

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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)

**CLARIFICATION ANNOUNCEMENT**

The Board would like to clarify certain information contained in the Announcement dated 17 November 2011.

Reference is made to the announcement (the “Announcement”) of Chongqing Machinery & Electric Co., Ltd. (the “Company”) dated 17 November 2011. Capitalized terms used herein shall have the same meanings as defined in the Announcement, unless the context otherwise requires.

It has come to the Company's attention that there is an inadvertent typographic error appears in the English version of the Announcement. The Board wishes to clarify that all references to “13 automobile makers” in the English version of the Announcement shall mean “13 power engine makers” instead.

Save as disclosed above, all information in the Announcement remains unchanged.

By order of the Board  
**Chongqing Machinery & Electric Co., Ltd.\***  
**Chen Xianzheng**  
*Executive Director*

Chongqing, the PRC  
18 November 2011

*As at the date of this announcement, the executive Directors are Mr. Xie Hua Jun, Mr. Yu Gang, Mr. Liao Shaohua and Mr. Chen Xianzheng; the non-executive Directors are Mr. Huang Yong, Mr. Wang Jiyu, Mr. Yang Jingpu and Mr. Liu Liangcai; and the independent non-executive Directors are Mr. Lo Wah Wai, Mr. Ren Xiaochang and Mr. Kong Weiliang.*

\* For identification purposes only