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
APPLICATION OF A SUBSIDIARY OF THE COMPANY FOR BANKRUPTCY AND LIQUIDATION

This announcement is made by Chongqing Machinery & Electric Co., Ltd.* (the "**Company**") pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "**SFO**").

The board of directors of the Company (the "**Board**") hereby informs the shareholders of the Company (the "**Shareholders**") and potential investors (the "**Potential Investors**") that, on 28 August 2026, the Company received written notice from Chongqing Industrial Enabling Innovation Center Co., Ltd.*（重慶工業賦能創新中心有限公司）("**Enabling Center**", a direct wholly-owned subsidiary of the Company as at the date of this announcement) that the Enabling Center had filed an application for its own bankruptcy liquidation (the "**Application**") with the Fifth Intermediate People's Court of Chongqing (the "**Court**"). The grounds for the Application are that Enabling Center has failed to repay its debts as they fall due to its creditors, and that its assets are insufficient to settle its liabilities.

As at the date of this announcement, the Company has not received any ruling from the Court in respect of the Application, and there remains uncertainty as to whether the Court will accept the Application.

Should Enabling Center enter insolvency proceedings, it will be taken over by an administrator appointed by the Court and will no longer be included within the scope of the Company's consolidated financial statements. As at the date of this announcement, based on the above information and to the best of the Company's knowledge, the Company considers that its overall operations remain normal in all material respects. The insolvency of Enabling Center is not expected to have a material impact on the Company's consolidated profit for the current period or future periods. The final actual impact will be subject to the outcome of the insolvency proceedings and the audit by the accountants. The Company will exercise its shareholders' rights in accordance with the law, cooperate with the Court and the administrator, and safeguard the interests of the Company and all Shareholders to the greatest extent possible.

The Board will closely monitor developments in the aforementioned matter and will further assess its potential impact on the Company's business development and financial position. The Company will apply appropriate accounting treatment in accordance with the requirements of accounting standards and the actual circumstances. At the same time, the Company will strictly comply with the relevant requirements under the Listing Rules and the SFO and will fulfil its corresponding disclosure obligations regarding the progress of this matter in a timely manner. The Company will, in due course, inform Shareholders and Potential Investors of any further significant developments regarding the Application by way of publishing announcement.

The Shareholders and Potential Investors are advised to exercise caution when dealing in the securities of the Company.

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

Chongqing, the PRC
28 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*