% of total assets (31 December 2025: approximately 64.4%).

As at 30 June 2026, the total liabilities of the Group amounted to approximately RMB11,880.9 million, representing an increase of approximately RMB1,235.4 million as compared with approximately RMB10,645.5 million as at 31 December 2025. Total current liabilities were approximately RMB10,699.6 million, representing an increase of approximately RMB933.4 million as compared with approximately RMB9,766.2 million as at 31 December 2025, accounting for approximately 90.1% of the total liabilities (31 December 2025: approximately 91.7%).

As at 30 June 2026, the net current assets of the Group were approximately RMB3,771.7 million, representing an increase of approximately RMB713.4 million as compared with approximately RMB3,058.3 million as at 31 December 2025.

CURRENT RATIO

As at 30 June 2026, the current ratio (the ratio of current assets to current liabilities) of the Group was 1.35:1 (31 December 2025: 1.31:1).

GEARING RATIO

As at 30 June 2026, the gearing ratio of the Group, calculated as borrowings divided by total capital, was 15.9% (31 December 2025: 19.6%).

INDEBTEDNESS

As at 30 June 2026, the Group had total bank and other borrowings of approximately RMB1,875.1 million, representing a decrease of approximately RMB384.1 million as compared with approximately RMB2,259.2 million as at 31 December 2025.

Borrowings repayable within one year by the Group were approximately RMB1,430.4 million, representing a decrease of approximately RMB523.0 million as compared with approximately RMB1,953.4 million as at 31 December 2025. Borrowings repayable after one year were approximately RMB444.7 million, representing an increase of approximately RMB138.9 million as compared with approximately RMB305.8 million as at 31 December 2025.

SIGNIFICANT EVENTS

Events in the Period

During the Period, the Company had no significant discloseable events.

SUBSEQUENT EVENTS

(I) Change of Applicable Accounting Standards of the Company and Amendments to the Articles of Association

The Company convened the first extraordinary general meeting for 2026 on 23 July 2026 to consider and approve the change of the applicable accounting standards of the Company and the amendments to the Articles of Association. Commencing from the review of the interim results announcement for the six months ended 30 June 2026, the results of the Company will be prepared in accordance with Hong Kong Financial Reporting Standards.

In view of the above change in the applicable accounting standards of the Company, the Company has amended the Articles of Association, the contents of which include the corresponding provisions regarding the change of the applicable accounting standards of the Company and financial reporting. For more details, please refer to the Company's announcement dated 8 July 2026 and circular dated 8 July 2026, which were published on the HKEXnews website of the Stock Exchange (www.hkexnews.hk).

(II) Connected Transaction

Capital Increase Agreement

On 22 May 2026, CQMEHG, the Company, CCNM ("**Target Company**") (a non-wholly-owned subsidiary of the Company), Chongqing General Industry and Xizang Xuhuo entered into the Capital Increase Agreement, pursuant to which the CQMEHG agreed to make a capital contribution for a consideration of RMB270 million at a price of RMB1.1929 per share payable in cash to the Target Company, of which RMB226.34 million is used as the newly increased registered capital of the Target Company, and RMB43.66 million is used as the capital reserve of the Target Company.

For more details, please refer to the Company's announcement dated 22 May 2026 and circular dated 8 July 2026, which were published on the HKEXnews website of the Stock Exchange (www.hkexnews.hk).

Save as disclosed above, the Group did not have any significant events subsequent to the Period.

CONTINGENT LIABILITIES

As at 30 June 2026, the Group had no significant contingent liabilities.

CAPITAL COMMITMENTS

As at 30 June 2026, the Group's total capital commitments amounted to approximately RMB68.5 million (31 December 2025: approximately RMB42.5 million).

CAPITAL EXPENDITURE

During the Period, the total capital expenditure of the Group was approximately RMB70.6 million, which was principally used for plant expansion, improvement of production technology, upgrade of production equipment and capacity enhancement (for the six months ended 30 June 2025: approximately RMB239.8 million).

TREASURY POLICIES

The Group has adopted treasury policies, which concentrate the financial resources available to its different subsidiaries to meet the business needs of its different subsidiaries through the subsidiaries involved with financial services qualifications of the Group. For example, the Group has adopted a centralised approach in managing the funds available to subsidiaries involved, including cash, bank deposits, bills and other financial instruments. These assets, such as bills and financial instruments, are managed and arranged as short-term financing amongst subsidiaries with financial services qualifications of the Group through proper endorsements or transfers so that they can be fully utilized to meet payment obligations of the Group's relevant subsidiaries with minimal financing cost. The Group closely monitors the level of use and the financial guarantees given by the Group at the time of financing and the value of each of the relevant transactions only represents an immaterial part of its total assets and business.

Chongqing Machinery & Electric Holding Group Finance Co., Ltd., a subsidiary of the Group, provides financial services and establishes and improves risk management, loan impairment and credit approval policies, the contents of which are set out in the relevant supplemental announcement dated 10 October 2023.

