



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)
(Stock Code: 02722)

Proxy Form for the Annual General Meeting to be held on Thursday, 18 June 2015
(or at any adjournment thereof)

I/We, _____ of _____ (Note 1)

being the registered holder of _____ Domestic Shares/H Shares (Note 2) in
Chongqing Machinery & Electric Co., Ltd.* (the "Company"), HEREBY APPOINT (Note 3) the Chairman of the annual
general meeting or _____ of _____

as my/our proxy to attend and act for me/us at the annual general meeting of the Company to be held at the Conference Room, 13/F, Jidian Building, No. 60, Middle Section of Huangshan Avenue, New North Zone, Chongqing City, the PRC on Thursday, 18 June 2015 at 9:30 a.m. and at any adjournment thereof and to vote on my/our behalf as directed below.

ORDINARY RESOLUTIONS (Note 4)		FOR (Note 5)	AGAINST (Note 5)
1.	To consider and approve the report of the board of directors of the Company (the "Board") for the year ended 31 December 2014;		
2.	To consider and approve the report of the Supervisory Committee of the Company for the year ended 31 December 2014;		
3.	To consider and approve the audited financial statements of the Company and its subsidiaries and the Auditor's Report for the year ended 31 December 2014;		
4.	To consider and approve the profit appropriation proposal of the Company for the year ended 31 December 2014 and the declaration of the final dividend of RMB0.046 per share;		
5.	To consider and approve the re-appointment of PricewaterhouseCoopers Zhong Tian CPAs (special general partnership) as the PRC auditor and PricewaterhouseCoopers as the international auditor of the Company in 2015 to hold office until the conclusion of the next annual general meeting and the total review and audit fees of RMB4.7 million for the Company's 2015 interim financial statements and annual financial statements;		
6.	To consider and approve the provision of guarantee by the Company for Loans of Holroyd of GBP17 million and USD11.5 million;		
7.	To consider and approve the provision of guarantee by the Company for Loans of PTG Development of USD58.5 million;		
8.	To consider and approve the adjustment to the construction plan for the construction project of industrialisation base for large, precision and high-speed CNC gear processing machines of Chongqing Machine Tools (Group) Co., Ltd. invested from IPO Proceeds of the Company;		

* For identification purposes only

SPECIAL RESOLUTIONS <i>(Note 4)</i>		FOR <i>(Note 5)</i>	AGAINST <i>(Note 5)</i>
9.	<p>To grant a general mandate to the Board to allot, issue and deal with additional Domestic Shares and/or the H Shares and to make or grant offers, agreements and/or options in respect thereof (the “General Mandate”), subject to the following conditions:</p> <p>“THAT</p> <p>(A) (a) the General Mandate shall not extend beyond the Relevant Period save that the Board may during the Relevant Period make or grant offers, agreements and/or options which may require the exercise of such power after the end of the Relevant Period;</p> <p>(b) the aggregate nominal amount of the Domestic Shares and the H Shares allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to an option or otherwise) by the Board (otherwise than pursuant to any scrip dividend scheme (or similar arrangement providing for the allotment and issue of shares in lieu of the whole or part of a dividend), any share option scheme, a Rights Issue or any separate approval of the shareholders of the Company) shall not exceed:</p> <p>(i) 20 per cent of the aggregate nominal amount of the Domestic Shares in issue; and</p> <p>(ii) 20 per cent of the aggregate nominal amount of the H Shares in issue, respectively, in each case as at the date of passing of this special resolution; and</p> <p>(c) the Board will only exercise its power under the General Mandate in accordance with the Company Law of the PRC and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as each of them may be amended from time to time) and only if all necessary approvals from the China Securities Regulatory Commission and/or other relevant government authorities in the PRC are obtained;</p> <p>and, for the purposes of this resolution:</p> <p>“Domestic Share(s)” mean ordinary domestic share(s) in the share capital of the Company which are subscribed and/or paid for in Renminbi;</p> <p>“H Share(s)” mean overseas listed foreign invested shares (being ordinary shares) in the share capital of the Company which are subscribed and/or paid for in Hong Kong dollars or foreign currency other than Renminbi;</p>		

