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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: 02722)

**PROPOSED AMENDMENTS TO ARTICLES
OF THE COMPANY**

In light of the amendments to the Listing Rules which were effective from 1 January 2009, special resolutions will be proposed at the AGM to approve the necessary amendments to the relevant provisions of the Articles, to allow the Company to send or otherwise make available the corporate communication to the Shareholders using electronic means.

In light of the amendments to the Listing Rules which were effective from 1 January 2009, whereby the Company may, subject to the Listing Rules and the Articles, send or otherwise make available the corporate communication to the Shareholders using electronic means, special resolutions will be proposed at the AGM to approve the necessary amendments to the relevant provisions of the Articles, to allow the Company to send or otherwise make available the corporate communication to the Shareholders using electronic means.

Full text of the proposed amendments to the Articles will be set out in the notice convening the AGM to be sent to the Shareholders together with the circular.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“AGM”	means	the annual general meeting of the Company to be convened and held to consider and approve, among other things, the proposed amendments to the Articles
“Articles”	means	the articles of associations of the Company currently in force
“Company”	means	Chongqing Machinery & Electric Co., Ltd.* (重慶機電股份有限公司) a joint stock limited company incorporated in the PRC with limited liability
“Listing Rules”	means	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	means	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	means	Renminbi, the lawful currency of the PRC
“Shareholders”	means	holder(s) of the Shares

“Shares” means means the ordinary shares in the share capital of the Company with a nominal value of RMB1.00 each, comprising the domestic shares and the H shares

“Stock Exchange” means the Stock Exchange of Hong Kong Limited

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

Chongqing, the PRC
28 April 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*