RISK OF FOREIGN EXCHANGE

The Group is exposed to foreign exchange risk arising from various currencies, primarily with respect to the HKD, GBP and US dollar. Foreign exchange risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Group's functional currency. Management has set up a management system of foreign exchange hedges, requiring all subsidiaries of the Group to manage the foreign exchange risk against their functional currency and adopt foreign exchange tools recognized by the Group.

EMPLOYEES

As at 30 June 2026, the Group had a total of 6,056 employees (30 June 2025: a total of 6,188 employees). The Group will continue to upgrade its technical talent base, foster and recruit technical and management personnel possessed with extensive professional experiences, optimize the distribution system that links with remuneration and performance reviews, improve training supervision on safety so as to ensure employees' safety and maintain good and harmonious employee-employer relations.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2026, so far as the Directors are aware, the following persons (not being a Director or chief executive of the Company) had interests in the shares of the Company as recorded in the register required to be kept under section 336 of the Securities and Futures Ordinance ("**SFO**"):

Long positions in domestic shares of the Company with a par value of RMB1.00 each

Name of Shareholders	Number of shares	Stock category	Status	*Notes*	Percentage of total issued domestic shares *(%)*	Percentage of total issued H shares *(%)*	Percentage of total issued shares *(%)*
Chongqing Machinery and Electronic Holding (Group) Co., Ltd	2,156,357,703	Domestic shares	Beneficial owner	*(1)*	83.44(L)	–	58.52
	92,670,000	H shares	Beneficial owner	*(1)*	–	8.42(L)	2.52
Chongqing Yufu Holding Group Co., Ltd	232,132,514	Domestic shares	Beneficial owner	*(1)*	8.98(L)	–	6.30
China CITIC Financial Asset Management Co., Ltd.	195,962,467	Domestic shares	Beneficial owner	*(2)*	7.58(L)	–	5.32
Chongqing State-owned Assets Supervision and Administration Commission	2,388,490,217	Domestic shares	Controlled corporation interest	*(1)*	92.42(L)	–	64.82
	92,670,000	H shares	Beneficial owner	*(1)*	–	8.42(L)	2.52
Ministry of Finance of the PRC	195,962,467	Domestic shares	Controlled corporation interest	*(2)*	7.58(L)	–	5.32

(L) Long Position

Notes:

(1) As Chongqing Machinery and Electronics Holding (Group) Co., Ltd. and Chongqing Yufu Holding Group Co., Ltd. are wholly owned by the State-owned Assets Supervision and Administration Commission of Chongqing, the State-owned Assets Supervision and Administration Commission of Chongqing is deemed to be interested in 2,156,357,703 domestic shares, 92,670,000 H shares and 232,132,514 domestic shares of the Company held by the two companies respectively.

(2) China CITIC Financial Asset Management Co., Ltd. is held as to 63.36% directly by the Ministry of Finance of the People's Republic of China and as to 4.22% indirectly by the Ministry of Finance of the People's Republic of China through its wholly-owned subsidiary, China Life Insurance (Group) Company. Therefore, the Ministry of Finance of the People's Republic of China is deemed to be interested in 195,962,467 domestic shares of the Company held by China CITIC Financial Asset Management Co., Ltd.

Save as disclosed above, the Directors are not aware of any persons holding any interests or short positions in the shares or underlying shares which were required to be recorded in the register pursuant to Section 336 of the SFO as at 30 June 2026.

INTERESTS OF THE DIRECTORS AND CHIEF EXECUTIVE IN THE SHARES AND UNDERLYING SHARES

As at 30 June 2026, so far as the Directors are aware, none of the Directors, chief executive or supervisors of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the directors or chief executive were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code set out in Appendix C3 of the Stock Exchange Listing Rules.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

During the Period, the Company has adopted and complied with the code provisions under the Corporate Governance Code set out in the Appendix C1 to the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has complied with the Model Code for Securities Transactions by Directors of Listed Companies (the "**Model Code**") set out in Appendix C3 to the Listing Rules and has adopted procedures to regulate securities transactions by directors. The Company has obtained the respective confirmations by all directors that they had complied with the provisions of the Model Code for the six months ended 30 June 2026.

PURCHASE, SALE OR REDEMPTION OF SECURITIES OF THE COMPANY

During the six months ended 30 June 2026, neither the Group nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the six months ended 30 June 2026, there were no material acquisitions and disposals of subsidiaries and associated companies by the Group.

SIGNIFICANT LITIGATION

During the Period, the Company had no new significant litigation or arbitration matters that needed to be brought to the attention of directors of the Company and Shareholders.

INTERIM DIVIDEND

The Company considers stable and sustainable returns to Shareholders to be our goal.

