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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)

**ELECTION OF MEANS AND LANGUAGE OF RECEIPT OF
CORPORATE COMMUNICATION**

The Company is making arrangements to ascertain the preferences of its shareholders with respect to the choice of means of receipt and language of its Corporate Communication in accordance with Rules 2.07A and 2.07B of the Listing Rules.

INTRODUCTION

For the purposes of environmental protection and cost saving, the Company is making the arrangements described below to ascertain its shareholders' preferences as to the choice of means of receipt (in printed form or by electronic means) and language (in English only, in Chinese only or both English and Chinese) of the future Corporate Communication.

The Company recommends its shareholders to select the Website Version (as defined below). Even if the shareholders of the Company shall have chosen the Website Version (as defined below), they have the right at any time by sending reasonable notice in writing to the Company's H Share Registrar to change their choice.

PROPOSED ARRANGEMENTS

In accordance with Rule 2.07A and note (8) of Rule 2.07B(2) of the Listing Rules, the following arrangements will be made by the Company:

1. The Company will send a letter dated 16 July 2009 (the “First Letter”) and a language election reply form (the “Reply Form”) with a mailing label printed, prepared in English and Chinese, to its shareholders to enable them to elect among the options below how to receive the future Corporate Communication:
 - (i) to read the Corporate Communication published on the Company’s website: www.chinacqme.com (“Website Version”); or
 - (ii) to receive a printed English version only; or
 - (iii) to receive a printed Chinese version only; or
 - (iv) to receive both the printed English and Chinese versions.

If the Company does not receive the Reply Form from its shareholder within 28 calendar days beginning from the date of the First Letter, i.e. by 13 August 2009, and until such shareholder inform the Company’s H Share Registrar or send a notice to chongqingmachinery.ecom@computershare.com.hk by reasonable prior notice in writing, such shareholder will be deemed to have consented to receiving the Website Version and only a printed notification of the publication of the Corporate Communication on the Company’s website will be sent to such shareholder in the future.

2. With respect to shareholders who choose to receive the Corporate Communication in printed form, the Company will send the selected language version of the Corporate Communication to those shareholders who have made a selection unless and until they notify the Company’s H Share Registrar in writing that they wish to receive the Corporate Communication in the other (or both) language(s), or by electronic means (through the Company’s website).

3. When each printed Corporate Communication is sent out in accordance with the arrangements described above, a letter (the “Second Letter”) and a language election change request form (the “Change Request Form”), prepared in English and Chinese with a mailing label printed, will be attached to or printed in the relevant Corporate Communication, specifying that the Corporate Communication prepared in the other language will be available upon request, and that shareholders may change their choice of means of receipt and language of the Corporate Communication by completing the Language Election Form and returning it to the Company’s H Share Registrar.
4. All Corporate Communication in both English and Chinese, and in accessible format, will be available on the Company’s website at www.chinacqme.com. Soft copies of both languages of all such Corporate Communication will be filed with the Stock Exchange on the same day they are despatched to shareholders, or on such other day as required by the Stock Exchange or pursuant to the Listing Rules.
5. The Company can be contacted during business hours (from 9:00 a.m. to 6:00 p.m., Monday to Friday, excluding public holidays) telephone hotline is (852) 2862 8688 enable shareholders to make enquiry of the Company’s proposed arrangements set out above.
6. The First Letter and the Second Letter will mention that both languages of each Corporate Communication will be available on the Company’s website and that the dial-up enquiry service has been provided.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meanings set out below:

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| “Company” | means Chongqing Machinery & Electric Co., Ltd.* a joint stock limited company incorporated in the People’s Republic of China with limited liability, the shares of which are listed on the Main Board of the Stock Exchange; |
| “Corporate Communication” | means any document issued or to be issued by the Company for the information or action of holders of any of the Company’s securities as defined in Rule 1.01 of the Listing Rules; |

“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“H Share Registrar”	means Computershare Hong Kong Investor Services Limited, at Rooms 1806-07, 18th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong; and
“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

15 July 2009, Chongqing, the PRC

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*