



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)

Proxy Form for the Extraordinary General Meeting to be held on Thursday, 25 June 2009 (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 extraordinary general meeting or _____ of _____
_____ as my/our proxy to attend and act for me/us at the extraordinary general meeting of the Company to be held at Empark Grand Hotel Chongqing at No. 1, 2nd Branch Jianxin North Road, Jiangbei District, Chongqing, the People's Republic of China on Thursday, 25 June 2009 at 12:00 noon 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.	THAT the transactions amount which exceeds the annual cap for the financial year ended 31 December 2008 under the Master Supplies Agreement be ratified and approved;		
2.	<p>THAT:</p> <p>(a) the annual proposed caps of being the aggregate purchase price payable by the Parent Company and its associates to the Company and its associates (the "Group") under the Master Sales Agreement for the financial year ended 31 December 2009 be revised from RMB68,000,000 to RMB130,000,000;</p> <p>(b) the annual proposed caps of being the aggregate purchase price payable by the Parent Company and its associates to the Group under the Master Sales Agreement for the financial year ended 31 December 2010 be revised from RMB75,000,000 to RMB160,000,000;</p> <p>(c) the annual proposed caps of being the aggregate purchase price payable by the Group to the Parent Company and its associates under the Master Supplies Agreement for the financial year ended 31 December 2009 be revised from RMB35,000,000 to RMB120,000,000;</p> <p>(d) the annual proposed caps of being the aggregate purchase price payable by the Group to the Parent Company and its associates under the Master Supplies Agreement for the financial year ended 31 December 2010 be revised from RMB35,000,000 to RMB140,000,000;</p> <p>(e) the Supplemental Agreements, a copy of each Supplemental Agreement has been produced at the meeting marked "A" and initiated by the chairman of the meeting for identification purpose, as more particularly described in the circular to the shareholder of the Company dated 6 May 2009 of which this notice forms part and all the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified; and</p> <p>(f) the directors of the Company be and are hereby authorised to do all such things and take all such actions for and on behalf of the Company as they consider necessary, desirable or expedient in connection with the revision as set out in paragraphs (a) to (d) of this resolution.</p>		

Dated this _____ date of _____ 2009

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 extraordinary 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 to 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 or authority, must be deposited with the Company’s H Share Registrar, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 24 hours before the time appointed for holding the extraordinary general meeting or any adjournment thereof.
9. As regards to 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 or authority, must be deposited with the Company’s registered office at No. 155, Zhongshan Third Road, Yuzhong District, Chongqing City, the PRC not less than 24 hours before the time appointed for holding the extraordinary general meeting or any adjournment thereof.
10. A proxy attending the extraordinary 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 extraordinary 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 the form of proxy.
13. Unless the context requires otherwise, terms defined in the notice of the extraordinary general meeting shall bear the same meanings when used in this form of proxy.

* *For identification purposes only*