



**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 Monday, 31 August 2009**  
**(or at any adjournment thereof)**

I/We, \_\_\_\_\_  
of \_\_\_\_\_ <sup>(Note 1)</sup> being the registered  
holder of \_\_\_\_\_ Domestic Shares/H Shares <sup>(Note 2)</sup> in Chongqing Machinery & Electric Co., Ltd. \* (the "Company"), **HEREBY**  
**APPOINT** <sup>(Note 3)</sup> 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 Grand Metropark Hotel Chongqing at No. 1598, Jinkai Road, North New Zone, Chongqing, the People's Republic of China on Monday,  
31 August 2009 at 9:30 a.m. and at any adjournment thereof and to vote on my/our behalf as directed below.

	<b>ORDINARY RESOLUTIONS</b> <sup>(Note 4)</sup>	<b>FOR</b> <sup>(Note 5)</sup>	<b>AGAINST</b> <sup>(Note 5)</sup>
1.	To consider and approve the resignation of Mr. Sun Nengyi as executive Director and the chairman and the appointment of Mr. Xie Hua Jun as an executive director of the Company to hold office from the date of the Meeting until expiry of the term of the session of the Board and to authorize the Board to fix the remuneration of Mr. Xie Hua Jun pursuant to the remuneration standard for Directors passed at the 2007 annual general meeting and to enter into a service agreement with him on and subject to such terms and conditions as the Board shall think fit and to do all such acts and things to give effect to such matters;		
2.	To consider and approve the resignation of Mr. Ye Zusheng as the Supervisor and the appointment of Ms. Liao Rong as a supervisor of the Company to hold office from the date of the Meeting until expiry of the term of the session of the Supervisory Committee of the Company and to authorize the Board to fix the remuneration of Ms. Liao Rong pursuant to the remuneration standard for supervisors passed at the 2007 annual general meeting and to enter into a service agreement with her on and subject to such terms and conditions as the Board shall think fit and to do all such acts and things to give effect to such matters;		

	<b>ORDINARY RESOLUTIONS</b> <sup>(Note 4)</sup>	<b>FOR</b> <sup>(Note 5)</sup>	<b>AGAINST</b> <sup>(Note 5)</sup>
3.	<p>To consider and approve the amendments to the Articles of the Company (the “<b>Articles</b>”) in the following manner:</p> <p>Existing Article 11 of the Articles be deleted in entirety and replaced by the following:</p> <p>The Company’s operating principles: carry out its own businesses in accordance with relevant laws and regulations; constantly enhance its management standards and core competitiveness to provide clients with quality services; maximize the interests of shareholders and corporate value of the Company; create good economic and social benefits; and become a world-class equipment manufacturing industry group with core competitiveness, vitality and sustainable development.</p> <p>The Company’s operating scope shall only cover the items authorized by the company registration authority.</p> <p>The scope of business of the Company:</p> <p>Development, manufacture and sales of vehicle parts and components, electric machinery and apparatus, environment friendly equipment, CNC machine tools, electric equipment and apparatus, communication equipment (excluding receiving and transmitting facilities), computer and its components, nonferrous metal smelting products and their processing products, instruments and meters, office machinery products, wind power generation equipment; investment in equipment manufacturers, property developers and financial institutions; import &amp; export trade, hi-tech consultation service.</p> <p>According to the domestic and international market trends, business needs and its own growth capability, the Company may opportunely adjust investment policies, business scope and mode, subject to approvals by resolution of the general meeting and relevant governmental authorities.</p>		

Dated this \_\_\_\_\_ date of \_\_\_\_\_ 2009

Signature(s)<sup>(Note 6)</sup> \_\_\_\_\_

*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 extraordinary general 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 1806-1807, 18/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