SPECIAL RESOLUTIONS <i>(Note 4)</i>		FOR <i>(Note 5)</i>	AGAINST <i>(Note 5)</i>
<p>“Relevant Period”</p>	<p>means the period from the date of passing this resolution until the earlier of: (a) the conclusion of the next annual general meeting of the Company following the passing of this resolution, unless, by special resolution passed at that meeting, the mandate is renewed, either unconditionally or subject to conditions; or (b) the expiry of the period within which the next annual general meeting is required by the articles of association of the Company or any applicable law to be held; or (c) the passing of a special resolution of the Company in a general meeting revoking or varying the authority set out in this resolution;</p>		
<p>“Rights Issue”</p>	<p>means the allotment or issue of shares in the Company or other securities which would or might require shares to be allotted and issued pursuant to an offer made to all the shareholders of the Company (excluding, as the Board may decide, for such purpose any shareholder who is resident in a place where such offer is not permitted under the law or regulation of that place) entitled to such offer, pro rata (apart from fractional entitlements) to their then existing holdings of shares; and</p>		
<p>(B)</p>	<p>contingent on the Board resolving to exercise the General Mandate and/or issue shares pursuant to paragraph (a) of this resolution, the Board be and is hereby authorised:</p> <p>(a) to approve, execute and do, and/or procure to be executed and done all such documents, deeds and matters which it may consider necessary in connection with the exercise of the General Mandate and/or the issue of shares, including but not limited to the time, price, quantity and place for such issue, to make all necessary applications to the relevant authorities, and to enter into underwriting agreement(s) or any other agreement(s);</p> <p>(b) to determine the use of proceeds and to make all necessary filings and registration with the relevant authorities in the PRC, Hong Kong and/or any other places and jurisdictions (as appropriate); and</p> <p>(c) to increase the registered capital of the Company and make all necessary amendments to the Articles to reflect such increase and to register the increased capital with the relevant authorities in the PRC, Hong Kong and/or any other places and jurisdictions (as appropriate) as so to reflect the new capital and/or share capital structure of the Company.”</p>		

Date: _____ 2015

Signature(s) *(Note 6)*: _____

Notes:

1. Full name(s) (in Chinese and English) and address(es) (as shown in the register of members) are to be inserted in **BLOCK CAPITALS**.
2. Please insert the number of shares in the Company registered in your name(s) to which this form of proxy relates. If no number is inserted, this form of proxy will be deemed to relate to all shares in the capital of the Company registered in your name(s). Please also strike out the type of shares (Domestic Shares/H Shares) to which the proxy does not relate.
3. Please insert the name and address of the proxy desired. **IF NO NAME IS INSERTED, THE CHAIRMAN OF THE MEETING WILL ACT AS YOUR PROXY.**
4. The full text of these resolutions is set out in the notice of the meeting which is sent to the shareholders of the Company together with this form of proxy.
5. If you wish to vote for any of the resolutions set out above, please tick (“✓”) in the boxes marked “FOR”. If you wish to vote against any of the resolutions, please tick (“✓”) in the boxes marked “AGAINST”. If this form of proxy returned is duly signed but without specific direction on any of the proposed resolutions, the proxy will vote or abstain at his discretion in respect of all resolutions; or if in respect of a particular proposed resolution there is no specific direction, the proxy will, in relation to that particular proposed resolution, vote or abstain at his discretion. A proxy will also be entitled to vote at his discretion on any resolution properly put to the meeting other than those set out in the notice of the annual general meeting.
6. This form of proxy must be signed by a shareholder, or his attorney duly authorized in writing, or if the shareholder is a corporation, either under its common seal or under the hand of an officer or attorney so authorized. All powers of attorney referred to in this note must be notarially certified.
7. In the case of a joint holding, this form of proxy may be signed by any joint holder, but if more than one joint holder is present at the meeting, whether in person or by proxy, that one of the joint holder whose name stands first on the register of members in respect of the relevant joint holding shall alone be entitled to vote in respect thereof.
8. As regards the holders of H Shares and in order to be valid, this form of proxy, together with any power of attorney or other authority (if any), under which it is signed or a notarially certified copy of such power of attorney or authority, must be deposited with the Company’s H Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 24 hours before the time appointed for holding the annual general meeting or any adjournment thereof.
9. As regards the holders of Domestic Shares and in order to be valid, this form of proxy, together with any power of attorney or other authority (if any), under which it is signed or a notarially certified copy of such power of attorney or authority, must be deposited with the Company’s registered office at No. 60, Middle Section of Huangshan Avenue, New North Zone, Chongqing City, the PRC not less than 24 hours before the time appointed for holding the annual general meeting or any adjournment thereof.
10. A proxy attending the annual general meeting on behalf of a shareholder must present this form of proxy, duly completed and signed, and the proxy’s proof of identity.
11. This form of proxy is in duplicate. One of which should be lodged in accordance with the instruction under note 8 or note 9 and the other shall be presented at the annual general meeting in accordance with the instruction under note 10.
12. Any alteration made to this form of proxy should be initialed by the person who signs this form of proxy.
13. Unless the context requires otherwise, terms defined in the notice of the annual general meeting shall bear the same meanings when used in this form of proxy.