Subject to compliance with the applicable laws, rules, regulations and the Articles of Association, in deciding whether to propose any dividend payout, the Board will take into account, among other things, the financial results, the earnings, losses and distributable reserves, the operations and liquidity requirements, the debt ratio and possible effects on the credit lines, and the current and future development plans of the Company.

The Board will review the dividend policy from time to time and reserves its right in its sole and absolute discretion to update, amend, modify and/or cancel the dividend policy. There can be no assurance that dividends will be paid in any particular amount for any given period.

The Board has recommended the payment of an interim dividend of RMB0.02 per share (tax inclusive) for the six months ended 30 June 2026 (for the six months ended 30 June 2025: RMB0.01 per share), which is calculated based on the total share capital of 3,684,640,154 shares for the six months ended 30 June 2026, totaling RMB73,692,803.08 (for the six months ended 30 June 2025: totaling RMB36,846,401.54). Subject to the approval by Shareholders at the extraordinary general meeting to be convened on 18 November 2026, the proposed interim dividend will be paid on 21 December 2026 to Shareholders whose names appear on the register of members of the Company on 1 December 2026 ("**Record Date**").

In order to ascertain the entitlements of the Shareholders to receive the proposed interim dividend, the register of members of the Company will be closed from Tuesday, 24 November 2026 to Tuesday, 1 December 2026 (both days inclusive), during which no transfer of shares will be registered. All transfer documents accompanied by share certificates of the Shareholders must be lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Monday, 23 November 2026.

WITHHOLDING OF ENTERPRISE INCOME TAX FOR NON-RESIDENT CORPORATE SHAREHOLDERS

Pursuant to the Enterprise Income Tax Law of the People's Republic of China ("**EIT Law**") and the implementation rules thereof and the Circular on Issues Concerning the Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Payable to H Share Non-resident Corporate Shareholders (Guo Shui Han [2008] No. 897), the Company is liable to withhold and pay the enterprise income tax on dividends payable to non-resident corporate holders of H shares whose names appear on the register of holders of H shares of the Company ("**H Share Register of Members**") on the Record Date at a rate of 10% prior to the payment of such interim dividends.

Any H shares registered in the name of non-individual shareholders will be treated as being held by non-resident corporate shareholders and hence the dividends payable to them will be subject to the withholding of enterprise income tax. Non-resident corporate shareholders may apply to the relevant taxation authorities for tax refunds in accordance with the applicable tax treaty (if any). The interim dividends payable to natural person shareholders whose names appear on H Share Register of Members on the Record Date is not subject to the withholding of income tax by the Company. For interim dividends payable to resident corporate shareholders of H shares whose names appear on H Share Register of Members on the Record Date, the Company will not withhold enterprise income tax on such dividends, provided that a legal opinion is provided by a resident corporate shareholder within the prescribed period and confirmed by the Company.

If any resident enterprise (as defined in the EIT Law) whose name appears on the H Share Register of Members which is duly incorporated in the PRC or under the laws of a foreign country (or a territory) but with a PRC-based de facto management body does not wish to have the 10% enterprise income tax to be withheld by the Company, it should lodge all transfers with and submit a legal opinion issued by a PRC certified lawyer (with affixation of common seal of the law firm thereto) that establishes its resident enterprise status to the Company's H Share Registrars, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on 23 November 2026. Any natural person investor whose H shares are registered in the name of any such non-individual shareholders and who does not wish to have any enterprise income tax to be withheld by the Company may consider transferring the legal title of the relevant H shares into his or her own name and lodging all relevant transfer instruments accompanied by the H share certificates with the Company's H Share Registrars for registration no later than 4:30 p.m. on 23 November 2026. Shareholders are recommended to consult their tax advisors regarding tax issues in respect of the ownership and disposal of H shares in the PRC and Hong Kong and other tax effects.

CLOSURE OF REGISTER OF MEMBERS

In order to ascertain the entitlements of the Shareholders to attend and vote in the extraordinary general meeting, the register of members of the Company will be closed from Friday, 13 November 2026 to Wednesday, 18 November 2026 (both days inclusive), during which no transfer of shares will be registered. All transfers accompanied by the relevant share certificates must be lodged with the Company's H Share Registrars, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, 12 November 2026.

AUDIT COMMITTEE

The audit committee, the management and the Company's auditors, Zhongshen Zhonghuan and ZSZH Hong Kong, have jointly reviewed the accounting standards adopted by the Company, laws and regulations and discussed internal control and financial reporting matters (including the review of the interim results) of the Group. The audit committee considered that the interim results are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

BOARD OF DIRECTORS

As at the date of this announcement, the executive directors of the Company 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.

The interim results announcement has been published on the website of the Company (http://www.chinacqme.com) and the website of HKEXnews of the Stock Exchange (www.hkexnews.hk). The interim report will also be available on the websites of the Company and the Stock Exchange on or around 11 September 2026 and will be despatched to the Shareholders thereafter by the means of receipt of corporate communications they selected.

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

Chongqing, the PRC
20 August 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*