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**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: 2722)

## **UNUSUAL PRICE AND VOLUME MOVEMENT**

This statement is made at the request of The Stock Exchange of Hong Kong Limited.

The board of directors (“Board” or “Directors”) of Chongqing Machinery & Electric Co., Ltd. (the “Company”) has noted today’s increase in the price and increase in the trading volume of the shares of the Company and wishes to state that save and except for the announcement dated 6 January 2008 issued by the Company in relation to the proposed acquisition of shares in Qijiang Gear Transmission Co., Ltd and Qijiang Qi-Chi Forging Co. Ltd at Chongqing United Assets And Equity Exchange, the Board is not aware of any reasons for such movement.

The Board also confirms that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under rule 13.23 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), neither is the Board aware of any matter discloseable under the general obligation imposed by rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

Made by the order of the Board of the Company, the Directors of which individually and jointly accept responsibility for the accuracy of this statement.

By Order of the Board  
**Chongqing Machinery & Electric Co., Ltd.\***  
**Sun Nengyi**  
*Executive Director, Chairman*

Chongqing, the PRC, 30 January 2009

*As at the date of this announcement, the executive directors are Mr. Sun Nengyi, Mr. He Yong, Mr. Liao Shaohua and Mr. Chen Xianzheng; the non-executive directors are Mr. Huang Yong, Mr. Yu Gang, Mr. Yang Jingpu and Mr. Wu Jian; and the independent non-executive directors are Mr. Lo Wah Wai, Mr. Ren Xiaochang and Mr. Kong Weiliang.*

\* *For identification purposes only*